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March 25, 2014

Northland Regional Economic Indicators Forum

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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

The regional population trend has been flat. In 2007, the area population was 483,742, and it increased slightly to 483,843 by 2012.

The region is recovering from the Great Recession where total employment had dropped to 191,907 in 2009. However, the 2013 total employment of 196,390 is still below the peak total employed of 200,631 in 2007.

The top three sectors — Health Care and Social Assistance, Leisure and Hospitality, and Retail Trade — account for 48% of the REIF economic employment.

But the recovery has not been even across industry sectors. The best growth or recovery has been in Educational Services, Mining, Leisure and Hospitality, and Health Care and Social Services. Ten sectors have not recovered their lost employment.

The dropping unemployment rate 1990 to 2013 indicates a positive sign for the area. The number of unemployed persons is declining, but employment is up only slightly and the number of worker in the labor force is also down.

The 2007 to 2011 commuting patterns analysis shows that virtually all of the counties had an increase in the number of workers who live in in one county but commute to another for employment. However, at the same time, more workers are commuting into a county to find employment.

Migration data from 2012 shows that between 10.2% and 16.2% moved that year in the different counties. Most movers stayed in their respective counties or their state.

Both Minnesota and Wisconsin had 2010-2013 employment projects that showed strong growth in Health Care and related sectors.

Since 2003, the Health Care and Social Assistance workforce has grown dramatically. However, the average age of this workforce has also increased.

CONSUMER CONFIDENCE INDICATORS.

According to the national and regional consumer confidence indicators, the current pace of economic expansion is sluggish. However, consumer sentiment and expectations remain fairly robust despite the unusually cold winter and high home heating costs.

EQUITY PERFORMANCE

This is the first report of an ongoing research project that tracks the equity performance of twelve companies located within the 15 county region surrounding the Twin Ports. An index of local stocks of interest is 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 report also provides a look into the future by examining measures that provide forecasts of future performance.

Although the index showed a strong positive return of 13.17% over the past year, the overall performance of the index is below average when compared to the benchmark return of 35.44%. Contributing to the lackluster performance were the large negative returns from four of the stocks in the index, which had a strong influence on the overall performance of the index.

The Value Line® Measures analyzed indicate that the stocks in the index are consistent with market expectations of future performance. The overall performance of the index is very consistent and comparable to the market. Additional measures of future performance indicate investors are generally positive about short-term expectations of performance and overall, it appears investors' expectations of future performance for the index is quite good.

BUSINESS CONFIDENCE INDICATORS

After receiving data collected from the initial business confidence survey, we have concluded that overall business confidence is moderately optimistic. The index we created registered a score of 112 (a reading of 100 indicates complete neutrality). Of the 185 responses to the survey, 55% were considered small businesses (1-19 employees). While the overall trends across the board were strong, the top five major factors limiting increases in business activity were shown to be: 1) Competition within sector; 2) Lack of Demand; 3) Shortage of skilled labor; 4) Cost of labor; 5: Cost of materials.

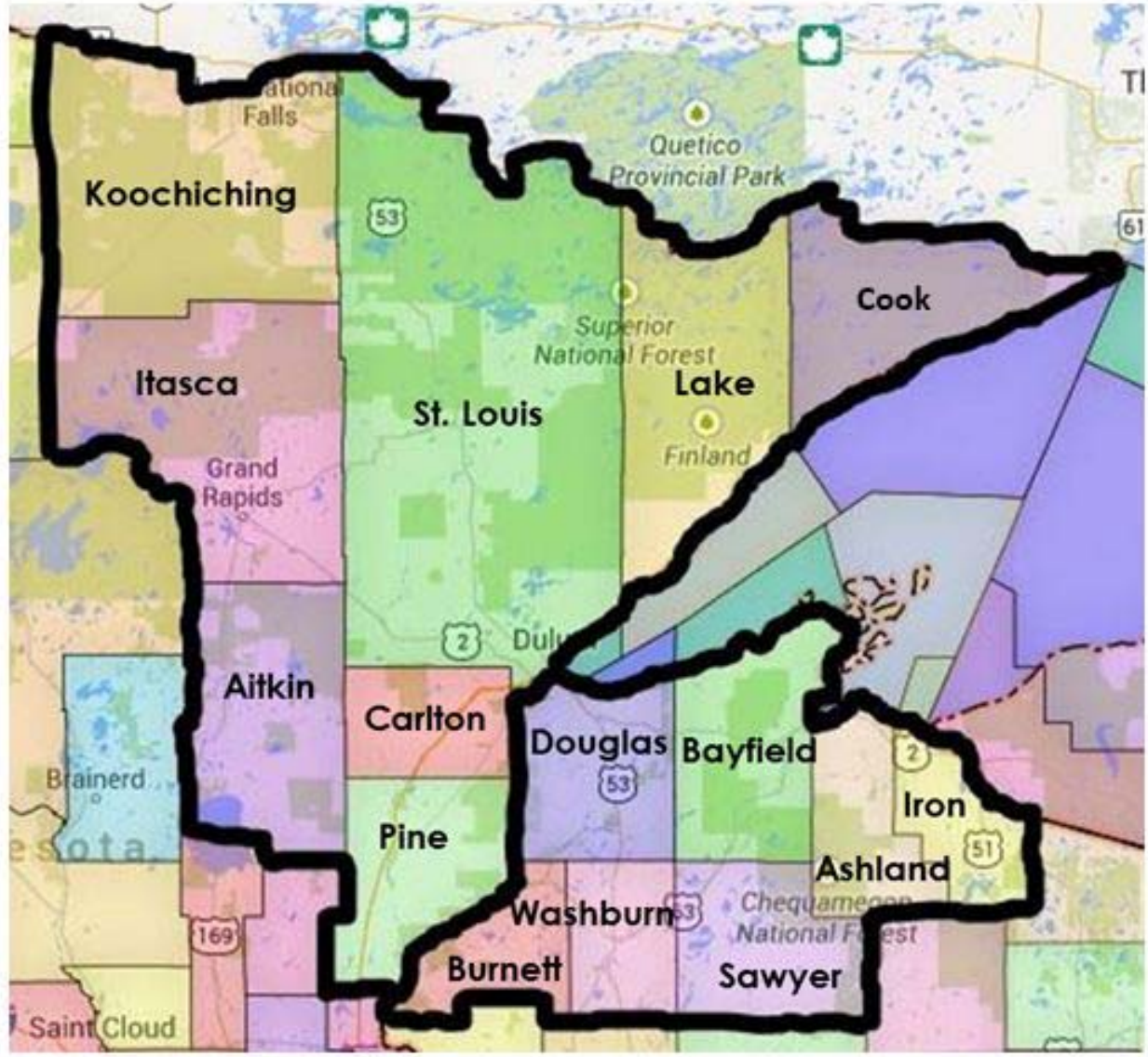
Most of our responses came from businesses in the following sectors: Professional Services; Financial Services; Non-Profit; and Leisure and Hospitality. Our initial analysis indicates that there is a cross-industry consensus that business conditions were strong in the previous six months and, although only slightly weaker, will continue to be strong in the coming six months.

On the whole, businesses seemed absolutely unaffected by the Affordable Care Act one way or the other.

The second survey is still out and once enough of them have been completed, we will be able to conduct a fuller analysis and measure how much confidence in the regional business landscape has changed since the initial survey.

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.



DEMOGRAPHICS

James A. Skurla, Director of the Bureau of Business and Economic Research (BBER) at the University of Minnesota Duluth. Student Researchers: Malia Rowell, Jenna Jacobson.

The following information includes the demographics of population, personal income, and per capita income for the REIF region.

The regional population has been flat from 2007 to 2012, as shown in the following three tables and graph. In 2007, the population was 483,742 and increase slightly to 483,843 by 2012. The Minnesota counties increases slightly, while the Wisconsin counties declines slightly.

Minnesota Population (persons)

County	2007	2008	2009	2010	2011	2012
Aitkin, MN	16,481	16,422	16,168	16,211	16,102	15,927
Carlton, MN	34,596	34,986	35,269	35,409	35,507	35,348
Cook, MN	5,217	5,255	5,203	5,167	5,216	5,185
Itasca, MN	44,809	44,852	45,066	45,010	45,112	45,221
Koochiching, MN	13,577	13,432	13,276	13,307	13,244	13,208
Lake, MN	10,938	10,872	10,872	10,869	10,813	10,818
Pine, MN	29,210	29,614	29,655	29,727	29,607	29,218
St. Louis, MN	198,903	199,745	200,198	200,169	200,318	200,319
Total of Counties	353,731	355,178	355,707	355,869	355,919	355,244
Minnesota state total	5,207,203	5,247,018	5,281,203	5,310,737	5,347,299	5,379,139

Source: US Department of Commerce, Bureau of Economic Analysis

Wisconsin Population (persons)

County	2007	2008	2009	2010	2011	2012
Ashland, WI	16,199	16,145	16,128	16,172	16,126	15,992
Bayfield, WI	15,255	15,160	14,981	15,015	15,136	15,099
Burnett, WI	15,965	15,696	15,609	15,434	15,520	15,382
Douglas, WI	43,710	43,830	43,998	44,188	44,013	43,785
Iron, WI	6,170	6,101	5,966	5,889	5,998	5,934
Sawyer, WI	16,674	16,650	16,559	16,569	16,539	16,581
Washburn, WI	16,038	16,003	15,947	15,922	15,768	15,826

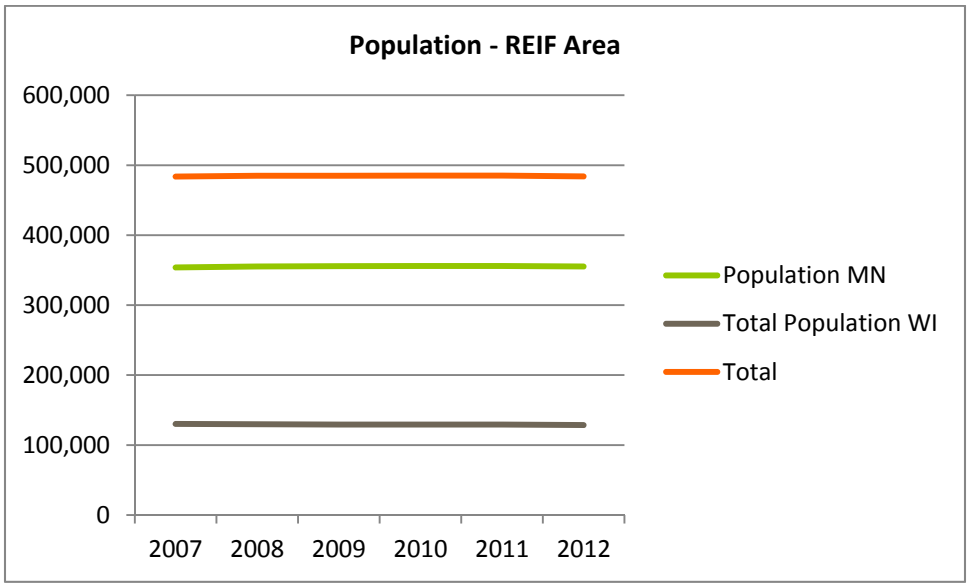
Total of Counties	130,011	129,585	129,188	129,189	129,100	128,599
Wisconsin state total	5,610,775	5,640,996	5,669,264	5,689,591	5,709,843	5,726,398

Source: US Department of Commerce, Bureau of Economic Analysis

Combined Population (persons)

	2007	2008	2009	2010	2011	2012
Population MN	353,731	355,178	355,707	355,869	355,919	355,244
Total population WI	130,011	129,585	129,188	129,189	129,100	128,599
Total	483,742	484,763	484,895	485,058	485,019	483,843

Source: US Department of Commerce, Bureau of Economic Analysis



Source: US Department of Commerce, Bureau of Economic Analysis

Personal income in the REIF region increase by 16.5% from $15.5 billion to $18 billion in 2012, as shown in the following tables and graph. The resulting per capita income also increases by 16.4% from $32,037 to $37,302.

Minnesota Personal Income (thousands)

County	2007	2008	2009	2010	2011	2012
Aitkin, MN	$455,087	$477,416	$479,885	$498,064	$523,471	$542,848
Carlton, MN	$997,963	$1,051,112	$1,069,823	$1,103,040	$1,154,693	$1,178,121

Cook, MN	$188,739	$197,725	$200,820	$205,454	$226,179	$233,329
Itasca, MN	$1,319,408	$1,393,469	$1,411,793	$1,452,432	$1,546,399	$1,590,761
Koochiching, MN	$432,986	$439,385	$444,701	$469,580	$481,029	$477,889
Lake, MN	$396,419	$413,217	$406,680	$430,290	$460,217	$478,053
Pine, MN	$758,528	$797,776	$810,250	$838,686	$870,523	$893,129
St. Louis, MN	$6,979,520	$7,242,531	$7,072,491	$7,290,798	$7,796,421	$8,007,980
Total of Counties	$11,528,650	$12,012,631	$11,896,443	$12,288,344	$13,058,932	$13,402,110
Minnesota State 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

Wisconsin Personal Income (thousands)

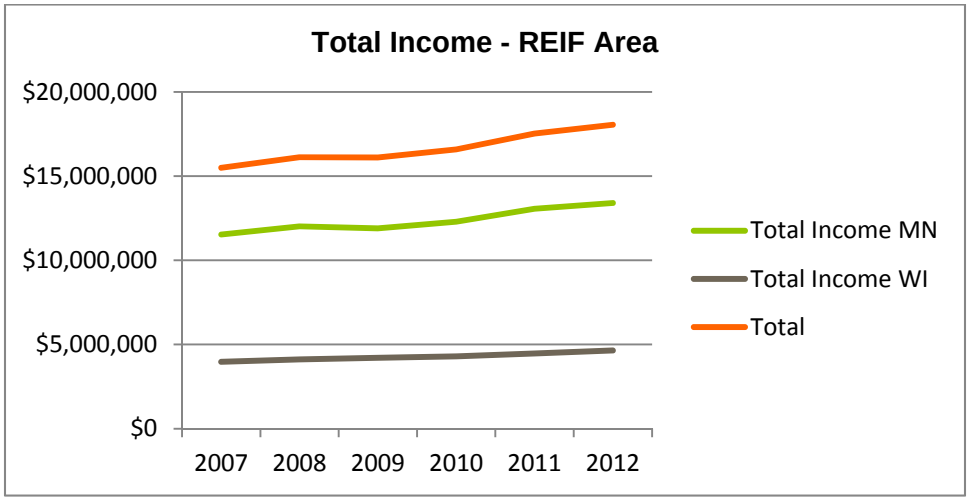
County	2007	2008	2009	2010	2011	2012
Ashland, WI	$497,165	$508,627	$538,059	$523,770	$541,129	$566,696
Bayfield, WI	$466,622	$486,172	$500,363	$503,088	$521,360	$547,209
Burnett, WI	$494,601	$512,199	$517,969	$535,764	$563,171	$587,342
Douglas, WI	$1,304,041	$1,346,343	$1,358,270	$1,397,183	$1,446,444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

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



Source: US Department of Commerce, Bureau of Economic Analysis

The per capita income 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.

Minnesota Per Capita Personal Income ($)

County	2007	2008	2009	2010	2011	2012
Aitkin, MN	$27,613	$29,072	$29,681	$30,724	$32,510	$34,084
Carlton, MN	$28,846	$30,044	$30,333	$31,151	$32,520	$33,329
Cook, MN	$36,178	$37,626	$38,597	$39,763	$43,363	$45,001
Itasca, MN	$29,445	$31,068	$31,327	$32,269	$34,279	$35,177
Koochiching, MN	$31,891	$32,712	$33,497	$35,288	$36,321	$36,182
Lake, MN	$36,242	$38,007	$37,406	$39,589	$42,561	$44,191
Pine, MN	$25,968	$26,939	$27,323	$28,213	$29,403	$30,568
St. Louis, MN	$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

Wisconsin Per Capita Personal Income ($)

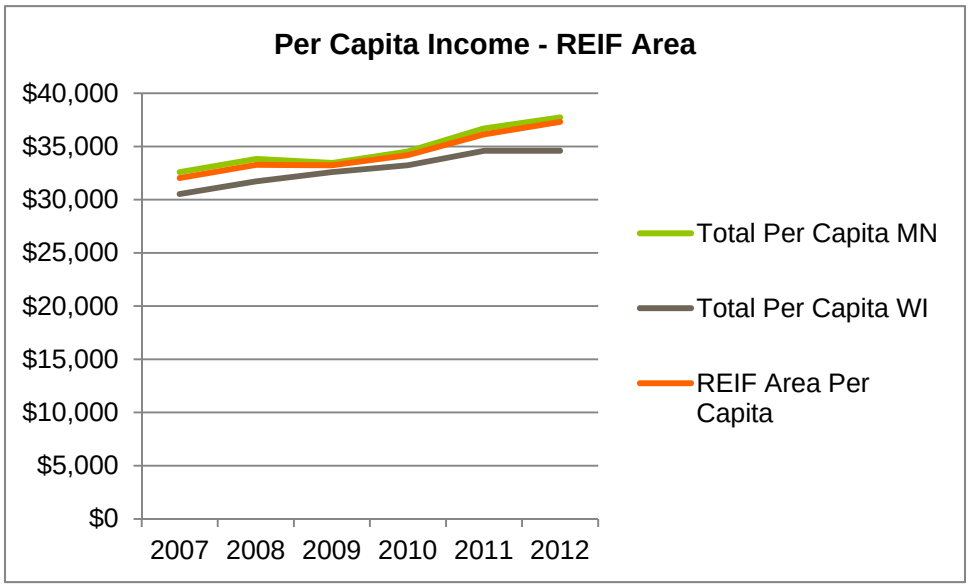
County	2007	2008	2009	2010	2011	2012
Ashland, WI	$30,691	$31,504	$33,362	$32,387	$33,556	$35,436
Bayfield, WI	$30,588	$32,069	$33,400	$33,506	$34,445	$36,241
Burnett, WI	$30,980	$32,632	$33,184	$34,713	$36,287	$38,184
Douglas, WI	$43,710	$43,830	$43,998	$44,188	$44,013	$43,785
Iron, WI	$29,299	$32,415	$35,798	$37,243	$38,156	$40,700
Sawyer, WI	$33,539	$32,893	$34,506	$35,128	$36,226	$38,067
Washburn, WI	$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

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



Source: US Department of Commerce, Bureau of Economic Analysis

EMPLOYMENT AND INDUSTRY TRENDS

11 SUPERSECTORS

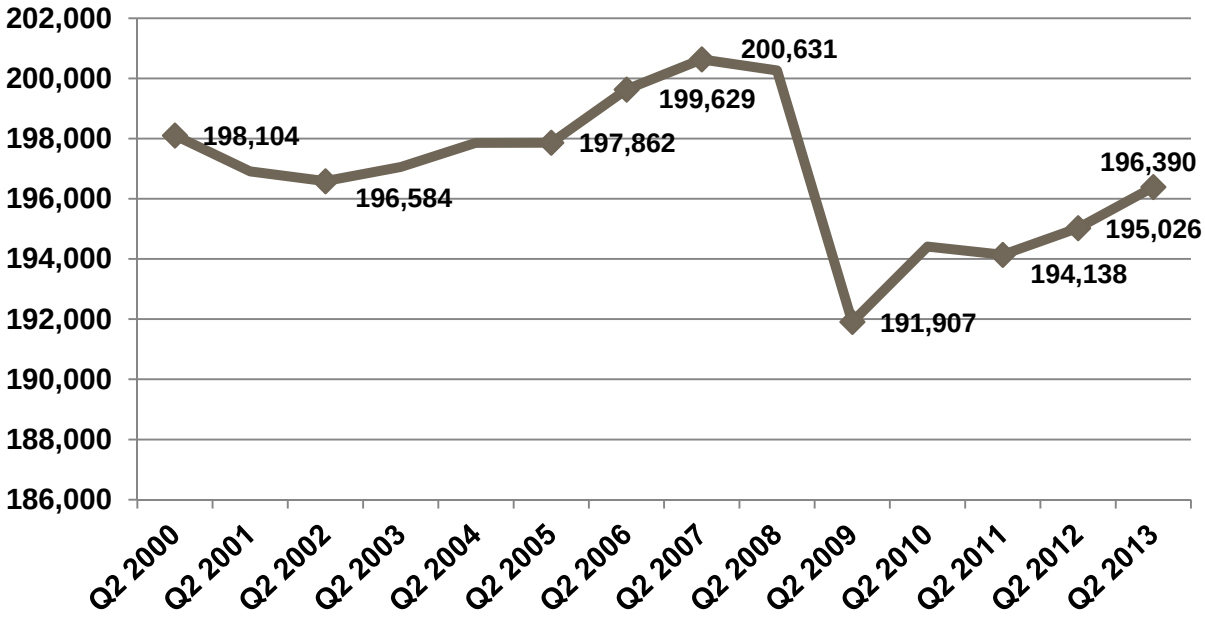
The following data is presented with the 11 Supersectors for the REIF Region. Due to the federal, state, and local data disclosure restrictions, detailed data sectors compilations and comparisons were not possible. The best tabulations came in the aggregated Supersectors as shown in the following tables.

- Natural Resources & Mining
- Construction
- Manufacturing
- Trade, Transportation, & Utilities
- Information
- Financial Activities
- Professional & Business Services
- Education & Health Services
- Leisure & Hospitality
- Other Services
- Public Administration

TOTAL EMPLOYMENT: Q2 2000-2013

The graph below shows total REIF employment for the Second Quarter 2000 to the Second Quarter 2013. This shows that the region is recovering from the Great Recession where total employment had dropped to 191,907 in 2009. However, the 2013 total employment of 196,390 is still below the peak total employment of 200,631 in 2007.

Table 1: Total Employment: Q2 2000-2013

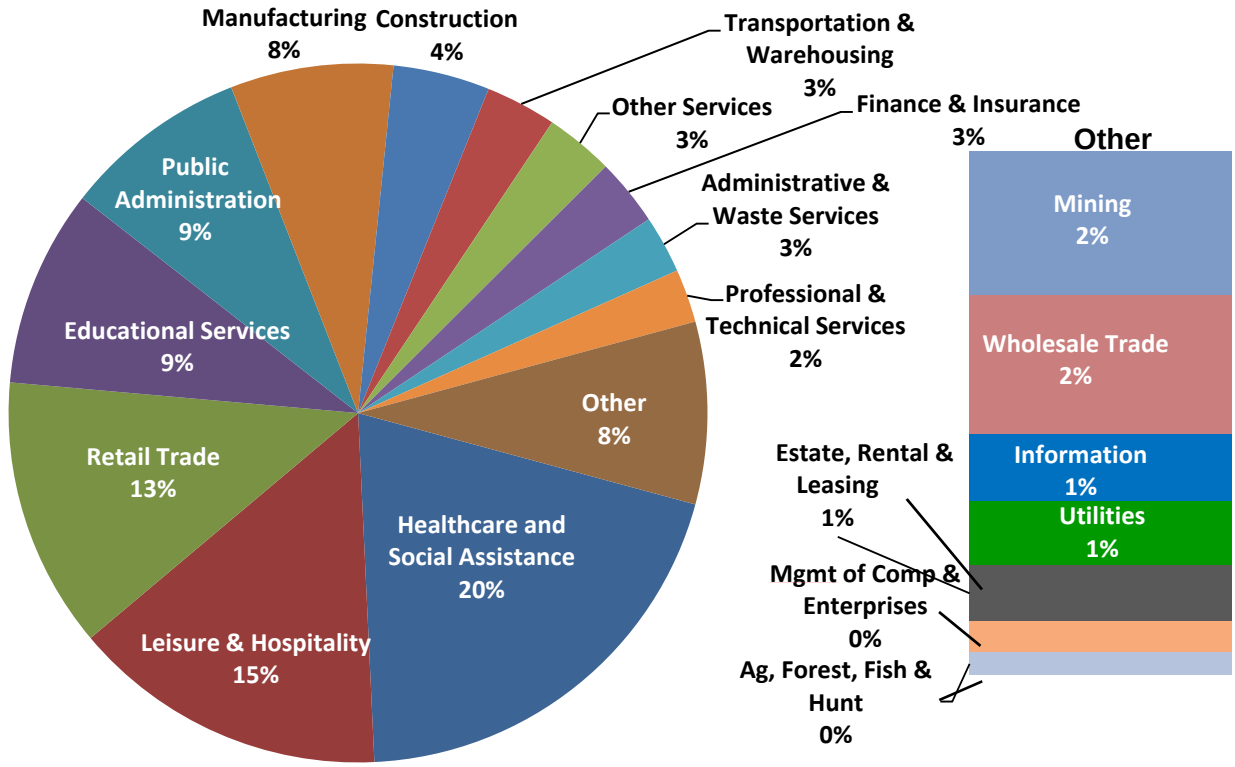


Source: Quarterly Census of Employment and Wages: MN DEED & WI Department of Workforce Development

INDUSTRY MIX – Q2 2013

The pie chart below breaks the regional economy into multiple sectors. The top three sectors — Health Care and Social Assistance, Leisure and Hospitality, and Retail Trade — account for 48% of the REIF economic employment. The sectors of Educational Services, Public Administration, and Manufacturing account for 26% of the employment. Together these sectors total 74% of the total REIF employment in 2013.

Table 2: Industry Mix - Q2 2013

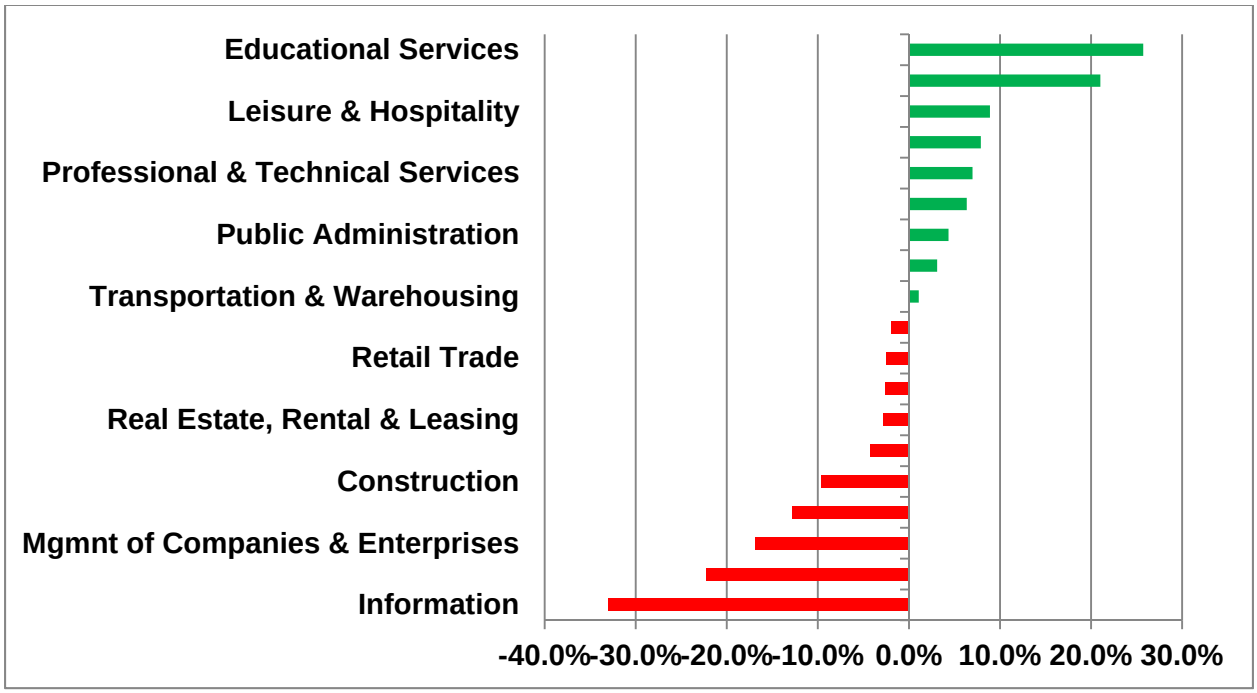


Source: Quarterly Census of Employment and Wages: MN DEED & WI Department of Workforce Development

PRE/POST RECESSION EMPLOYMENT CHANGE – Q2 2007-2013

The employment recovery by industry sector is show in the chart below. This shows if an industrial sector has regained its jobs from 2007 or before the recession. The best growth or recovery has been in Educational Services, Mining, Leisure and Hospitality, and Health Care and Social Services. But ten sectors have not recovered the lost employment. These include Information, Manufacturing, and Construction.

Table 3: Pre/Post Recession Employment Change Q2 2007-2013

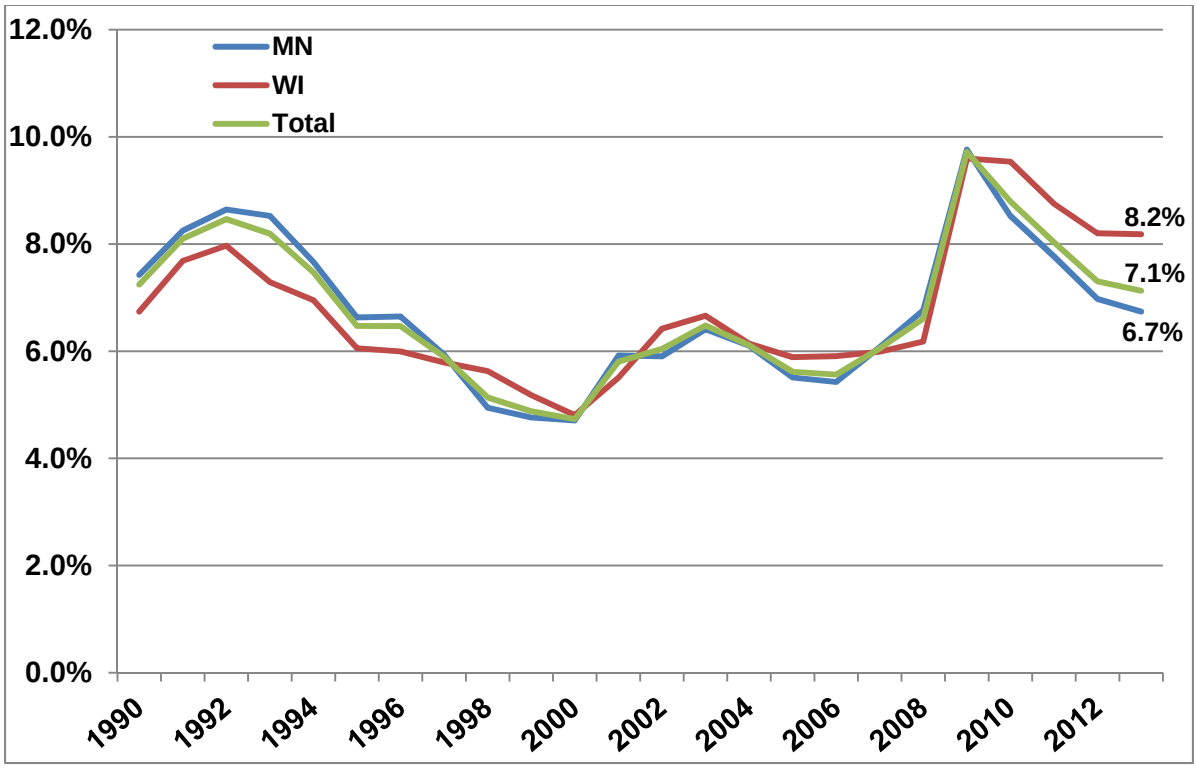


Source: Quarterly Census of Employment and Wages: MN DEED & WI Department of Workforce Development

UNEMPLOYMENT RATE: 1990-2013

The graph below showing the unemployment rate from 1990 to 2013 indicates a positive sign for the area. The economic recovery is clearly underway. Further information below will show that this economic statistic should be viewed with caution.

Table 4: Unemployment Rate: 1990-2013

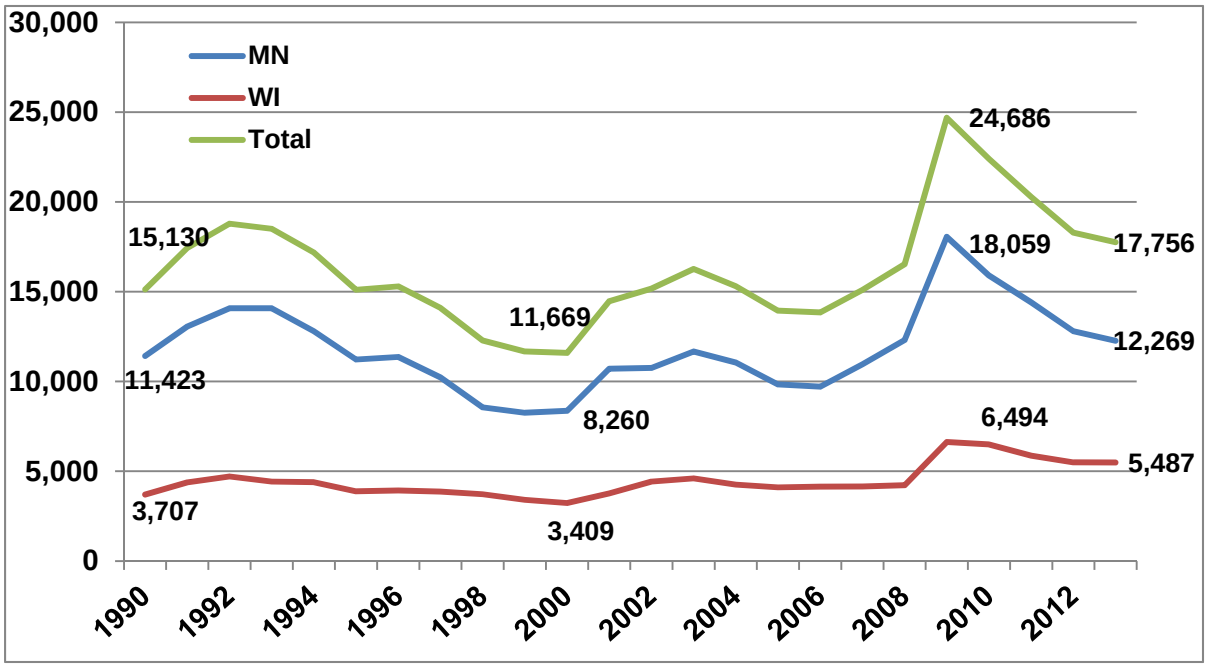


Source: LAUS: MN DEED & WI Dept. of Employment

TOTAL UNEMPLOYMENT: 1990-2013

As expected, the total unemployment has dropped as indicated by the employment 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.

Total Employment: 1990-2013

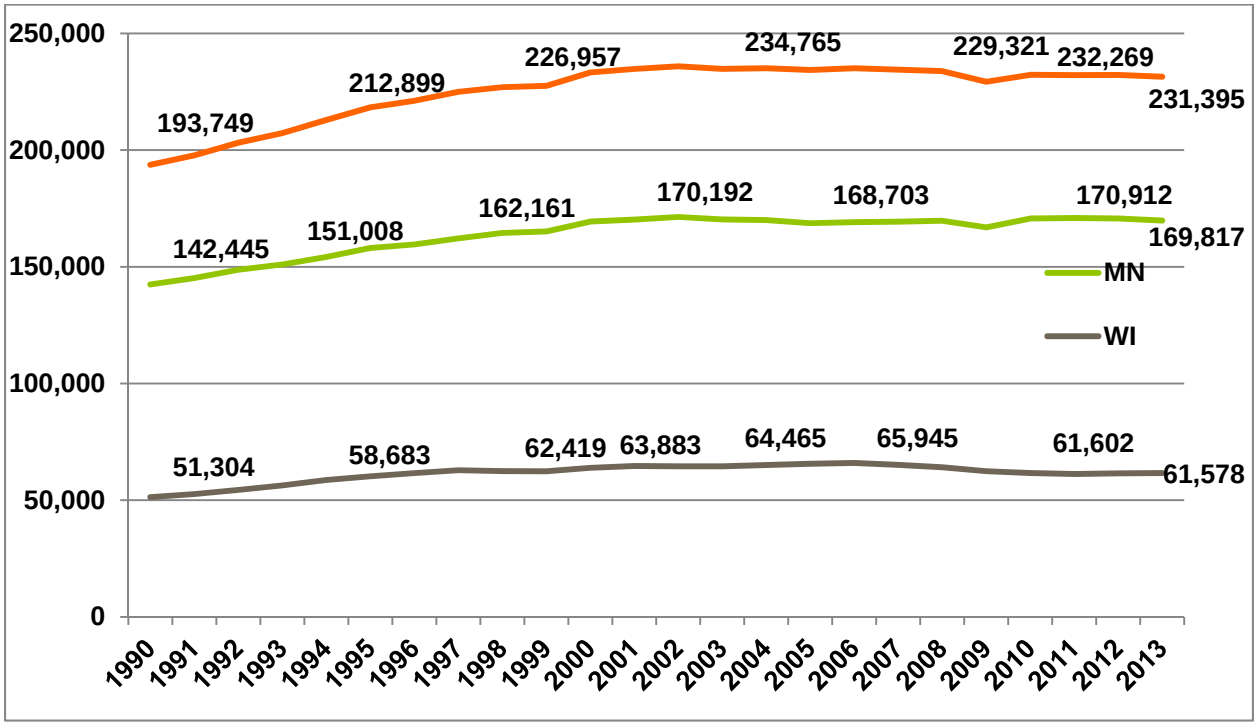


Source: LAUS: MN DEED & WI Dept. of Employment

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.

Total Employment: 1990-2013



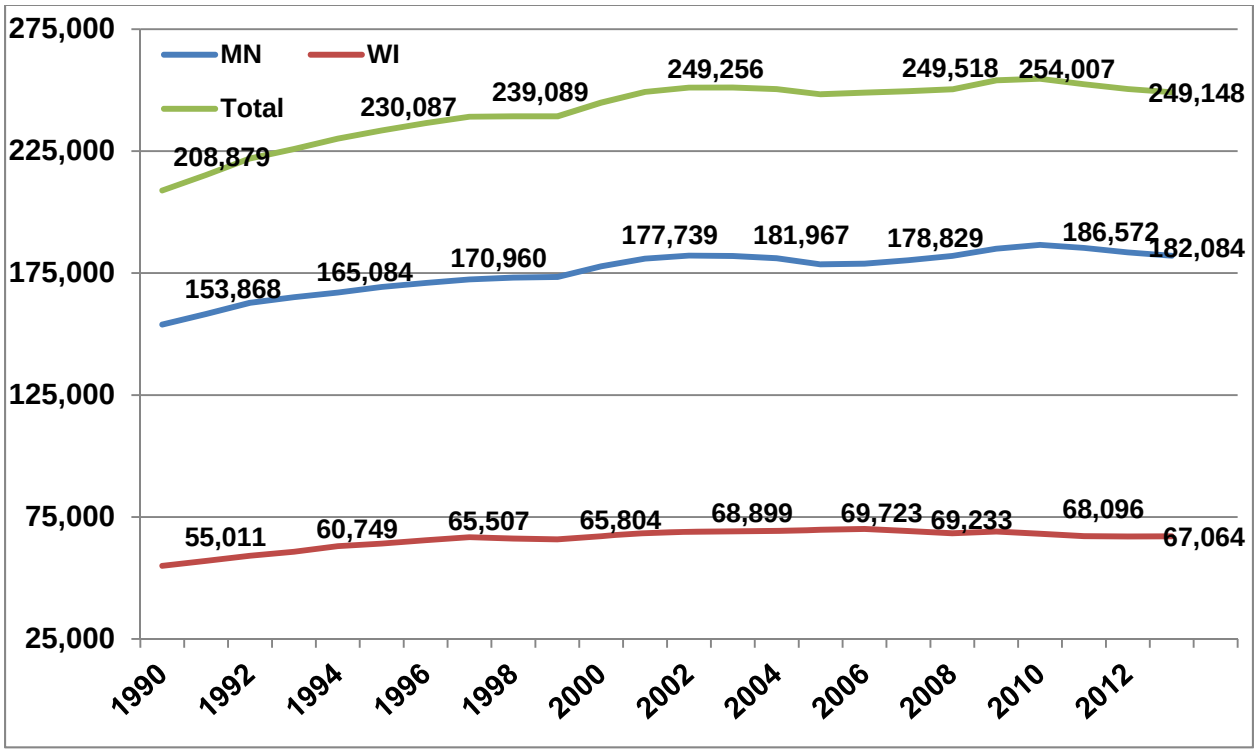
Source: LAUS: MN DEED & WI Dept. of Employment

The answer to why this happened is shown in the labor force participation rate, below.

TOTAL 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.

Total Labor Force Participation: 1990-2013



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

COMMUTING PATTERNS

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.

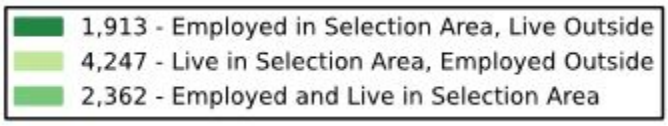
Examining the count of workers that are employed in the county but commute in from elsewhere, shows that 13 of the 15 counties have more workers commuting into the area in 2011 as compared to 2007. Only Burnett and Iron counties in Wisconsin had few workers commuting in.

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

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%

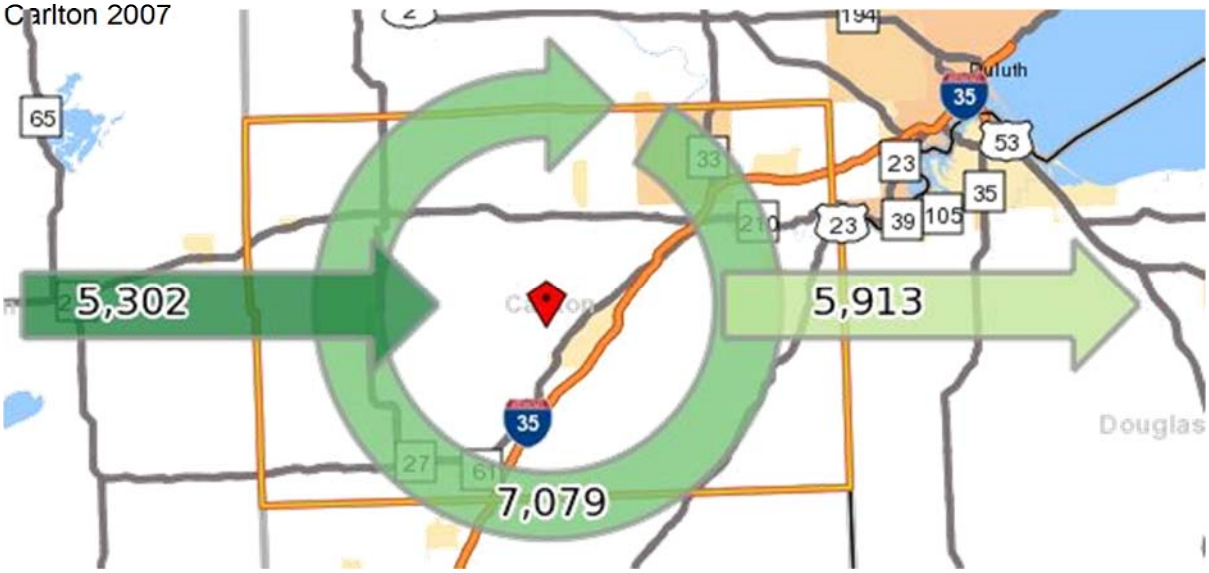
Aitkin 2007

Aitkin 2011

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%

Carlton 2007

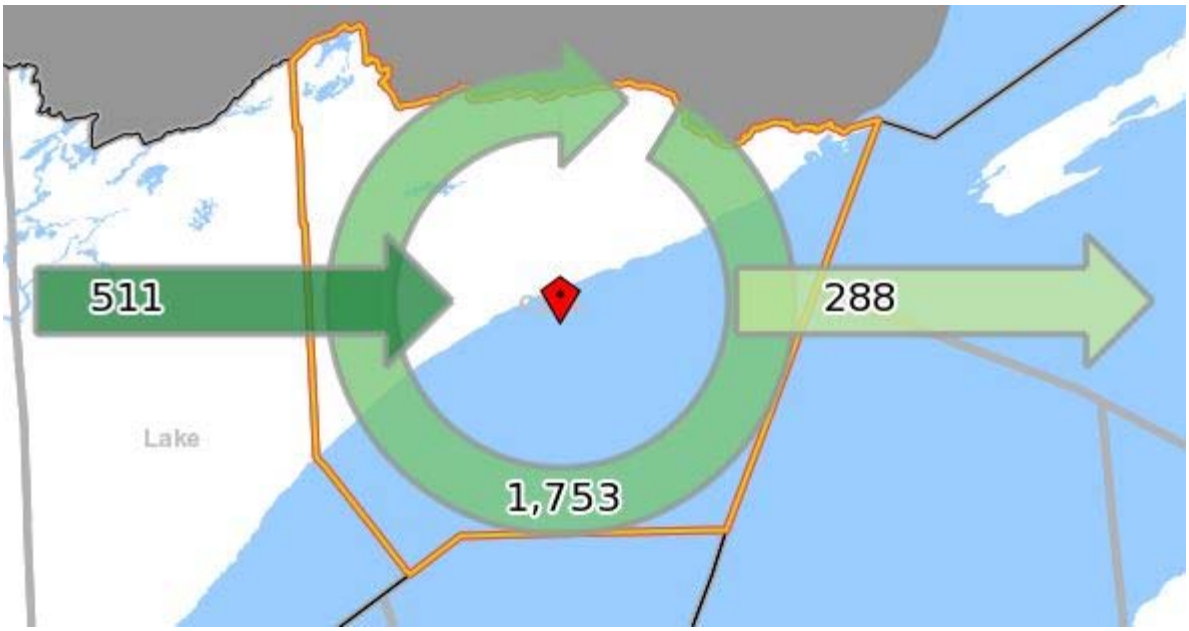


Carlton 2011

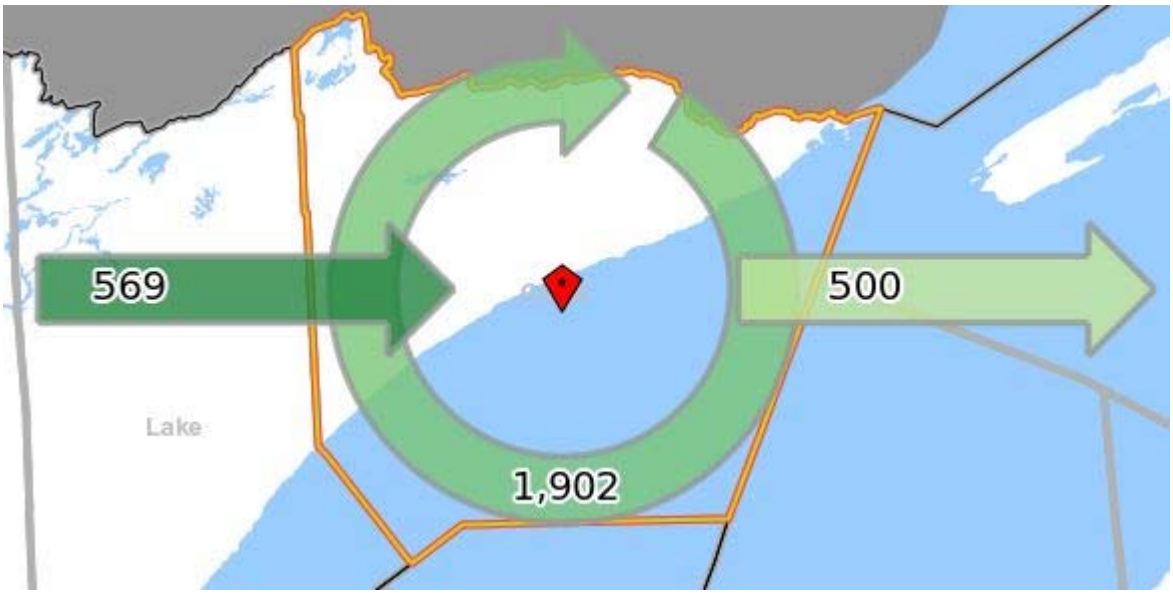
Cook County

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%

Cook 2007



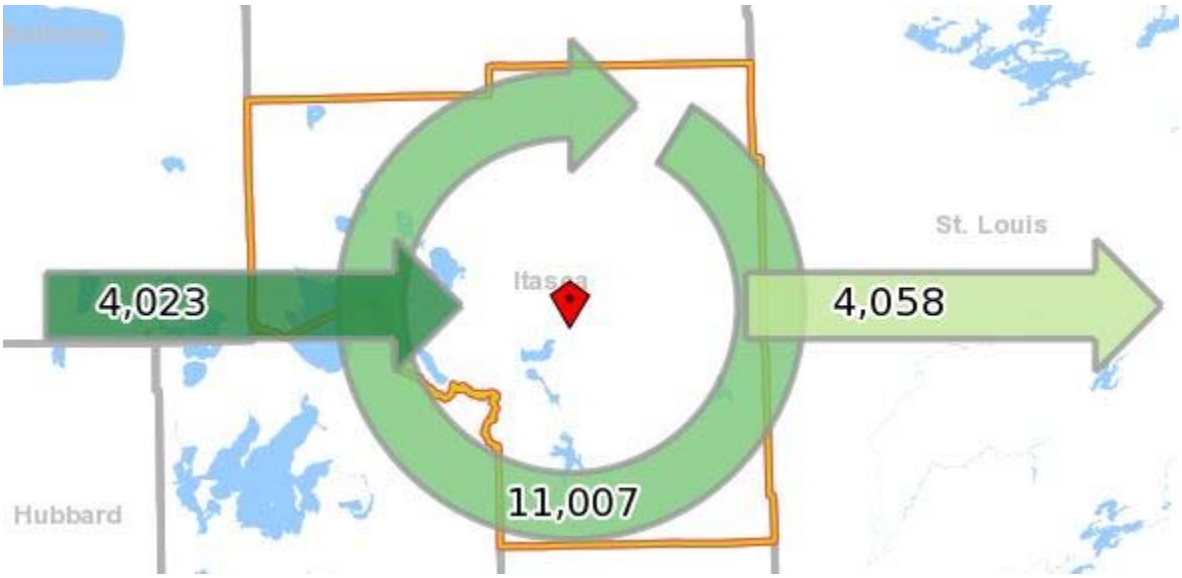
Cook 2011



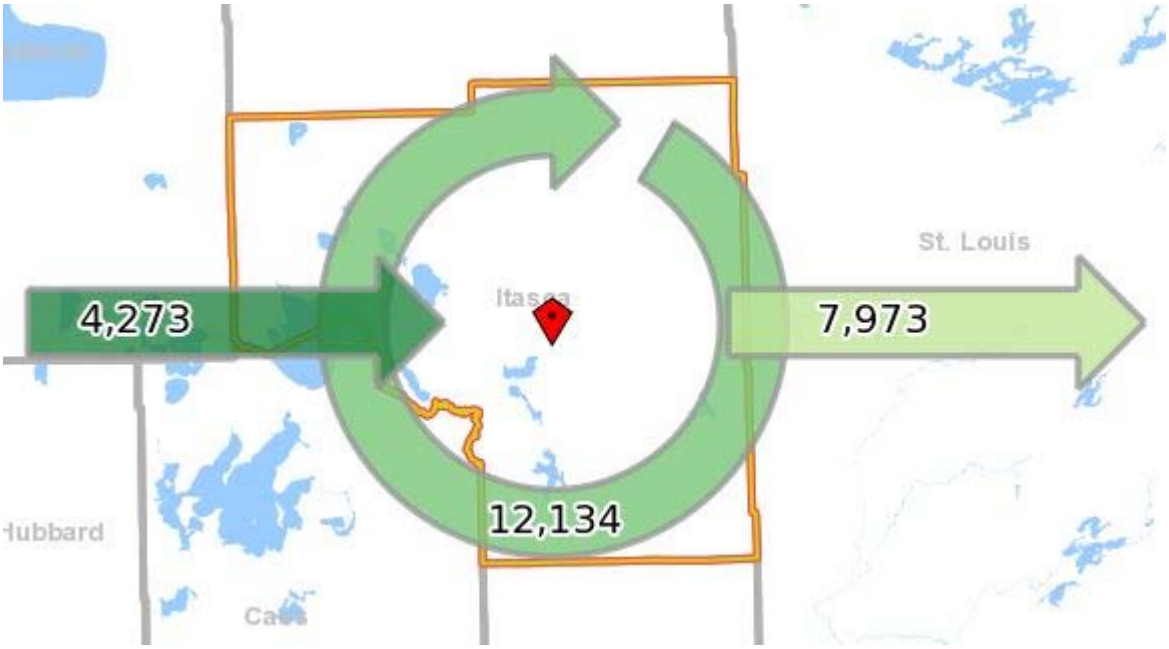
Itasca County

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%

Itasca 2007



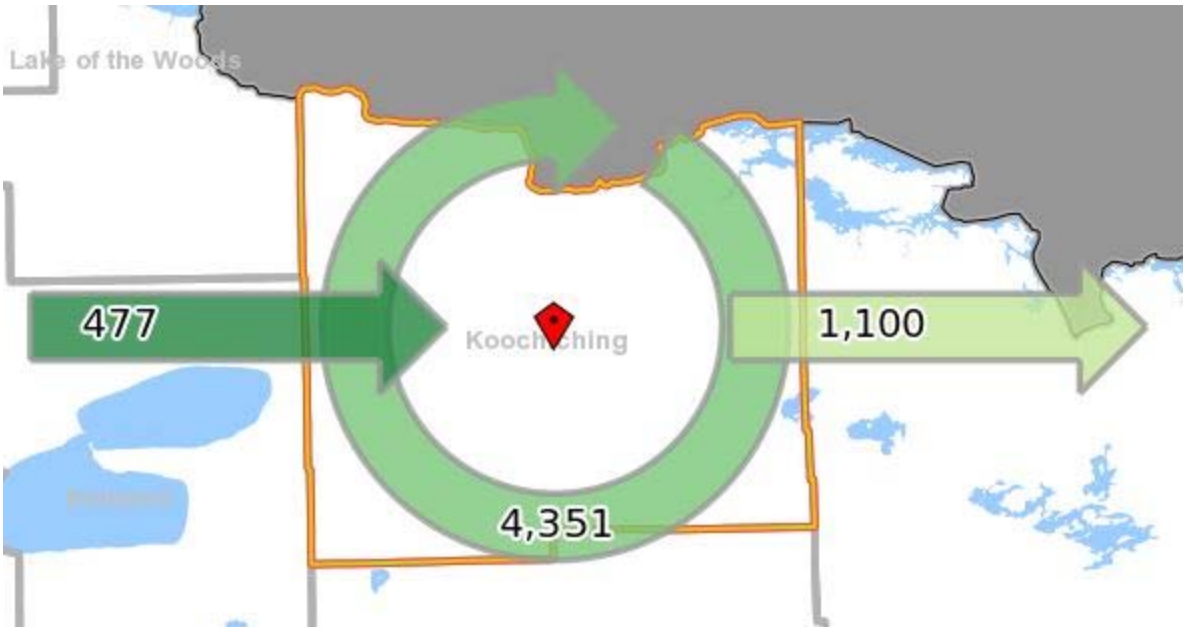
Itasca 2011



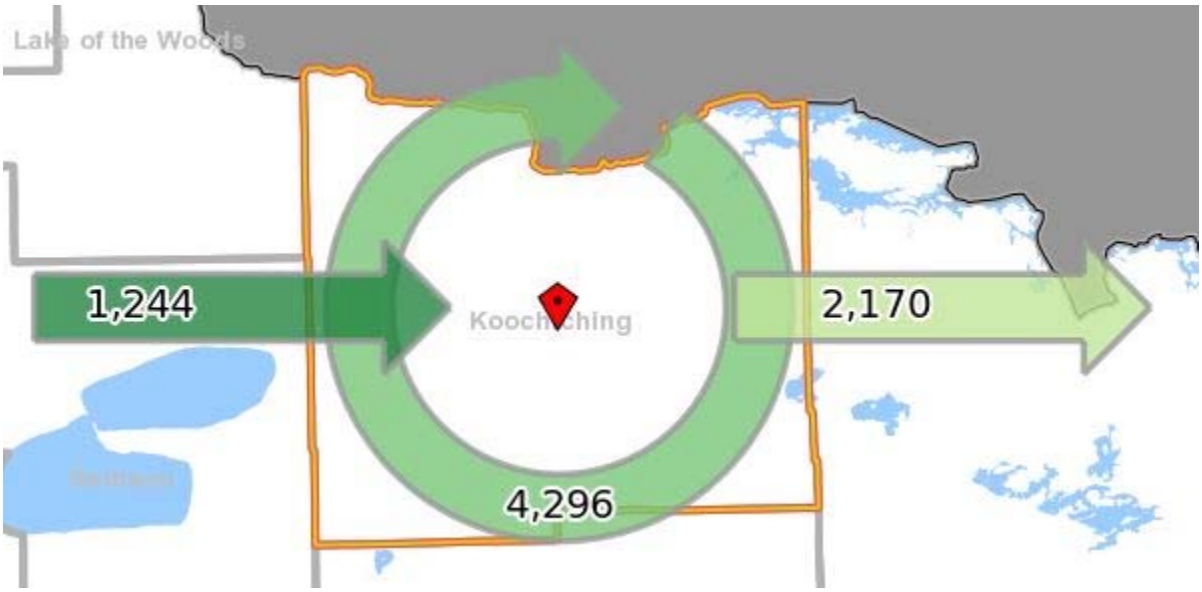
Koochiching County

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%

Koochiching 2007



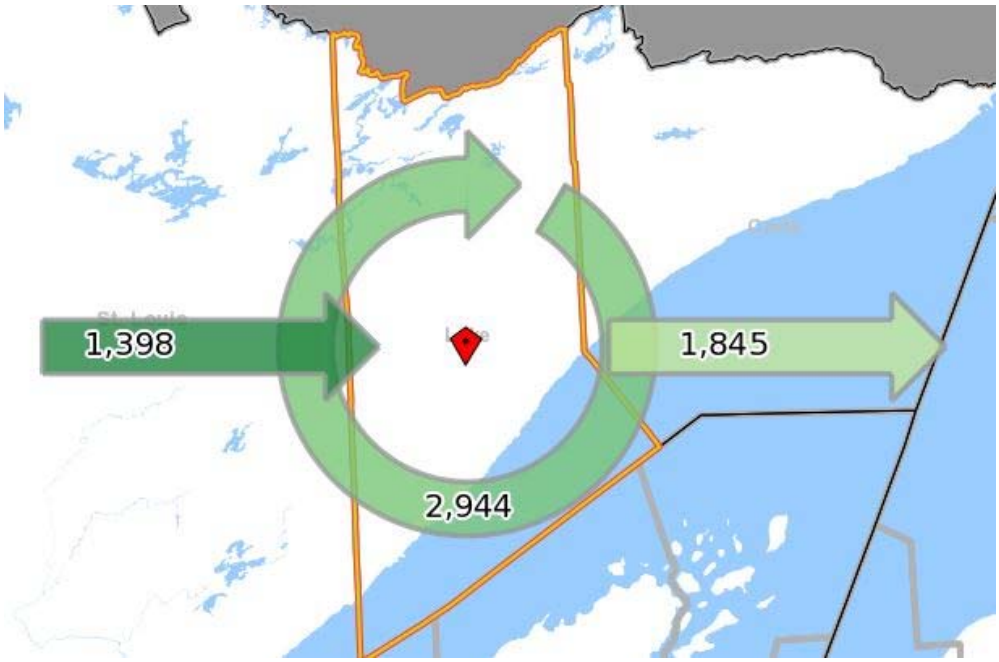
Koochiching 2011



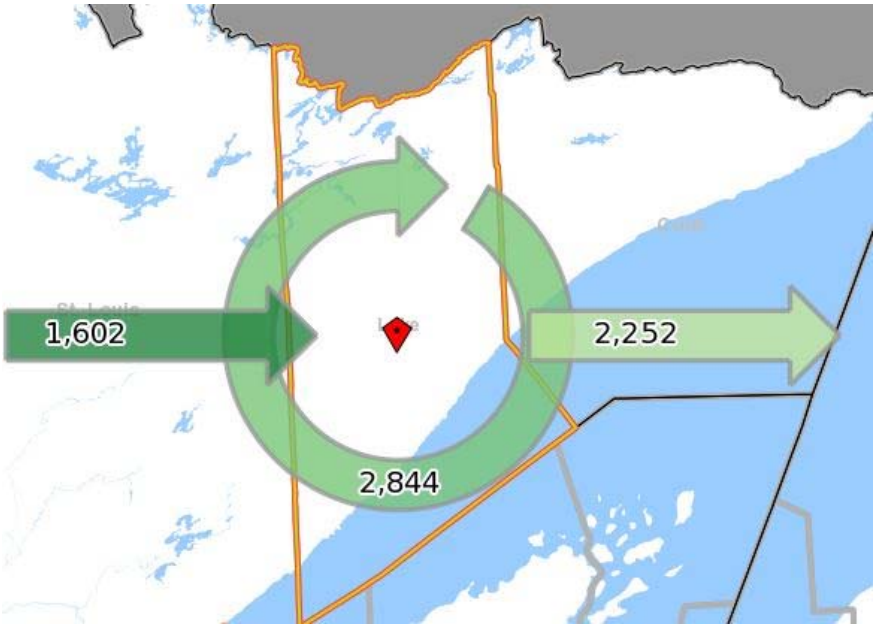
Lake County

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%

Lake 2007



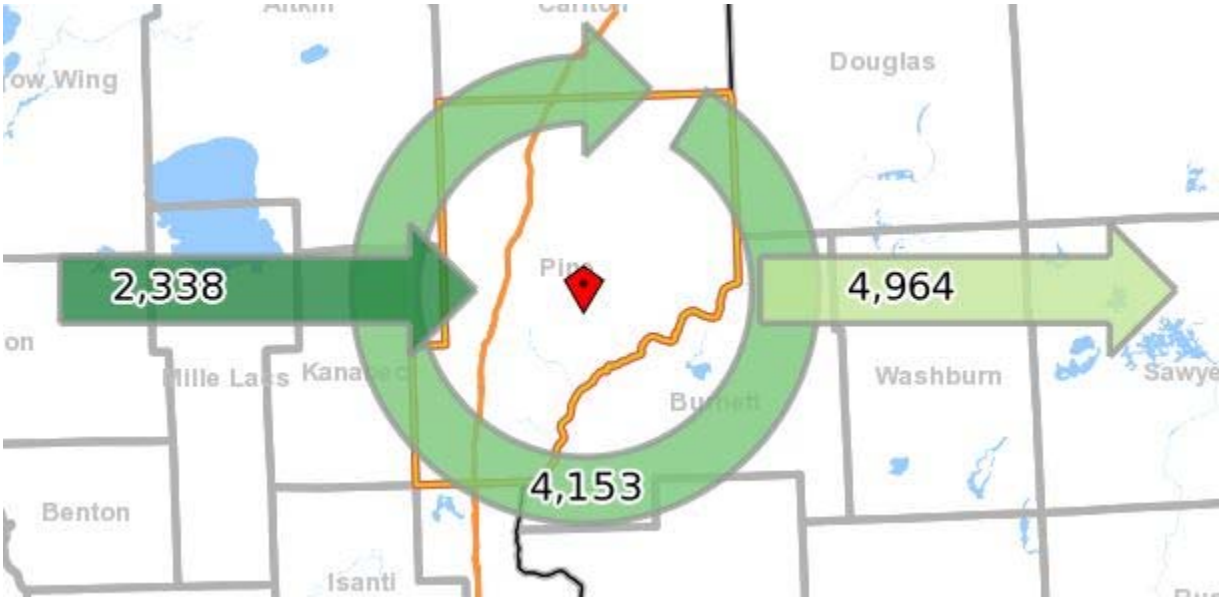
Lake 2011



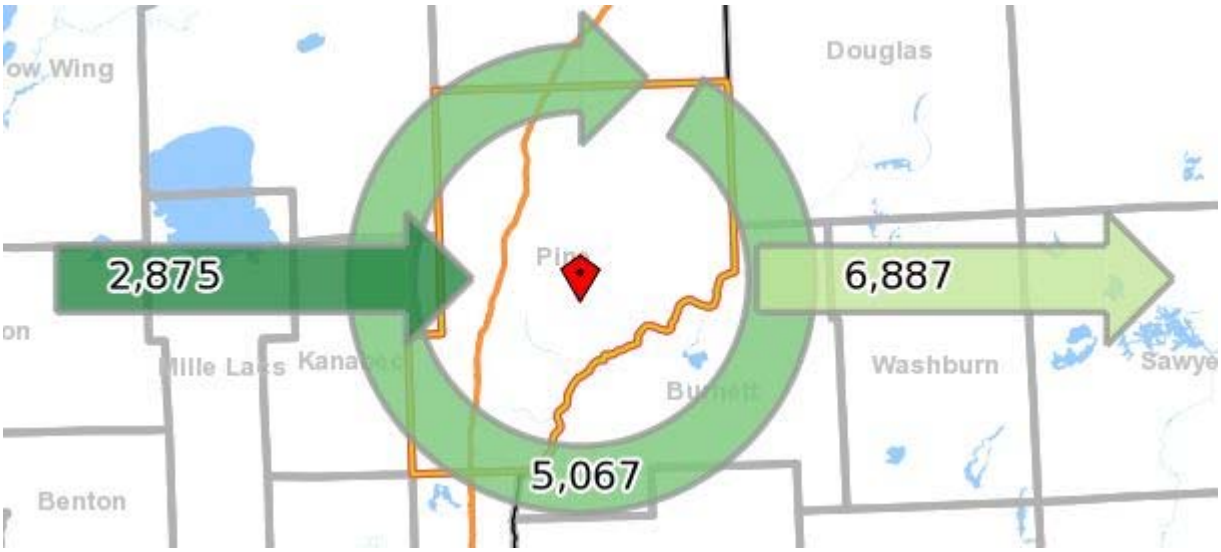
Pine County

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%

Pine 2007



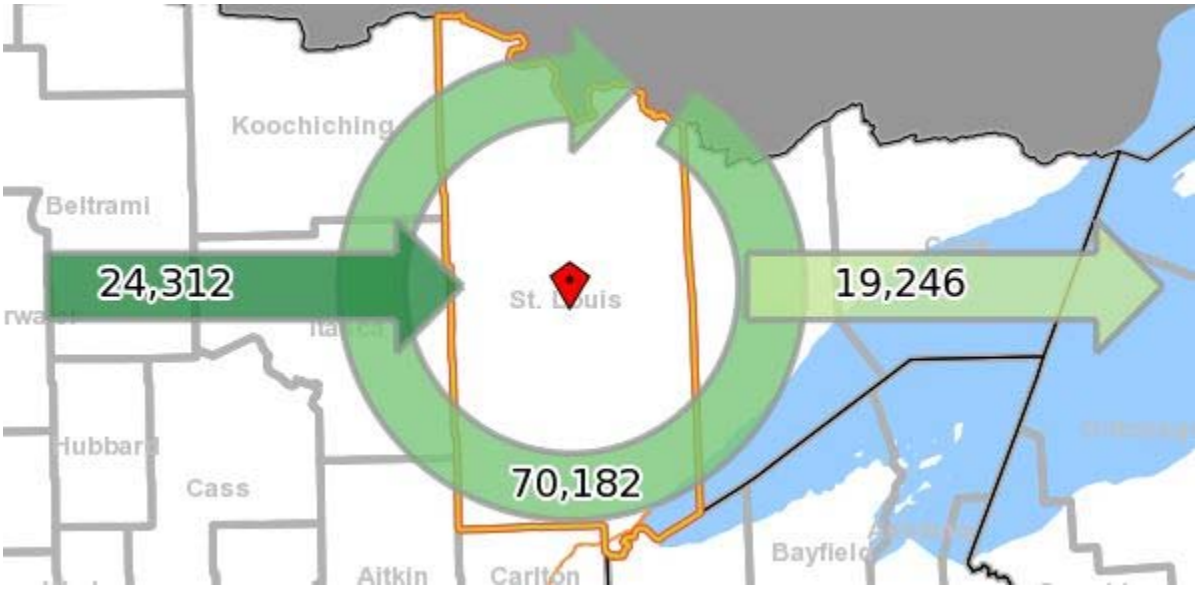
Pine 2011



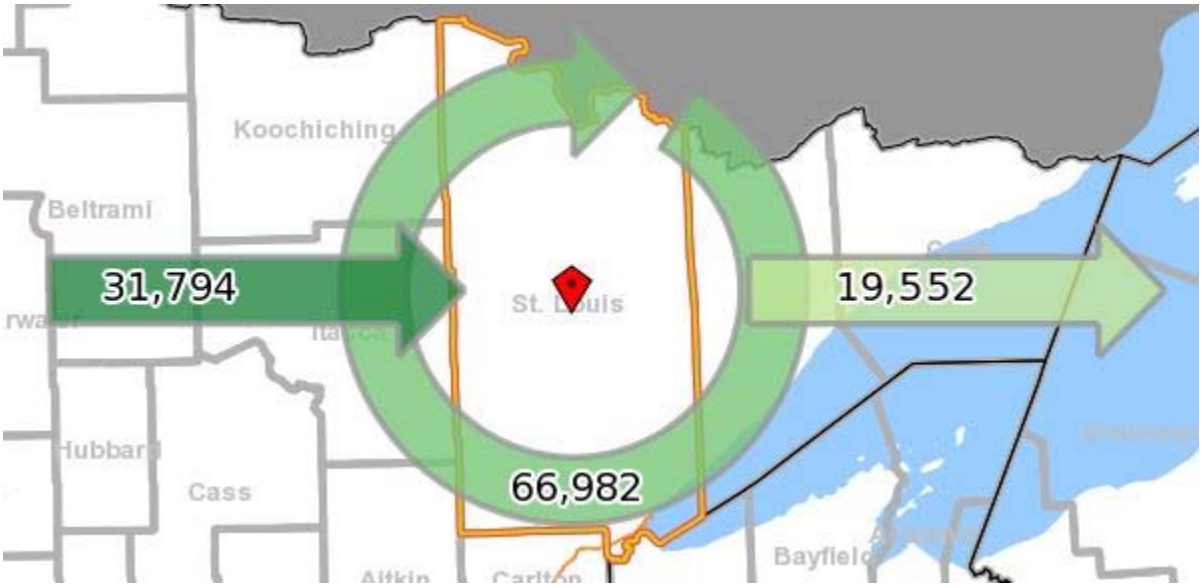
St. Louis County

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%

St. Louis 2007

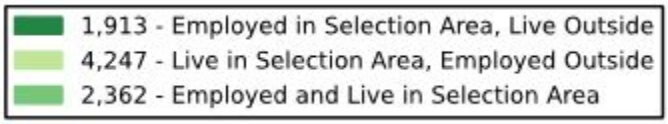


St. Louis 2011



WISCONSIN COMMUTING PATTERNS

Legend:



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

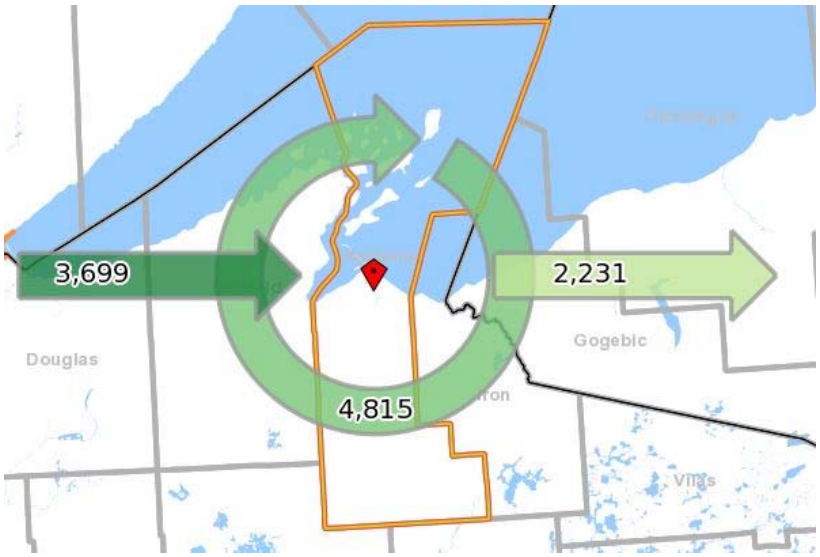
Ashland County

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%

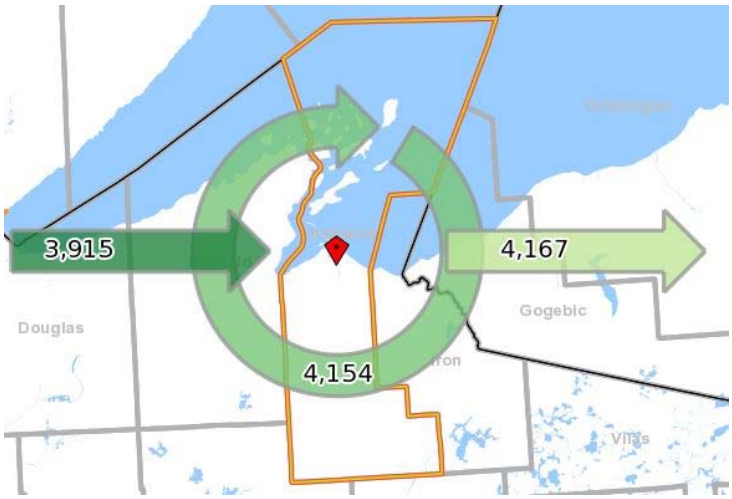
Living and Employed in Selection Area	4,906	67.5%

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



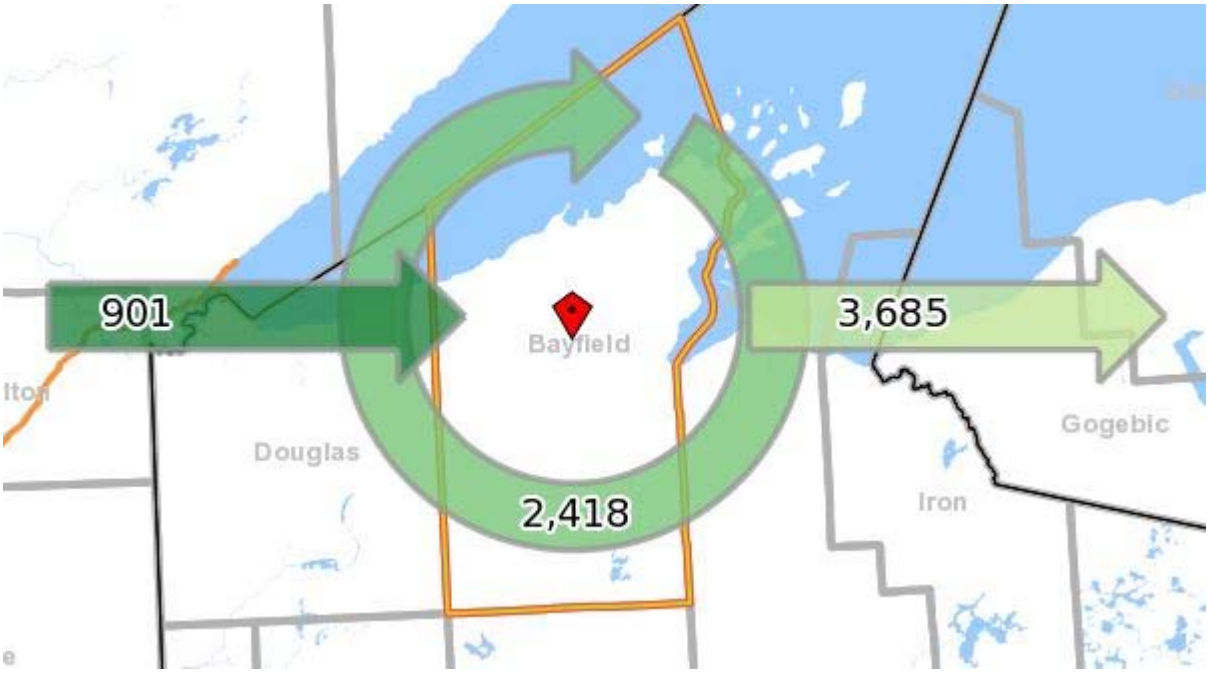
Ashland 2011



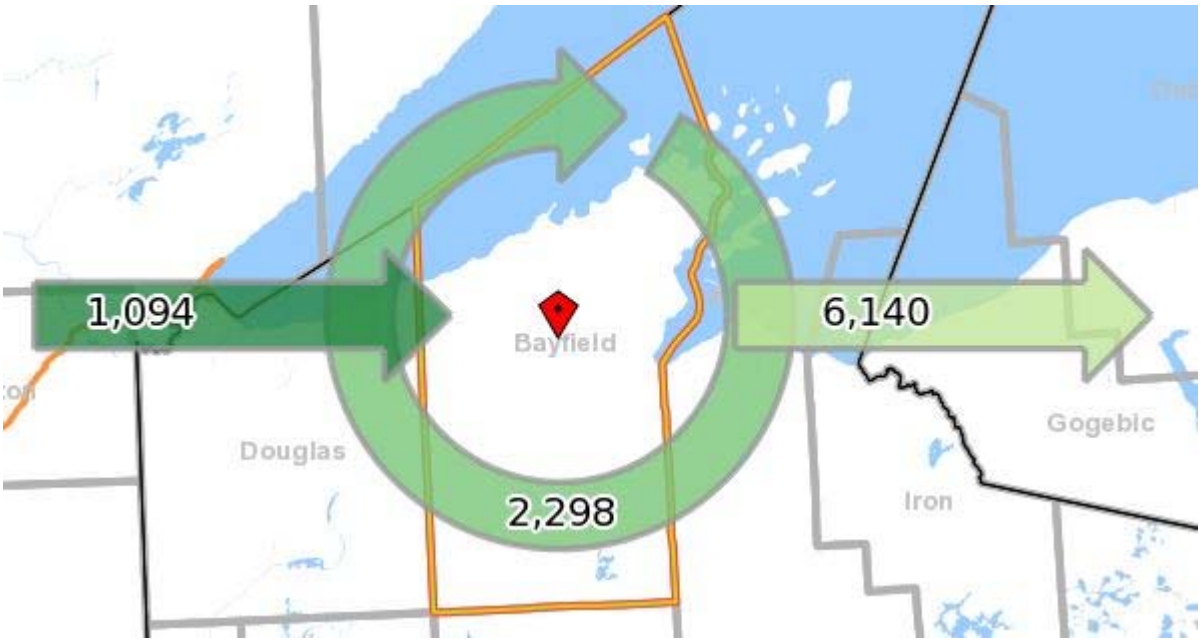
Bayfield County

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%

Bayfield 2007



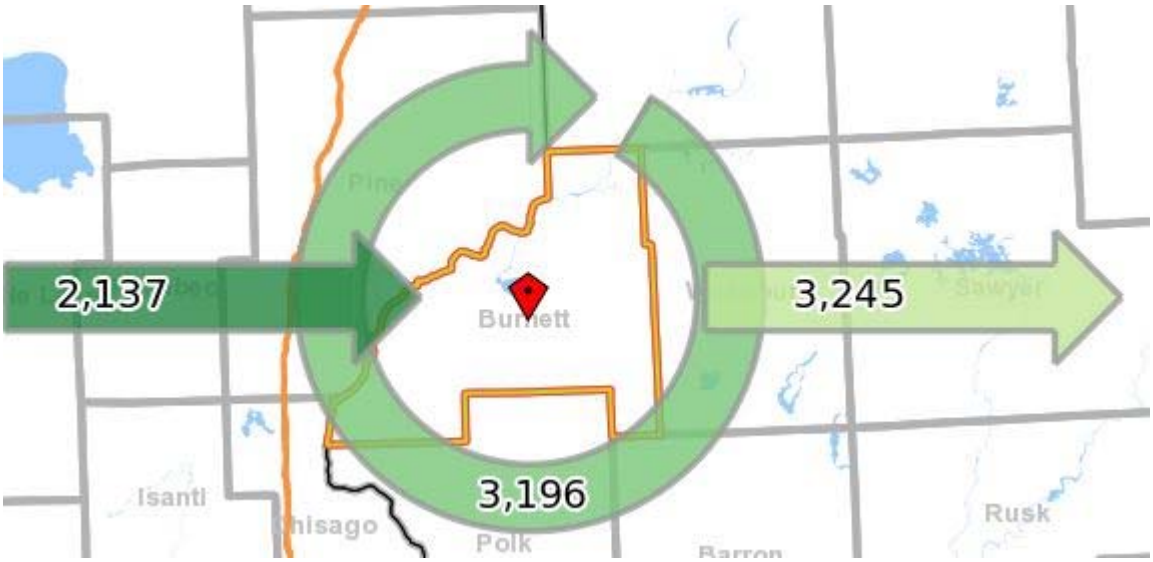
Bayfield 2011



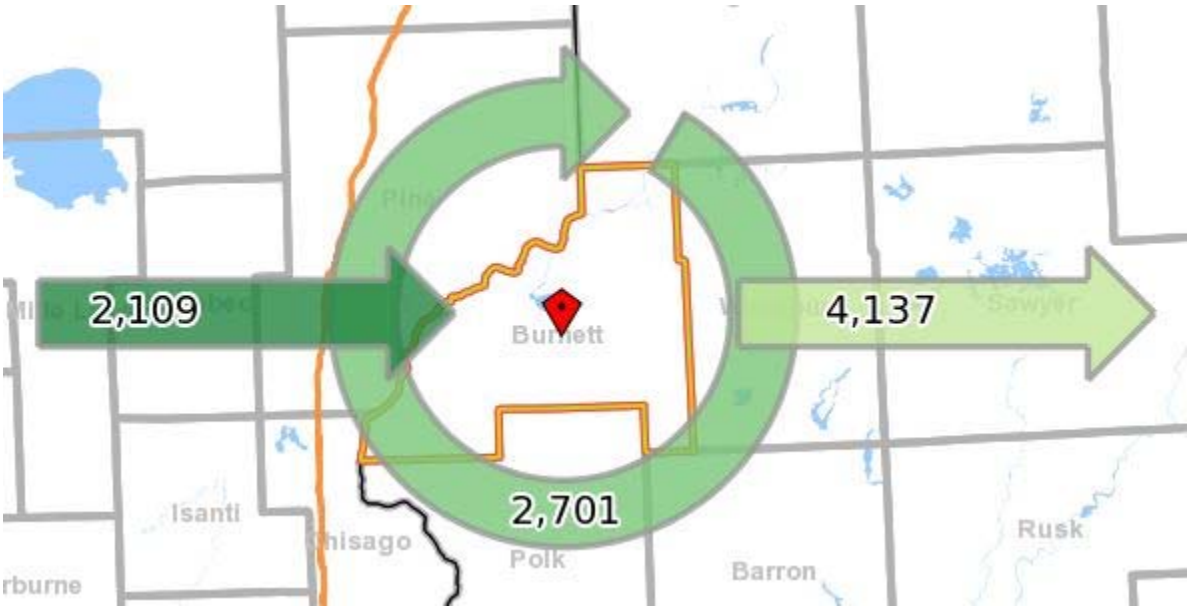
Burnett County

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%

Burnett 2007



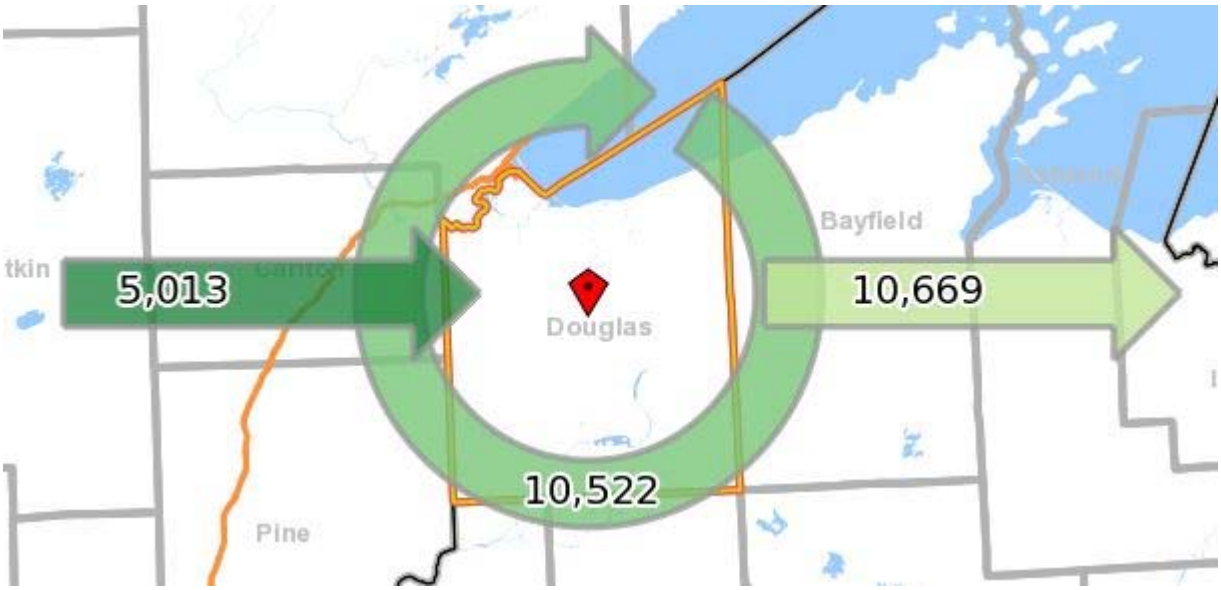
Burnett 2011



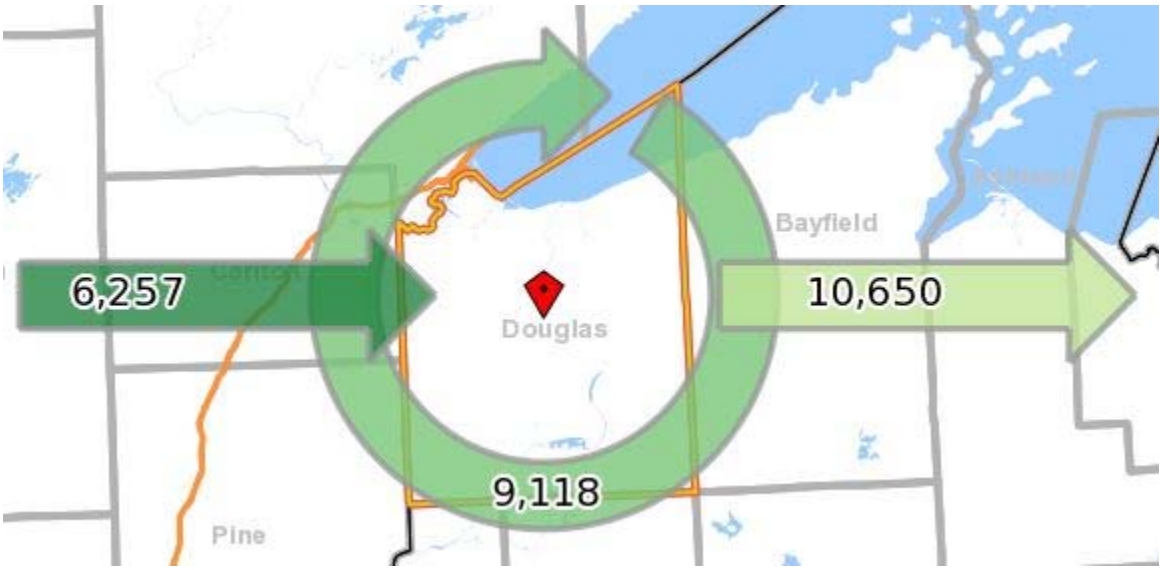
Douglas County

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%

Douglas 2007



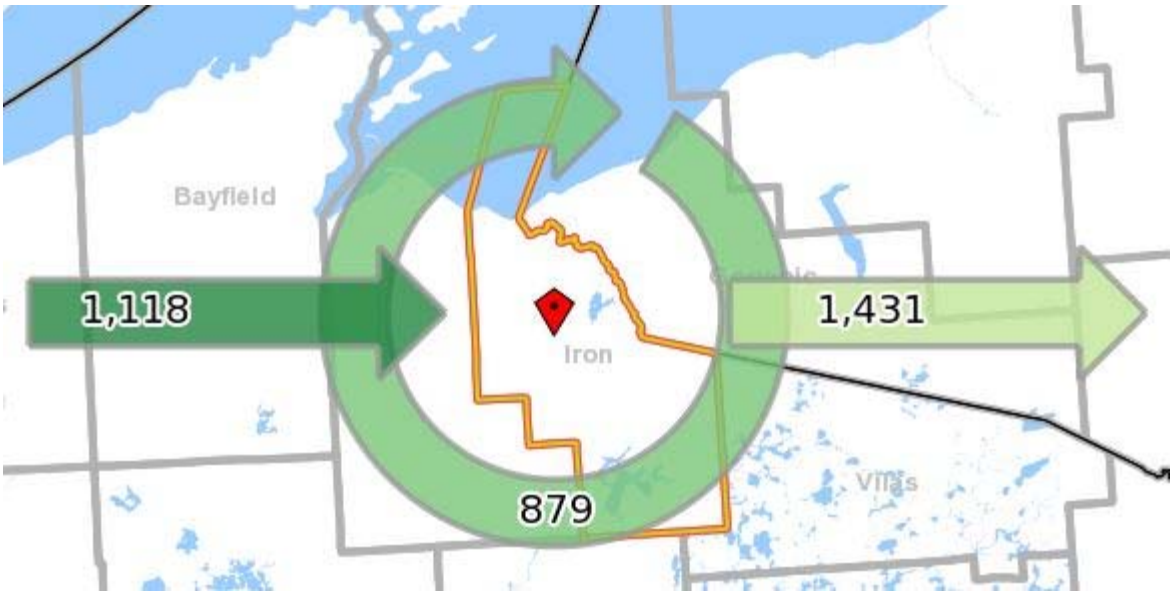
Douglas 2011



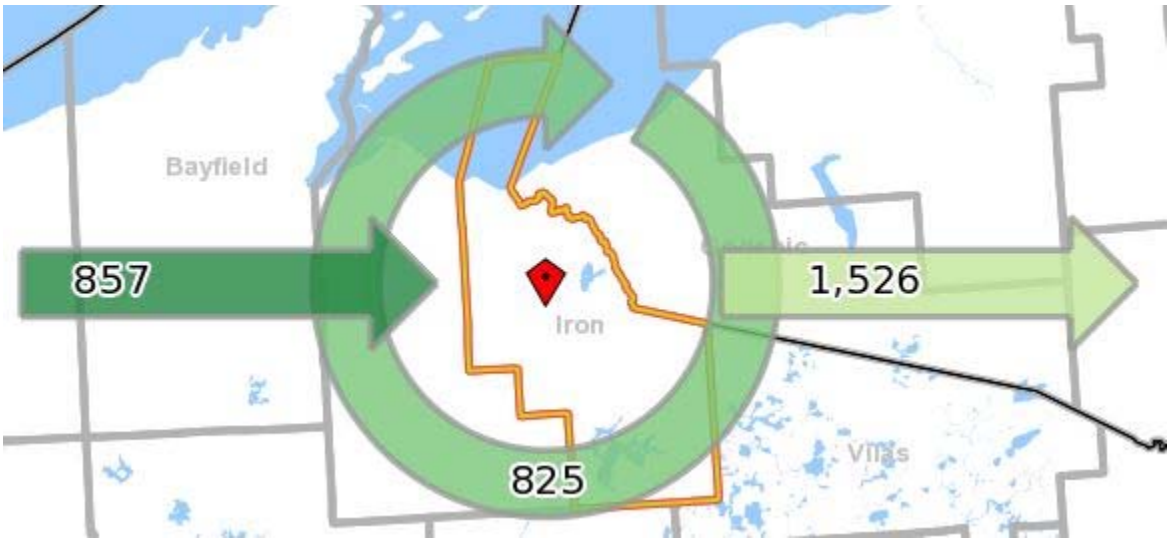
Iron County

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%

Iron 2007



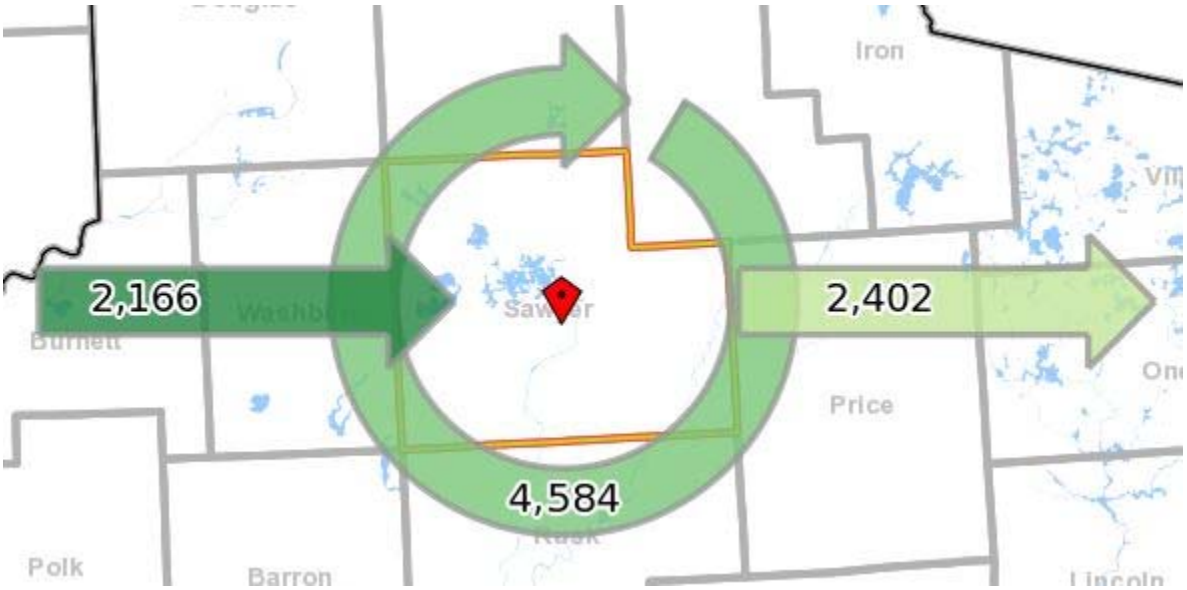
Iron 2011



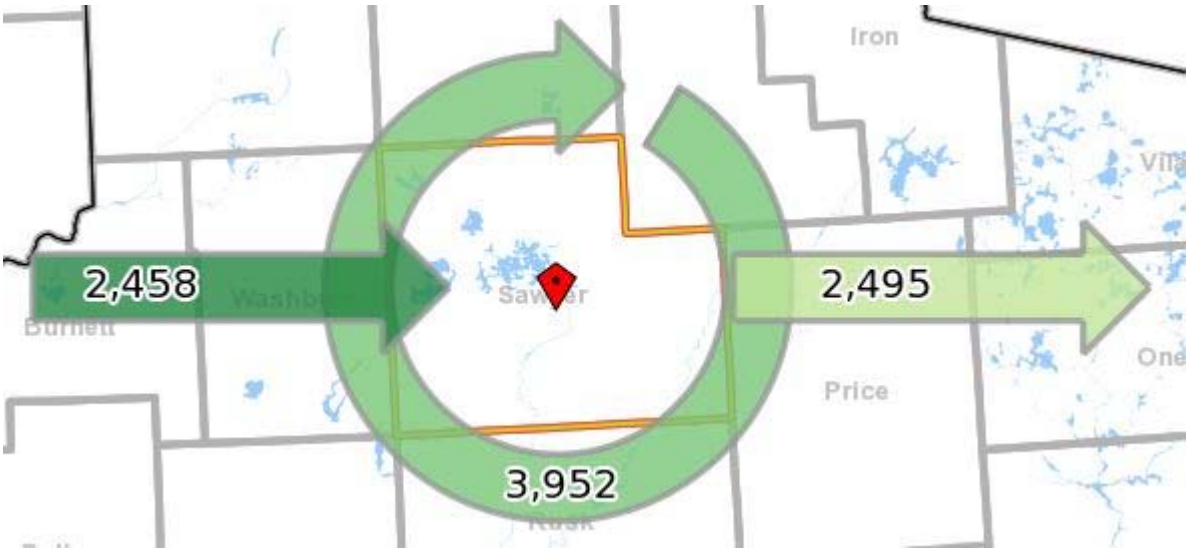
Sawyer County

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%

Sawyer 2007



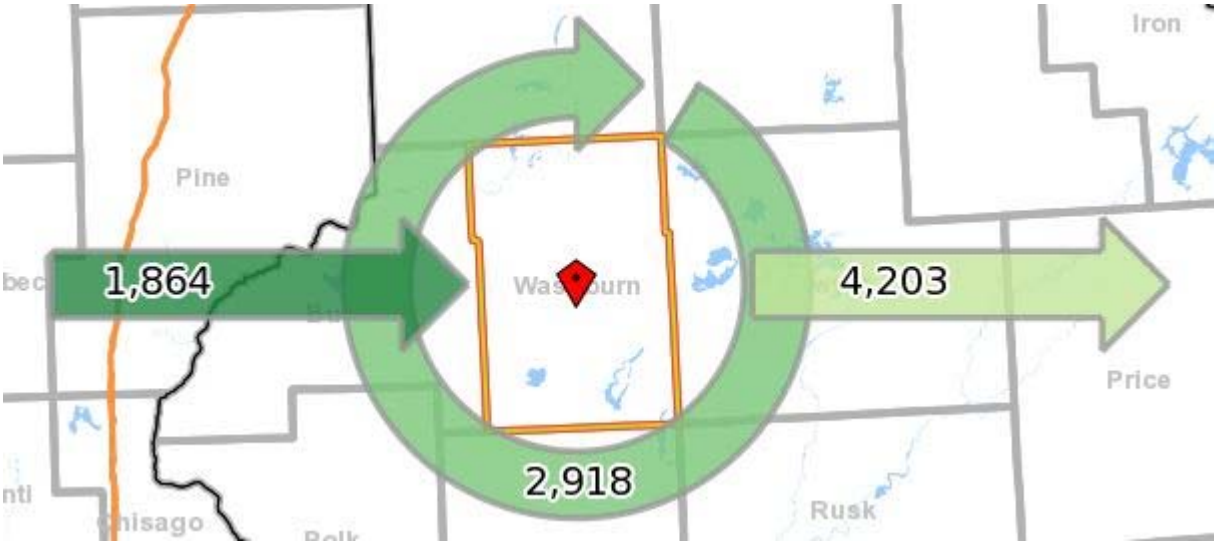
Sawyer 2011



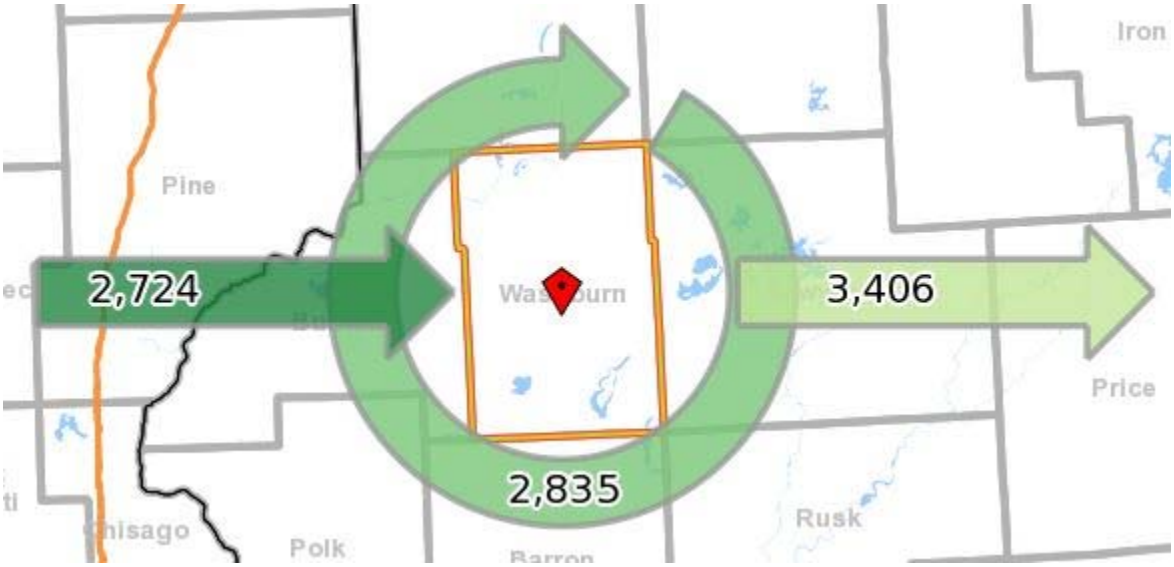
Washburn County

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%

Washburn 2007



Washburn 2011



MIGRATION

The following four tables show the migration of Minnesota and Wisconsin as separate population inflow into the county and outflow from the counties. (Complete tables showing the Margin of Error estimates are in the Appendix.)

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 ½ of the movers stayed in the same county. The majority of the counties show that ¼ to $^1/_3$ 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

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

JOB PROJECTIONS 2010-2020

NORTHWEST WISCONSIN

Wisconsin's long-term employment projection for 2010-2013 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 2013.

WISCONSIN LONG TERM PROJECTIONS, 2010-2020

INDUSTRY EMPLOYMENT PROJECTIONS

NORTH WEST Workforce Development Areas

(Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn counties)

NAICS Code	INDUSTRY* 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***
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 suppresion and detail may not add to totals.

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.

HIGH DEMAND/HIGH PAY

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.

NORTHEAST MINNESOTA

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

HEALTH CARE WORKFORCE DEMOGRAPHICS – 15 COUNTY AREA

Since 2003, the Health Care and Social Assistance workforce in Northeastern Minnesota has increased by almost 11,000 employees, as shown by the charts below.

St. Louis County alone accounts for close to 9,000 of the employee growth.

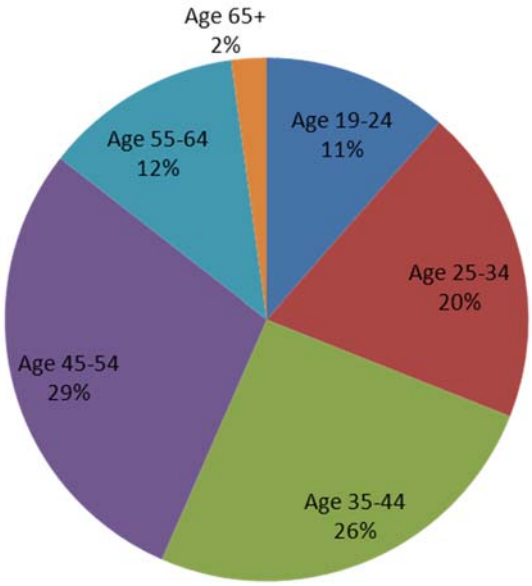
In 2003, only 14% of the workforce was age 55 and above, compared to 2013 where 23% was age 55 and above.

2003 MN Counties

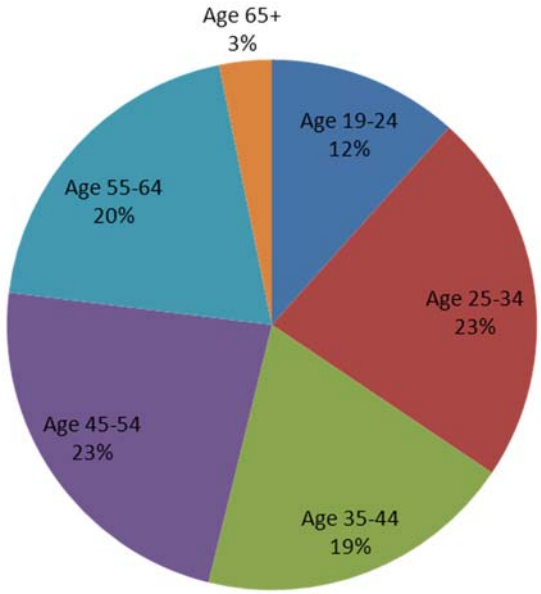
Age	Age 19-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+	TOTAL
Total Employment	2,634	4,485	5,864	6,651	2,817	501	**22,952**

2013 MN Counties

Age	Age 19-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+	TOTAL
Total Employment	3,943	7,705	6,582	7,815	6,723	1,082	**33,850**



2003



2013

Source: US Census Bureau, Center for Economic Studies, Local Employment Dynamics 1st Quarter 2013-Most Current Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, Pine, St. Louis

Since 2003, the Health Care and Social Assistance workforce in Northwestern WI has increased by 500 employees, as shown in the charts below.

In 2003, only 20% of the workforce was age 55 and above, compared to 2013 where 30% is age 55 and above.

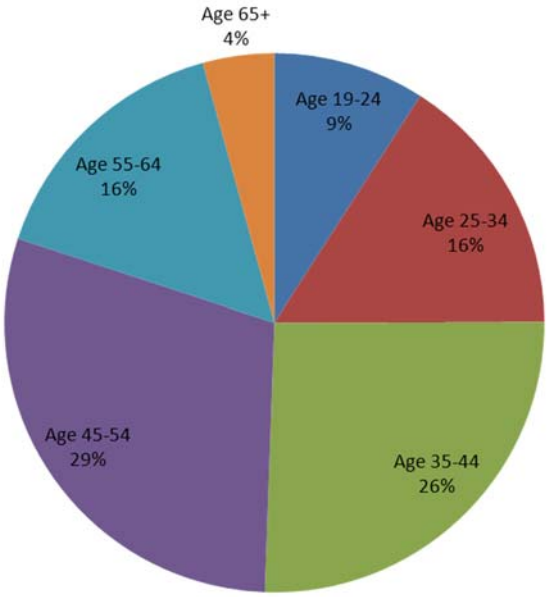
Both NE MN and NW WI had close to exact ratios in the age 35-44 and 45-54 demographics when comparing years respectively.

2003 WI Counties

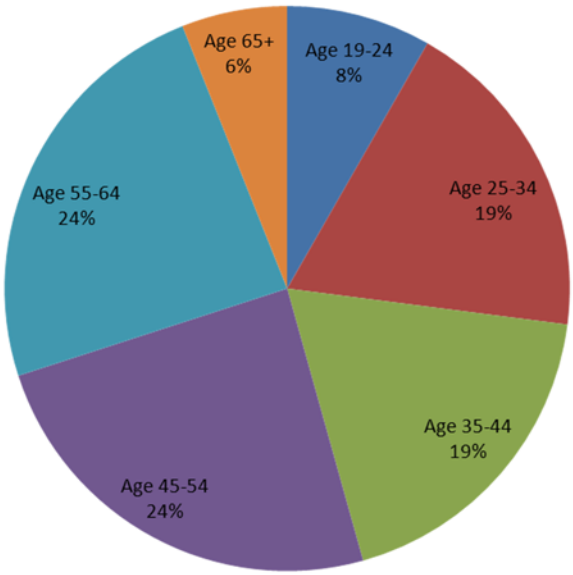
Age	Age 19-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+	TOTAL
Total Employment	489	851	1,378	1,584	843	230	**5,375**

2013 WI Counties

Age	Age 19-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+	TOTAL
Total Employment	486	1,103	1,095	1,430	1,408	355	**5,877**



2003



2013

Source: US Census Bureau, Center for Economic Studies, Local Employment Dynamics 1st Quarter 2013-Most Current Ashland, Bayfield, Burnett, Douglas, Iron, Sawyer, Washburn

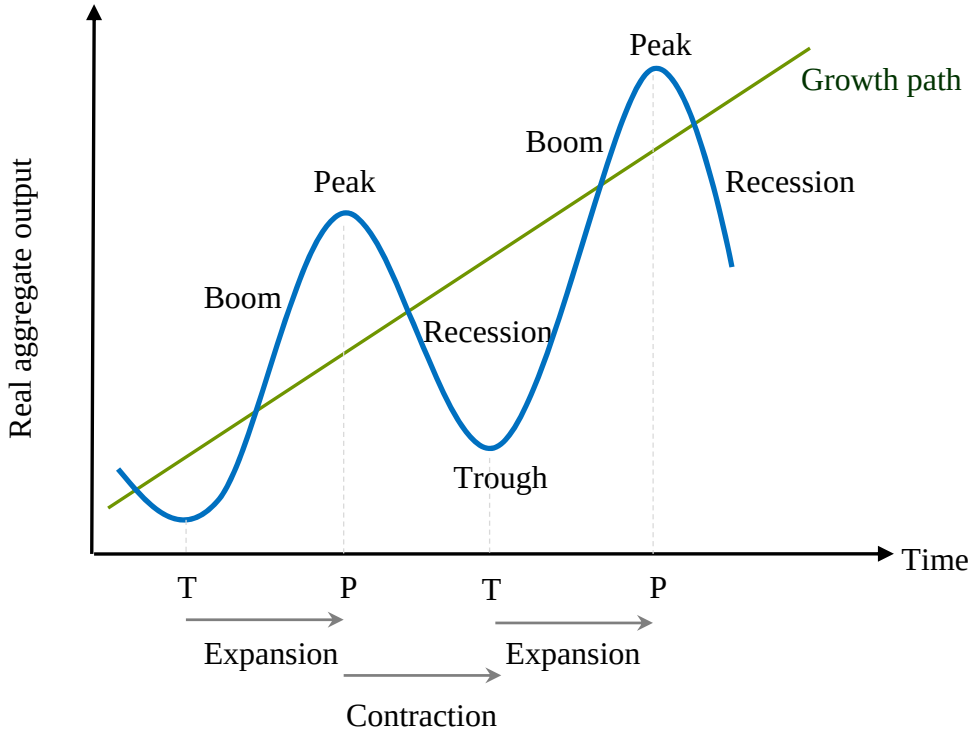
BUSINESS CYCLE AND CONSUMER CONFIDENCE INDICATORS

Zamira Simkins, Ph.D., Assistant Professor of Economics, University of Wisconsin-Superior♣
UW-S student researchers: Calvin Wing, Kimberly Pospychalla, Elliot Charette, Brian Honness, Prashant Burlakoti, Brian Bellin, Arne Nyeck, Nabait Fukur, Dennis Nordmark, Jemide Besinfe, Yiwen Li

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

The economy-wide fluctuations in economic activity are popularly referred to as a *business cycle*. As illustrated in figure 1, 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 indicators.

Figure 1. Business Cycle



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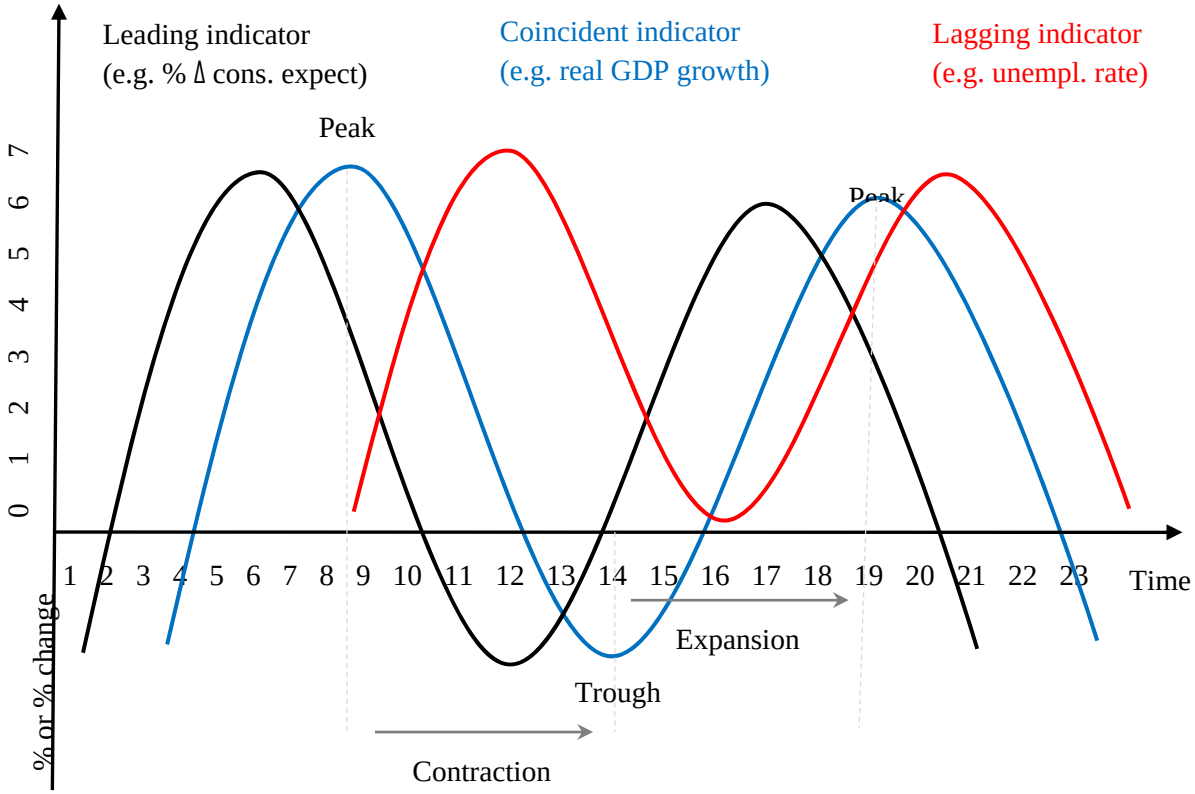
How the economy is doing today is traditionally described by a single aggregate economic indicator known as a *Real Gross Domestic Product* (GDP). Formally, real GDP measures the inflation-adjusted market value of all final goods and services produced in the economy during a given year. By design, real 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 2, significant (in terms of % change) continuous (i.e., lasting several time-periods) increases in real GDP (or positive changes in another coincident economic indicator) are a sign of economic expansion. Consequently, as real national income rises, real aggregate expenditures increase as well. For businesses this means a growing economy, rising revenues, and economic prosperity. For these reasons, real GDP is by far the most followed economic indicator, and financial markets participants closely watch the Bureau of Economic Analysis news releases on the days quarterly GDP data gets released.

Unfortunately, real GDP data takes time to collect and even quarterly estimates of real GDP are released with one to three months time-lags. To equip business decision-makers with tools enabling them to anticipate 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. For example, as shown in figure 2, the index of consumer expectations (or any other leading economic indicator) improves before the real GDP rises. Hence, significant continuous increases in a leading economic indicator signal that the economy is about to expand. For this reason, leading economic indicators are the most important type of indicators for businesses and other decision-makers, as they help predict future economic conditions.

Figure 2. Leading, coincident and lagging economic indicators



Finally, to confirm that changes in leading and coincident economic indicators are not a fluke and represent significant changes in the economy, economists developed so-called *lagging economic indicators*. Lagging economic indicators, such as unemployment, inflation, and nominal interest rates, tend to move several time-periods after the economy does, or after the coincident economic indicators. For example, as shown in figure 2, unemployment rate (or any other lagging economic indicator) will worsen after the real GDP begins to fall, confirming that the economy is falling in a recession.

Figure 3 summarizes some economic indicators used as leading, lagging, and coincident economic indicators. Together, these three groups 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 a random fluctuation, (ii) depth – the greater the percentage change in 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. For example, according to figure 2, in period 12, the leading economic indicator reversed its trend from negative to positive growth and grew by more than 5% between period 12 and 17, then started decelerating again. Meanwhile, the coincident indicator reversed its trend in period 14 and grew by more than 5% between period 14 and 19, then started decelerating again. The lagging economic indicator exhibited a similar pattern with a 2-period time lag compared to the coincident economic indicator. Hence, based on the duration, depth, and diffusion of indicators, between periods 14 and 19 the economy experienced an expansion, with period 14 registering a trough in economic activity and period 19 registering a peak in economic activity.

Figure 3. Examples of economic indicators

Leading indicators	Coincident indicators	Lagging indicators
• Index of consumer expectations • Stock prices • New housing building permits • Manufacturing inventories	• Real GDP • Consumption • Nonagricultural employment • Industrial production	• Unemployment rate • Inflation rate • Nominal interest rate • Inventories-to-sales ratio

In Fall 2013, a team of researchers from the University of Wisconsin-Superior (UW-S) began collecting data to develop three local or 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, the ICS is designed to gauge consumers' attitudes towards the business environment, personal finances, and consumption spending. The ICC is designed to gauge the current state of the economy, or serve as a coincident economic indicator. Finally, the most important index for business cycle forecasting is the ICE, which is officially considered a leading economic indicator because it gauges consumers' outlook on future economic and financial conditions. This outlook in turn determines consumer spending behavior, and through a multiplier effect, the overall economic activity and prosperity in the area. The following briefly summarizes the methodology that was employed to develop these indices:

- 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. Total population in these counties as of Fall 2013 was

484,070 people and 209,278 households. 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 2013-2014 current events theme focusing on the Patient Protection and Affordable Care Act[1] (see Appendix 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 to gauge changes in consumers' self-rated knowledge and understanding of this so-called Obamacare Act.

- Data samples: Random samples representative of households residing in each county were drawn from www.infofree.com and www.referenceUSA.com databases. Fall 2013 was the first time consumer survey responses were collected from the target area, hence, Fall 2013 results will be used as the benchmark results from this point on. In Fall 2013, or more specifically November through early December 2013, 3,394 households were contacted over a phone and 219 gave their consent to answer the survey. The overall Fall 2013 response rate was 6.45%, resulting in a margin of error of 6.62% at 95% confidence level. In Spring 2014, or more specifically late February through mid-March 2014, 2,622 households were contacted over a phone and 216 gave their consent to answer the survey questions. Thus, the overall Spring 2014 response rate was 8.24%, resulting in a margin of error of 6.66% at 95% confidence level. In both time periods, response rates varied by county, so statistical tests were performed to determine whether different counties produced statistically different responses. These tests confirmed the differences between counties, so 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.

- Calculation of indices: using the collected 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.

[1] In the future, different topical questions related to current events will be incorporated in the consumer survey. Regional economic indicators forum participants are welcome to suggest a theme of interest to them. Suggestions can be emailed to news@nbcbanking.com or Zamira Simkins, zsimkins@uwsuper.edu.

2. Balance by question: $Q_i = \sum_j Q_{ij} \Big/ 15$, where j = 1…15 counties.

3. Indices: $\mathrm{ICS}_t = \frac{Q1_t + Q2_t + Q3_t + Q4_t + Q5_t}{Q1_b + Q2_b + Q3_b + Q4_b + Q5_b}$; $\mathrm{ICC}_t = \frac{Q1_t + Q5_t}{Q1_b + Q5_b}$; $\mathrm{ICE}_t = \frac{Q2_t + Q3_t + Q4_t}{Q2_b + Q3_b + Q4_b}$, where Q1…5 represents question number, t indices time periods, and b indicates base-year values.

At this point, indices for the target 15-county area are available only for two time-periods: benchmark (Fall 2013) results and Spring 2014 results. The results of these indices are presented in figure 4. Without extended time-series data, however, it is really difficult to interpret these indices with certainty. So, figure 5 presents the national consumer confidence indicators developed by the University of Michigan. By comparing the national and regional indicator trends, it might be possible to draw preliminary inferences about the future economic conditions in this region.

Figure 4. MN-WI Regional Consumer Confidence Indicators

	Sample size	ICS	ICC	ICE
Fall 2013	219	100.00	100.00	100.00
Spring 2014	216	100.91	100.26	101.36

Source: University of Wisconsin-Superior

Figure 5. National Consumer Confidence Indicators

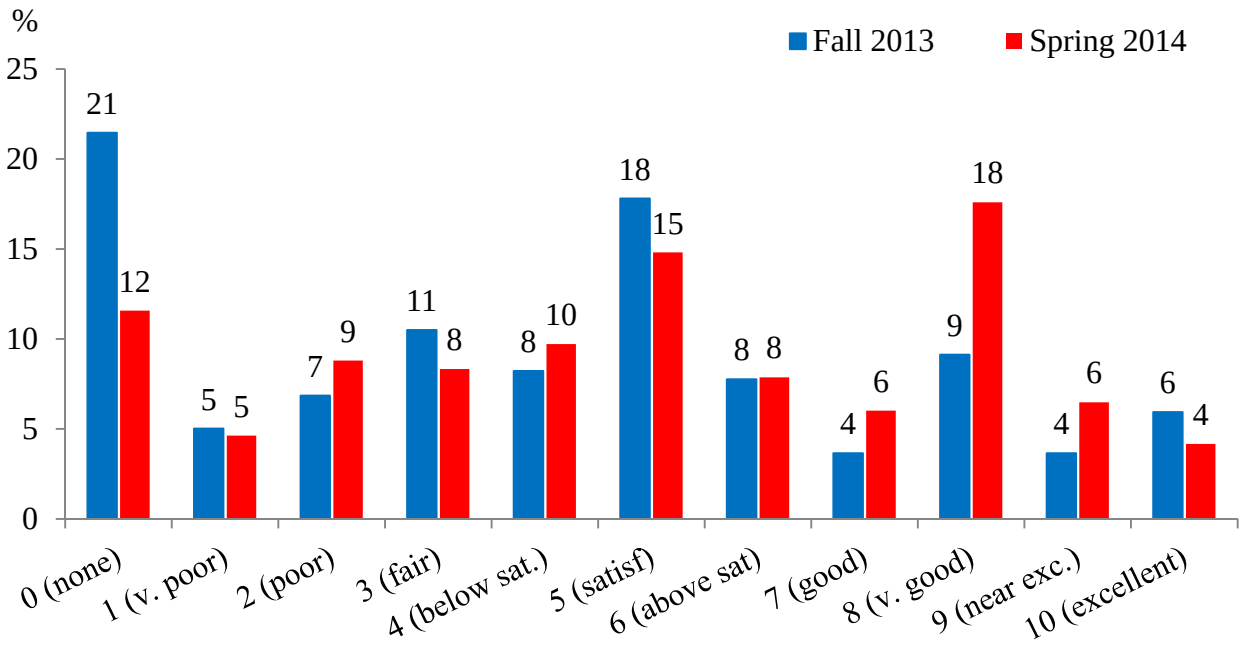
Time	ICS	ICS, % change	ICC	ICC, % change	ICE	ICE, % change
Aug' 13	82.1		95.2		73.7	
Sep' 13	77.5	-5.60%	92.6	-2.73%	67.8	-8.01%
Oct' 13	73.2	-5.55%	89.9	-2.92%	62.5	-7.82%
Nov' 13	75.1	2.60%	88.0	-2.11%	66.8	6.88%
Dec' 13	82.5	9.85%	98.6	12.05%	72.1	7.93%
Jan' 14	81.2	-1.58%	96.8	-1.83%	71.2	-1.25%
Feb' 14	81.6	0.49%	95.4	-1.45%	72.7	2.11%

Source: University of Michigan

As figure 4 suggests, all three indices increased between Fall 2013 and Spring 2014, with the ICE rising by 1.36%. Since currently there are only two data points, it is really difficult to interpret these changes with any degree of certainty, as the information on duration and depth dimension discussed above is lacking. However, if in the future these indices continue to grow, then they would signal that the economy is in the midst of an economic expansion. This premise of an expanding economy is somewhat supported by the University of Michigan national consumer confidence indicators, as illustrated in figure 5. According to the University of Michigan, despite a really harsh winter, national consumer confidence indicators remained relatively unchanged over the last 6-7 months, which was interpreted as a sign of consumer resilience to high heating bills. However, the pace of economic expansion is clearly slow at the moment.

As was noted before, the current events theme for the 2013-2014 Regional Economic Indicator Forum was the Patient Protection and Affordable Care Act. So, a separate question was included in the consumer surveys asking respondents to self-rate their knowledge and understanding of the new law. As figure 6 suggests, between Fall 2013 and Spring 2014, consumers in the target 15-county area reported improved knowledge and understanding of this so-called Obamacare Act. During this period, the mean knowledge score increased from 4.09 to 4.90 (19.8% growth) and the standard deviation declined from 3.10 to 2.98 (3.87% decline). This means that over time households have grown more acquainted with the new healthcare reform and dispersion in the self-rated knowledge is declining. However, consumers are still relatively unfamiliar with the new law, as the question was measured on a scale from 0 (no knowledge) to 10 (excellent knowledge), and 4.90 is a barely satisfactory rating of knowledge.

Figure 6. Self-Rated Knowledge of the Patient Protection and Affordable Care Act



	Sample size	Mean	St. dev	Max	Min
Fall 2013	219	4.09	3.10	0	10
Spring 2014	216	4.90	2.98	0	10

Source: University of Wisconsin-Superior

In conclusion, it is important to note that consumer confidence indicators are a useful tool for forecasting business cycles. However, reliable forecasts cannot be made with only several data points. Therefore, decision-makers should exercise caution when using the results presented in this report. Further, it is important to note that data for these regional consumer confidence indicators is collected only twice per year. Hence, it cannot capture monthly variations. Lack of monthly data has positive and negative implications: positive – monthly data is sensitive to exogenous shocks that might be short-lived and, therefore, percentage changes in indices might get misinterpreted; negative – with only two data points per year it might be difficult to detect business cycle turning points and recognize economic trends.

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

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University of Wisconsin-Superior Student Researchers: Ethan Kessler, Beth Haugen, Kascie Sturtevant, Nick Petcoff, Jun Ki Ko, Crystal Bartell, Matt Lindstedt, Samantha Morris, Lindsay Taipale

INTRODUCTION

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 first 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 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. 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

A brief profile of each of the companies and a graph illustrating their equity performance over the five-year period is provided in the Appendix. 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 five-year period beginning January 2, 2009 and ending December 31, 2013. For each month of the five-year 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 is the average of the CRSP, Dow Jones, Morningstar, MSCI, Russell, and S&P mid-cap equity indices.

STOCK PERFORMANCE

Table 1 shows the annual returns for each component of the REI over the five-year period ending December 31, 2013, 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 and 2012. 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 five-year holding period return for the REI is 27.75% and the benchmark index is 23.33%. Using the geometric average, the five-year holding period return for the index is 23.45% and the benchmark is 22.41% Both of these averages slightly outperform the benchmark, indicating that the REI performance is comparable to the market over the five-year period.

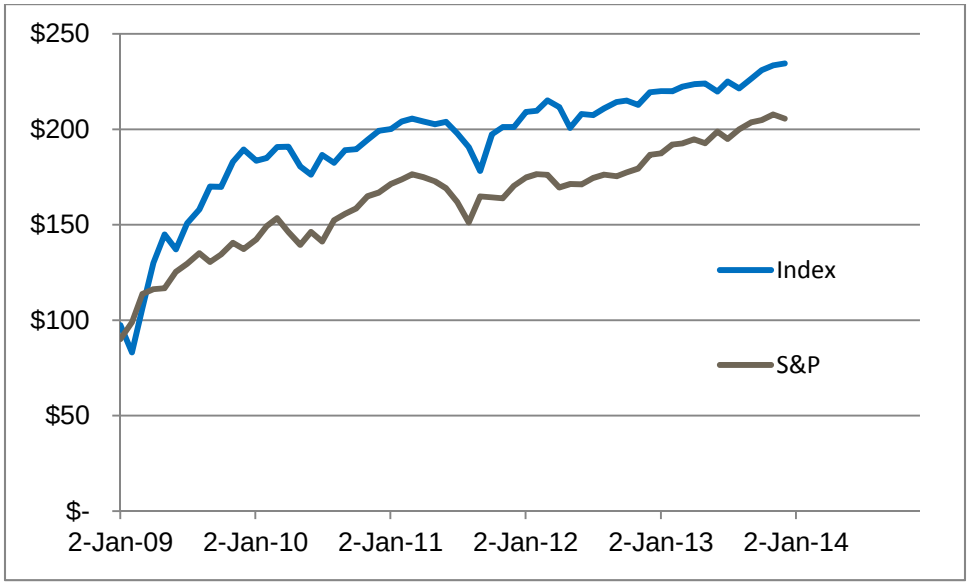
Table 1. Annual Returns for REI Components and Benchmark Index

For the 12 month period ending December 31, 2013

REI	2009	2010	2011	2012	2013
Allete (ALE)	6.59%	18.91%	16.45%	15.50%	22.93%
Ascena Retail Group (ASNA)	115.49%	12.52%	12.24%	23.22%	19.82%
Calumet (CLMT)	136.31%	25.41%	2.97%	64.90%	-11.49%
Canadian National Railway (CNI)	46.32%	23.34%	18.86%	17.40%	25.59%
Cliffs Natural Resources (CLF)	57.62%	63.28%	-23.00%	-38.73%	-30.86%
Enbridge Energy Partners (EEP)	113.93%	22.99%	11.99%	-9.36%	11.03%
Ikonics (IKNX)	9.78%	14.97%	1.05%	19.44%	77.71%
Louisiana-Pacific (LPX)	328.22%	29.95%	-17.23%	134.47%	-6.04%
Polymet (PLM)	286.96%	-26.41%	-55.39%	-16.67%	12.35%
Sappi Limited (SPPJY)	14.70%	6.19%	-44.89%	25.68%	-18.28%
United Health Group (UNH)	10.63%	15.89%	38.28%	6.91%	40.28%
US Steel (X)	41.32%	1.30%	-55.84%	-14.66%	15.00%
Median	51.97%	17.40%	2.01%	16.45%	13.68%
Average	97.32%	17.36%	-7.88%	18.76%	13.17%
Benchmark	39.81%	25.72%	-1.41%	17.09%	35.44%

Figure 1 illustrates the growth of $100 invested in the REI on January 2, 2009 and held until December 31, 2013. 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 $234.48 and the ending value of the S&P 400 is $205.54. The trend for the REI closely mirrors the market and slightly outperforms the S&P 400.

Figure 1. 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.

As can be seen in Table 2, the average Timeliness/Performance Rank for the REI is slightly above average at 2.9. This suggests that on average the price performance of the REI should do slightly better than the market over the next year. Cliffs Natural Resources and US Steel have a rank of 2, indicating they are expected to do above-average relative to the market. Calumet is expected to have below-average performance based on a rank of 4. Value Line® did not provide any measures for Ikonics or 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 2.8, which makes the REI slightly safer than average in terms of potential risk. Allete, United Health Group, and US Steel have a rank of 2, which indicates above average safety. Louisiana-Pacific and Polymet 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 3, indicating that the index is expected to mirror the performance of the market over the next three to six months. Canadian National Railway, Louisiana-Pacific, and United Health Group have a rank of 2, indicating they are expected to outperform the market over the short term. However, all three of these firms are expected to mirror the market in the longer term as indicated by their Timeliness Rank. Cliffs Natural Resources, Polymet, and US Steel have a rank of 4, indicating below average performance over the short term. Based on the Timeliness Rank, all three are expected to do better the latter part of the year, with both Cliffs Natural Resources and US Steel to have above average performance with a Timeliness Rank of 2. Of the firms in the REI, four are expected to have better performance over the short term and then decline the rest of the year and three are expected to have worse performance in the short term and improve after the first three to six months of the year.

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 47.5, 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, Louisiana-Pacific, Polymet, and US Steel had the lowest price stability, with ranks ranging from 10 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 1.

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 50, indicating it is average in terms of consistent price growth. Canadian National Railway and Ascena Retail Group showed above average persistence in price growth, while Louisiana-Pacific and US Steel are well below average.

Table 2. Value Line Measures

REI	Timeliness/ Performance	Safety	Technical	Price Stability	Price Growth Persistence
Allete (ALE)	3	2	3	95	50
Ascena Retail Group (ASNA)	3	3	3	55	85
Calumet (CLMT)	4	3	3	35	50
Canadian National Railway (CNI)	3	2	2	90	100
Cliffs Natural Resources (CLF)	2	3	4	10	60
Enbridge Energy Partners (EEP)	3	2	3	90	55
Ikonics (IKNX)	*	*	*	*	*
Louisiana-Pacific (LPX)	3	4	2	15	20
Polymet (PLM)	3	4	4	10	5
Sappi Limited (SPPJY)	*	*	*	*	*
United Health Group (UNH)	3	2	2	60	50
US Steel (X)	2	3	4	15	25
Average	2.9	2.8	3	47.5	50

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. 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, Ascena Retail Group, Canadian National Railway, and UnitedHealth Group compare favorably to the industry averages. All of them, except Canadian National Railway, are slightly below their respective industry average. Cliffs Natural Resources and Louisiana-Pacific have ratios that are significantly below their industry average. Ikonics P/E ratio of 70.9 is significantly higher than the industry average of 17.1. Although high P/E ratios are generally considered better, Ikonics ratio may be an indication that the stock is currently overpriced.

The P/E ratio for the REI is 23.57. This is comparable to the average market P/E ratio of 20 to 25 times earnings.

Table 3. Price Ratio Measures

REI	Price-to-Earnings Firm	Price-to-Earnings Industry	Forward Price/Earnings	PEG Ratio	PEG Payback	Short Ratio	Shares Short % Change
Allete (ALE)	19.10	23.40	9.90	1.60	7.00	2.96	-4.60
Ascena Retail Group (ASNA)	18.80	21.30	12.30	0.60	5.80	3.70	-3.27
Calumet (CLMT)	*	13.30	29.90	1.30	9.00	2.57	1.03
Canadian National Railway (CNI)	20.00	19.50	15.90	1.20	8.20	2.98	23.98
Cliffs Natural Resources (CLF)	7.60	46.50	6.40	*	*	4.70	-4.98
Enbridge Energy Partners (EEP)	*	39.10	*	*	*	4.39	-2.45
Ikonics (IKNX)	86.20	17.10	*	*	*	1.00	296.69
Louisiana-Pacific (LPX)	14.40	47.20	13.40	2.70	9.50	3.12	23.09
Polymet (PLM)	*	46.50	*	*	*	10.89	-3.05
Sappi Limited (SPPJY)	*	*	26.50	0.20	3.30	1.03	-9.21
United Health Group (UNH)	14.20	16.30	11.70	1.30	7.30	3.37	-11.03
US Steel (X)	*	*	32.30	0.70	6.30	4.52	20.75
Average	25.76	27.9	17.6	1.2	7.1	3.77	27.25

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 and is consistent with the Value Line® Price Growth Persistence measures.

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 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 2.7, indicating it is significantly overvalued. Allete, with a PEG ratio of 1.6, also seems to be overvalued. Calumet, Canadian National Railway, and United Health Group are slightly overvalued, with PEG ratios ranging from 1.2 to 1.3. Ascena Retail Group, Sappi Limited, and US Steel are slightly undervalued, with PEG ratios ranging from 0.2 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.

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 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.

Polymet has a short interest ratio of 10.89, indicating investors are not very confident the stock price will increase over the short term. The remaining firms in the REI all have ratios below five, indicating investors are bullish on these stocks.

The percentage change in short interest shows a significant change in investor sentiment for Ikonics. The increase in short interest of 296.69% over the past month indicates many investors believe Ikonics is overvalued and expect stock values to decline. Similar increases in short interest are observed for Canadian National Railway (23.98%), Louisiana-Pacific (23.09%), and US Steel (20.75%). UnitedHealth Group shows a decline in short interest (-11.03%), indicating many investors believe the stock price will rise in the short term. The percentage change in short interest for the remainder of the stocks in the REI was relatively small, with five of the six showing a slight improvement in investor sentiment.

CONCLUSION

Although the REI showed a strong positive return of 13.17% over the past year, the overall performance of the index is below average when compared to the benchmark return of 35.44%. Calumet (-11.49%), Cliffs Natural Resources (-30.86%), Louisiana-Pacific (-6.04%), and Sappi Limited (-18.28%) had large negative returns which had a strong influence on the overall performance of the index.

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, with the exception of Price Stability and Price Growth Persistence, the index is very consistent and comparable to the market for most stocks and most measures.

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 generally positive about short-term expectations of performance for most of the stocks in the index. More than 50% of the stocks in the index have had a reduction in their short interest position over the past month, a positive indicator of investor sentiment. Overall, it appears that investors' expectations of future performance of the stocks in the REI are quite good.

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: Theodore Glass, Samuel Hoffman, Kailee Ogden.

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 November of 2013. The College received a total of 185 responses, 55% of which came from small businesses boasting 1-19 employees. From the data, St. Scholastica was able to conclude that overall business activity for the previous six months was positive, with an increase in the level of general business activity reported by respondents. Businesses forecasted business activity to moderately increase in the Northland region over the next six months. During the previous six months, capital expenditures and average hours worked saw the greatest increases and maintained their relative positions in business' projections for the following six months.

While businesses have indicated they are optimistic about the direction of business activity in the Northland region, the survey conducted allowed the College to quantify the main factors area businesses perceived as limiting their ability to generate growth. The three factors that businesses identified as most hindering business activity were: 1) lack of demand; 2) competition within their own sector; 3) shortage of skilled labor; 4) weather conditions; 5) legislation relating to healthcare.

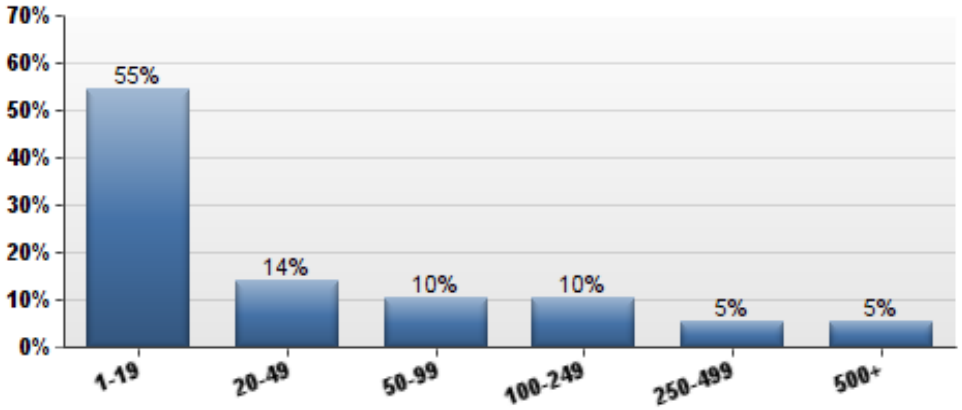
Respondents were also asked to identify changes made to average hours worked and number of employees as they pertained to the rollout of The Affordable Care Act. The majority of businesses surveyed did not foresee the variables in question as being impacted by the legislation. 20% of respondents who forecasted a change in these areas believed that it would result in a decrease in business activity.

NORTHLAND BUSINESS CONFIDENCE SURVEY: FINDINGS AND ANALYSIS

After receiving data collected from the initial Northland Business Confidence Survey that was administered in November 2013, we have concluded that overall business activity and confidence for the previous six months was generally positive. When asked to forecast for the next six months, businesses across all industries participating in the survey responded with

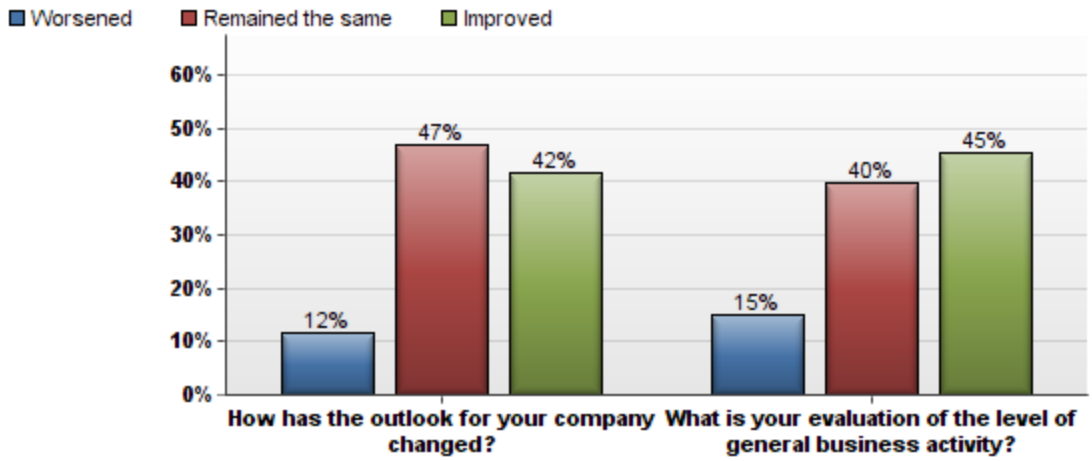
overall moderate optimism. The following includes a comprehensive representation of the data collected from the Northland Business Confidence Survey. We utilized graphical representations of data collected from the survey results to illustrate key areas affecting regional business activity and confidence.

What is your number of employees?

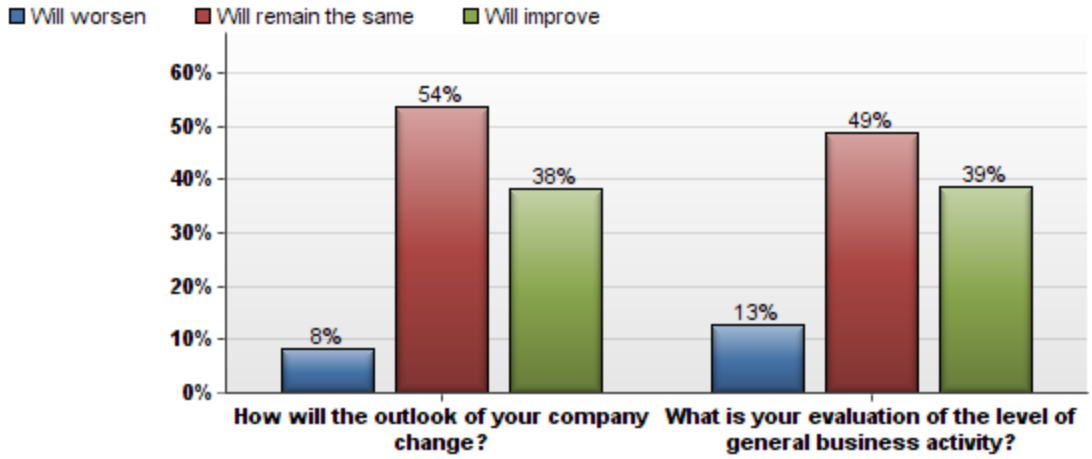


The survey had 185 respondents, with at least 5% coming from each of the employee breakdowns we had. Approximately 80% of survey respondents came from businesses with under 100 employees. The majority of respondents (55%), came from businesses with less than 20 employees.

Previous Six Months



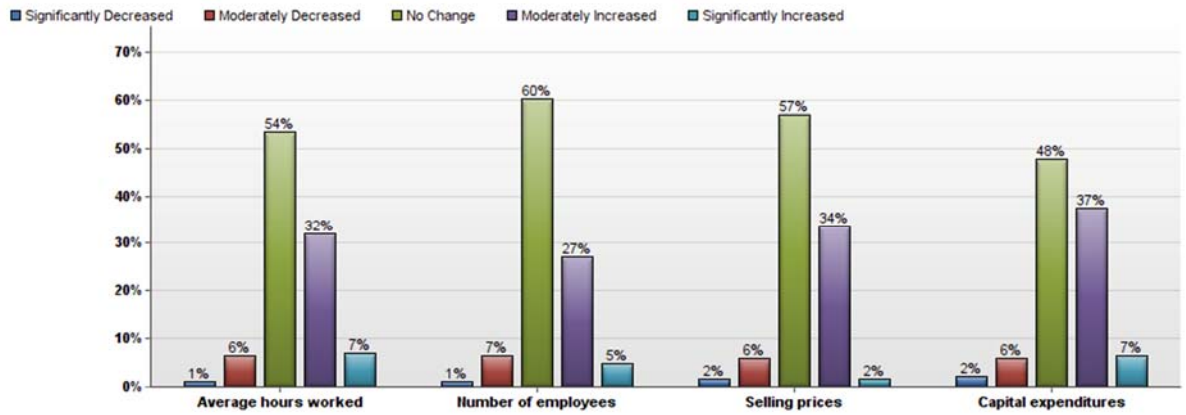
Next Six Months



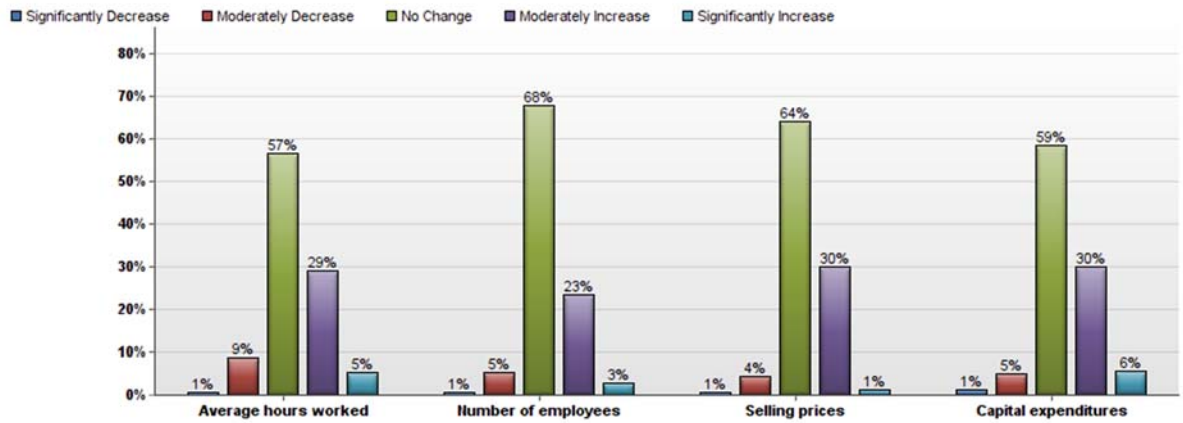
Our initial analysis indicates that there is a cross-industry consensus that business conditions were strong in the previous six months and, although a little less enthusiastic, will continue to be strong in the coming six months. Although the proportion of those reporting improvement for both company outlook and general business activity fell from past to future evaluations, so too did the proportion who thought either would worsen.

Excluding normal seasonal changes, evaluate the business indicators relating to the current state of your business relative to the past six months?

Previous Six Months



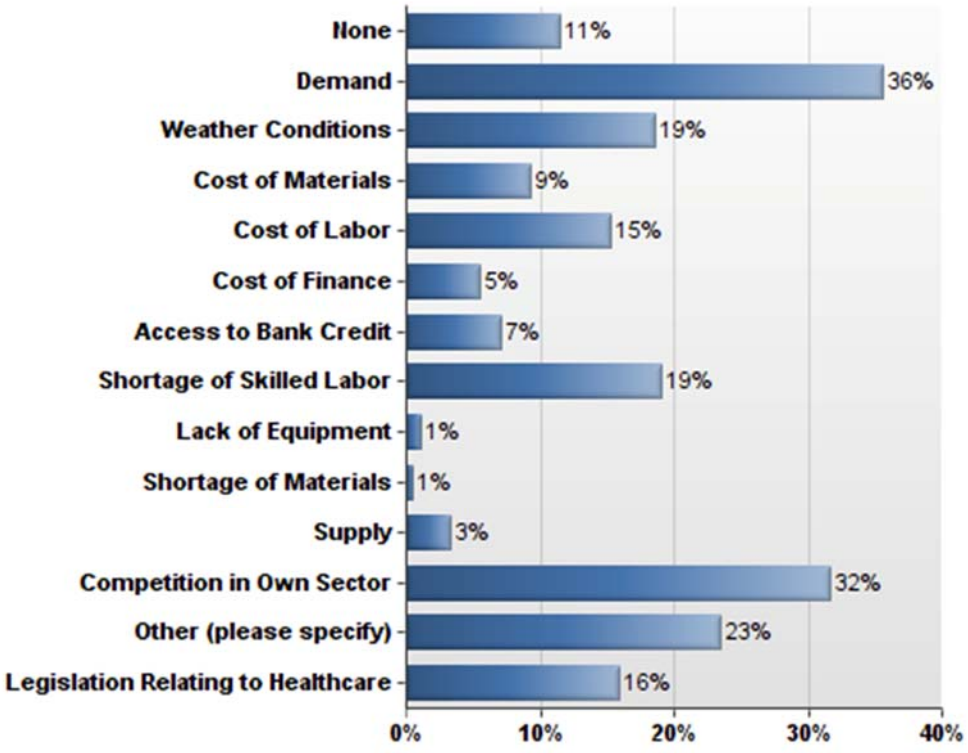
Next Six Months



The general consensus that overall business activity had been moderately positive in the past six months is futher emphasised by the responses of businesses to questions regarding average hours worked by employees, number of employees, selling prices, and capital expenditures. We asked businesses to evaluate the changes that have occurred in each of these four business measures for the previous six months as well as what their projections are for the future six months. When looking forward to the next six months, regional businesses expect these levels to stablize, as indicated by the higher selections of “no change” in these four areas. However, any changes are still projected to further increase the levels of the four business measures used.

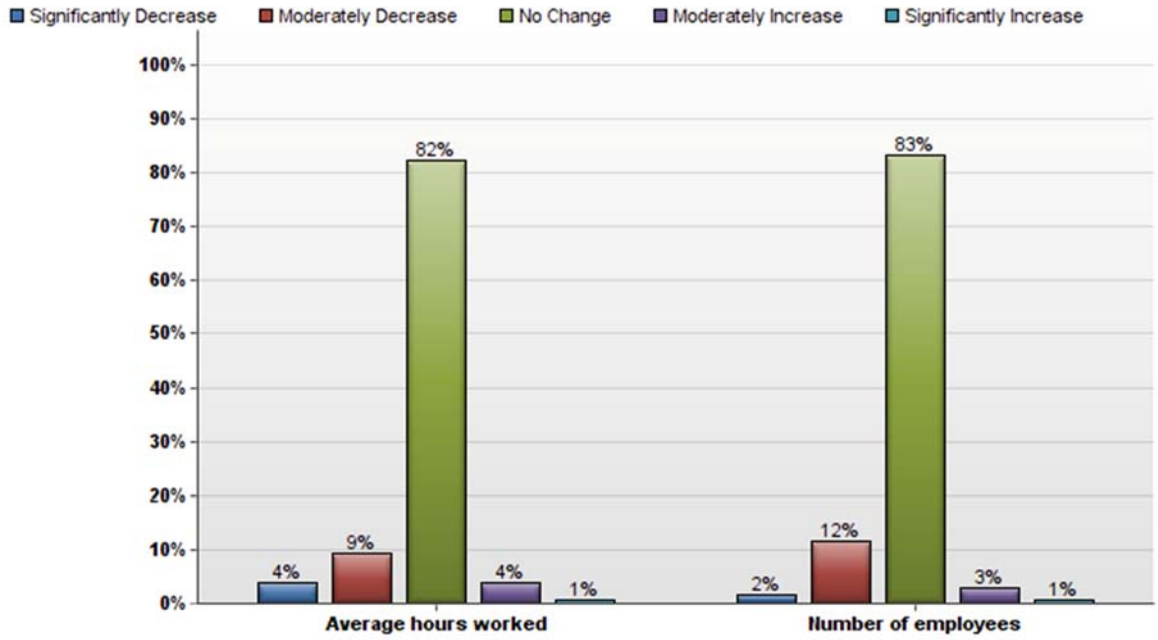
In the previous six months, Capital Expenditures and Average Hours Worked had the greatest increases and maintained their positions in the projections of the next six months.

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



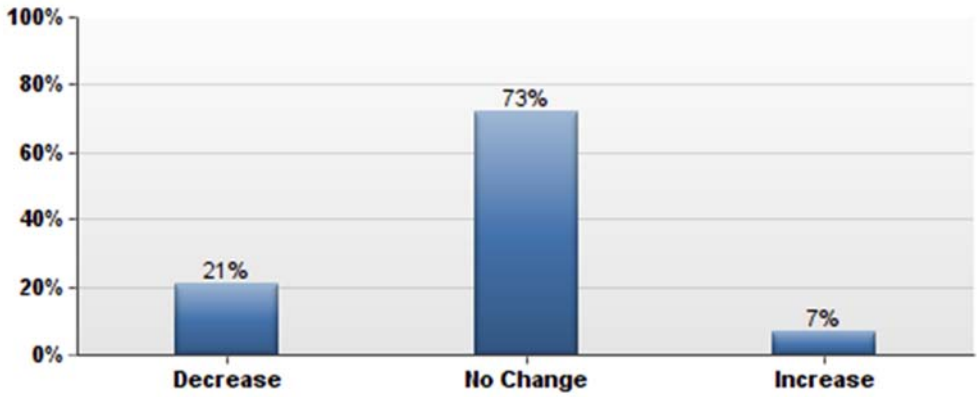
While regional businesses have indicated that they are optimistic about the direction of business activity, there were still challenges readily identifiable. The five factors that businesses identified as most limiting business activity were: 1) Lack of Demand; 2) Competition Within Their Own Sector; 3) Weather Conditions; 4) Shortage of Skilled Labor; and 5) Legislation Relating to Healthcare.

What, if any, impact will the Affordable Care Act have in terms of average hours worked and level of employment?



The Affordable Care Act had very little impact on the average number of hours worked or the number of employees, though a change were to occur many expected it to be a negative one.

Overall, what impact do you foresee the Affordable Care Act having on your level of business activity?



Similarly, the majority of businesses surveyed (73%) did not foresee business activity being impacted by the Affordable Care Act. Once again, the majority of those who forecasted a change (21%) believed that it would result in a decrease in business activity.

THE NORTHLAND BUSINESS CONFIDENCE SURVEY METHODOLOGY

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

1. What sector is your business in?[2]
2. What is your number of employees?
3. Excluding normal seasonal changes, evaluate the business indicators [Average Hours Worked, Number of Employees, Selling Prices, Capital Expenditures] relating to the current State of your business relative to the past six months? (Significantly Decreased/Increased; Moderately Decreased/Increased; No Change)
4. Excluding normal seasonal changes, evaluate the business indicators [Average Hours Worked, Number of Employees, Selling Prices, Capital Expenditures] relating to the current state of your business relative to the past six months? (Significantly Decreased/Increased; Moderately Decreased/Increased; No Change)

[2] Choices for Question 1: Agriculture; Construction; Manufacturing; Retail Trade; Wholesale Trade; Professional Services; Financial Services; Education; Health Services; Real Estate; Government; Non Profit; Leisure and Hospitality; Transportation and Warehousing; Other

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? (Worsen/No Change/Improve)
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? (Worsen/No Change/Improve)
7. What factors are limiting your ability to increase business activity? Please check up to three.[3]
8. Overall, what impact do you foresee the Affordable Care Act having on your level of business activity? (Decrease/No Change/Increase)
9. What, if any, impact will the Affordable Care Act have in terms of average hours worked and level of employment? (Significantly Decreased/Increased; Moderately Decreased/Increased; No Change)[4]

The questions were created by the CSS Economic Research Team who reviewed 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 hours worked, number of employees, selling prices, and capital expenditures were four of the most important and valuable tools to gauge business activity.

The survey was distributed via email to the following Chambers in mid-November: Hibbing Chamber of Commerce; Chisholm Chamber of Commerce; Hayward Area 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.

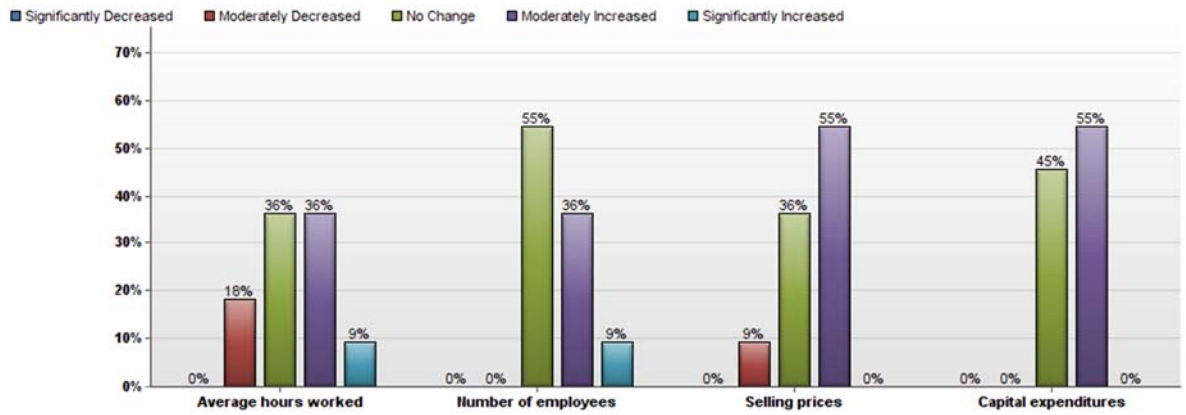
Within two weeks, the survey had garnered 185 responses. The analysis was done on three different levels: (1) a general analysis of how all respondents answered the questions; (2) an analysis of responses broken down by sector[5]; (3) an analysis of responses broken down by size.

[3] Choices for Question 7: None; Demand; Weather Conditions; Cost of Materials; Cost of Labor; Cost of Finance; Access to Bank Credit; Shortage of Skilled Labor; Lack of Equipment; Shortage of Materials; Supply; Competition in Own Sector; Legislation Relating to Healthcare; Other (Please Specify)
[4] Similar to Questions 5 and 6 in that two separate questions are asked.
[5] The following sectors received at least 10 responses and therefore met our criteria for the sector-by-sector breakdown: Construction; Retail; Professional Services; Financial Services; Non-Profit; Leisure and Hospitality

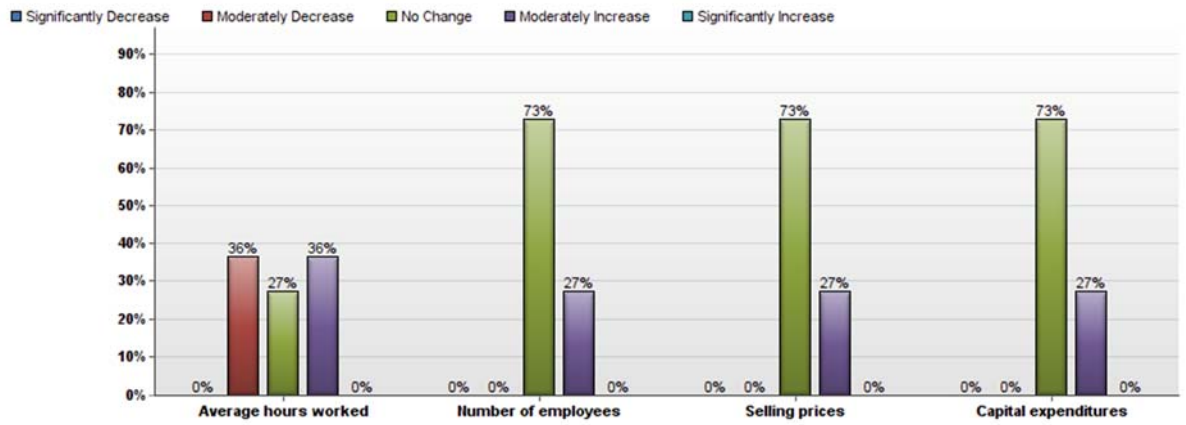
SURVEY ANALYSIS BY INDUSTRY

CONSTRUCTION

Business Indicators - Previous Six Months:



Business Indicators - Next Six Months:

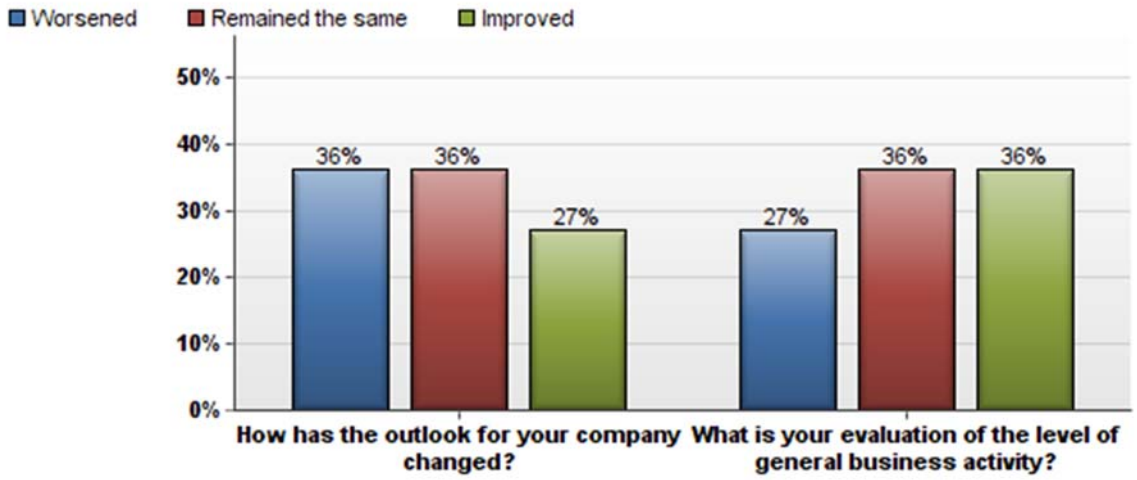


In the six months leading up to when the survey was administered, the construction industry had a higher proportion of businesses that increased their Average Hours Worked, Number of Employees, Selling Prices, and Capital Expenditures than the region as a whole. There were no

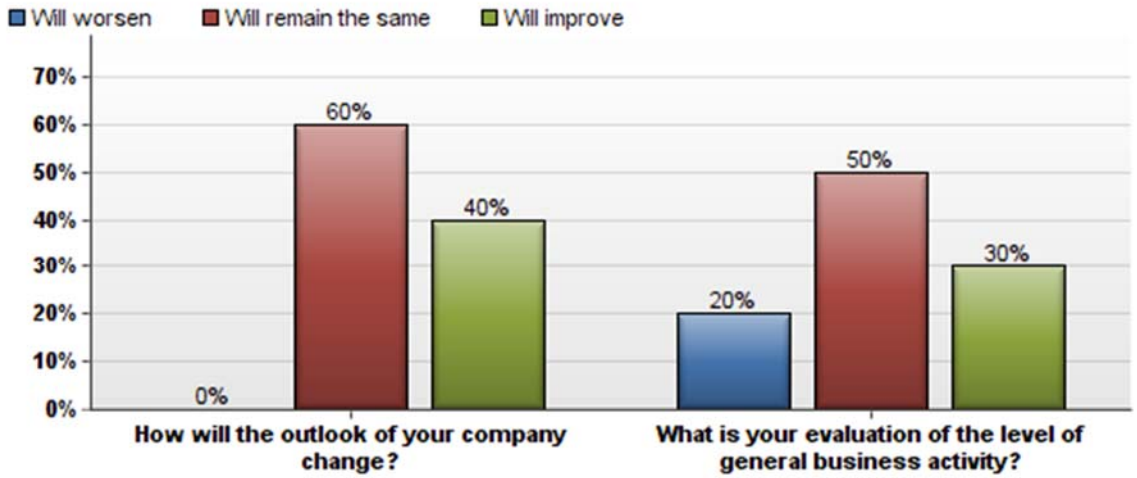
Construction firms who had any reductions in Number of Employees or Capital Expenditures. Further, the percent who had no change was less in each of these than it was for businesses as a whole, suggesting that the last six months were very strong ones for the industry.

Looking forward, there was a wide consensus throughout the industry in each the Number of Employees, Selling Prices, and Capital Expenditures. Roughly 27% of respondents expected moderate increases in each, while the remaining 73% expected no change. Average Hours Worked looked more pessimistic than the previous six months, as 36% were forecasting moderate decreases - up from 18%. Additionally, 36% expected a moderate increase, while the 9% who had previously reported significant increases in Average Hours Worked disappeared completely.

General Business Conditions - Previous Six Months:

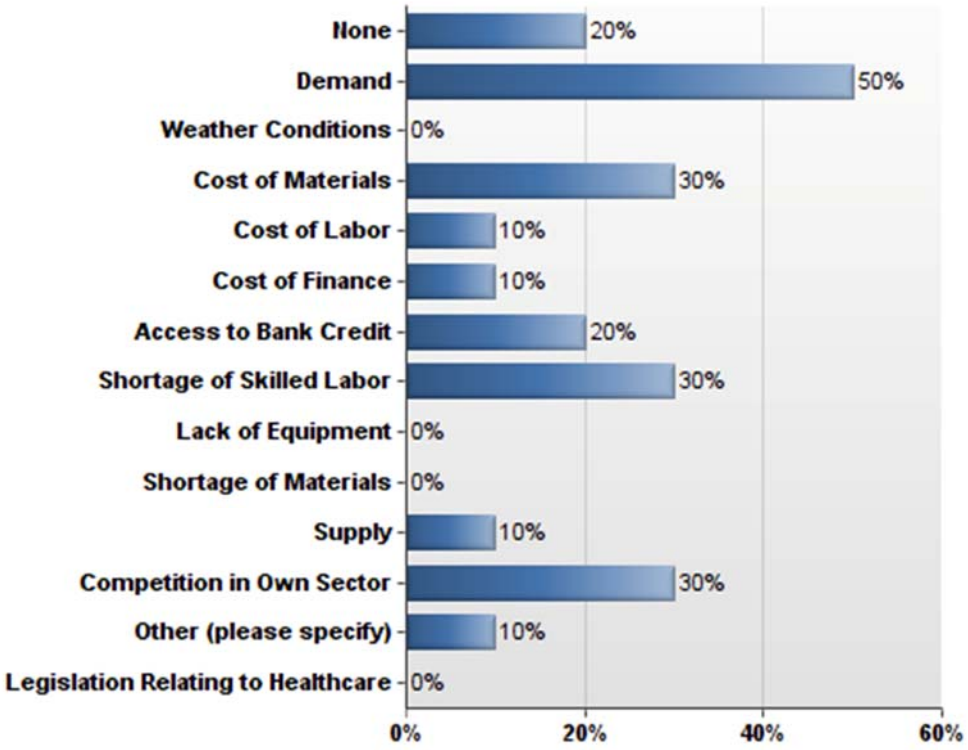


General Business Conditions - Next Six Months:



Despite projecting lower levels of the previous four business measures, Construction firms had high hopes for a more positive upcoming six months on an individual level than the previous six. Indeed, there was not a single respondent in the Construction industry who expected their company's outlook to change for the worse in the next six months, while 36% reported that their outlook worsened over the past six months. The evaluations for the previous six months were far more pessimistic than the average, with 36% reporting a worsened outlook and 27% reporting worsened business activity, compared to respective averages of 12% and 27%. Their projections for the next six months fell more in line with the general consensus.

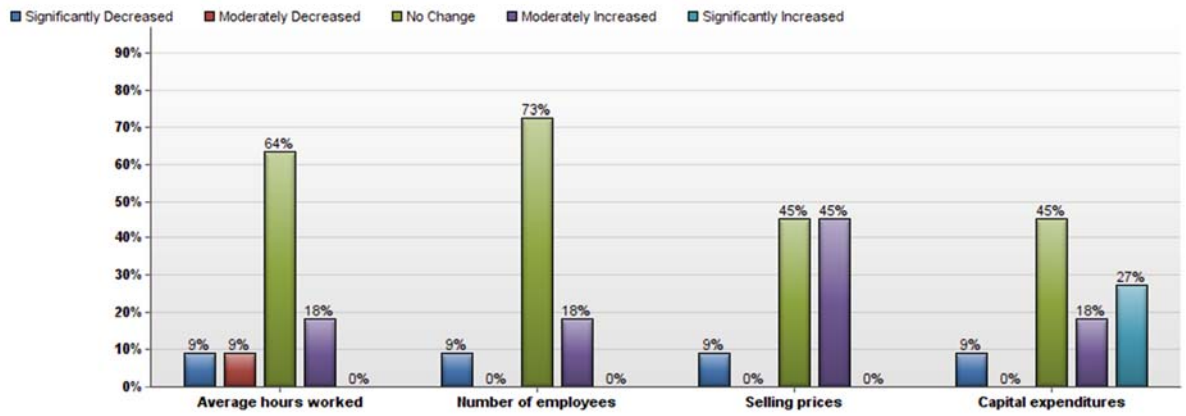
Factors Limiting Growth (Three Could Be Selected):



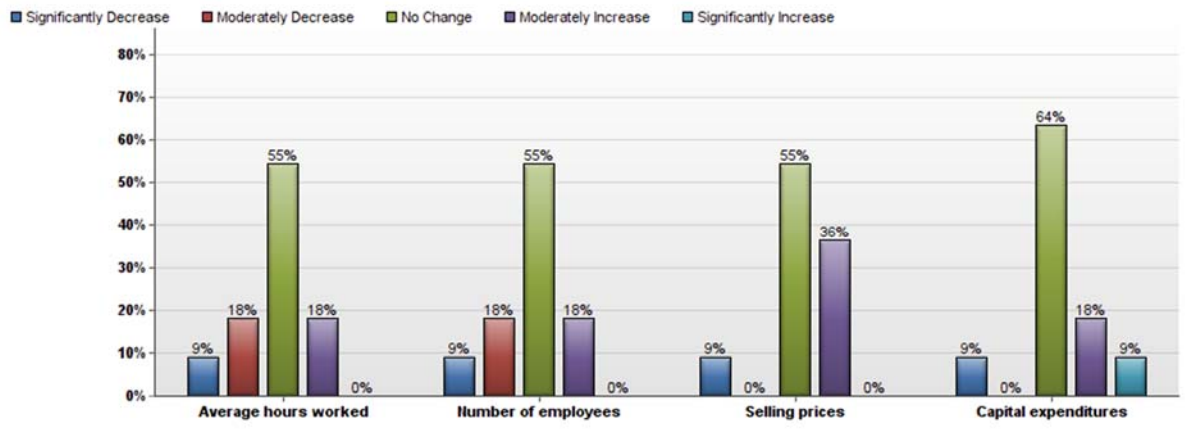
The biggest challenge facing construction firms when the survey was distributed were lack of demand, high cost of materials, a shortage in skilled labor, and competition among other firms within the sector. With 50% of respondents selecting it, demand was a bigger problem within the Construction industry than it was for the region as a whole, where only 36% selected it, and was just behind the 52% reported by the Financial Services industry.

RETAIL

Business Indicators - Previous Six Months:



Business Indicators - Next Six Months:

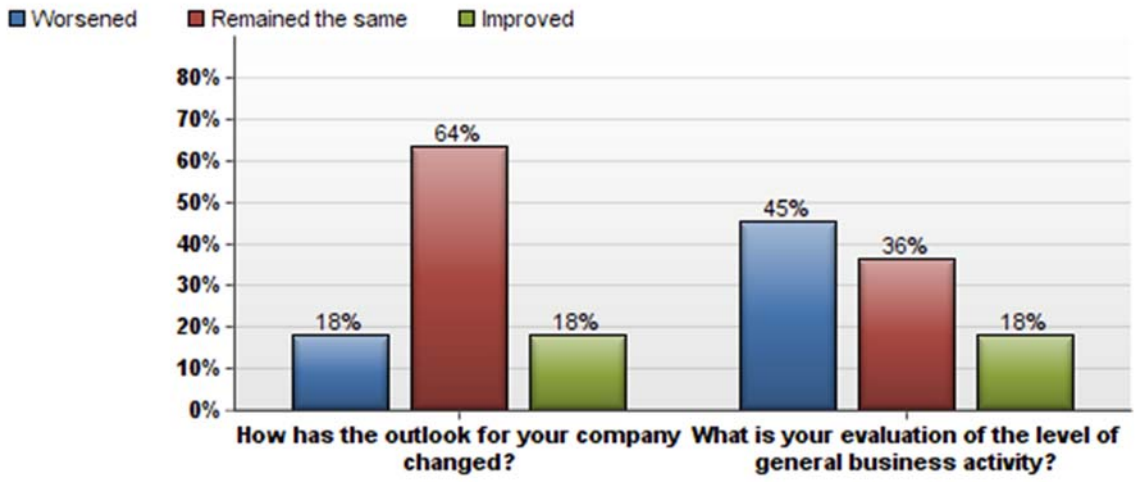


Compared to the region's businesses as a whole, the Retail industry produced a mixed bag in the previous six months. For retail, 9% reported having significant decreases in each Average Hours Worked, Number of Employees, Selling Prices, and Capital Expenditures, while only 2%

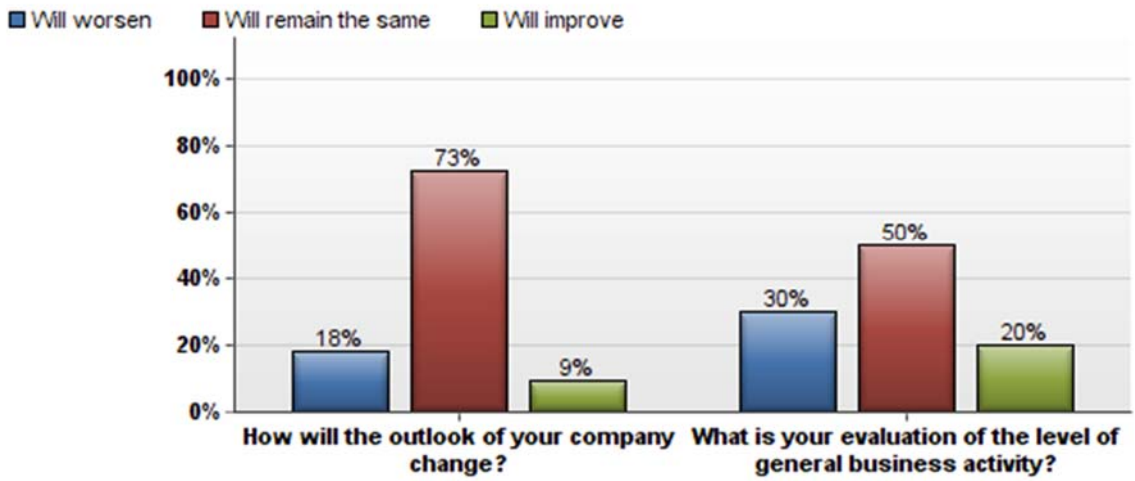
of all businesses reported that for the latter two measures and only 1% for the former two. On the whole, each of the measures saw greater decreases in the past six months in Retail than they did for all businesses. However, 45% in Retail reported moderate increases in selling prices compared to 34% for all businesses. Retail also boasted the greatest proportion of respondents reporting significant increases in Capital Expenditures with 27%, while the next highest, Non-Profit, reported 8%.

In the coming six months, Average Hours Worked and Number of Employees for the average Retail industry are both expected to decrease, in stark contrast to businesses as a whole. For instance, of all respondents, 34% and 26% expected increased Average Hours Worked and Number of Employees, 10% and 6% expected decreases, respectively.

General Business Conditions - Previous Six Months:

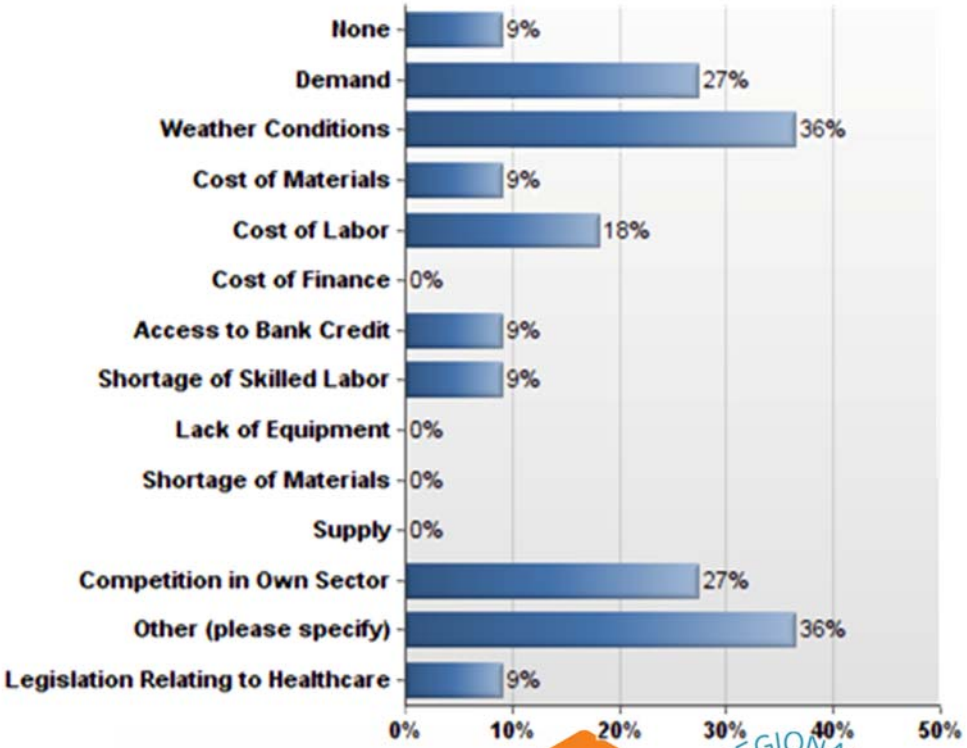


General Business Conditions - Next Six Months:



There was slightly less optimism for the company outlook for the next six months than there was for the previous, as the 18% indicating improvement dropped to 9%. This resulted in a 9% increase in respondents who selected “Will Remain the Same,” as the pessimistic outlook held steady at 18%.

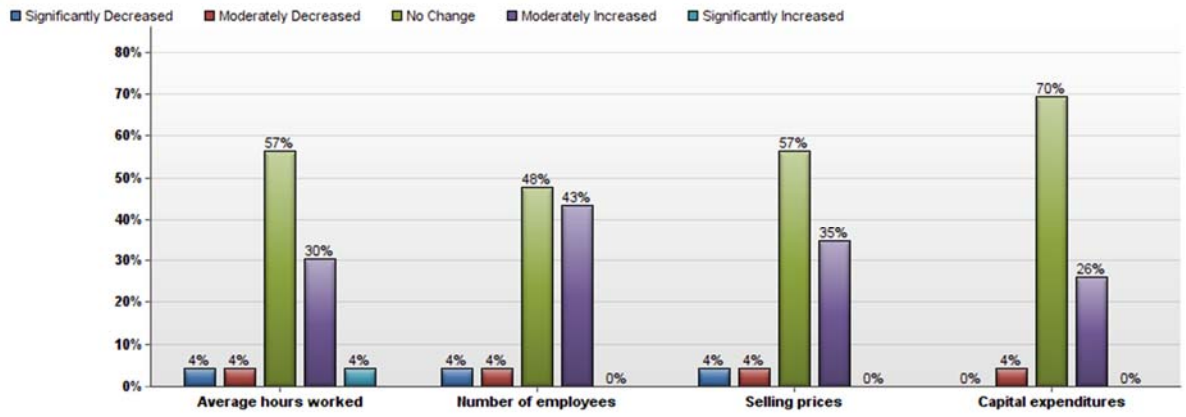
Factors Limiting Growth (Three Could Be Selected):



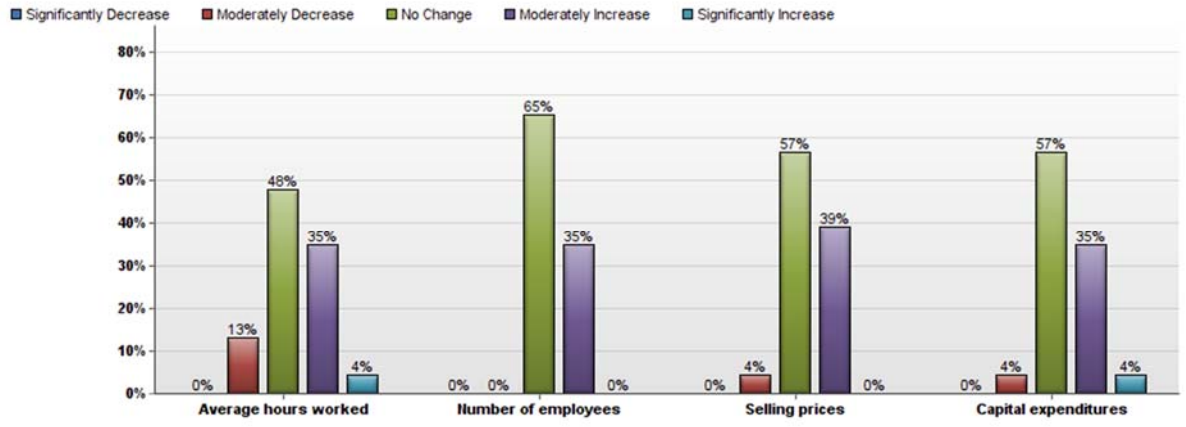
Much like the rest of the region, Demand and Competition within the Sector presented significant challenges for the players in the Retail industry, with each garnering selections from 27% of respondents. At 36%, Weather Conditions presented more problems than it did for the general region, where 19% of respondents listed it as one of the biggest inhibitors of general business activity.

PROFESSIONAL SERVICES

Business Indicators - Previous Six Months:



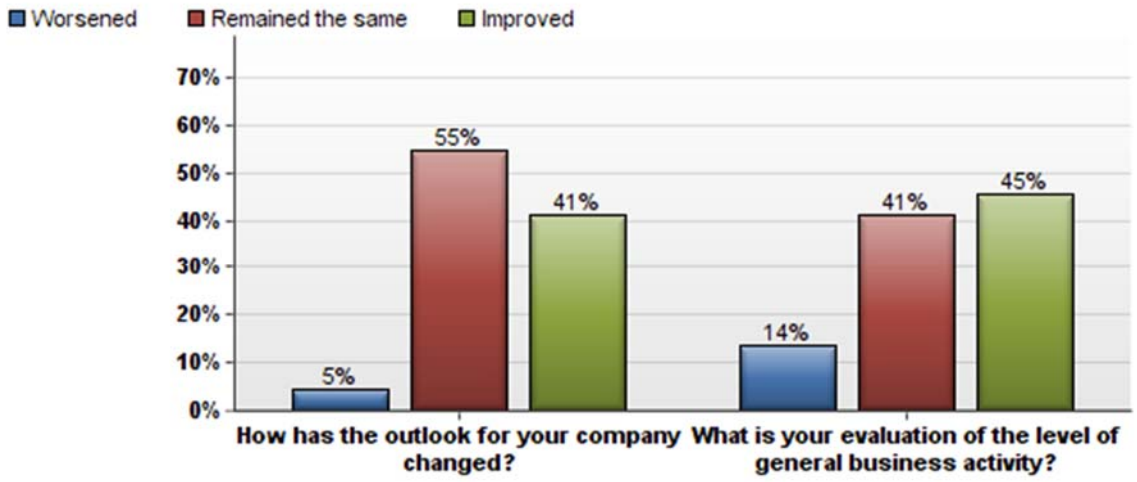
Business Indicators - Next Six Months:



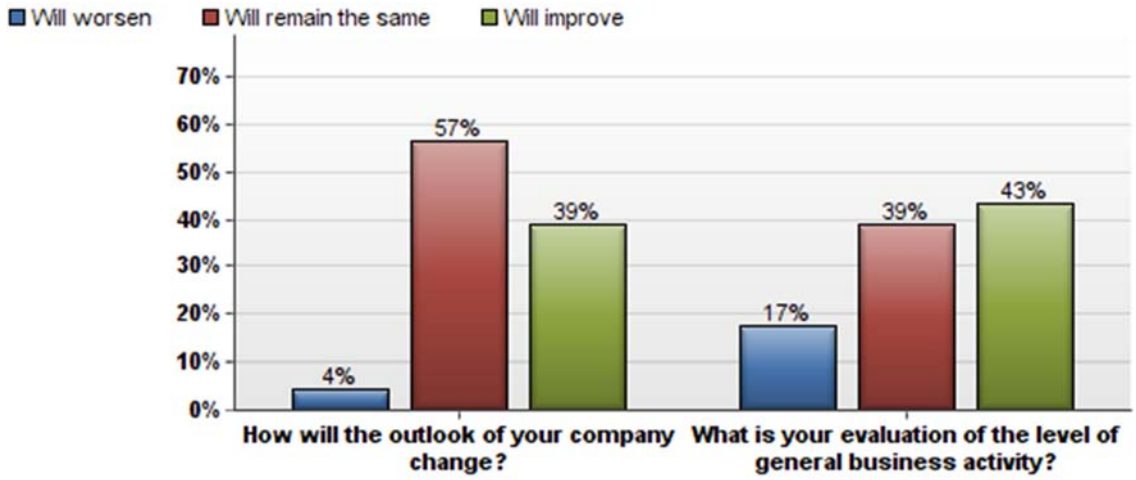
The changes in Average Hours Worked and Selling Prices during the previous six months for Professional Services industry tracked closely to those off all businesses, with a little over 30% of respondents reporting moderate gains. The Number of Employees and Capital Expenditures both deviated from the standard. Over 43% of respondents in Professional Services reported that their number of employees had moderately increased, compared to 27% overall. Capital Expenditures had far less change in the previous six months in Professional Services than all industries, as 70% reported no change, while only 48% did overall.

For the upcoming six months, Professional Services companies generated fairly uniform projections for each of the four business measures. The Professional Services industry expected more improvement in each than the average business did, with each having at least 35% of respondents indicating a projected increase, while Capital Expenditures was the only one to exceed 35% for businesses as a whole.

General Business Conditions - Previous Six Months:

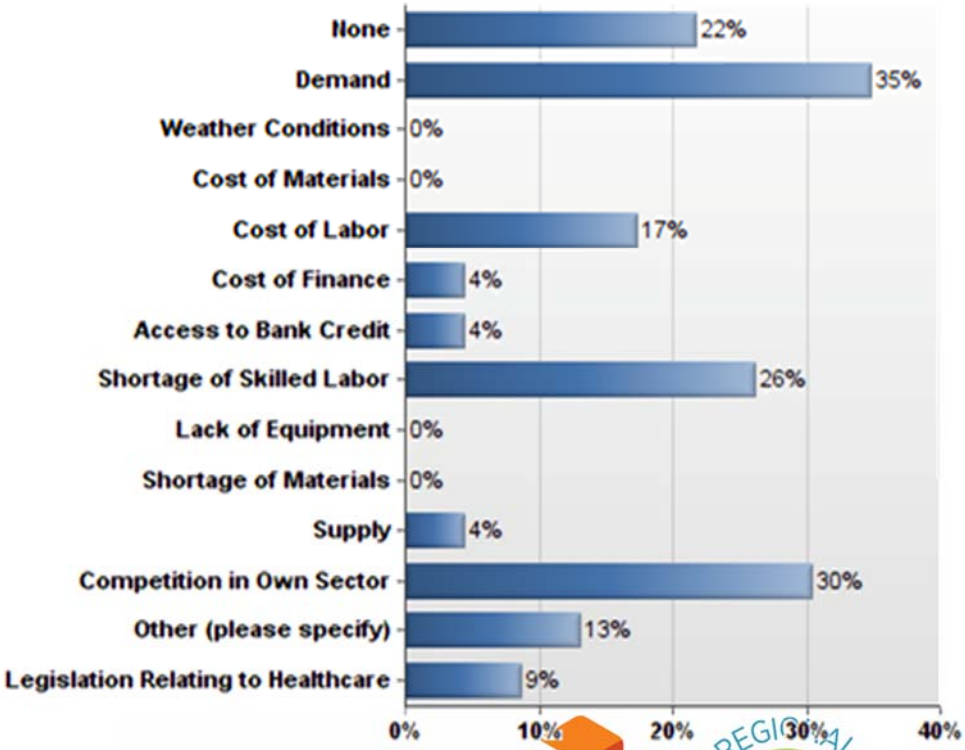


General Business Conditions - Next Six Months:



There was little change in terms of company outlook and business activity evaluation when firms in Professional Services compared the previous six months to the future six months. The results tracked similarly to those reported by businesses as a whole, with the one exception being the evaluation of future business activity, where 39% in the industry projected no change while 49% overall did the same. The 10% difference was distributed evenly between projected improvement and projected decline.

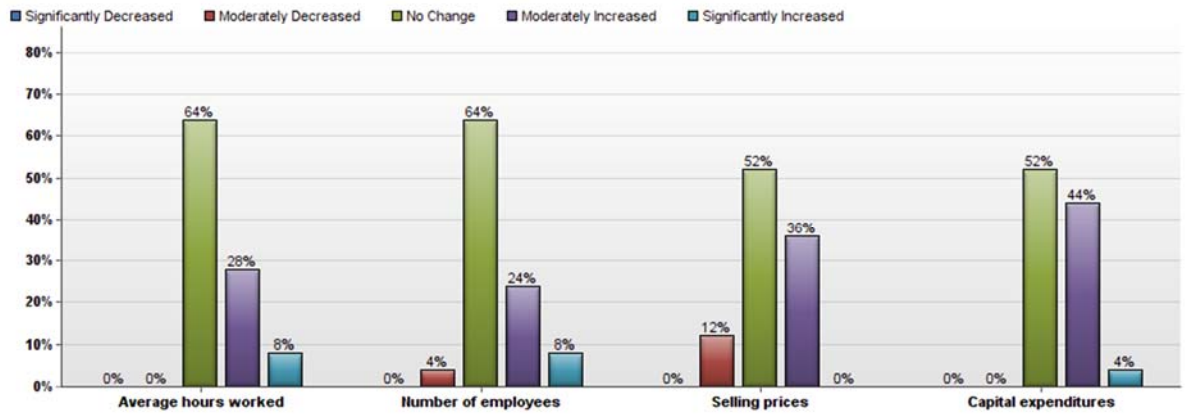
Factors Limiting Growth (Three Could Be Selected):



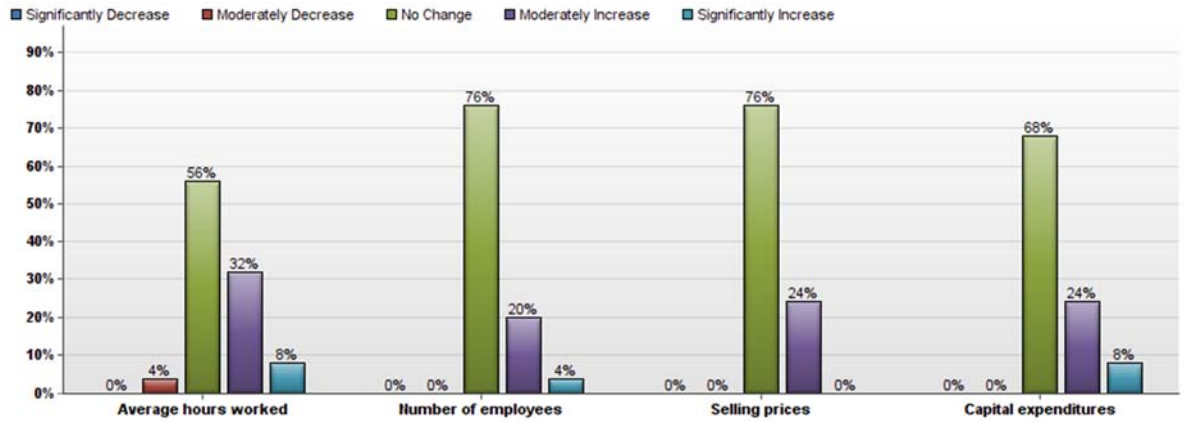
Demand, Competition within the Sector, and Shortage of Skilled Labor dominated the choices of businesses in Professional Services, mirroring the consensus concerns for all businesses in the region. Weather Conditions received zero mentions, despite registering as a concern for 19% of all businesses. Professional Services had a greater proportion of respondents (21%) who had few enough challenges to select None, edging out Construction.

FINANCIAL SERVICES

Business Indicators - Previous Six Months:



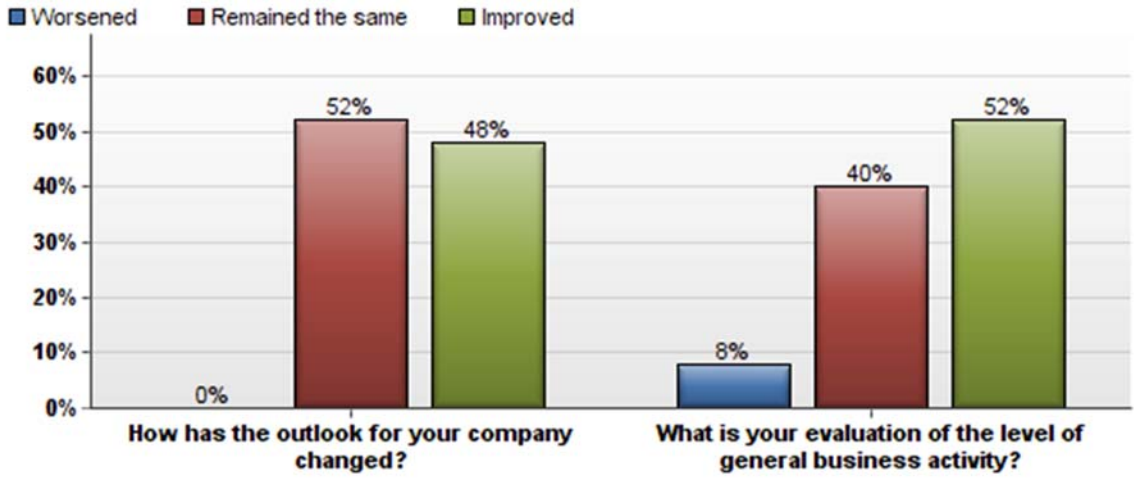
Business Indicators - Next Six Months:



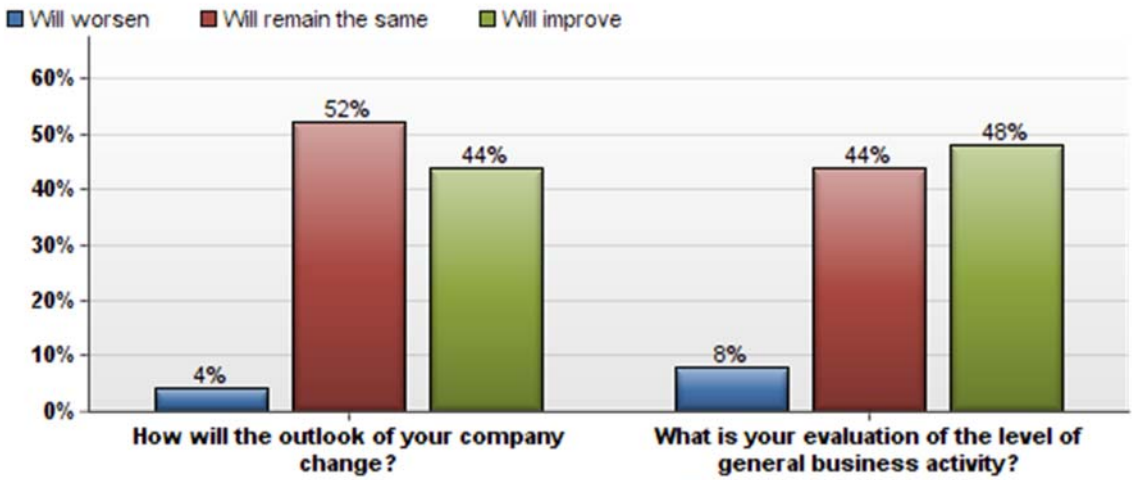
In the previous six months, Financial Services reported slightly more positive changes in three of the four measures compared to those of businesses as a whole, with the exception being Selling Prices. 12% of respondents in Financial Services reported moderate decreases in Selling Prices, compared to the 6% that businesses as a whole reported. No businesses in the industry reported any reduction in Average Hours Worked or Capital Expenditures.

For the next six months, Average Hours Worked was the only business measure that had any respondents projecting decreases in. The vast majority of respondents indicated that they expected to stay at their current level of employment, selling price, and capital expenditure. However, if a change was forthcoming for any respondents, it was expected to be an increase.

General Business Conditions - Previous Six Months:

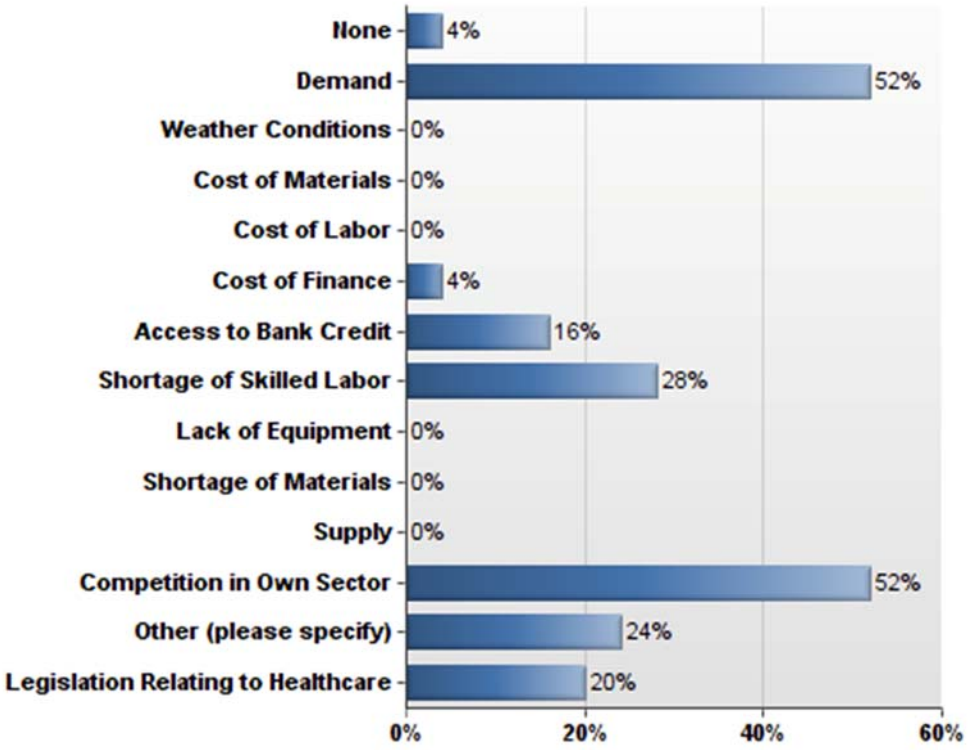


General Business Conditions - Next Six Months:



On a more general level, Financial Services firms expected the next six months to be relatively similar to the previous six months, as only minor shifts occurred. While the previous six months had no firms reporting a worsened outlook, 4% of Financial Services firms expected their outlook to weaken. Although similar in nature, there is more optimism coming from the Financial Services than from the average business.

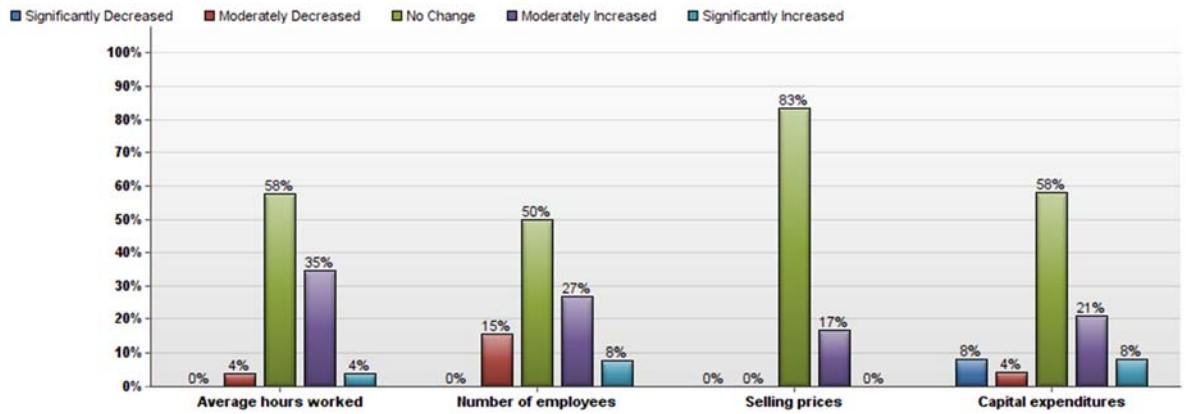
Factors Limiting Growth (Three Could Be Selected):



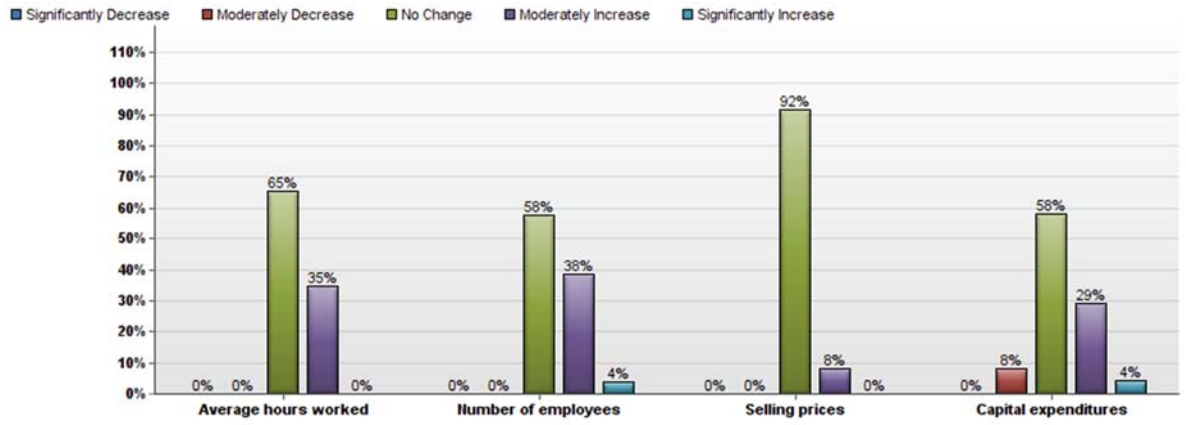
Demand and Competition within the Sector were overwhelmingly chosen as the biggest challenges to increased business activity for Financial Services, with each being chosen by 52% of respondents. Financial Services views Legislation Relating to Healthcare as more detrimental to business activity than any other industry, with 20% of respondents selecting it, while the next highest, Leisure and Hospitality, was 12%.

NON-PROFIT

Previous Six Months:

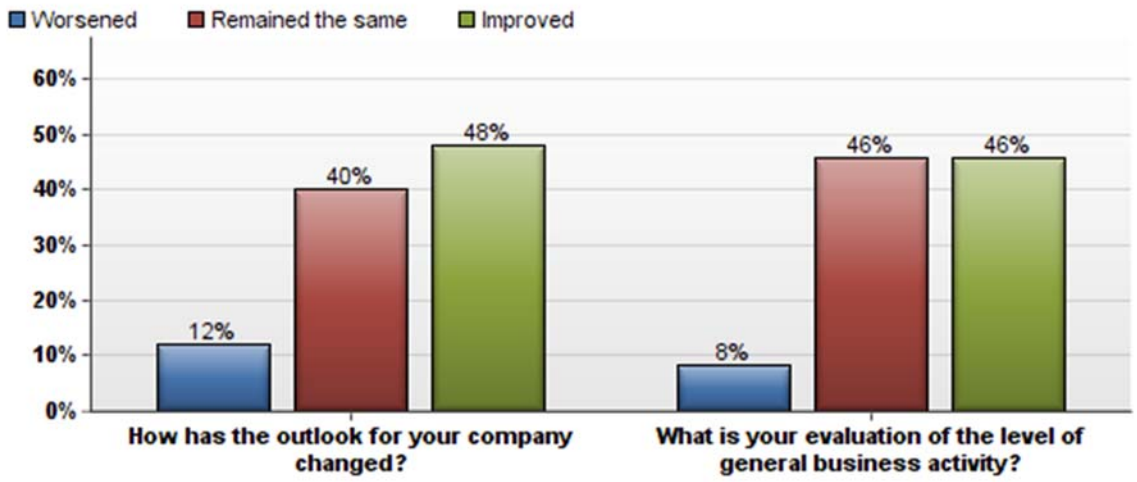


Next Six Months:

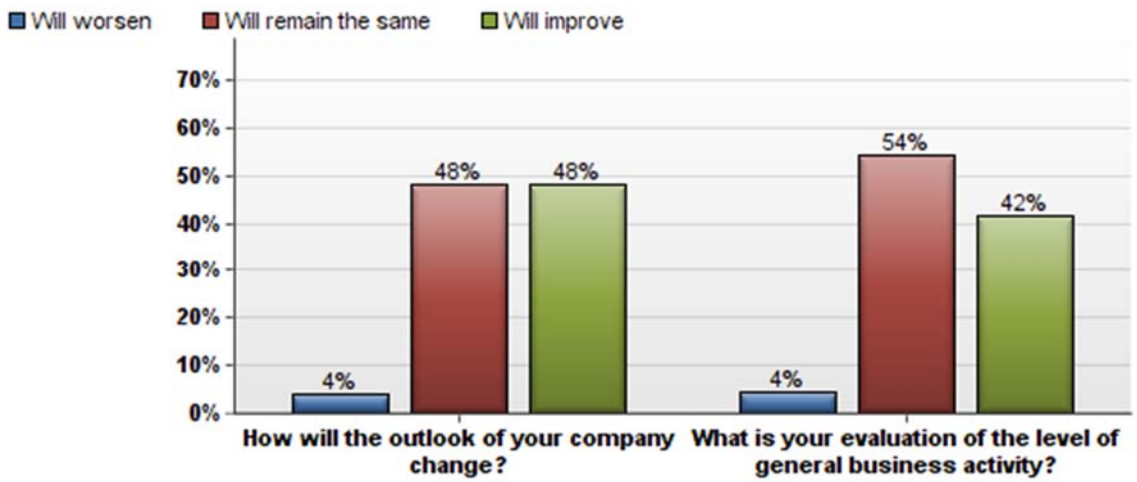


For Non-Profits, Average Hours Worked tracked relatively closely to the overall average. The proportion of Non-Profits reporting an increase in the Number of Employees (32%) was nearly identical to that of the average business, however, the proportion of Non-Profits reporting a decrease (15%) was nearly twice as much as the average (16%). Selling prices were mostly unchanged and the 17% that moved were raised moderately. Only 29% of Non-Profits reported an increase in Capital Expenditures, compared to the average of 44%.

General Business Conditions - Previous Six Months:



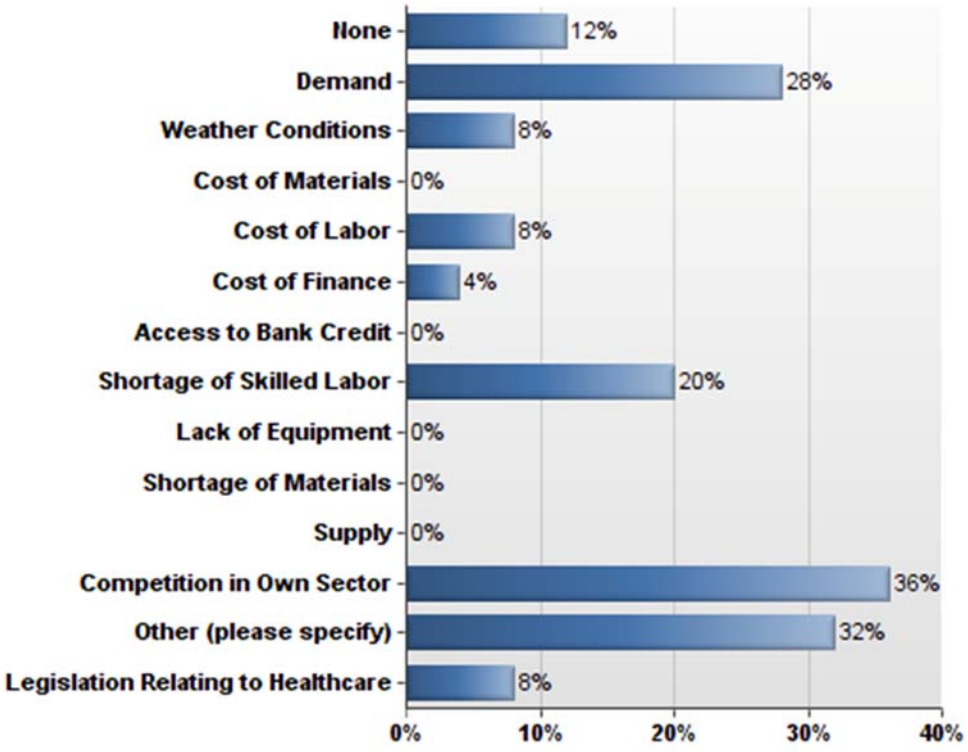
General Business Conditions - Next Six Months:



The proportion of respondents in the Non-Profit industry who felt that their company outlook had gotten worse in the previous six months was right in line with the average, but an above

average number of respondents reporting improvement. This story held true for the projected outlook, as well. Non-Profits were slightly more optimistic about business activity than the average respondent for both past and future activity, although they fell in similar proportion to one another.

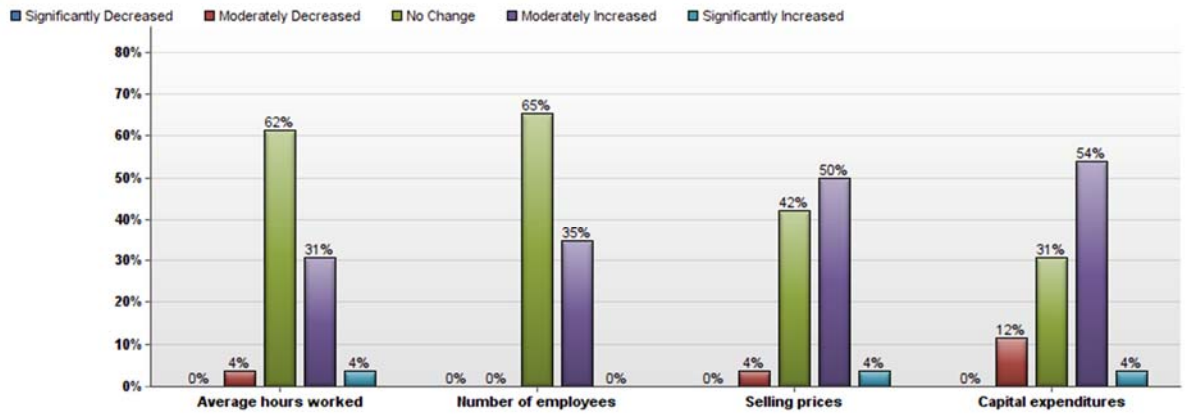
Factors Limiting Growth (Three Could Be Selected):



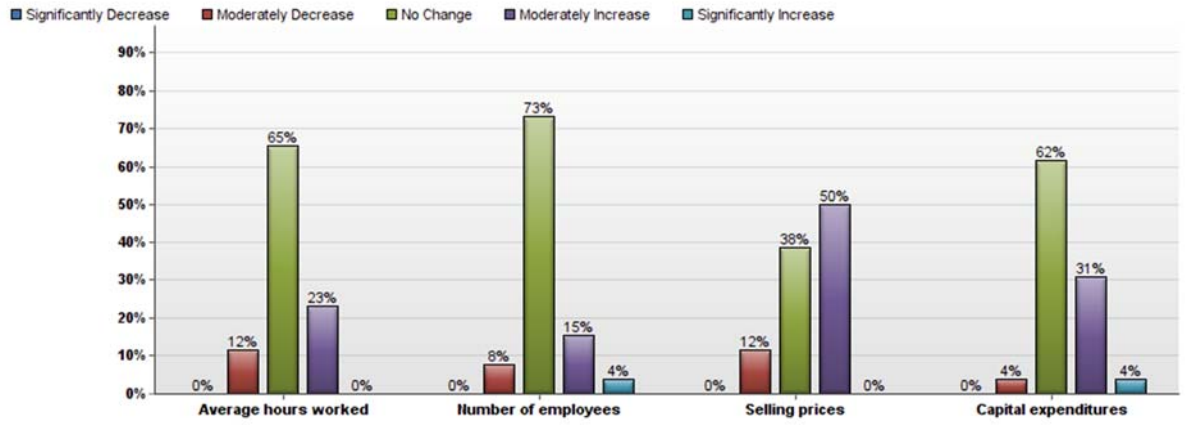
With 36% respondents selecting it, Competition Within the Sector presented more challenges than anything else for the Non-Profit industry, but still registered a similar level to that of all regional businesses. While the industry's concerns regarding Demand and Shortage of Skilled Labor were shared by firms across the region, 32% reported in the Other category, highlighting more unique challenges, such as government policy, facing the industry.

LEISURE AND HOSPITALITY

Previous Six Months:



Next Six Months:

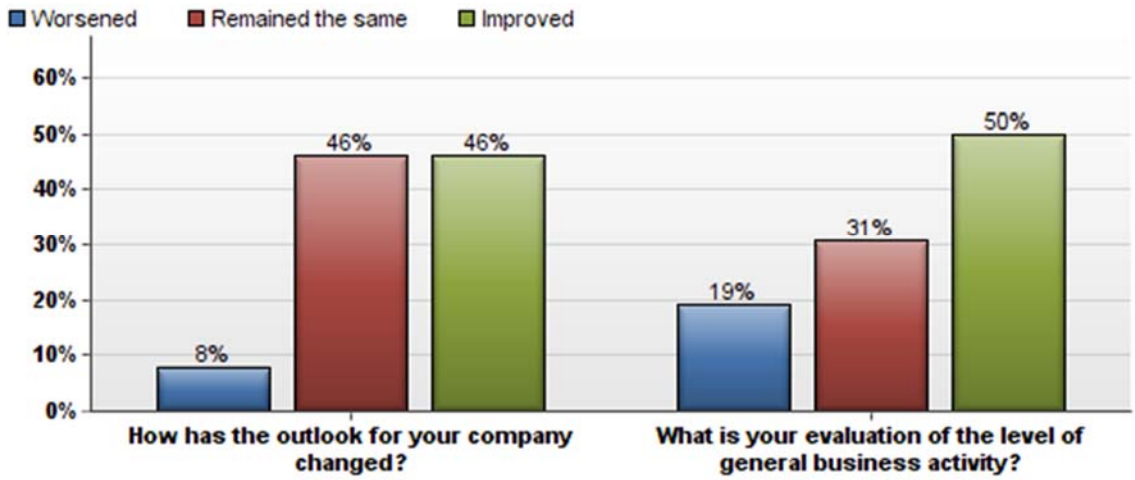


For the past six months, the changes in Average Hours worked tracked with the overall results. The Number of Employees were moderately increased by 35%, compared to 27% overall. However, this was the only level of change reported, whereas 5% of all businesses reported significant increases in employment, while another 7% and 1% reported moderate and significant decreases, respectively. The biggest discrepancies when comparing Leisure and Hospitality to overall businesses were in Selling Prices and Capital Expenditures, where there

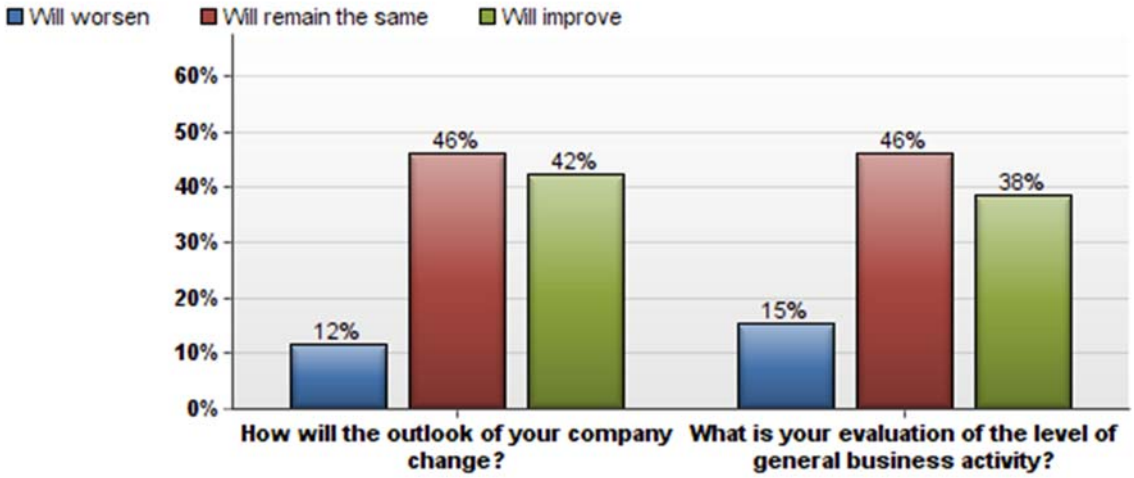
was a far greater proportion reporting increases than the average business. Both Selling Prices and Capital Expenditures in the industry experienced increases of 50% and 54% respectively, whereas the average for all businesses were 34% and 37%, respectively.

Looking forward to the next six months, half of the respondents expect their selling prices to rise an additional 50% - far above the 30% reported by the average business. Though Average Hours Worked and Number of Employees weren't expected to change much, they joined Capital Expenditures in tracking similarly to the overall behavior of the all businesses.

General Business Conditions - Previous Six Months:

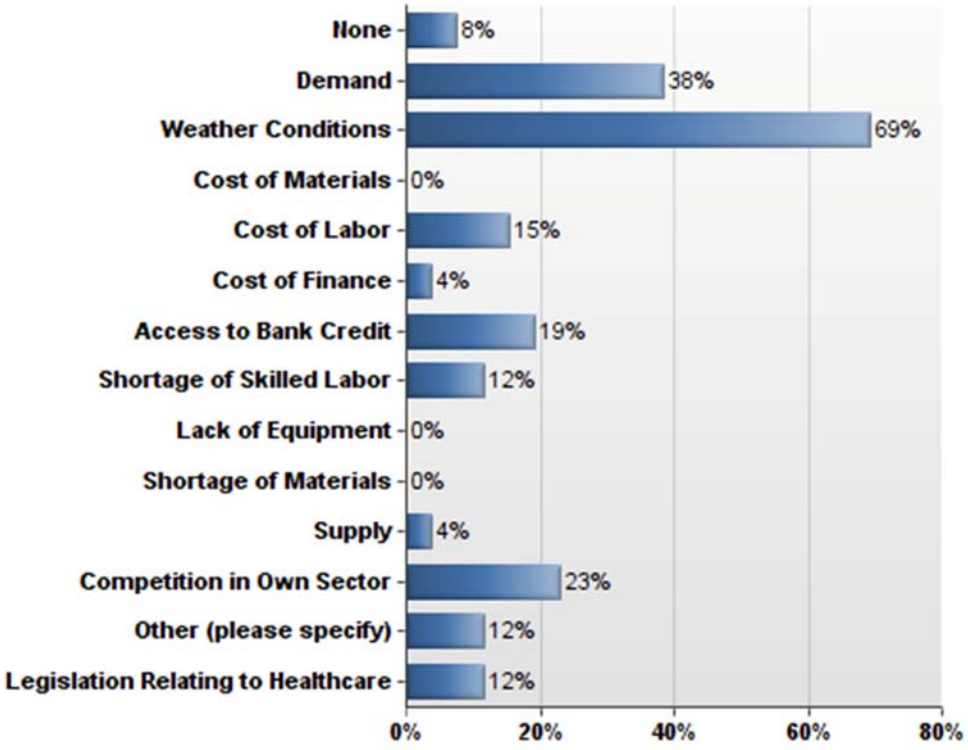


General Business Conditions - Next Six Months:



Over the past six months, respondents in Leisure and Hospitality had a more optimistic outlook for their company than did the average respondent, as the proportion who reported an improvement was four percentage points higher than average, while the proportion reporting a worse outlook was four percentage points lower than average. The projected outlook for the next six months were closer to the average. Similarly, both evaluations for general business activity tracked with the averages, although the evaluations of the previous six months revealed a greater proportion of respondents reporting improved and worsened reports.

Factors Limiting Growth (Three Could Be Selected):



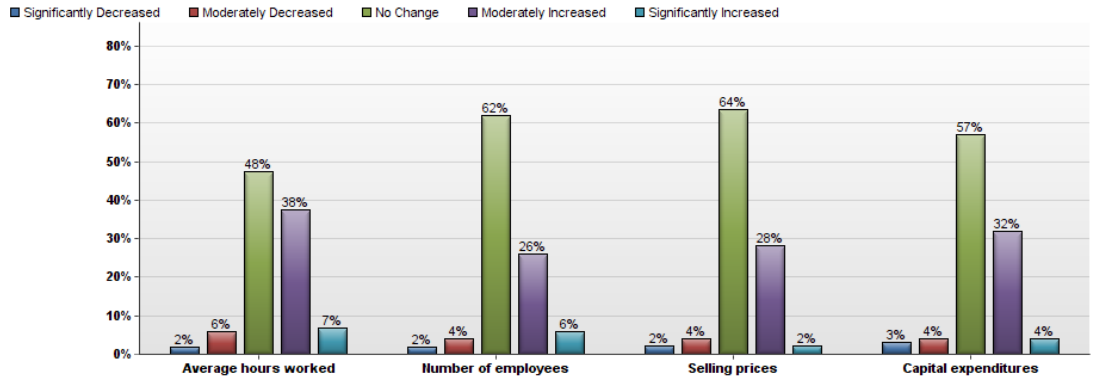
The Leisure and Hospitality industry was affected far more by adverse weather conditions than any other industry, with approximately 69% of respondents reporting that it was among the biggest inhibitors to business activity. This is a substantially higher proportion than Retail, which

was the next most affected industry with 36%. The challenges presented from Demand and Cost of Labor were in line with our overall results. Companies in Leisure and Hospitality were more affected by access to bank credit than the norm, with 19% reporting it as a significant challenge, compared to 7% of all businesses.

SURVEY ANALYSIS BY SIZE

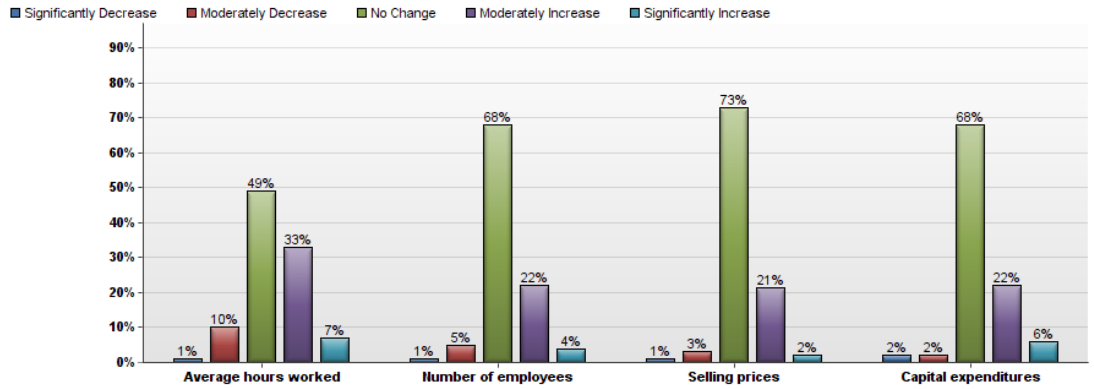
1-19 EMPLOYEES (55% OF TOTAL RESPONDENTS)

Business Indicators - Previous Six Months



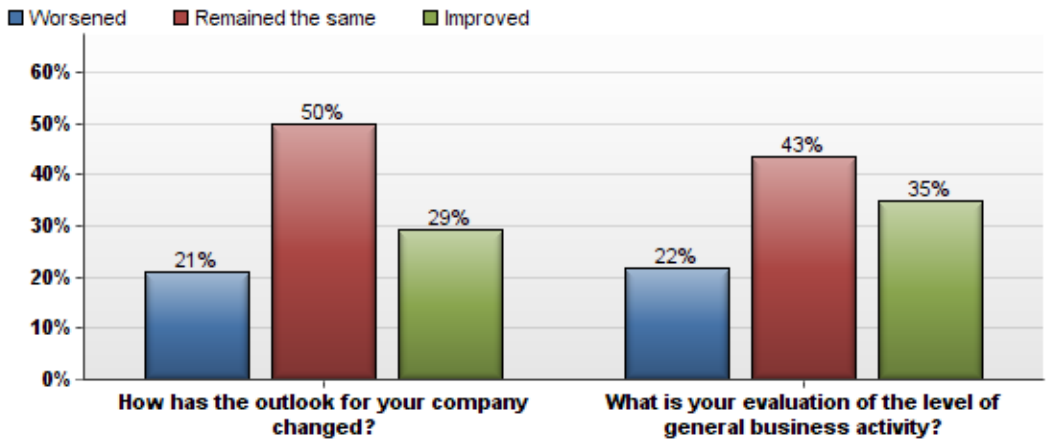
For the previous six months, businesses with 1-19 employees tracked closely with the overall results.

Business Indicators - Next Six Months



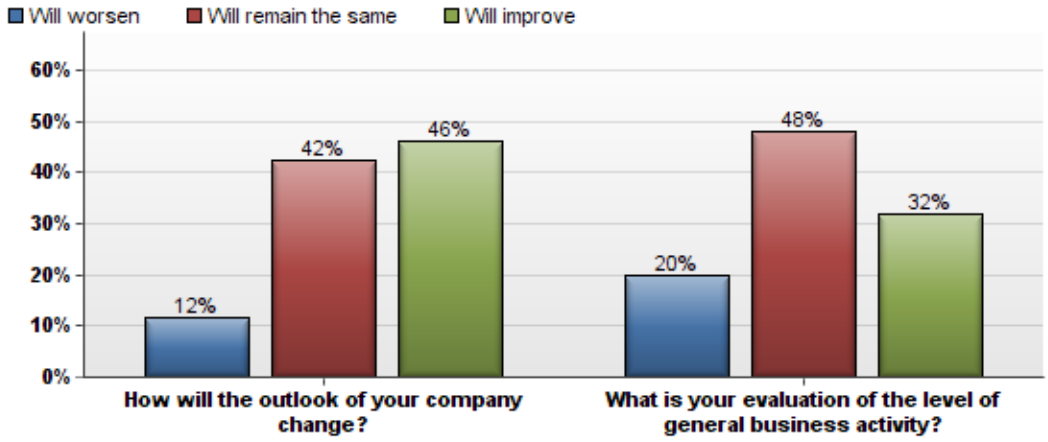
For the next six months, businesses with 1-19 employees presented a slightly lower level of optimism than all regional businesses combined.

General Business Conditions - Previous Six Months



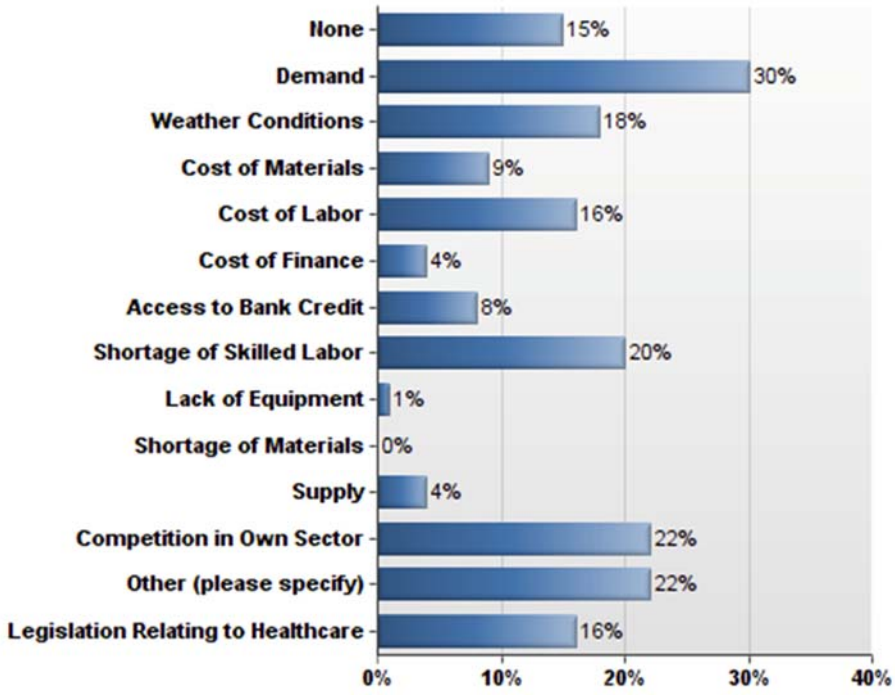
Over the previous six months, 21% of businesses with 1-19 employees reported a declining outlook in comparison to 12% of total businesses. 22% of businesses with 1-19 employees reported general business conditions had worsened compared to 15% of total businesses.

General Business Conditions - Next Six Months



Businesses with 1-19 employees reported feeling more optimistic about general business conditions than all regional businesses combined. 46% expected conditions to improve compared to only 38% of total businesses.

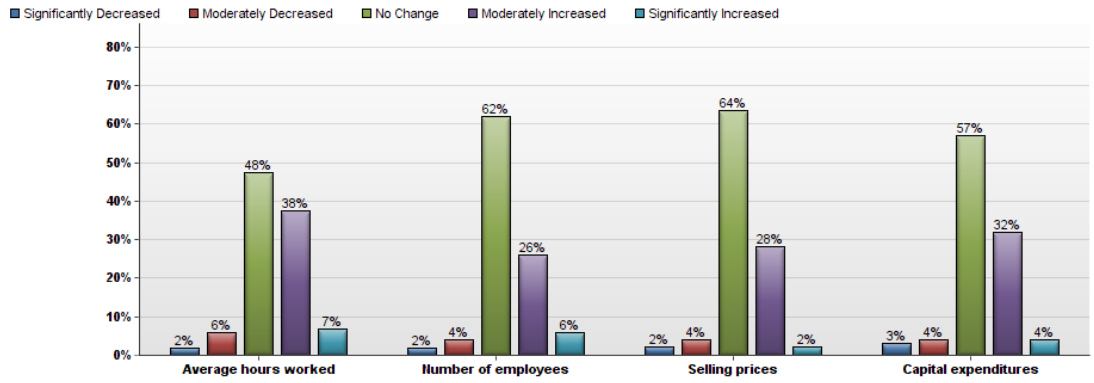
Factors Limiting Growth (Three could be selected)



Businesses with 1-19 employees tracked with the overall results when asked which factors most limited their ability to increase business activity.

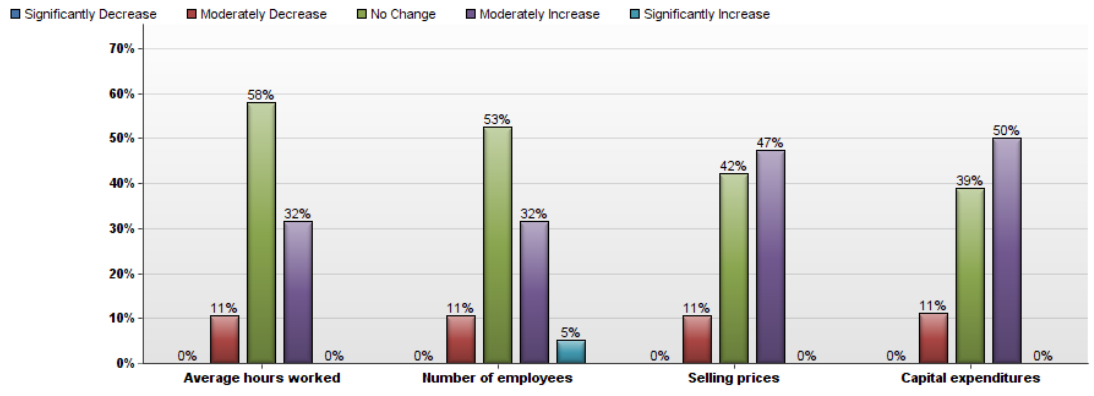
20-49 EMPLOYEES (14% OF TOTAL RESPONDENTS)

Business Indicators - Previous Six Months



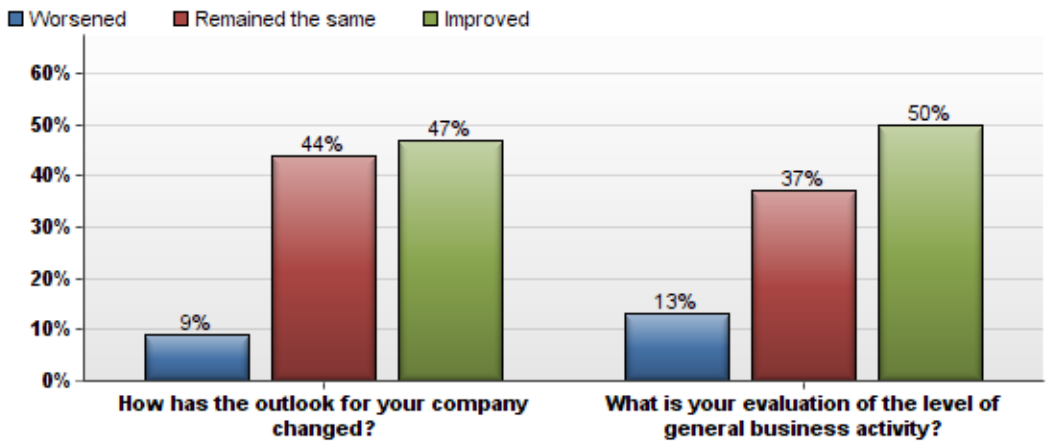
For the previous six months, businesses with 20-49 employees tracked closely with the overall results.

Business Indicators - Next Six Months



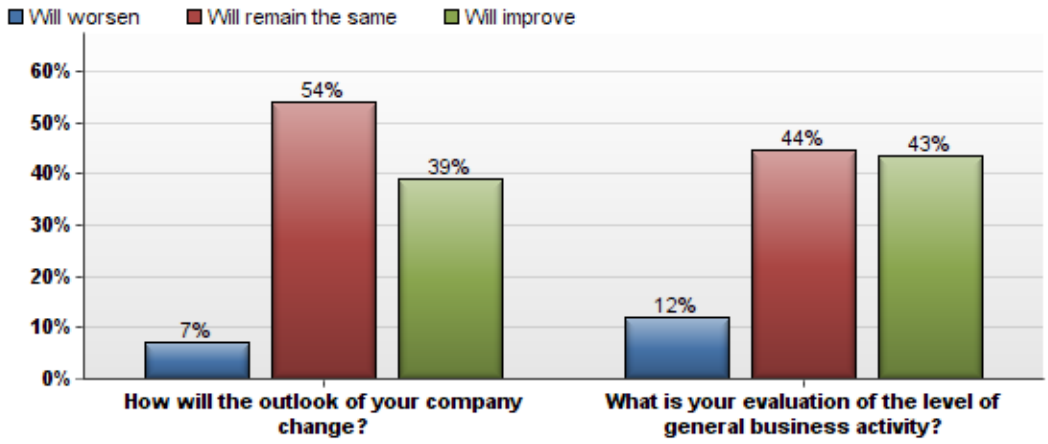
For the next six months, businesses with 20-49 employees tracked closely with the overall results.

General Business Conditions - Previous Six Months



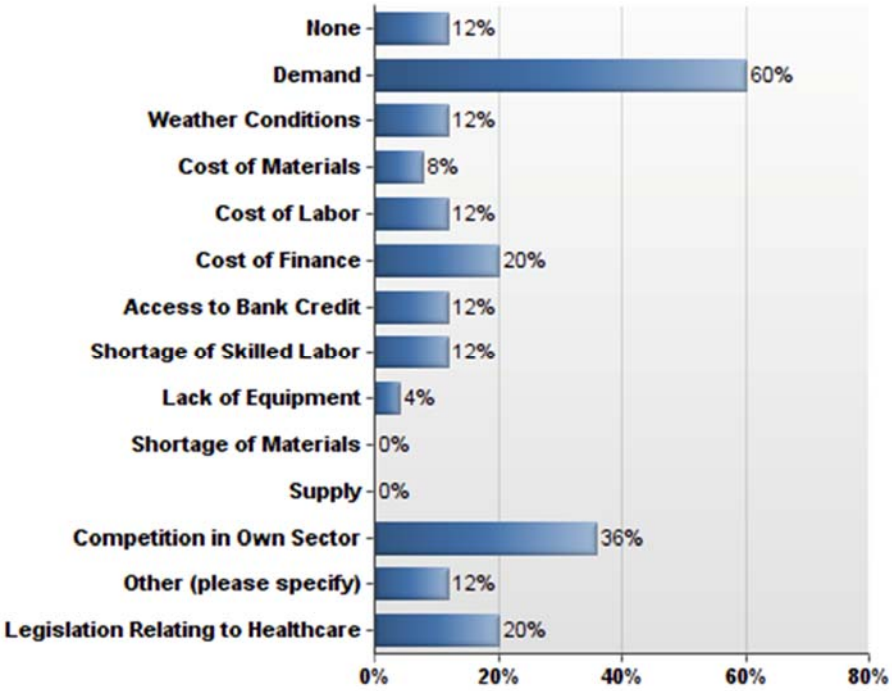
Respondents from businesses with 20-49 employees reported seeing a greater increase in their company's outlook and level of general business activity than all regional businesses combined.

General Business Conditions - Next Six Months



Businesses with 20-49 employees reported feeling more optimistic about general business conditionals that all regional businesses combined.

Factors Limiting Growth (Three could be selected)



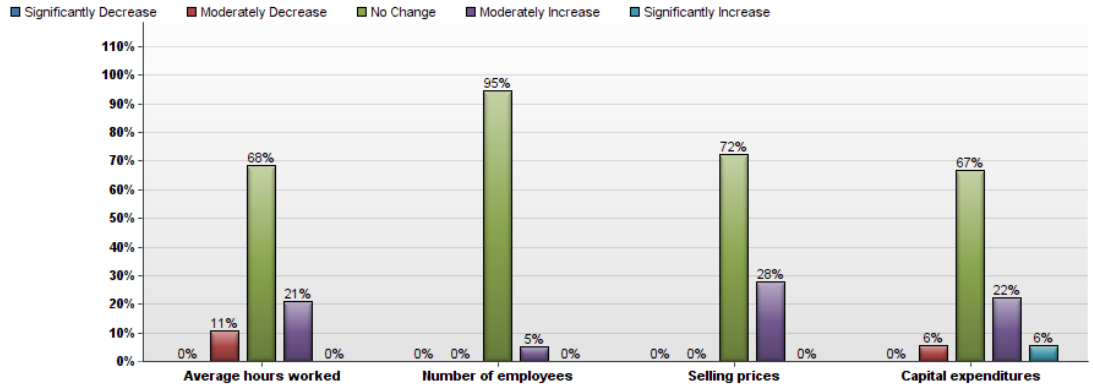
Businesses with 20-49 employees appeared to be far more concerned about demand, the cost of finance, and access to bank credit than all regional businesses combined. They also appeared to be less concerned with a shortage of skilled labor and weather as factors hampering business growth.

50-99 EMPLOYEES (10% OF TOTAL RESPONDENTS)

Business Indicators - Previous Six Months

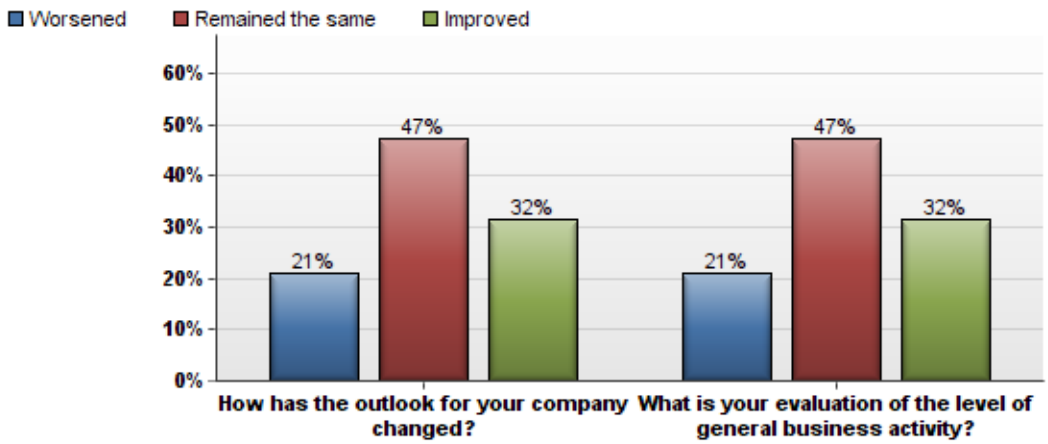
For businesses with 50-99 employees, average hours worked decreased significantly more than regional businesses while their number of employees increased in comparison to the region as a whole. Selling prices experienced a much larger increase at 53% than total businesses at 34%.

Business Indicators - Next Six Months



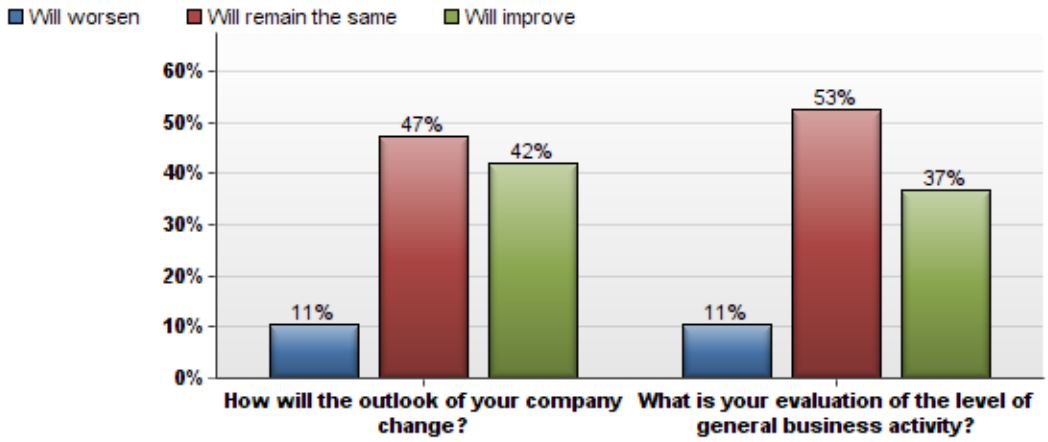
Respondents from businesses with 50-99 employees reported higher percentages of “no change” responses for all business indicators listed above than regional businesses as a whole.

General Business Conditions - Previous Six Months



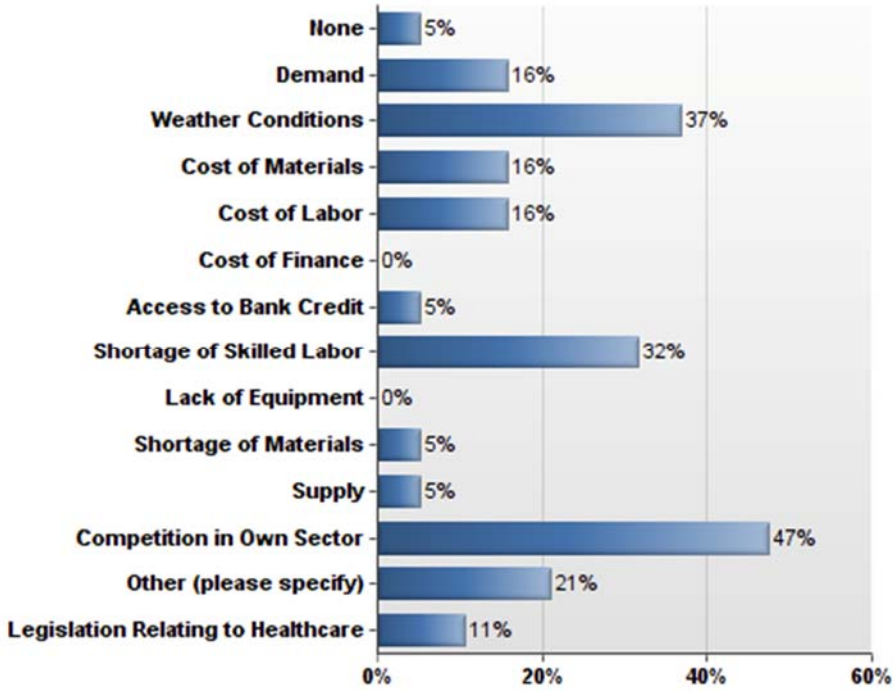
Over the previous six months, 21% of businesses with 50-99 employees reported a declining outlook in comparison to 12% of total businesses. 21% of businesses with 50-99 employees also reported general business conditions had worsened compared to 15% of total businesses.

General Business Conditions - Next Six Months



When predicting the outlook and level of general business activity for their company, respondents from businesses with 50-99 employees tracked with the overall results.

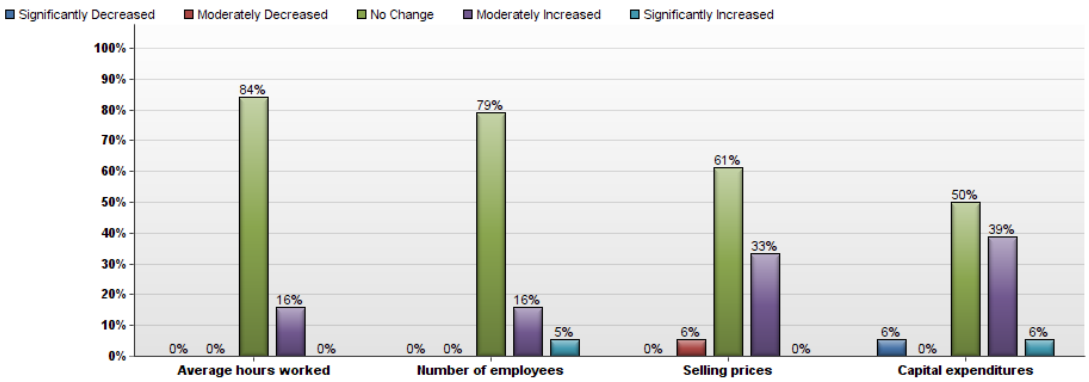
Factors Limiting Growth (Three could be selected)



Businesses with 50-99 employees reported being less concerned with demand than regional businesses as a whole. They alternatively reported being more concerned with the factors of weather, cost of materials, and shortage of skilled labor as inhibitors to business growth.

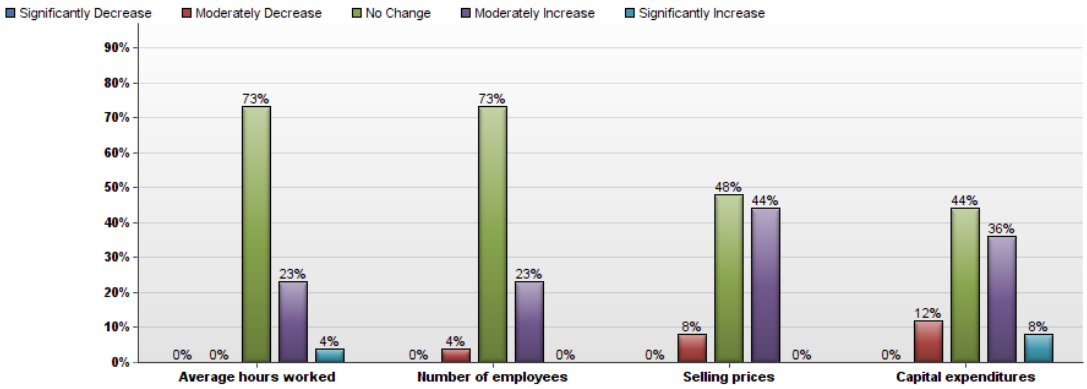
100-249 EMPLOYEES (10% OF TOTAL RESPONDENTS)

Business Indicators - Previous Six Months



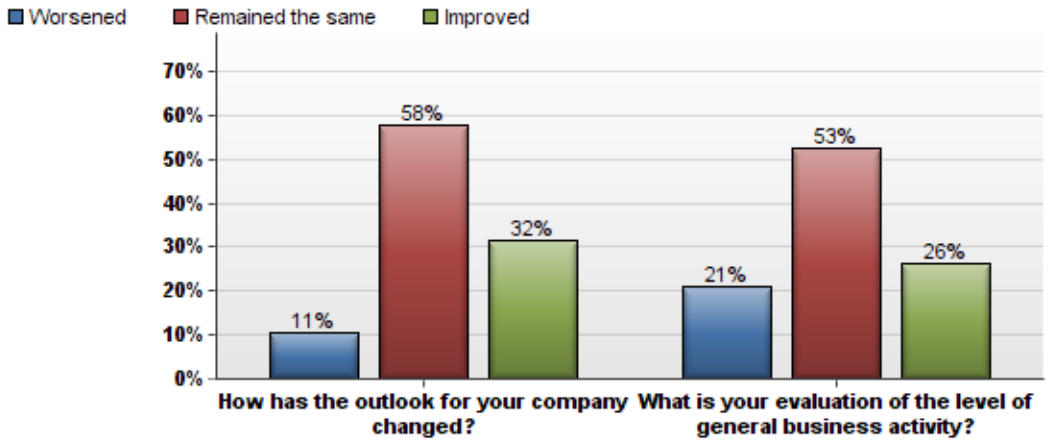
Businesses with 100-249 employees tracked with the overall results but boasted larger percentages for the “no change” option within the indicators listed above.

Business Indicators - Next Six Months



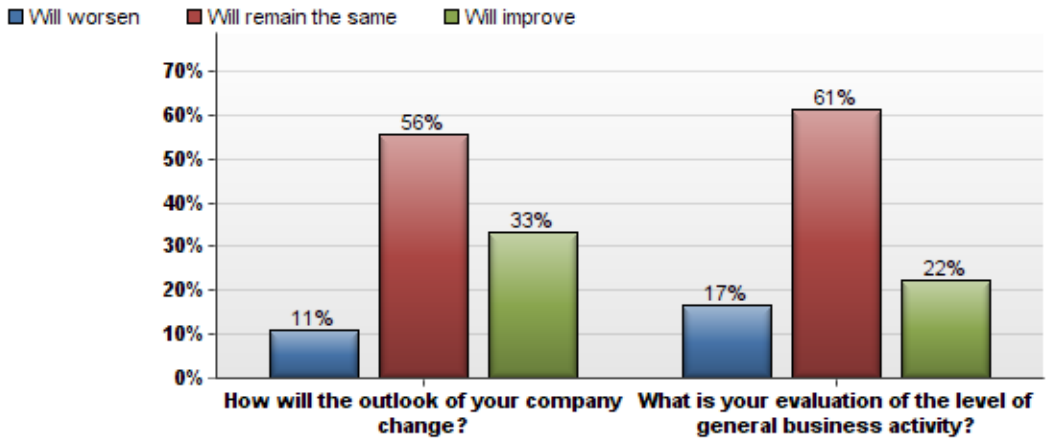
Businesses with 100-249 employees reported seeing a larger increase in selling prices and capital expenditures than regional businesses as a whole.

General Business Conditions - Previous Six Months



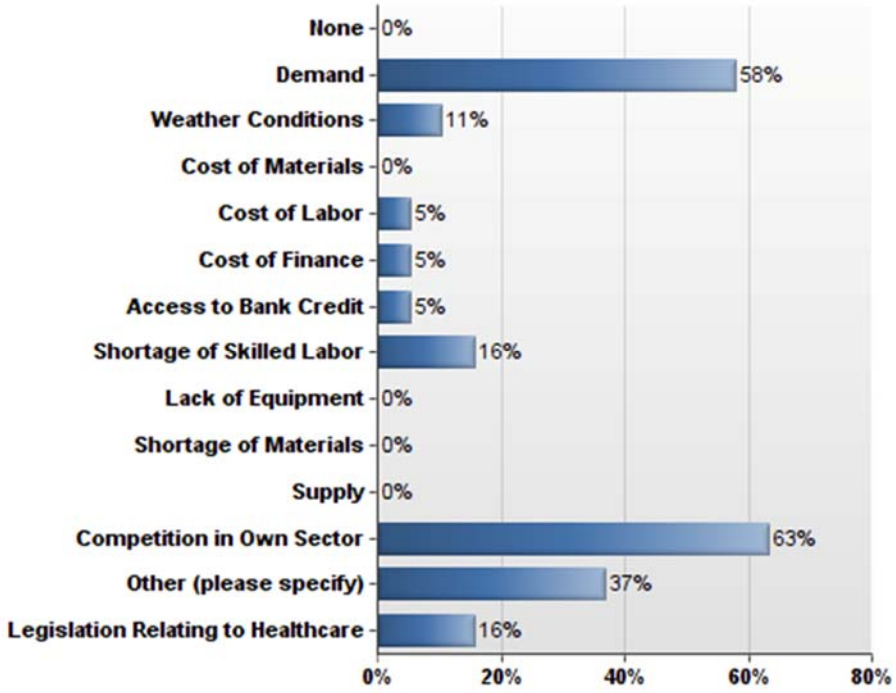
More businesses with 100-249 employees reported seeing no change in general business conditions compared to a more optimistic outlook as a region.

General Business Conditions - Next Six Months



Businesses with 100-249 employees primarily reported seeing no change in general business conditions and erred on the side of worsening. This differs significantly from the more optimistic regional outlook.

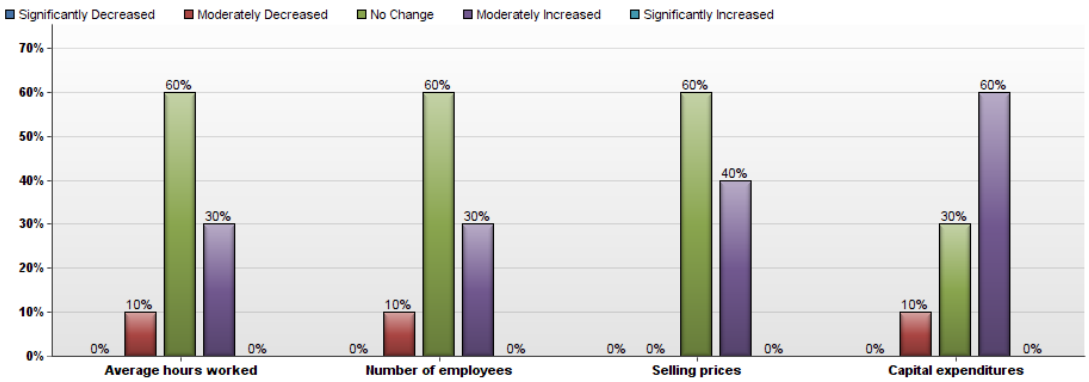
Factors Limiting Growth (Three could be selected)



40% of businesses with 100-249 employees reported seeing the cost of labor as an inhibitor to growth. This can be compared to 15% for the region.

250-499 EMPLOYEES (5% OF TOTAL RESPONDENTS)

Business Indicators - Previous Six Months

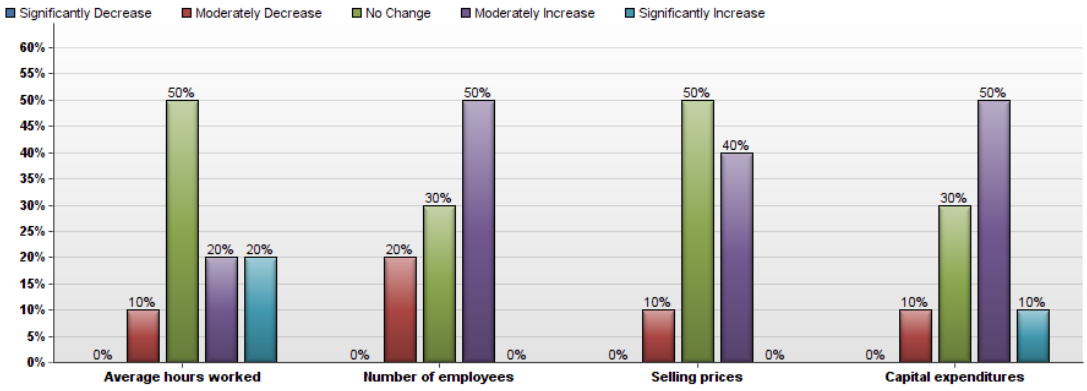


National Bank of Commerce
Member FDIC

Regional Economic Indicators Forum

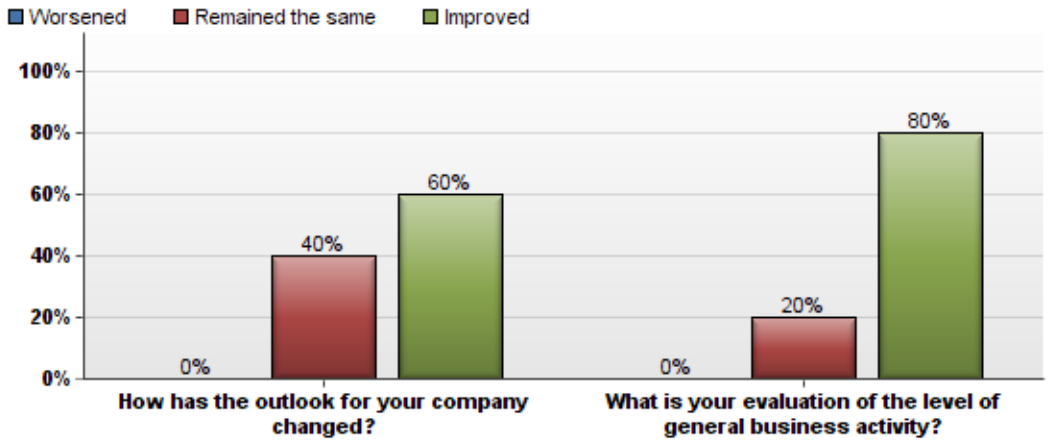
Businesses with 250-499 employees boasted a large increase in capital expenditures. 60% of businesses in this category reported having seen capital expenditures moderately increase over the past six months compared to 37% of regional businesses as a whole.

Business Indicators - Next Six Months



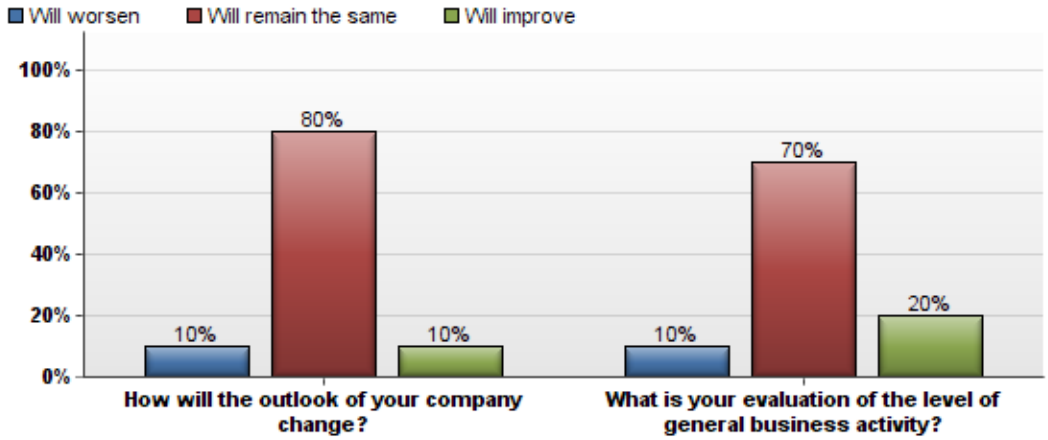
Businesses with 250-499 employees tracked closely with the overall results.

General Business Conditions - Previous Six Months



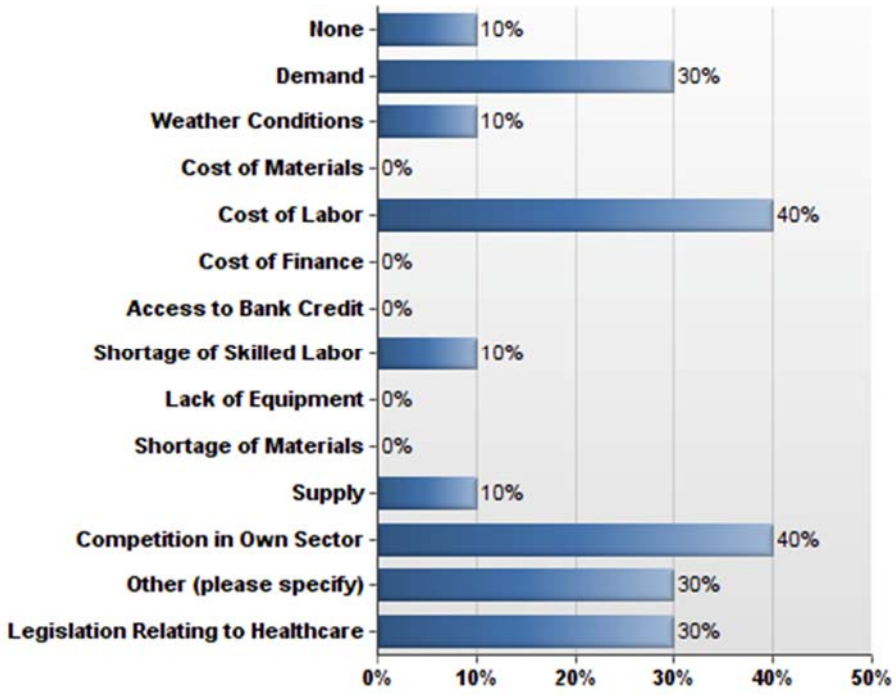
Businesses with 250-499 employees reported general business conditions over the past six months had greatly improved, far surpassing the outlook and level of general business activity for the region as a whole.

General Business Conditions - Next Six Months



Businesses with 250-499 employees overwhelmingly reported expecting general business conditions to remain the same over the next six months. Approximately 50% of the region reported that they expected business conditions to improve during this time.

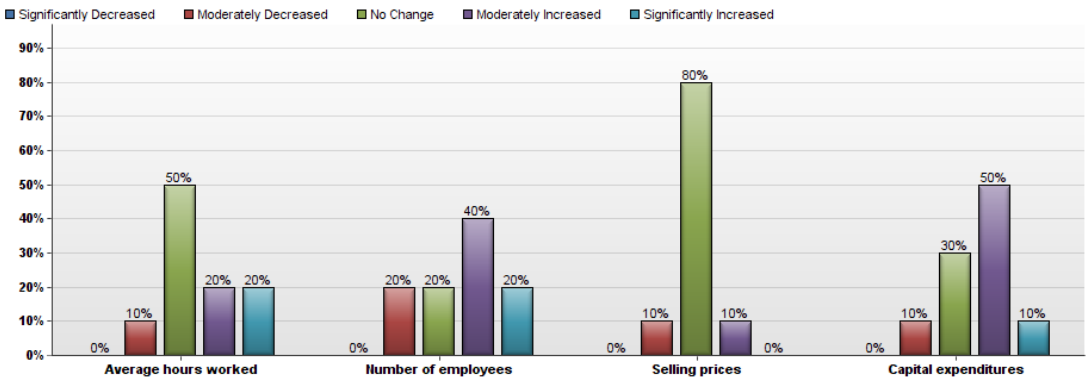
Factors Limiting Growth (Three could be selected)



Respondents from businesses with 250-499 employees responded being most concerned with the competition in their own sector as well as cost of labor while fare fewer in the region, 32% and 15% respectively, reported seeing these as inhibitors to business growth.

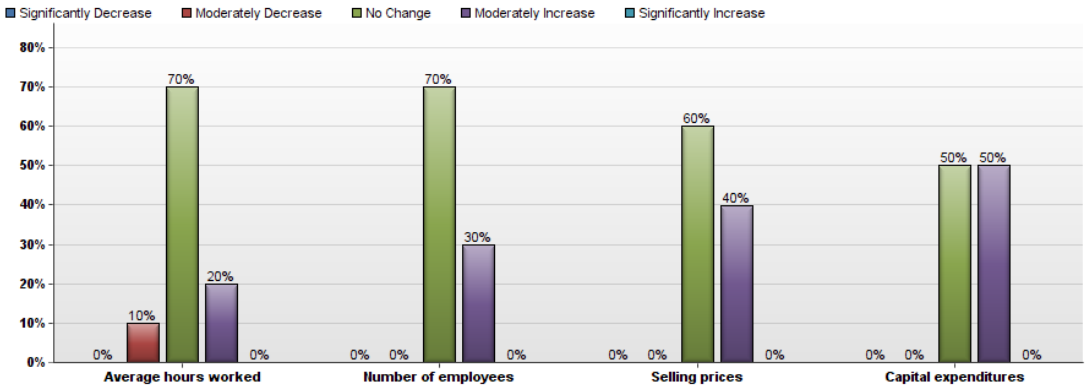
500+ EMPLOYEES (5% OF TOTAL RESPONDENTS)

Business Indicators - Previous Six Months



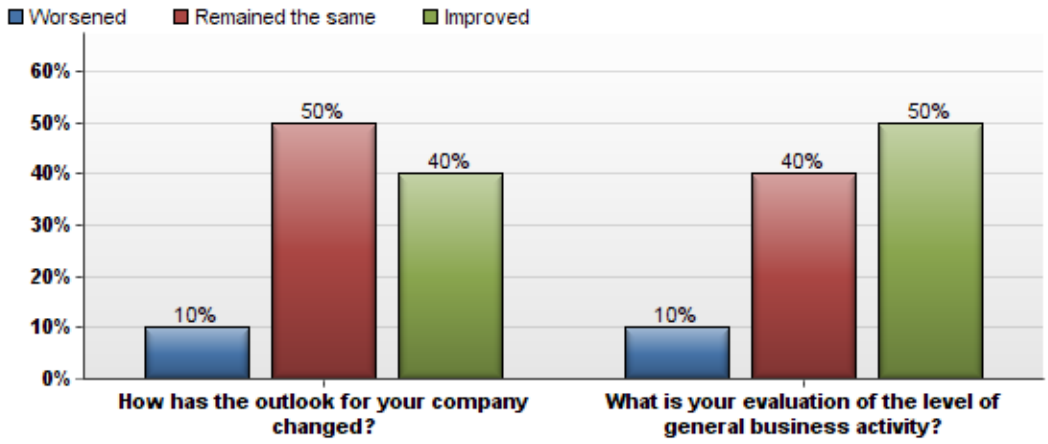
For the previous six months, businesses with 500+ employees tracked closely with the overall results.

Business Indicators - Next Six Months



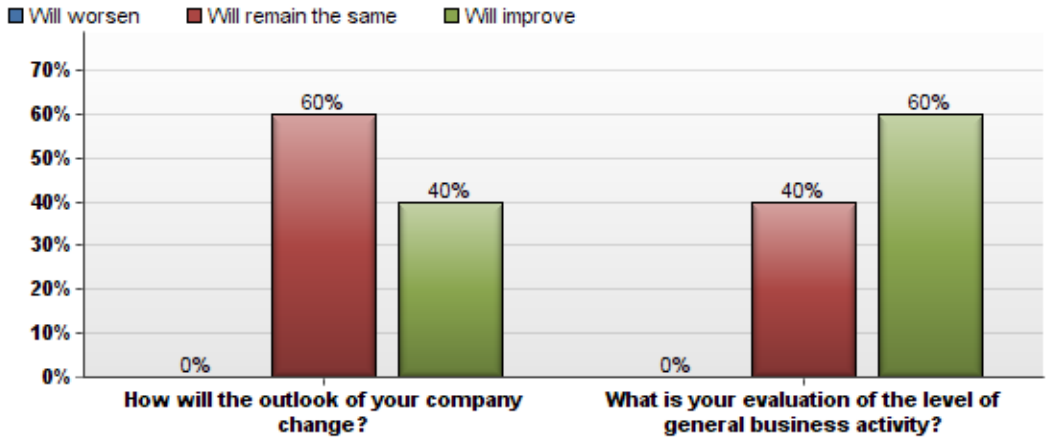
For the next six months, businesses with 500+ employees tracked closely with the overall results.

General Business Conditions - Previous Six Months



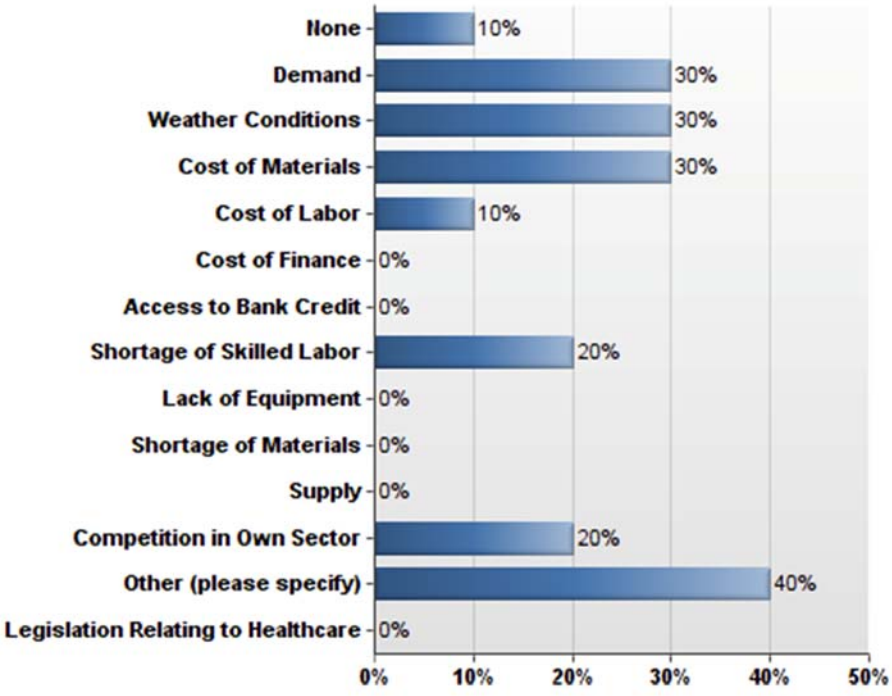
For the previous six months, businesses with 500+ employees tracked closely with the overall results.

General Business Conditions - Next Six Months



Respondents from businesses with 500+ employees tracked closely with the overall results when assessing the outlook of their company. They reported feeling more optimistic about their general level of business activity than the region as a whole.

Factors Limiting Growth (Three could be selected)



Businesses with 500+ employees reporting being less concerned with demand than the region as a whole, while weather conditions were viewed as a more substantial inhibitor of growth when compared to all regional businesses.

APPENDIX

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
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

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
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
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

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
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
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

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
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
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

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
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
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

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
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
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	2010	57	2020	67	17.5	10

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
	Subscription Programming						
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
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	2010	65	2020	71	9.2	6

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
	Rental & Leasing						
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
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

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
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 Services	2010	23	2020	34	47.8	11
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

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
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
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	2010	14	2020	12	-14.3	-2

NAICS Code	Title	Estimate Year	Estimate Year Employment	Projected Year	Projected Year Employment	Percent Change	Total Change
	Repair/Maintenance						
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
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

INFLOW/OUTFLOW TABLES

MINNESOTA INFLOW

County	Population 1 Year and Over		Nonmovers		Movers within United States		Movers within Same County		Movers from Different County, Same State		Movers from Different State		Movers from Abroad[1]	
	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE
Aitkin County	16,230	36	14,739	231	1,475	224	864	201	573	130	38	25	16	11
Carlton County	34,573	119	30,450	439	4,006	411	2,114	393	1,605	311	287	104	117	85
Cook County	5,159	25	4,551	155	608	157	349	115	151	82	108	77		
Itasca County	44,417	66	39,346	638	4,991	654	2,860	434	1,676	449	455	181	80	48
Koochiching County	13,333	50	11,891	400	1,273	305	800	266	330	122	143	67	169	210
Lake County	10,691	55	9,660	208	1,025	210	636	178	312	143	77	48	6	12
Pine County	29,161	55	25,456	377	3,608	373	2,072	356	1,032	171	504	157	97	62
St. Louis County	197,395	226	163,872	1,359	32,781	1,360	21,420	1,179	7,532	774	3,829	519	742	213

Source: US Department of Commerce, Census Bureau

MINNESOTA OUTFLOW

County	Population 1 Year and Over		Nonmovers		Movers within United States		Movers within Same County		Movers from Different County, Same State		Movers from Different State	
	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE
Aitkin County	16,493	279	14,739	231	1,754	333	864	201	779	244	111	65
Carlton County	34,861	533	30,450	439	4,411	546	2,114	393	1,518	320	779	237
Cook County	5,157	146	4,551	155	606	154	349	115	192	106	65	50
Itasca County	44,028	519	39,346	638	4,682	518	2,860	434	1,180	230	642	208
Koochiching County	13,277	346	11,891	400	1,386	345	800	266	367	142	219	116
Lake County	11,057	309	9,660	208	1,397	329	636	178	513	209	248	139
Pine County	29,304	410	25,456	377	3,848	457	2,072	356	1,290	291	486	186
St. Louis County	195,446	1,389	163,872	1,359	31,574	1,450	21,420	1,179	5,421	635	4,733	711

Source: US Department of Commerce, Census Bureau

WISCONSIN INFLOW

County	Population 1 Year and Over		Nonmovers		Movers within United States		Movers within Same County		Movers from Different County, Same State		Movers from Different State		Movers from Abroad[1]	
	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE
Ashland County	16,004	62	13,990	308	2,006	291	1,153	243	377	166	476	157	8	6
Bayfield County	15,010	34	13,602	349	1,402	345	606	163	627	238	169	62	6	6
Burnett County	15,617	42	14,091	304	1,506	305	890	242	265	143	351	140	20	13
Douglas County	43,435	114	36,856	765	6,547	757	3,526	532	1,218	426	1,803	410	32	26
Iron County	6,056	15	5,450	125	589	121	209	72	118	53	262	82	17	21
Sawyer County	16,440	58	14,420	377	1,993	385	1,343	315	419	163	231	99	27	19
Washburn County	15,832	51	14,172	304	1,655	300	888	259	579	162	188	99	5	6

Source: US Department of Commerce, Census Bureau

WISCONSIN OUTFLOW

County	Population 1 Year and Over		Nonmovers		Movers within United States		Movers within Same County		Movers from Different County, Same State		Movers from Different State	
	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE
Ashland County	15,911	359	13,990	308	1,921	331	1,153	243	435	162	333	135
Bayfield County	15,177	390	13,602	349	1,575	322	606	163	489	212	480	217
Burnett County	15,859	412	14,091	304	1,768	432	890	242	556	326	322	139
Douglas County	42,467	742	36,856	765	5,611	722	3,526	532	771	202	1,314	359
Iron County	6,251	247	5,450	125	801	230	209	72	289	187	303	137
Sawyer County	16,792	310	14,420	377	2,372	373	1,343	315	839	229	190	83
Washburn County	16,419	385	14,172	304	2,247	400	888	259	946	251	413	166

Source: US Department of Commerce, Census Bureau

MONTHLY UNEMPLOYMENT RATE BY COUNTY, 2007-2013

These numbers are NOT seasonally adjusted.

Source: LAUS: MN DEED

January 2007- August 2007

	Jan 2007	Feb 2007	Mar 2007	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007
Minnesota								
Aitkin	9.5%	8.9%	8.5%	7.8%	6.0%	5.9%	5.9%	5.6%
Carlton	7.3%	7.0%	6.8%	6.5%	5.1%	5.5%	5.0%	4.8%
Cook	7.4%	7.0%	6.7%	7.1%	4.5%	3.7%	3.3%	3.0%
Itasca	8.9%	8.5%	8.6%	8.1%	6.7%	7.2%	7.1%	6.6%
Koochiching	8.4%	7.8%	8.3%	8.5%	6.6%	6.9%	6.5%	6.0%
Lake	5.2%	4.9%	4.8%	4.6%	3.9%	5.5%	3.9%	3.9%
Pine	11.0%	10.6%	10.1%	9.1%	6.6%	6.6%	6.2%	6.0%
St. Louis	6.6%	6.1%	6.0%	5.9%	5.1%	5.9%	5.8%	5.4%
Avg MN	**8.0375%**	**7.6000%**	**7.4750%**	**7.2000%**	**5.5625%**	**5.9000%**	**5.4625%**	**5.1625%**
Wisconsin								
Ashland	7.4%	7.3%	6.9%	6.9%	5.7%	6.1%	6.0%	5.1%
Bayfield	9.2%	9.5%	8.9%	8.9%	5.6%	5.2%	4.7%	4.6%
Burnett	8.7%	9.2%	8.6%	7.9%	5.8%	5.9%	5.4%	5.7%
Douglas	6.0%	6.2%	5.9%	5.7%	4.6%	4.7%	4.7%	4.5%
Iron	10.2%	10.2%	10.2%	10.5%	6.9%	6.6%	6.9%	6.1%
Sawyer	9.3%	9.2%	8.8%	8.6%	6.0%	5.8%	5.3%	5.2%
Washburn	8.9%	8.6%	8.2%	7.9%	6.1%	6.5%	6.0%	5.6%
Avg WI	**8.5286%**	**8.6000%**	**8.2143%**	**8.0571%**	**5.8143%**	**5.8286%**	**5.5714%**	**5.2571%**
Avg MN-WI	**8.2667%**	**8.0667%**	**7.8200%**	**7.6000%**	**5.6800%**	**5.8667%**	**5.5133%**	**5.2067%**

September 2007 – April 2008

	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008
Minnesota								
Aitkin	5.5%	5.2%	6.0%	8.0%	9.4%	9.5%	9.6%	8.3%
Carlton	4.8%	4.7%	4.9%	6.4%	7.3%	7.3%	7.6%	6.7%
Cook	3.3%	3.3%	4.6%	5.9%	7.1%	6.7%	6.6%	6.3%
Itasca	6.3%	6.1%	6.6%	7.6%	8.6%	8.8%	8.7%	7.8%
Koochiching	5.9%	6.0%	6.8%	6.9%	7.6%	7.4%	7.6%	8.3%
Lake	4.8%	3.9%	4.2%	4.9%	5.5%	5.4%	5.5%	5.0%
Pine	6.3%	5.6%	6.0%	8.9%	10.6%	10.8%	10.1%	9.1%
St. Louis	5.4%	4.9%	5.0%	5.5%	6.4%	6.4%	6.5%	5.8%
Avg MN	**5.2875%**	**4.9625%**	**5.5125%**	**6.7625%**	**7.8125%**	**7.7875%**	**7.7750%**	**7.1625%**
Wisconsin								
Ashland	4.3%	5.3%	4.5%	5.1%	6.3%	6.6%	6.8%	6.1%
Bayfield	4.3%	3.8%	5.7%	7.2%	8.7%	9.0%	8.9%	8.1%
Burnett	5.3%	5.1%	6.1%	7.0%	8.5%	9.2%	8.8%	7.4%
Douglas	4.1%	3.7%	4.1%	4.6%	5.4%	5.6%	5.6%	5.0%
Iron	5.5%	5.9%	6.8%	7.8%	8.3%	8.7%	9.1%	9.1%
Sawyer	4.7%	4.6%	6.1%	6.8%	8.4%	8.9%	8.8%	7.5%
Washburn	5.1%	5.0%	5.9%	6.6%	7.3%	7.7%	7.4%	6.4%
Avg WI	**4.7571%**	**4.7714%**	**5.6000%**	**6.4429%**	**7.5571%**	**7.9571%**	**7.9143%**	**7.0857%**
Avg MN-WI	**5.0400%**	**4.8733%**	**5.5533%**	**6.6133%**	**7.6933%**	**7.8667%**	**7.8400%**	**7.1267%**

May 2008- December 2008

	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008
Minnesota								
Aitkin	6.9%	6.7%	6.7%	6.9%	6.7%	6.9%	8.8%	10.0%
Carlton	6.2%	6.3%	6.4%	6.0%	5.8%	5.8%	6.3%	7.7%
Cook	5.1%	4.6%	4.2%	4.1%	4.4%	4.7%	6.3%	7.1%
Itasca	7.2%	7.8%	7.6%	7.4%	6.9%	6.6%	7.8%	9.0%
Koochiching	7.4%	7.4%	7.3%	6.7%	6.5%	7.2%	9.4%	9.1%
Lake	4.9%	4.7%	4.6%	4.6%	4.4%	5.1%	6.7%	6.8%
Pine	7.2%	7.4%	7.2%	7.2%	7.0%	6.9%	8.2%	10.4%
St. Louis	5.8%	6.5%	6.5%	6.3%	5.9%	5.8%	6.5%	7.3%
Avg MN	**6.3375%**	**6.4250%**	**6.3125%**	**6.1500%**	**5.9500%**	**6.1250%**	**7.5000%**	**8.4250%**
Wisconsin								
Ashland	5.3%	5.9%	5.8%	5.2%	4.7%	5.1%	6.0%	7.5%
Bayfield	5.8%	5.3%	4.7%	5.1%	4.1%	4.5%	6.9%	8.4%
Burnett	6.0%	6.2%	5.6%	5.9%	5.4%	5.6%	7.2%	9.0%
Douglas	4.9%	4.8%	4.7%	5.0%	4.5%	4.6%	5.6%	6.6%
Iron	7.2%	6.8%	6.8%	6.4%	6.2%	5.6%	9.0%	10.8%
Sawyer	5.6%	5.9%	5.2%	8.3%	4.7%	5.3%	8.4%	9.5%
Washburn	5.5%	5.9%	5.5%	5.8%	5.3%	5.8%	7.7%	8.7%
Avg WI	**5.7571%**	**5.8286%**	**5.4714%**	**5.9571%**	**4.9857%**	**5.2143%**	**7.2571%**	**8.6429%**
Avg MN-WI	**6.0667%**	**6.1467%**	**5.9200%**	**6.0600%**	**5.5000%**	**5.7000%**	**7.3867%**	**8.5267%**

January 2009 – August 2009

	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009	Jun 2009	Jul 2009	Aug 2009
Minnesota								
Aitkin	13.9%	13.9%	13.7%	11.2%	9.8%	9.7%	9.3%	9.2%
Carlton	10.8%	10.6%	10.6%	9.3%	8.4%	8.3%	7.8%	7.8%
Cook	9.2%	10.0%	10.2%	9.9%	8.2%	6.3%	5.3%	5.1%
Itasca	12.5%	12.8%	13.3%	11.9%	11.2%	11.9%	10.8%	10.2%
Koochiching	11.8%	11.4%	11.1%	11.7%	10.4%	9.8%	8.6%	8.1%
Lake	9.9%	9.0%	9.9%	10.6%	11.0%	11.7%	8.1%	7.8%
Pine	14.8%	14.9%	14.5%	12.5%	10.5%	10.7%	10.1%	9.7%
St. Louis	10.1%	9.9%	10.2%	9.7%	9.9%	11.0%	10.0%	9.3%
Avg MN	**11.6250%**	**11.5625%**	**11.6875%**	**10.8500%**	**9.9250%**	**9.9250%**	**8.7500%**	**8.4000%**
Wisconsin								
Ashland	10.0%	10.8%	11.8%	10.8%	10.4%	10.7%	10.6%	9.8%
Bayfield	11.1%	11.7%	12.1%	10.6%	8.4%	8.0%	7.2%	7.2%
Burnett	11.8%	12.9%	13.4%	11.9%	10.5%	10.5%	9.8%	9.7%
Douglas	7.9%	8.9%	9.6%	9.2%	8.2%	8.7%	8.0%	7.9%
Iron	11.9%	12.4%	14.1%	14.3%	13.2%	13.1%	12.1%	11.2%
Sawyer	12.0%	13.0%	13.4%	11.9%	9.5%	9.2%	8.5%	8.2%
Washburn	10.5%	11.8%	12.2%	10.9%	9.6%	9.8%	9.0%	8.7%
Avg WI	**10.7429%**	**11.6429%**	**12.3714%**	**11.3714%**	**9.9714%**	**10.0000%**	**9.3143%**	**8.9571%**
Avg MN-WI	**11.2133%**	**11.6000%**	**12.0067%**	**11.0933%**	**9.9467%**	**9.9600%**	**9.0133%**	**8.6600%**

September 2009 - April 2010

	Sep 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010
Minnesota								
Aitkin	8.7%	8.3%	9.3%	10.5%	12.7%	12.8%	12.4%	10.1%
Carlton	7.6%	7.1%	7.6%	9.0%	10.4%	10.7%	11.0%	9.6%
Cook	5.2%	5.3%	6.9%	7.0%	9.2%	8.4%	9.0%	7.9%
Itasca	9.6%	9.0%	9.7%	10.3%	11.6%	11.8%	11.8%	10.4%
Koochiching	7.5%	7.9%	9.7%	9.0%	9.9%	9.9%	10.5%	9.9%
Lake	7.9%	8.3%	9.1%	8.9%	9.1%	9.2%	9.1%	8.0%
Pine	9.6%	9.5%	10.0%	11.6%	13.6%	13.7%	12.9%	10.8%
St. Louis	8.6%	7.9%	8.1%	8.4%	9.5%	9.3%	9.1%	7.9%
Avg MN	**8.0875%**	**7.9125%**	**8.8000%**	**9.3375%**	**10.7500%**	**10.7250%**	**10.7250%**	**9.3250%**
Wisconsin								
Ashland	8.8%	8.7%	9.6%	9.8%	12.1%	13.0%	12.7%	11.5%
Bayfield	6.8%	7.6%	9.8%	11.3%	14.0%	13.9%	13.7%	11.6%
Burnett	9.6%	9.9%	10.3%	11.6%	13.5%	13.8%	13.6%	10.7%
Douglas	7.1%	7.9%	8.4%	8.4%	9.5%	10.0%	10.3%	8.6%
Iron	10.2%	10.2%	12.1%	12.8%	14.5%	14.7%	15.4%	15.0%
Sawyer	7.7%	8.1%	9.9%	11.3%	13.3%	13.5%	13.5%	11.2%
Washburn	8.4%	8.7%	9.2%	10.6%	11.9%	12.3%	12.3%	10.3%
Avg WI	**8.3714%**	**8.7286%**	**9.9000%**	**10.8286%**	**12.6857%**	**13.0286%**	**13.0714%**	**11.2714%**
Avg MN-WI	**8.2200%**	**8.2933%**	**9.3133%**	**10.0333%**	**11.6533%**	**11.8000%**	**11.8200%**	**10.2333%**

May 2010 – December 2010

	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010
Minnesota								
Aitkin	8.4%	8.6%	8.4%	8.5%	8.3%	8.0%	9.6%	10.5%
Carlton	8.2%	8.2%	7.8%	7.7%	7.4%	6.7%	7.3%	8.3%
Cook	5.9%	5.2%	4.8%	4.6%	4.5%	5.3%	7.6%	8.5%
Itasca	9.3%	9.5%	9.0%	8.8%	8.4%	8.1%	9.2%	9.7%
Koochiching	8.5%	8.5%	7.9%	7.4%	7.3%	7.3%	9.5%	8.7%
Lake	7.2%	7.2%	6.5%	6.9%	6.7%	6.6%	8.0%	7.7%
Pine	9.3%	9.3%	9.0%	8.8%	8.7%	8.1%	9.0%	10.2%
St. Louis	7.4%	7.8%	7.7%	7.6%	72.0%	7.0%	7.5%	7.7%
Avg MN	**8.0250%**	**8.0375%**	**7.6375%**	**7.5375%**	**15.4125%**	**7.1375%**	**8.4625%**	**8.9125%**
Wisconsin								
Ashland	10.6%	10.2%	9.7%	9.2%	7.7%	7.8%	8.3%	8.7%
Bayfield	9.1%	8.5%	8.0%	8.4%	8.1%	8.2%	11.1%	11.3%
Burnett	9.2%	9.3%	9.1%	8.8%	8.3%	7.9%	8.7%	9.3%
Douglas	8.1%	8.2%	8.0%	7.9%	6.8%	7.0%	7.1%	7.1%
Iron	12.1%	11.5%	9.9%	10.1%	8.3%	8.6%	10.4%	11.0%
Sawyer	9.5%	8.8%	8.6%	8.3%	8.3%	7.8%	9.7%	10.3%
Washburn	9.0%	9.1%	8.7%	8.4%	8.1%	7.9%	8.7%	9.1%
Avg WI	**9.6571%**	**9.3714%**	**8.8571%**	**8.7286%**	**7.9429%**	**7.8857%**	**9.1429%**	**9.5429%**
Avg MN-WI	**8.7867%**	**8.6600%**	**8.2067%**	**8.0933%**	**11.9267%**	**7.4867%**	**8.7800%**	**9.2067%**

January 2011 – August 2011

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
Minnesota								
Aitkin	11.9%	11.6%	11.1%	9.9%	8.4%	8.4%	8.7%	7.6%
Carlton	9.5%	9.1%	8.9%	8.3%	7.7%	7.9%	8.5%	7.3%
Cook	8.9%	8.7%	8.2%	8.0%	6.2%	5.4%	5.7%	4.7%
Itasca	10.9%	10.4%	10.3%	9.4%	8.7%	8.8%	9.4%	7.9%
Koochiching	9.8%	9.8%	9.0%	9.7%	8.4%	8.3%	8.3%	7.3%
Lake	8.3%	7.7%	7.4%	7.0%	6.1%	6.3%	7.0%	5.1%
Pine	11.9%	11.9%	11.6%	10.0%	8.8%	8.7%	9.1%	7.9%
St. Louis	8.6%	8.2%	8.2%	7.5%	7.2%	7.7%	8.2%	7.0%
Avg MN	**9.9750%**	**9.6750%**	**9.3375%**	**8.7250%**	**7.6875%**	**7.6875%**	**8.1125%**	**6.8500%**
Wisconsin								
Ashland	10.7%	11.2%	11.3%	10.6%	10.0%	10.1%	9.6%	9.0%
Bayfield	13.3%	13.5%	12.6%	11.4%	9.2%	9.0%	8.1%	8.1%
Burnett	11.1%	11.4%	11.1%	9.8%	8.8%	8.9%	8.6%	8.2%
Douglas	7.8%	8.0%	7.8%	7.3%	6.9%	7.6%	7.0%	7.3%
Iron	11.6%	12.2%	13.1%	13.7%	10.9%	10.7%	10.0%	9.5%
Sawyer	12.3%	12.6%	12.1%	11.1%	9.3%	9.1%	8.9%	8.4%
Washburn	10.4%	10.7%	10.4%	9.4%	8.6%	8.9%	8.6%	8.2%
Avg WI	**11.0286%**	**11.3714%**	**11.2000%**	**10.4714%**	**9.1000%**	**9.1857%**	**8.6857%**	**8.3857%**
Avg MN-WI	**10.4667%**	**10.4667%**	**10.2067%**	**9.5400%**	**8.3467%**	**8.3867%**	**8.3800%**	**7.5667%**

September 2011 – April 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012
Minnesota								
Aitkin	6.8%	6.5%	7.7%	8.7%	10.2%	10.0%	9.7%	8.1%
Carlton	6.7%	6.1%	6.2%	7.3%	8.6%	8.5%	8.5%	7.3%
Cook	4.4%	4.7%	6.3%	7.0%	8.1%	8.6%	8.3%	7.8%
Itasca	7.0%	6.6%	7.2%	7.8%	8.8%	8.8%	8.7%	7.4%
Koochiching	7.2%	7.0%	8.2%	8.2%	9.0%	9.1%	9.6%	8.9%
Lake	5.1%	4.8%	5.4%	6.0%	6.7%	6.8%	6.4%	5.8%
Pine	7.6%	7.1%	7.5%	9.2%	10.8%	10.5%	10.1%	7.9%
St. Louis	6.5%	6.2%	6.2%	6.6%	7.5%	7.5%	7.5%	6.5%
Avg MN	**6.4125%**	**6.1250%**	**6.8375%**	**7.6000%**	**8.7125%**	**8.7250%**	**8.6000%**	**7.4625%**
Wisconsin								
Ashland	8.3%	8.1%	7.7%	8.1%	10.0%	10.3%	10.6%	8.9%
Bayfield	7.3%	7.3%	10.3%	11.3%	13.5%	13.8%	13.4%	11.3%
Burnett	7.9%	7.7%	8.1%	8.9%	10.3%	10.2%	9.9%	8.4%
Douglas	6.3%	6.1%	6.3%	6.6%	7.3%	7.6%	6.9%	6.0%
Iron	8.6%	9.1%	10.1%	10.9%	13.1%	12.9%	13.1%	12.6%
Sawyer	8.1%	8.1%	9.5%	10.1%	12.3%	12.8%	12.6%	10.3%
Washburn	7.7%	7.5%	8.0%	8.4%	9.6%	9.8%	9.6%	7.8%
Avg WI	**7.7429%**	**7.7000%**	**8.5714%**	**9.1857%**	**10.8714%**	**11.0571%**	**10.8714%**	**9.3286%**
Avg MN-WI	**7.0333%**	**6.8600%**	**7.6467%**	**8.3400%**	**9.7200%**	**9.8133%**	**9.6600%**	**8.3333%**

May 2012 – December 2012

	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012
Minnesota								
Aitkin	6.9%	7.3%	6.9%	6.6%	6.1%	6.0%	7.0%	8.1%
Carlton	6.7%	7.0%	7.0%	6.7%	6.4%	6.0%	5.8%	6.7%
Cook	6.2%	5.0%	4.4%	4.1%	3.9%	4.3%	5.4%	6.6%
Itasca	6.9%	7.6%	7.4%	6.8%	6.6%	6.3%	7.3%	7.7%
Koochiching	7.7%	8.0%	7.7%	7.0%	6.5%	6.7%	9.0%	8.7%
Lake	5.4%	5.4%	5.4%	5.2%	4.7%	4.7%	5.5%	6.1%
Pine	7.3%	7.6%	7.3%	7.0%	6.6%	6.5%	6.9%	8.6%
St. Louis	6.3%	6.9%	6.9%	6.6%	6.0%	5.7%	6.0%	6.6%
Avg MN	**6.6750%**	**6.8500%**	**6.6250%**	**6.2500%**	**5.8500%**	**5.7750%**	**6.6125%**	**7.3875%**
Wisconsin								
Ashland	8.6%	9.4%	8.9%	8.1%	7.3%	7.2%	7.4%	8.1%
Bayfield	9.2%	8.9%	8.6%	8.2%	6.9%	7.2%	10.9%	12.0%
Burnett	7.7%	7.9%	7.4%	7.1%	6.4%	6.3%	7.1%	8.1%
Douglas	6.4%	7.0%	6.6%	6.2%	5.3%	5.5%	5.6%	6.1%
Iron	11.0%	10.7%	10.7%	10.5%	9.0%	10.4%	11.9%	12.8%
Sawyer	9.1%	8.9%	8.6%	8.1%	7.6%	7.8%	9.7%	10.7%
Washburn	7.4%	7.9%	7.7%	7.4%	6.4%	6.5%	7.5%	8.0%
Avg WI	**8.4857%**	**8.6714%**	**8.3571%**	**6.9857%**	**7.2714%**	**8.5857%**	**9.4000%**	**7.2000%**
Avg MN-WI	**7.5200%**	**7.7000%**	**7.4333%**	**6.3800%**	**6.4733%**	**7.5333%**	**8.3267%**	**6.3133%**

January 2013 – August 2013

	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013
Minnesota								
Aitkin	10.1%	9.3%	9.1%	8.4%	7.0%	6.9%	6.6%	5.9%
Carlton	8.6%	7.5%	7.2%	6.6%	5.9%	5.8%	5.8%	5.5%
Cook	8.5%	8.0%	7.9%	7.6%	6.1%	4.7%	4.2%	3.6%
Itasca	9.3%	8.6%	8.6%	8.2%	7.4%	7.4%	7.2%	6.7%
Koochiching	10.3%	9.4%	9.7%	10.3%	9.0%	8.2%	7.6%	7.2%
Lake	7.9%	7.9%	7.2%	6.9%	6.1%	5.7%	5.0%	4.7%
Pine	11.3%	10.1%	10.1%	9.2%	7.1%	6.9%	6.6%	6.1%
St. Louis	8.0%	7.4%	7.0%	6.7%	6.6%	6.6%	6.6%	6.1%
Avg MN	**9.2500%**	**8.5250%**	**8.3500%**	**7.9875%**	**6.9000%**	**6.5250%**	**6.2000%**	**5.7250%**
Wisconsin								
Ashland	10.3%	10.7%	10.4%	10.0%	9.5%	10.0%	9.3%	7.8%
Bayfield	14.2%	14.2%	13.3%	12.1%	9.4%	8.2%	7.5%	8.3%
Burnett	10.1%	10.3%	9.5%	9.2%	7.6%	7.6%	6.7%	6.2%
Douglas	7.5%	7.6%	7.0%	6.3%	6.1%	6.9%	6.4%	5.8%
Iron	13.6%	13.8%	14.1%	14.0%	11.5%	11.2%	11.2%	9.7%
Sawyer	13.1%	13.6%	13.3%	12.1%	9.7%	9.1%	8.5%	7.6%
Washburn	10.0%	10.3%	9.4%	8.8%	7.2%	7.3%	7.0%	6.0%
Avg WI	**11.2571%**	**11.5000%**	**11.0000%**	**10.3571%**	**8.7143%**	**8.6143%**	**8.0857%**	**7.3429%**
Avg MN-WI	**10.1867%**	**9.9133%**	**9.5867%**	**9.0933%**	**7.7467%**	**7.5000%**	**7.0800%**	**6.4800%**

September 2013 – November 2013

	Sep 2013	Oct 2013	Nov 2013
Minnesota			
Aitkin	5.7%	5.2%	6.5%
Carlton	5.4%	4.7%	4.9%
Cook	3.7%	4.3%	5.2%
Itasca	6.2%	5.7%	6.4%
Koochiching	7.1%	7.7%	9.3%
Lake	4.7%	4.4%	5.3%
Pine	5.8%	5.4%	6.1%
St. Louis	5.7%	5.2%	5.6%
Avg MN	**5.5375%**	**5.3250%**	**6.1625%**
Wisconsin			
Ashland	7.3%	7.7%	7.6%
Bayfield	7.2%	7.3%	10.3%
Burnett	6.3%	5.8%	6.4%
Douglas	5.4%	5.6%	4.9%
Iron	10.7%	12.1%	13.2%
Sawyer	7.5%	7.6%	9.2%
Washburn	6.0%	6.2%	6.8%
Avg WI	**7.4714%**	**8.3429%**	**8.3429%**
Avg MN-WI	**6.3267%**	**7.1800%**	**7.253%**

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

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

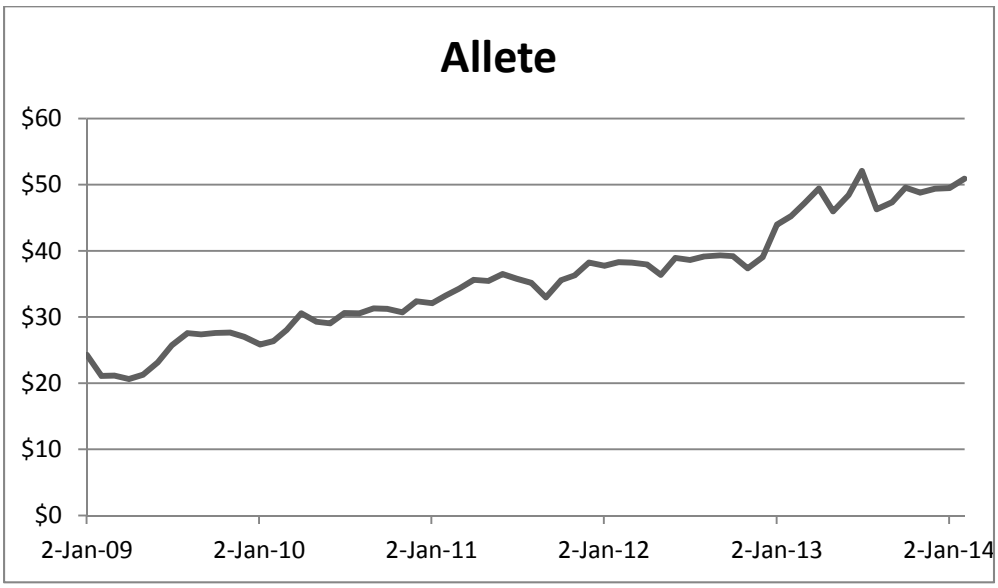
Q5: "Generally speaking, do you think now is a good or bad time for people to buy major household items, such as furniture, refrigerator, TV and things like that?"

Good Bad Good and bad Do not know

Q6 (supplemental 2013-2014 survey question): In March 2010, President Obama signed a comprehensive health reform, the Patient Protection and Affordable Care Act, into law. On a scale of 0 (none) to 10 (excellent), how would you rate your knowledge and understanding of this Affordable Care Act?

Self-rated knowledge and understanding of the act: _____ (0 to 10)

STOCK INFORMATION AND HISTORICAL RETURN INFORMATION



Company: **Allete Inc.**

Ticker: ALE

Exchange: NYSE

Market Cap: $2.07 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.

Company: **Ascena Retail Group Inc.**

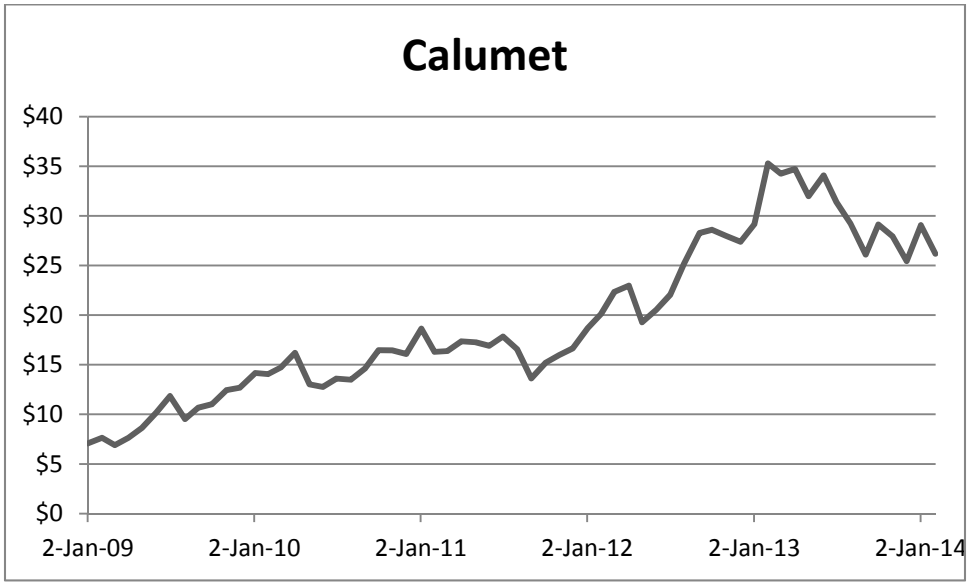
Ticker: ASNA

Exchange: NASDAQ

Market Cap: $2.90B

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.



Company: **Calumet Specialty Products Partners LP**

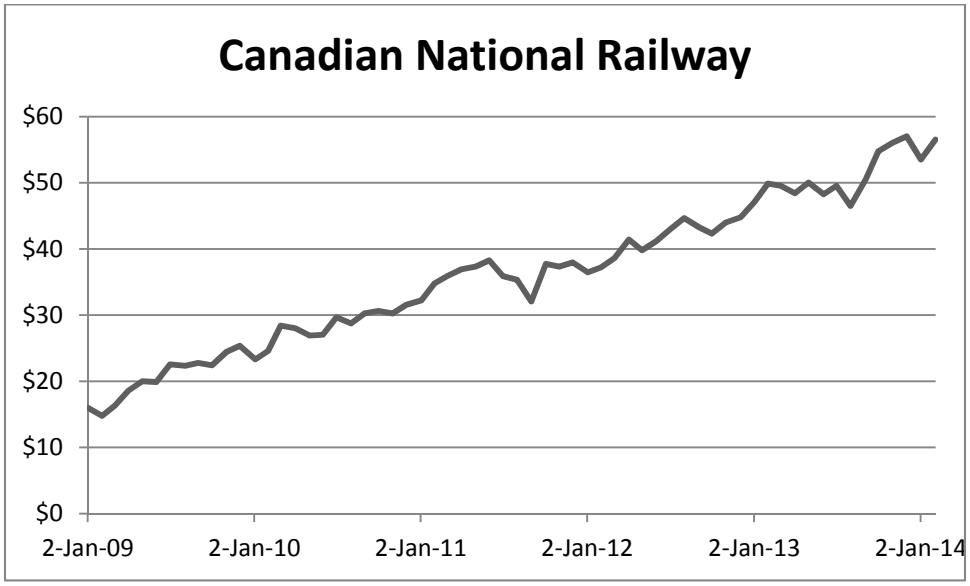
Ticker: CL

Exchange: NASDAQ

Market Cap: $1.74B

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.



Company: **Canadian National Railway Company**

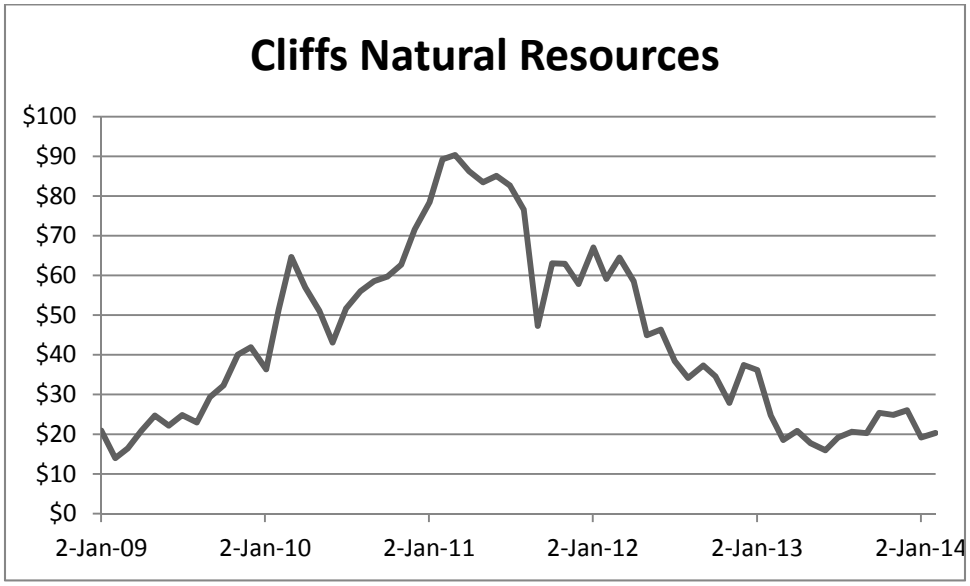
Ticker: CNI

Exchange: NYSE

Market Cap: $46.39B

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.



Company: **Cliffs Natural Resources**

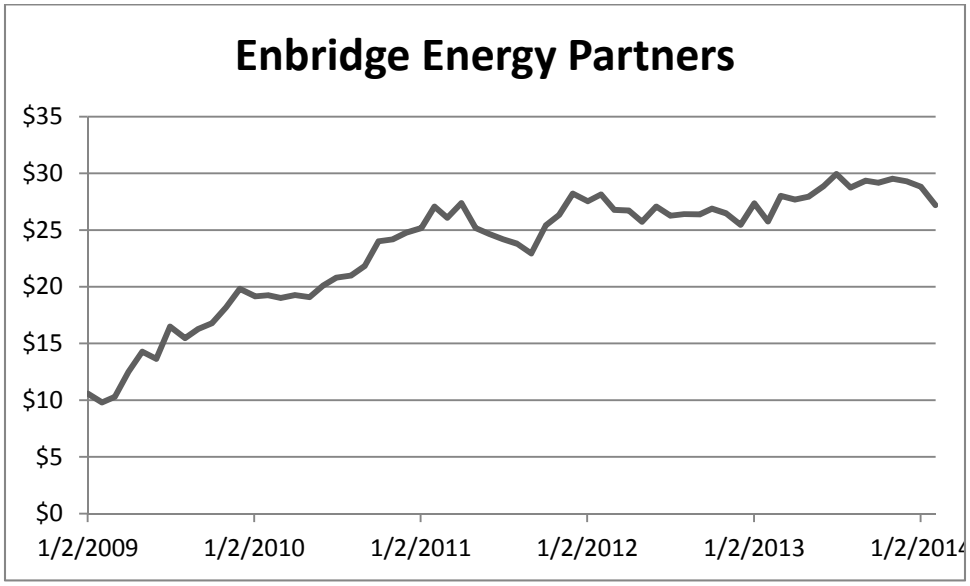
Ticker: CLF

Exchange: NYSE

Market Cap: $2.71 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.



Company: **Enbridge**

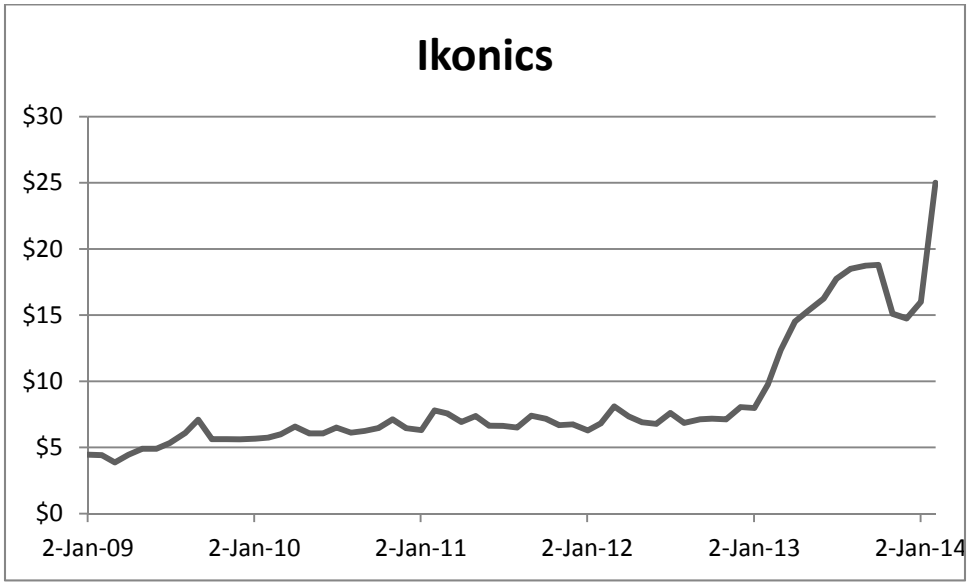
Ticker: EEP

Exchange: NYSE

Market Cap: $8.96B

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.



Company: **Ikonics**

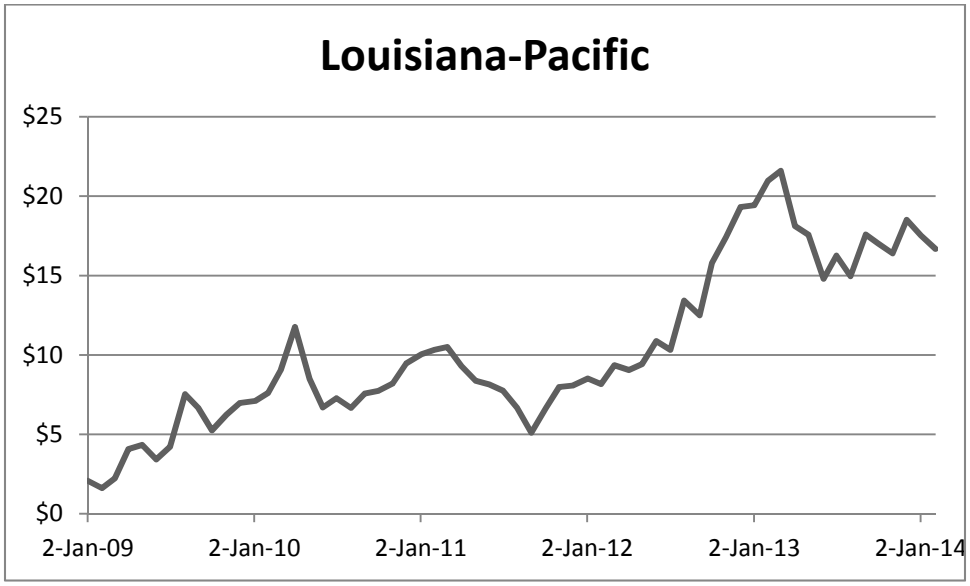
Ticker: IKNX

Exchange: NASDAQ

Market Cap: $60.39M

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.



Company: **Louisiana- Pacific**

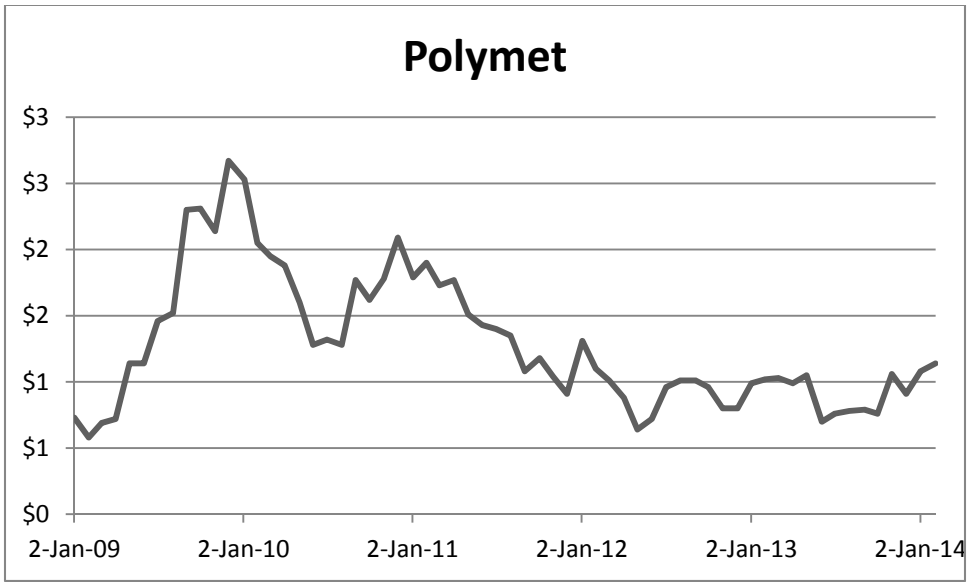
Ticker: LPX

Exchange: NYSE

Market Cap: $2.51B

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.



Company: **Polymet**

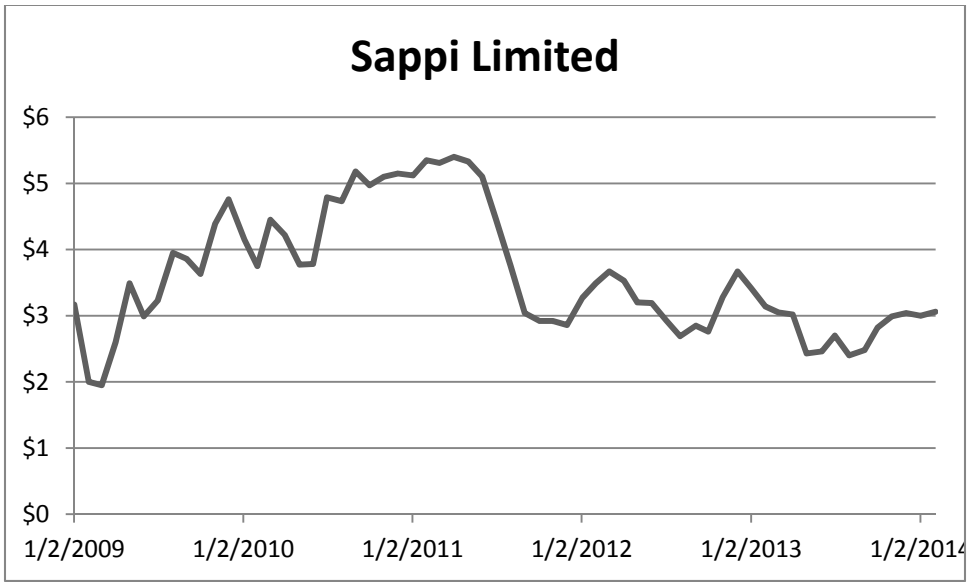
Ticker: PLM

Exchange: NYSE

Market Cap: $370.92M

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.



Company: **Sappi Limited**

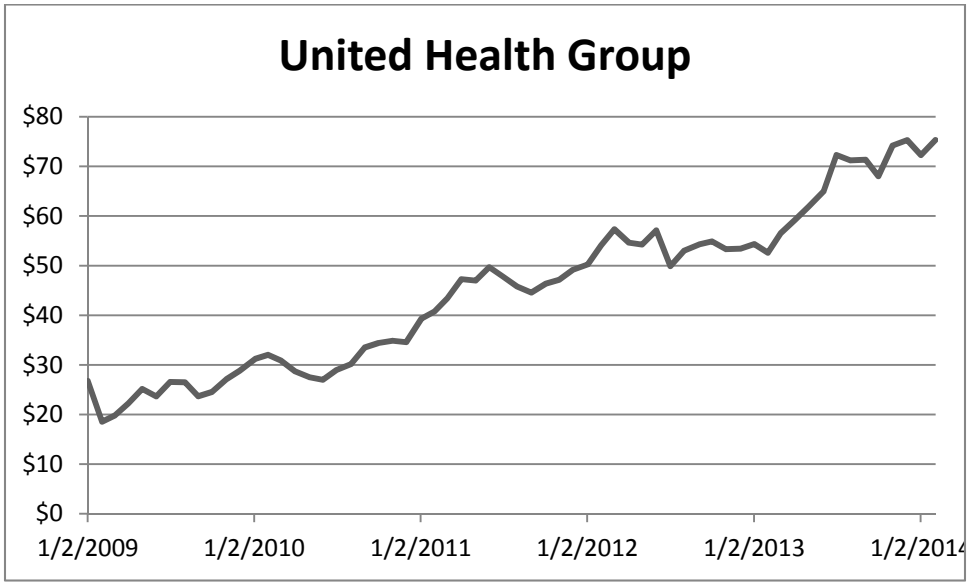
Ticker: SPPJY

Exchange: OTCPK

Market Cap: $1.79B

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.



Company: **UnitedHealth Group**

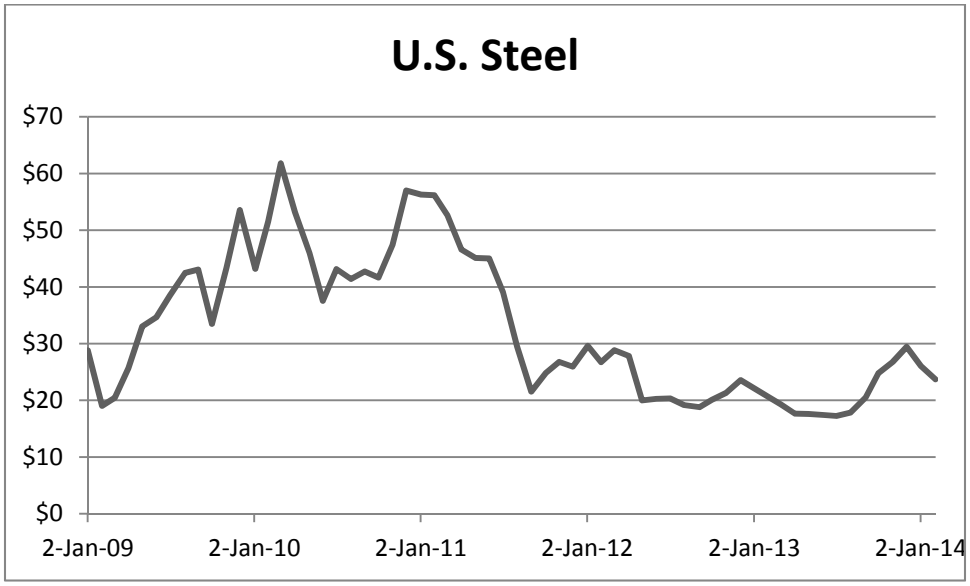
Ticker: UNH

Exchange: NYSE

Market Cap: $76.41B

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.



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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