



**BREAKFAST**

April 2, 2019

• PRESENTED BY •



Member FDIC

---

**SILVER  
SPONSORS**



---

**BRONZE  
SPONSORS**



**Wealth  
Management**

# FOCUS ON THE REGIONAL NONPROFIT SECTOR



UNIVERSITY OF MINNESOTA DULUTH

**Driven to Discover**

**Hattie Ecklund**

Bureau of Business and Economic Research  
Labovitz School of Business and Economics, UMD



# BACKGROUND

## OBJECTIVES

- Major nonprofit industries
- Employment, compensation, and growth
- Peer comparison

## NONPROFIT ORGANIZATIONS

- 501(c)(3): categorized by the IRS as a tax-exempt charitable organization.

## STUDY AREA

- Metropolitan Statistical Areas (MSA)

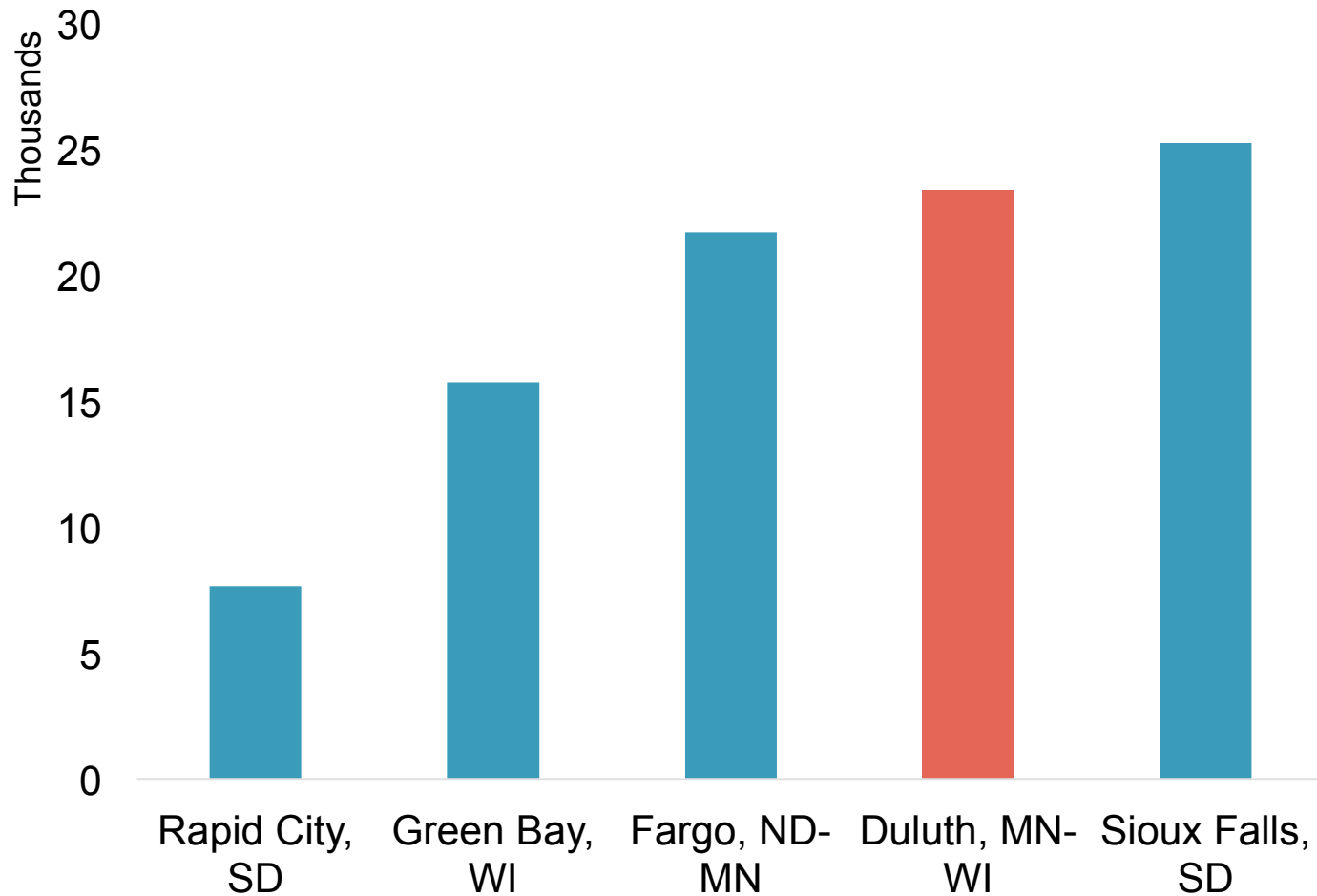


# NONPROFIT SECTOR OVERVIEW

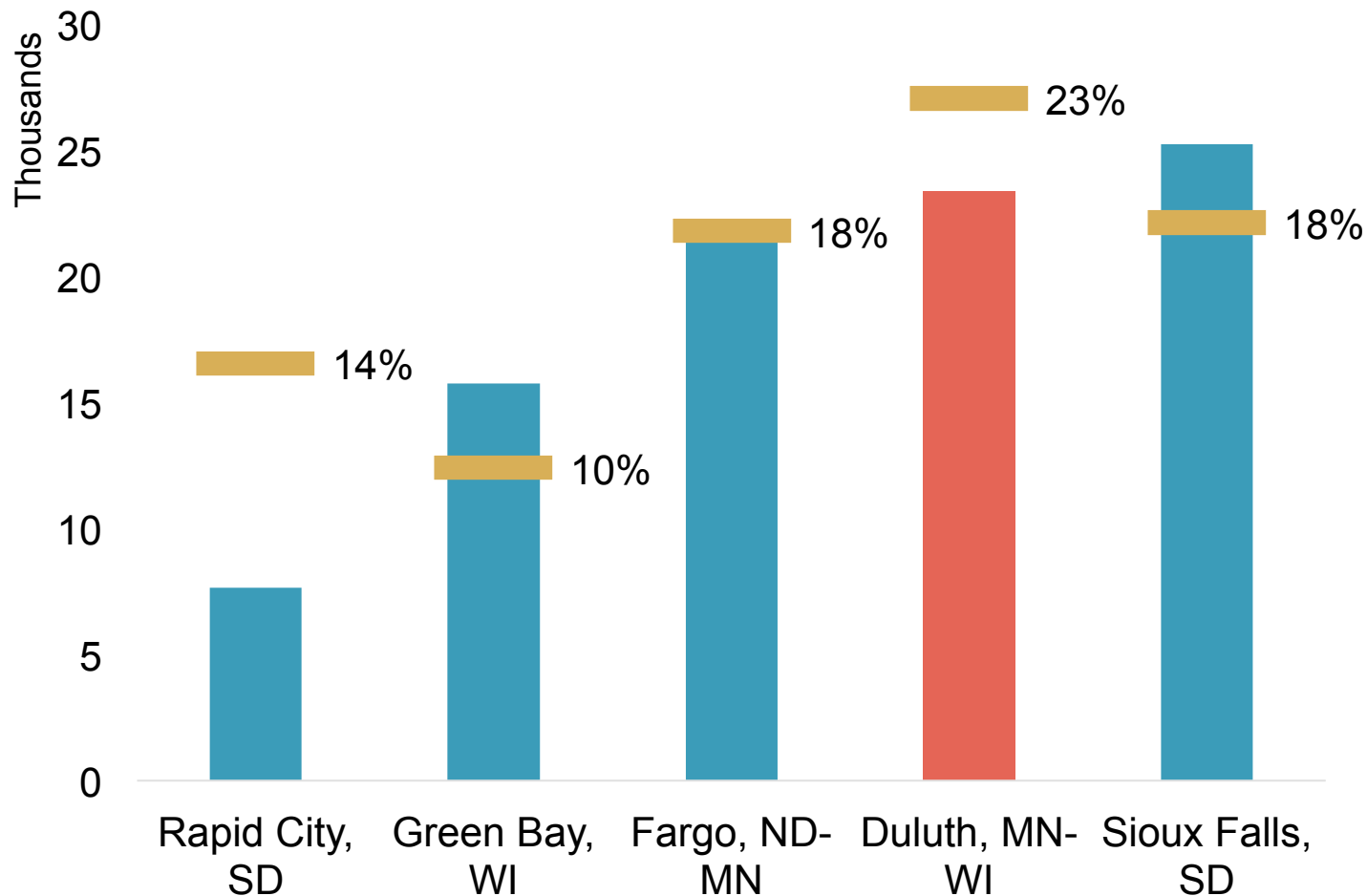
## **DULUTH-SUPERIOR MSA**

- 430 established 501(c)(3) groups
- 23,380 employed
- Four major industries
  - Healthcare and Social Assistance
  - Educational Services
  - Arts, Entertainment, and Recreation
  - Other Services (except Public Administration)

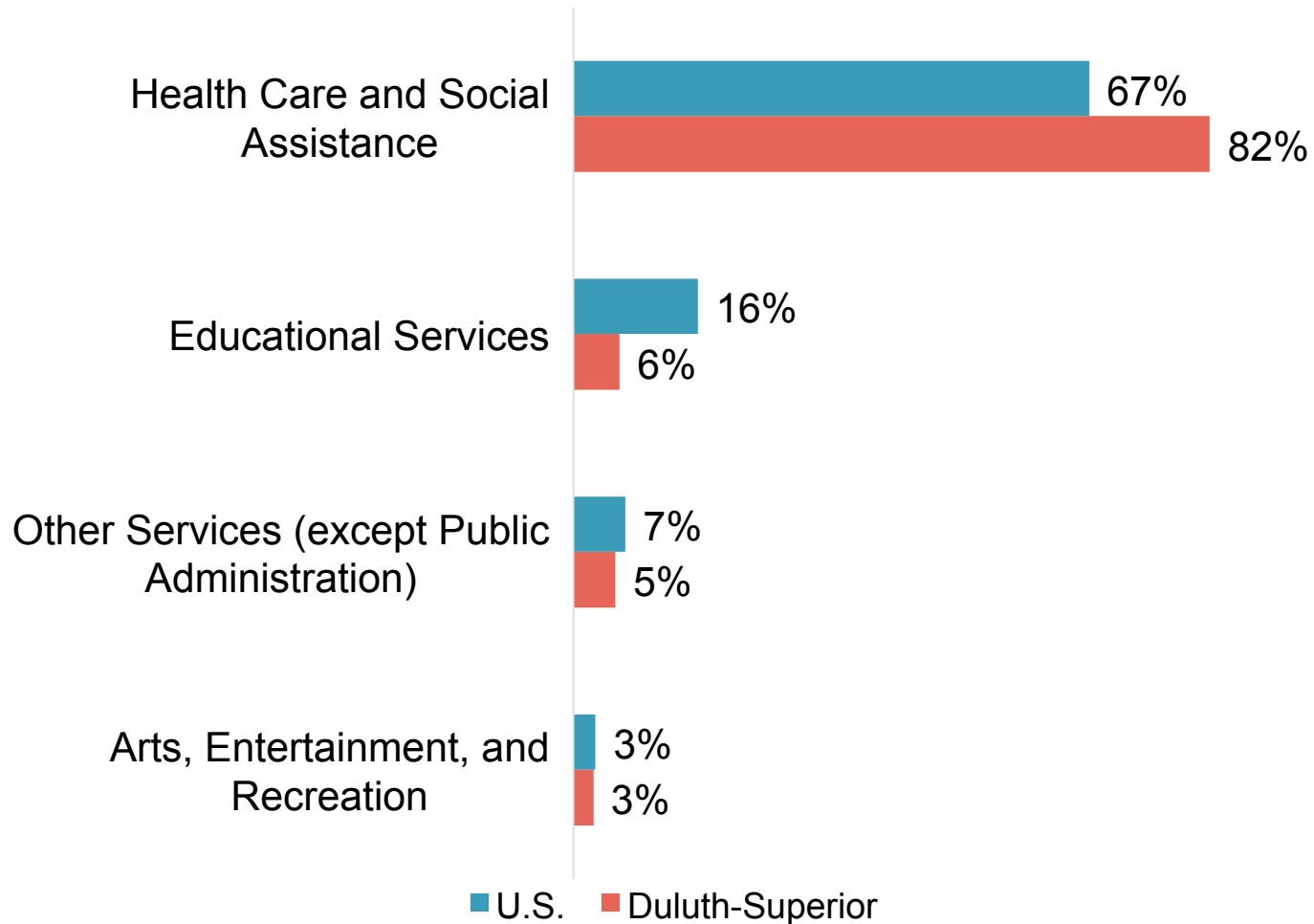
# NONPROFIT EMPLOYMENT BY MSA (2017)



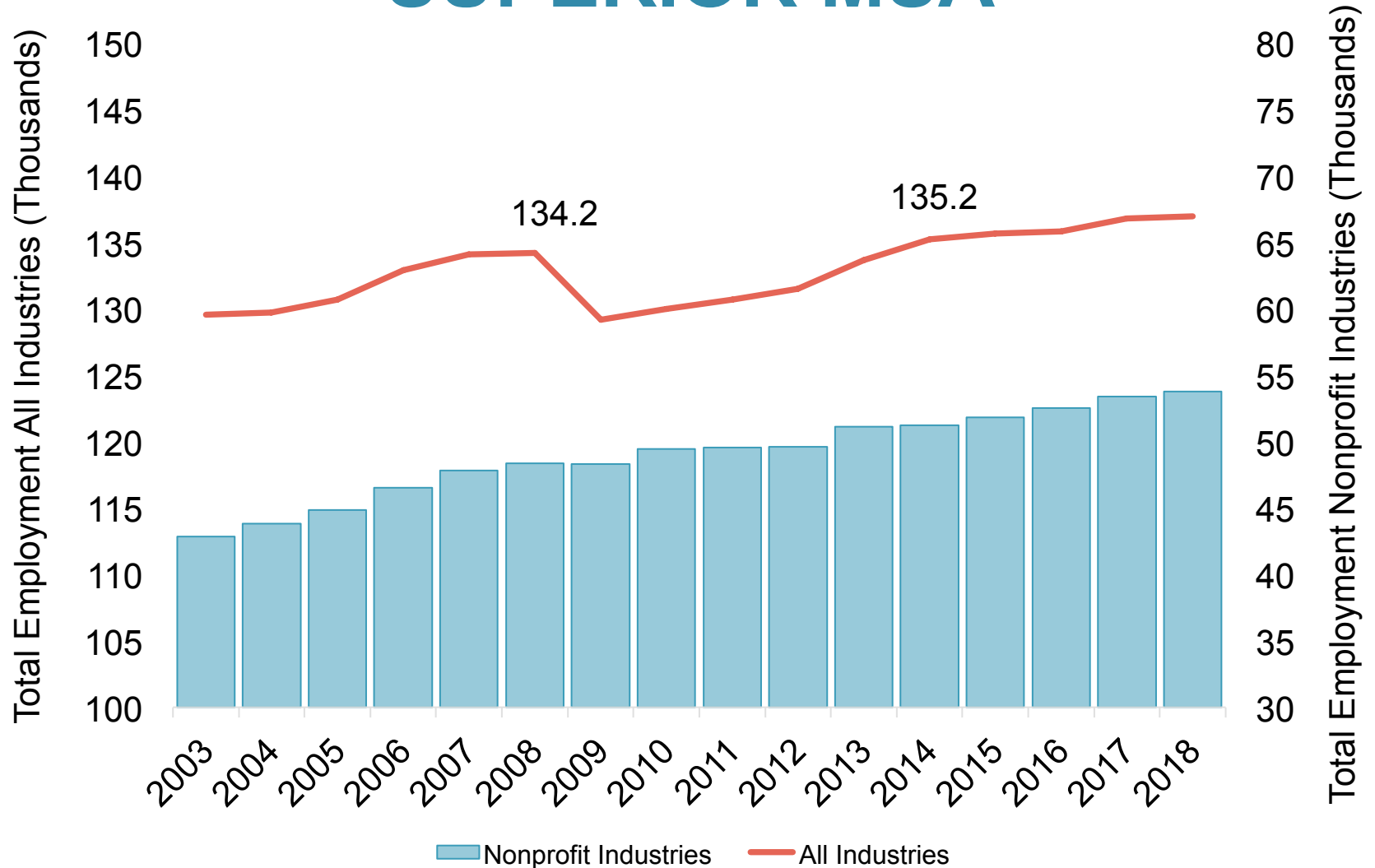
# NONPROFIT EMPLOYMENT BY MSA (2017)



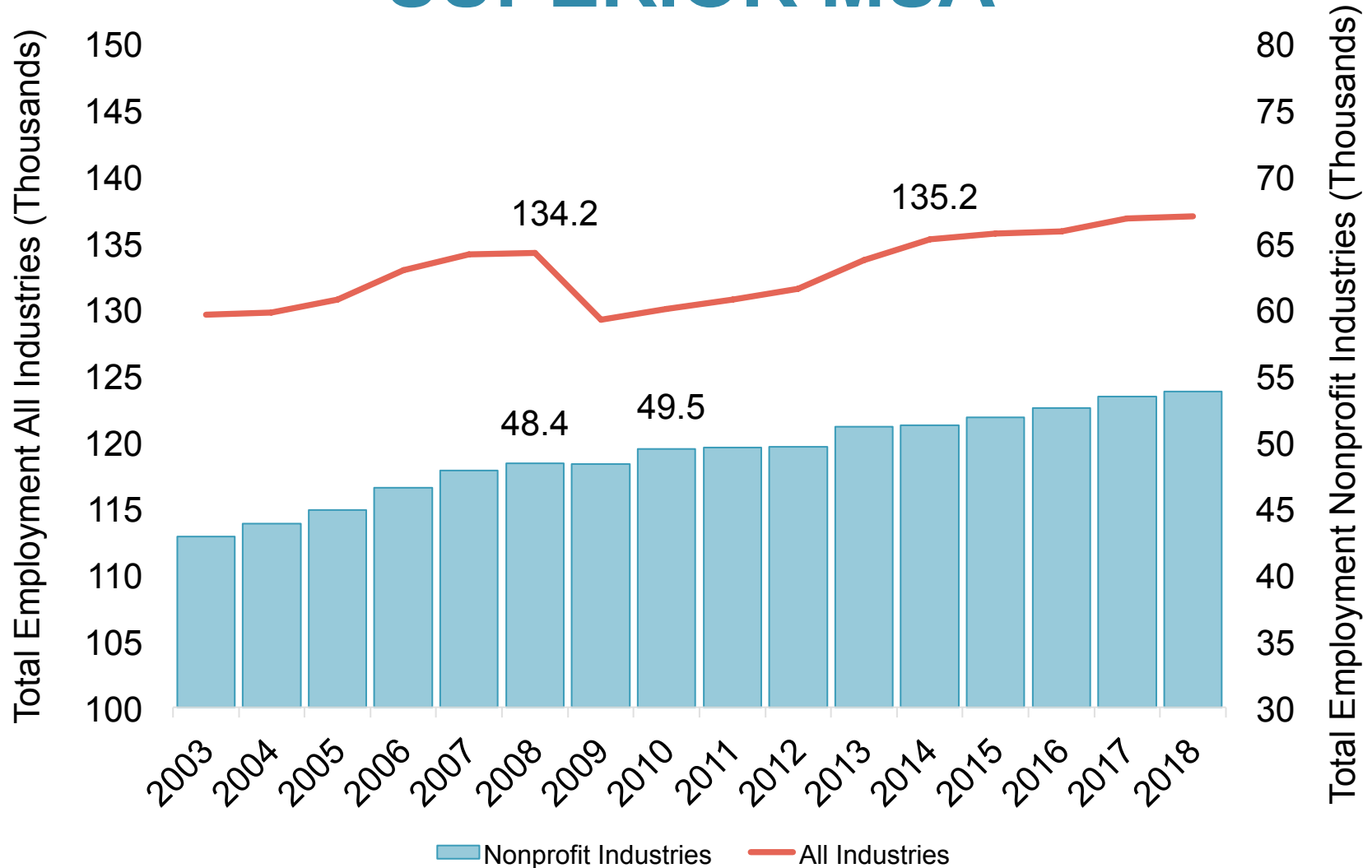
# NONPROFIT EMPLOYMENT BY INDUSTRY (2017)



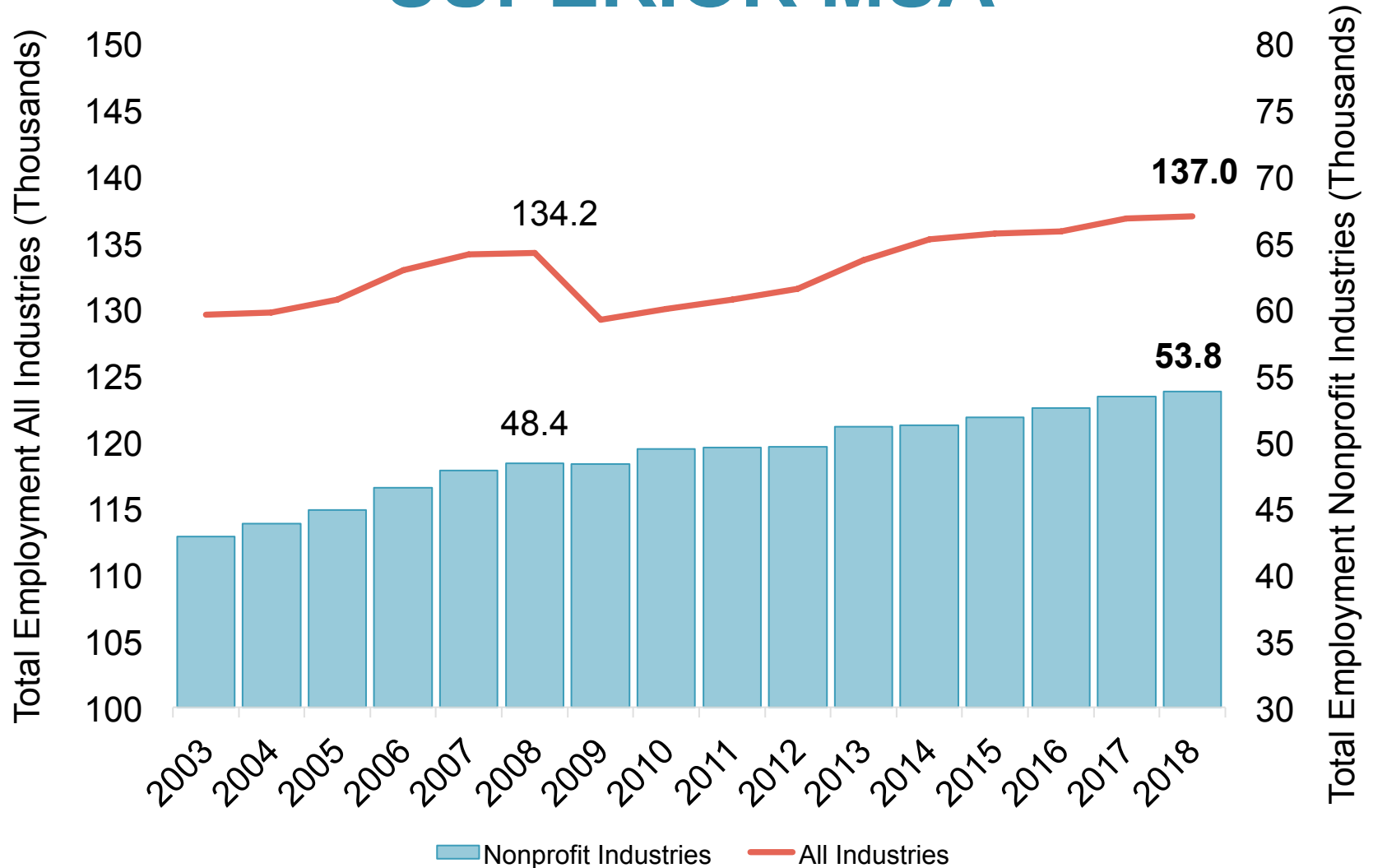
# EMPLOYMENT IN DULUTH-SUPERIOR MSA



# EMPLOYMENT IN DULUTH-SUPERIOR MSA



# EMPLOYMENT IN DULUTH-SUPERIOR MSA

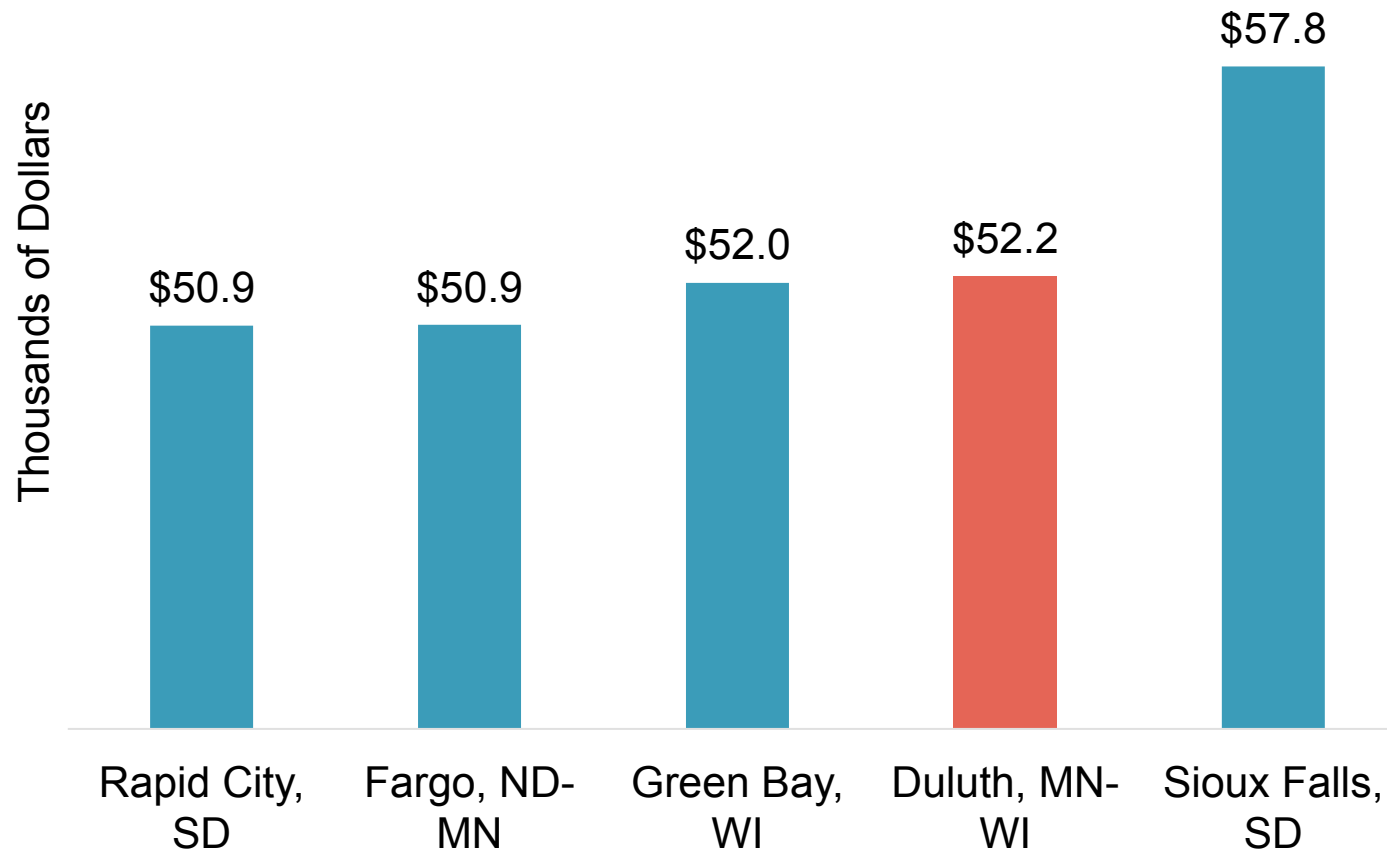


# OVERVIEW OF SELECTED NONPROFIT INDUSTRIES 2017

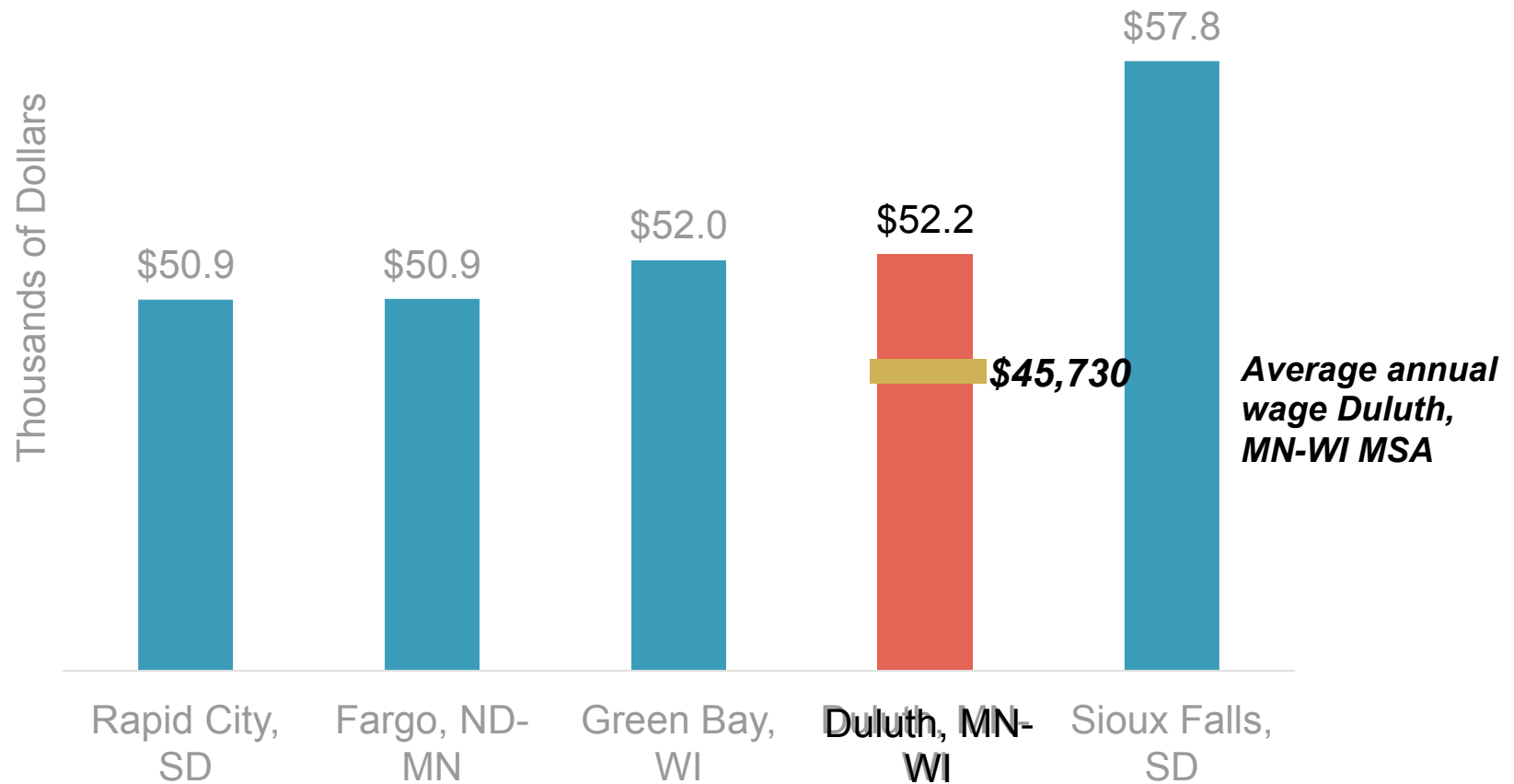
	Annual Earnings 2017	Wage Ratio
Health Care & Social Assistance	\$57,315	<b>1.85</b>
Other Services (except Public Administration)	\$20,989	0.70
Arts, Entertainment, & Recreation	\$16,419	0.96
Educational Services	\$39,917	<b>2.51</b>



# AVERAGE NONPROFIT SALARY BY MSA (2017)



# AVERAGE NONPROFIT SALARY BY MSA (2017)



# SUMMARY

- High concentration of nonprofit employment in the Healthcare and Social Assistance industry
- Nonprofit industries exhibit lower employment volatility
- 501(c)(3) employees make more than private sector counterparts and more than those in many selected peer areas.

# CONSUMER CONFIDENCE INDICATORS



**Opeyemi Omiwale**

University of Wisconsin-Superior



# CONSUMER CONFIDENCE INDICATORS

## STUDENT RESEARCHERS

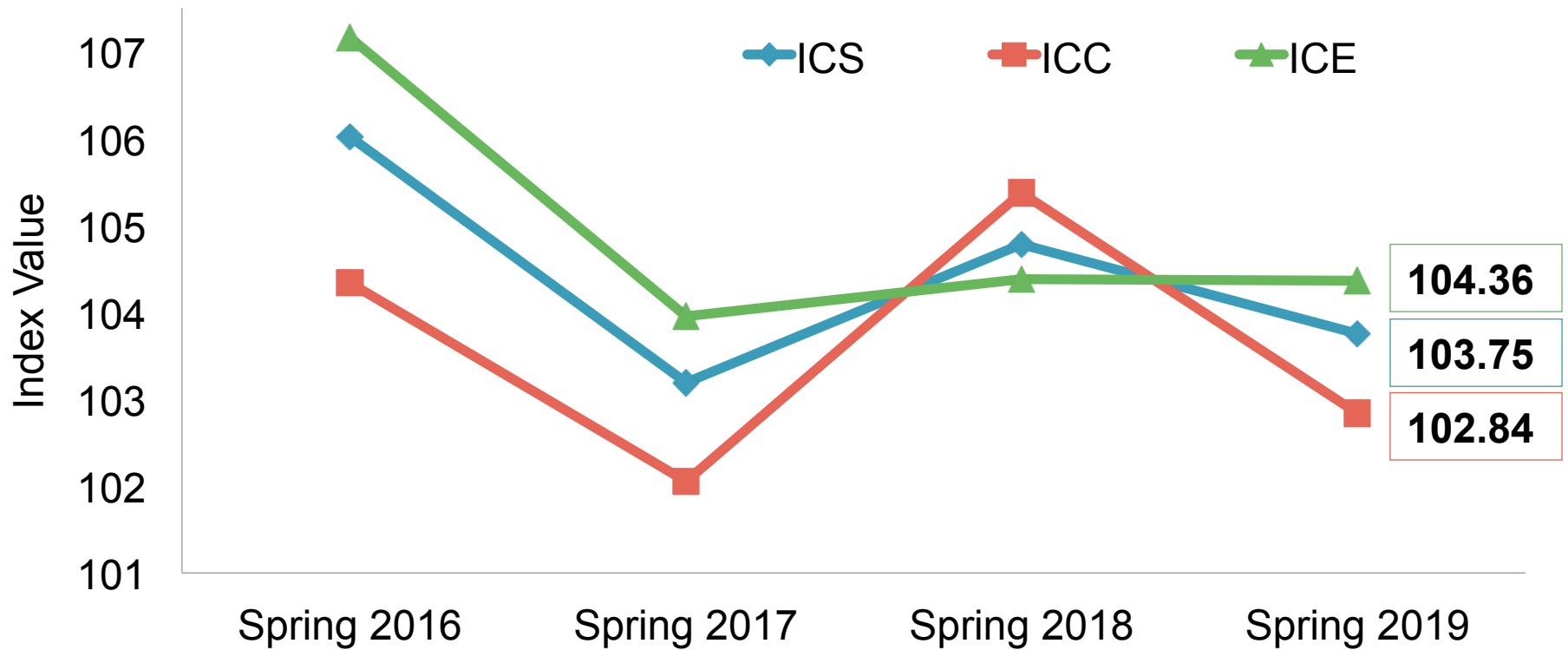
Spring 2019 Researchers	Majors
16 Students	Economics
9 Female	Finance
7 Male	Accounting
	International Business
	Business Administration
	Marketing
	Management
	Transportation & Logistics
	Computer Science

# CONSUMER CONFIDENCE INDICATORS

- **INDEX OF CONSUMER SENTIMENT (ICS)**  
Consumer outlook on personal finances, business conditions and consumption spending
- **INDEX OF CURRENT CONDITIONS (ICC)**  
Gauges current state of the economy
- **INDEX OF CONSUMER EXPECTATIONS (ICE)**  
Projects future economic and financial conditions

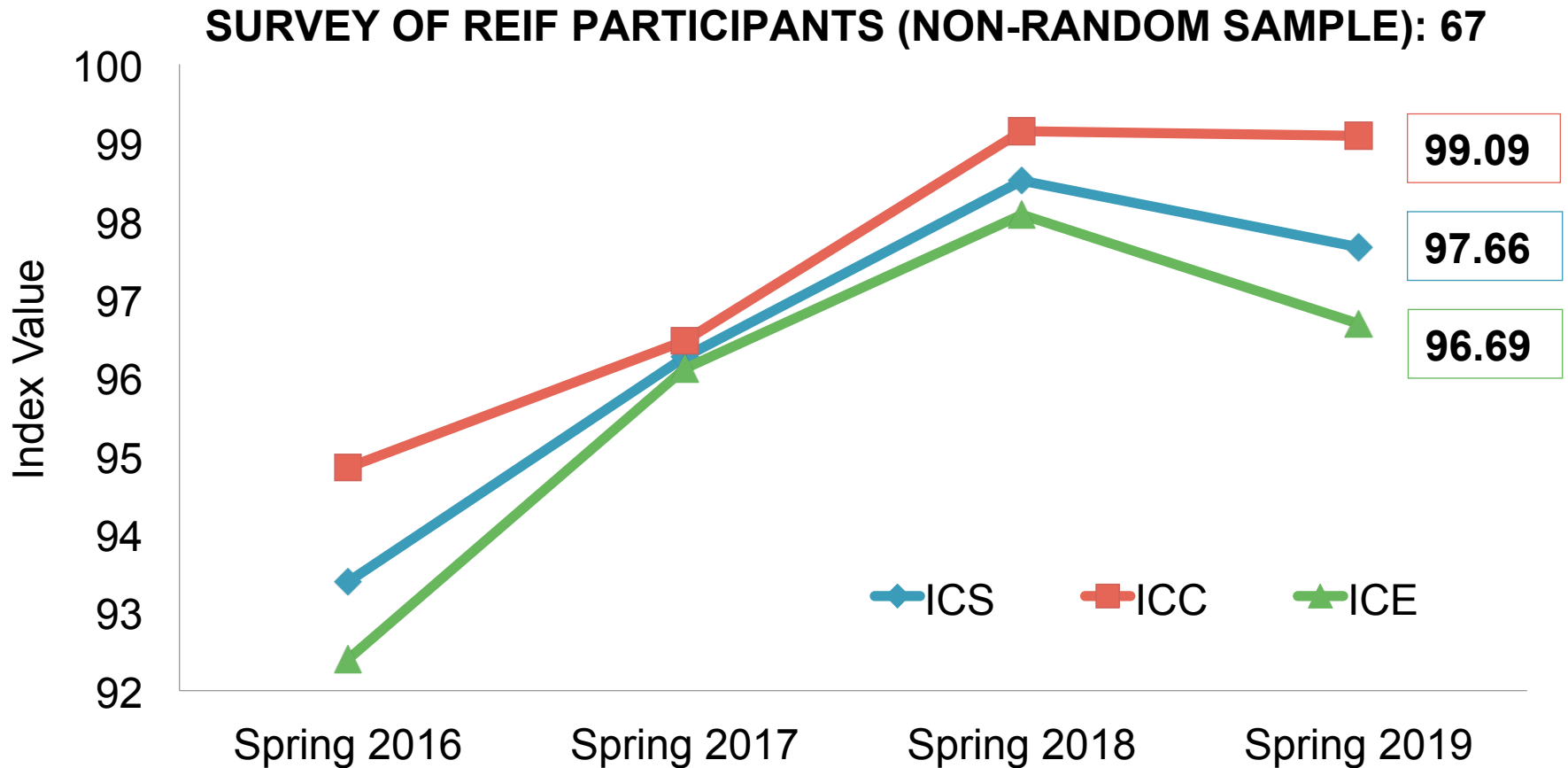
# CONSUMER CONFIDENCE INDICATORS

**PUBLIC SURVEY (RANDOM SAMPLE): 153**






Source: UWS Consumer Confidence Survey

# CONSUMER CONFIDENCE INDICATORS



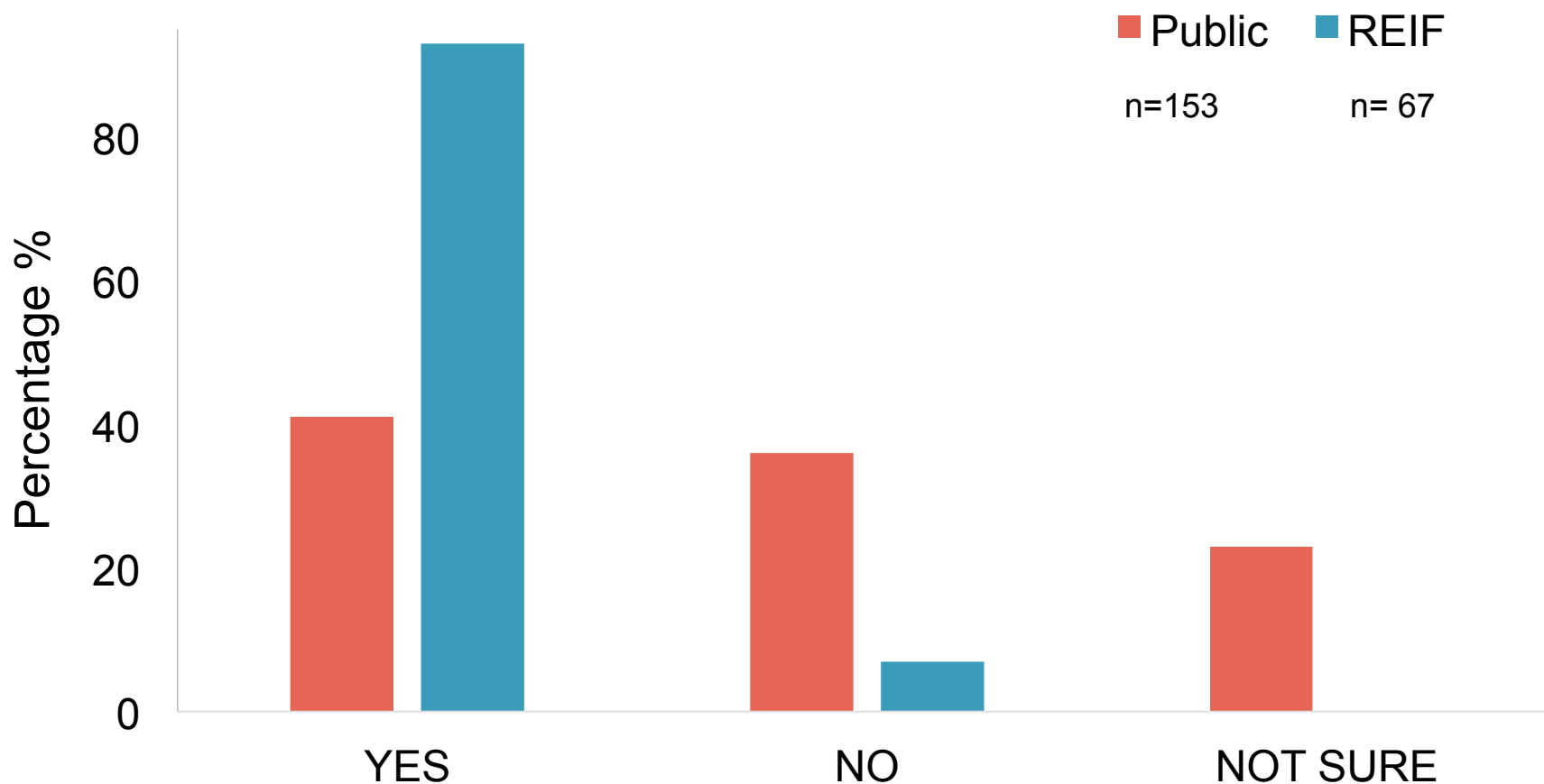


# CONSUMER CONFIDENCE INDICATORS

Indicator	Public Survey (Random)	REIF Survey (Non-Random)
ICS 	Weakening short-term economic outlook	Weakening short-term economic outlook
ICC 	Cautious about current economic condition	Slightly cautious about current economic condition
ICE 	Slight expectations of future economic slowdown	Expectations of future economic slowdown

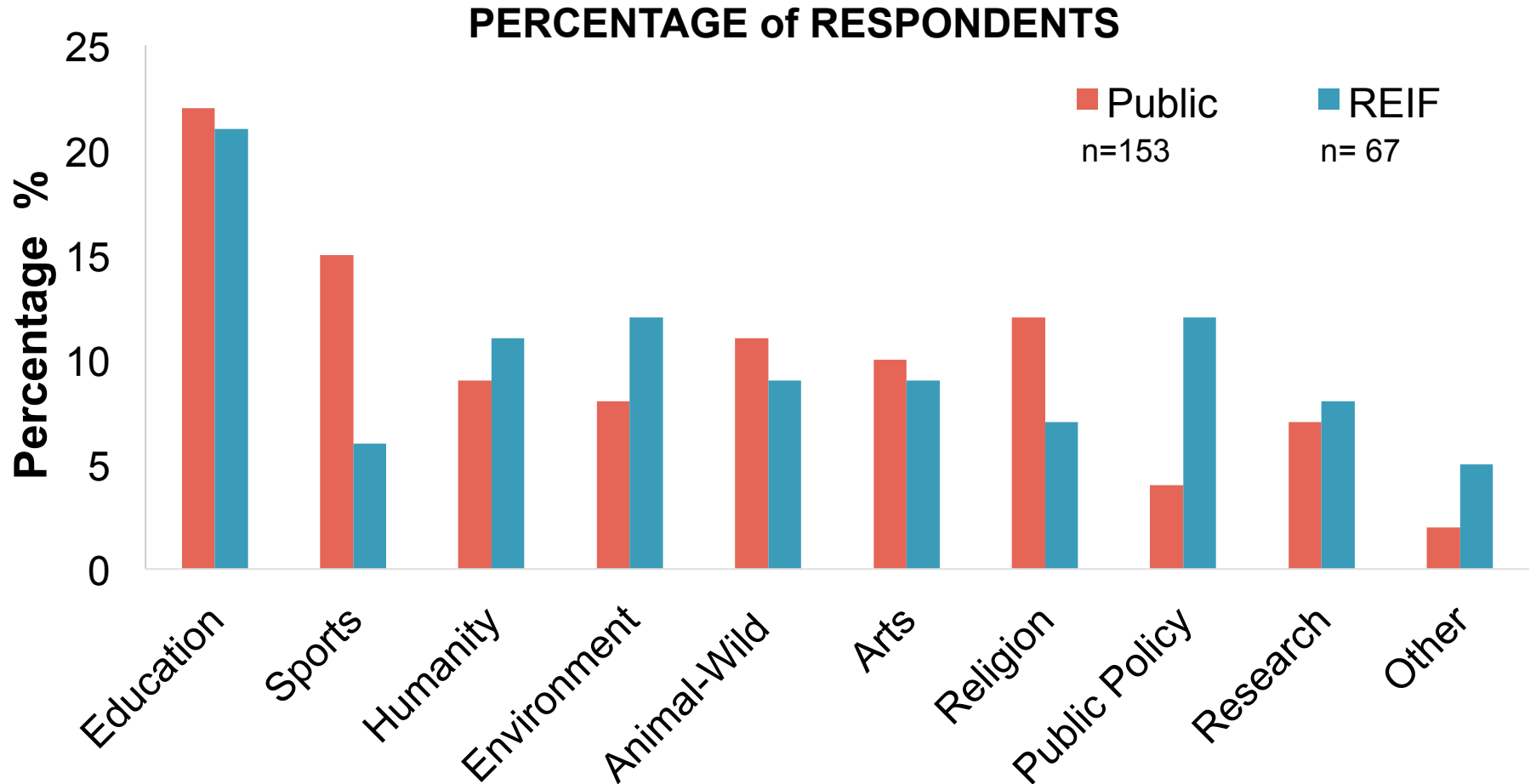
# HOUSEHOLD CONTRIBUTIONS TO CHARITABLE CAUSES

## PERCENTAGE OF RESPONDENTS



Source: UWS Consumer Confidence Survey

# DESIGNATED CHARITABLE CONTRIBUTION AREAS



# SUMMARY OF CONSUMER SURVEY

## **Consumer Confidence Indicators**

Slight negative sentiments on the economy and cautiousness about current and future economic and financial conditions

## **Charitable Causes**

Education, Sports, Public Policy, Environment, and Religion are some of the main choices

# REGIONAL EQUITY INDEX



**Nikolas Kosman**

University of Wisconsin-Superior



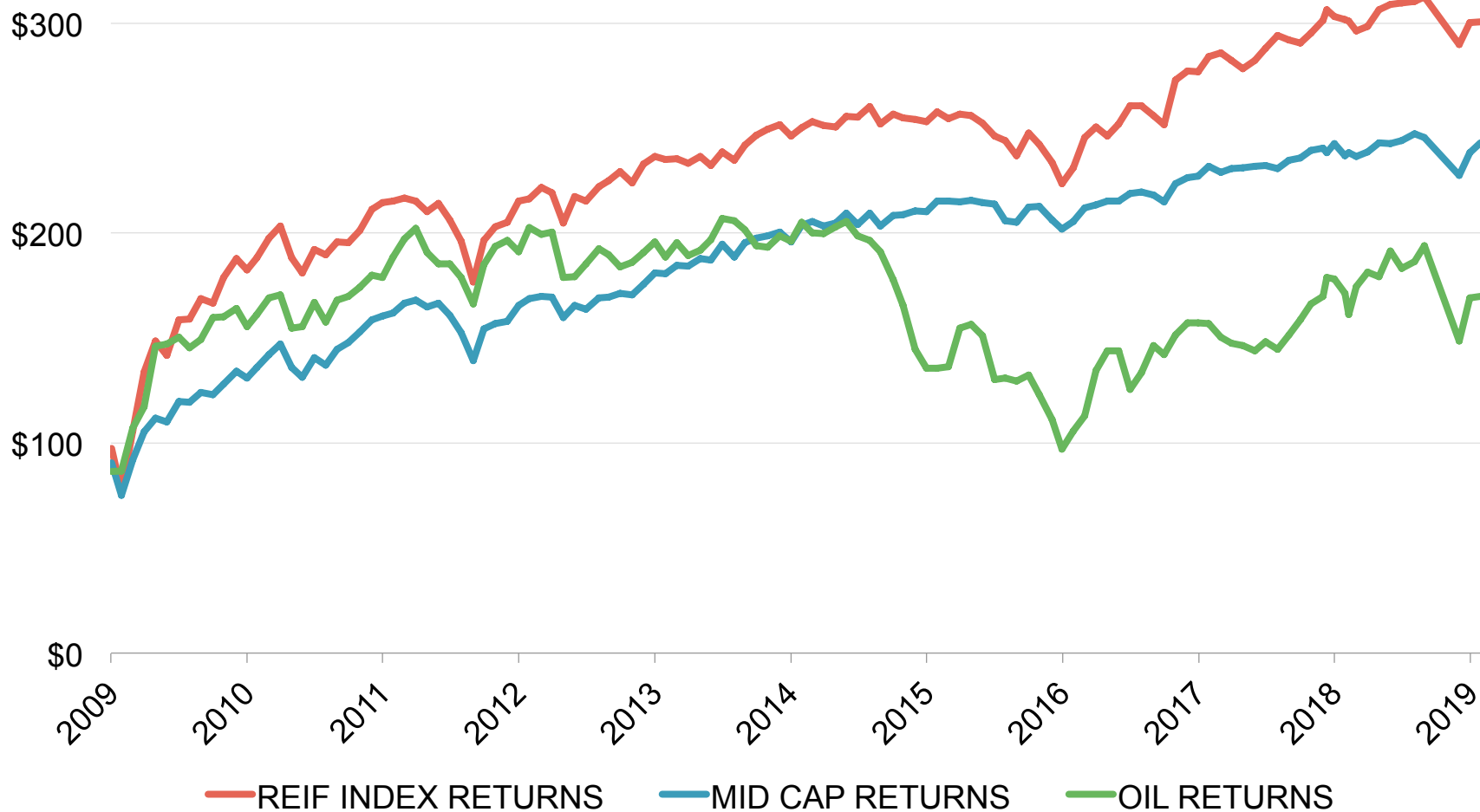
# EQUITY PERFORMANCE ANALYSIS

## STOCKS OF LOCAL INTEREST

- Allete
- Ascena Retail Group
- Calumet
- Canadian National Railway
- Charter Communications
- Cliffs Natural Resources
- Enbridge Energy Partners
- Louisiana-Pacific
- Marriott International
- Morgan Stanley
- Polymet
- UnitedHealth Group
- USG Corporation
- U.S. Steel

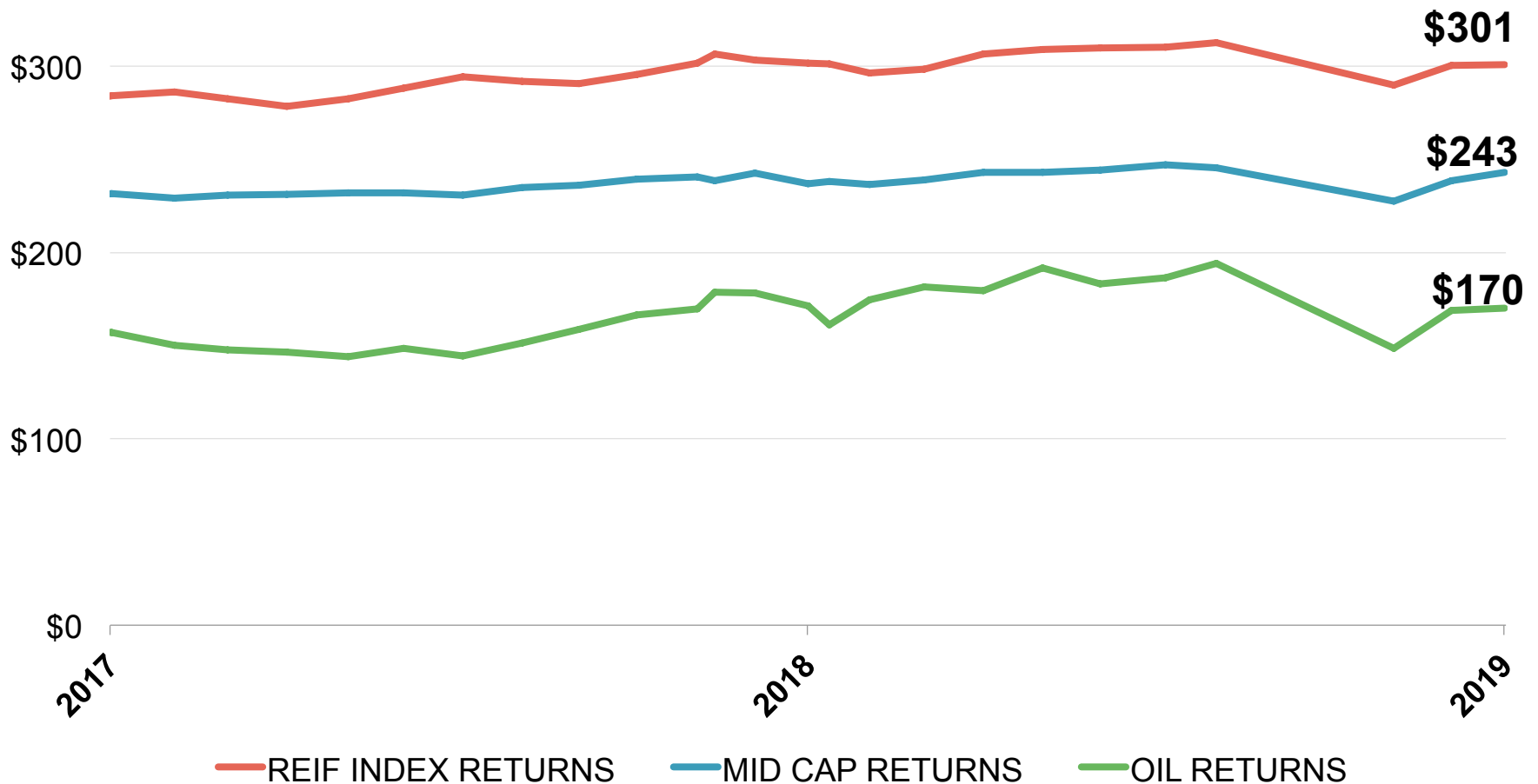
# GROWTH OF \$100

## REIF, MID CAP AND OIL FUTURES



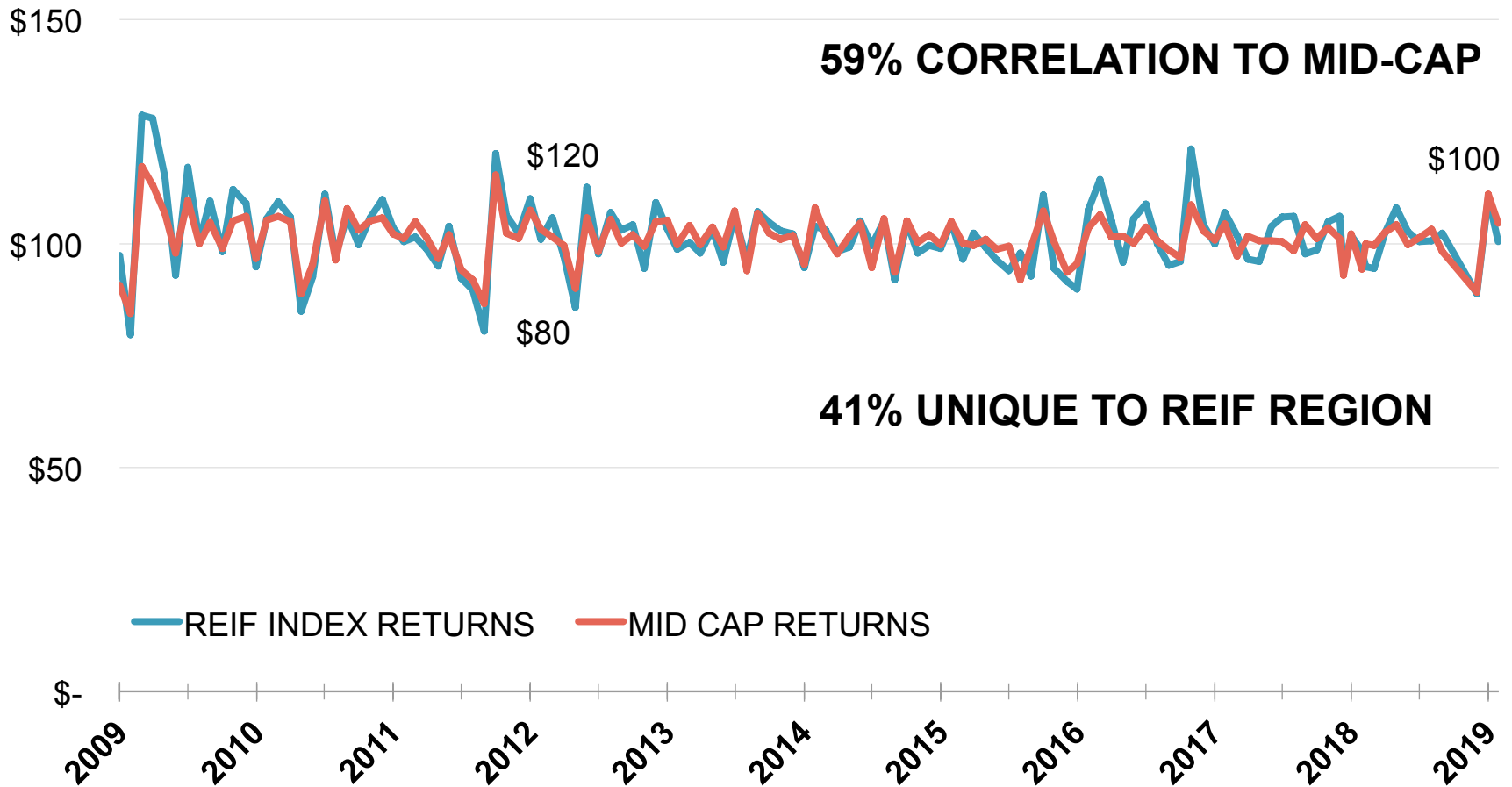
# GROWTH OF \$100

## REIF, MID CAP AND OIL FUTURES





# REIF AND MID-CAP CORRELATION



# SUMMARY OF FINDINGS

## ANALYST OPINIONS

### MORNINGSTAR®

- P/E RATIO
  - Prices slightly higher than the industry standard but lower than before
- FORWARD EARNINGS
  - Expected to increase slightly
- SHORT RATIO
  - Index average increase to 5.71

### VALUELINE®

- PERFORMANCE
  - Mirror the market
- SAFETY
  - Mirror the market
- TECHNICAL
  - Outperform
- PRICE STABILITY
  - Slightly Outperform
- PRICE GROWTH
  - Slightly Above Average

# ADDITIONAL FINDINGS

## OVERALL IMPLICATIONS

- REI vs S&P MID CAP 400
  - REI is expected to slightly outperform
- Lack of technological industries in the region limits diversification
- Regression analysis shows more price volatility, but higher returns

# BUSINESS CONFIDENCE INDICATORS



The College of  
*St. Scholastica*

**Cole Martin**

Accounting, Finance and Economics Department  
The College of St. Scholastica



# OVERVIEW

## **Business Sector**

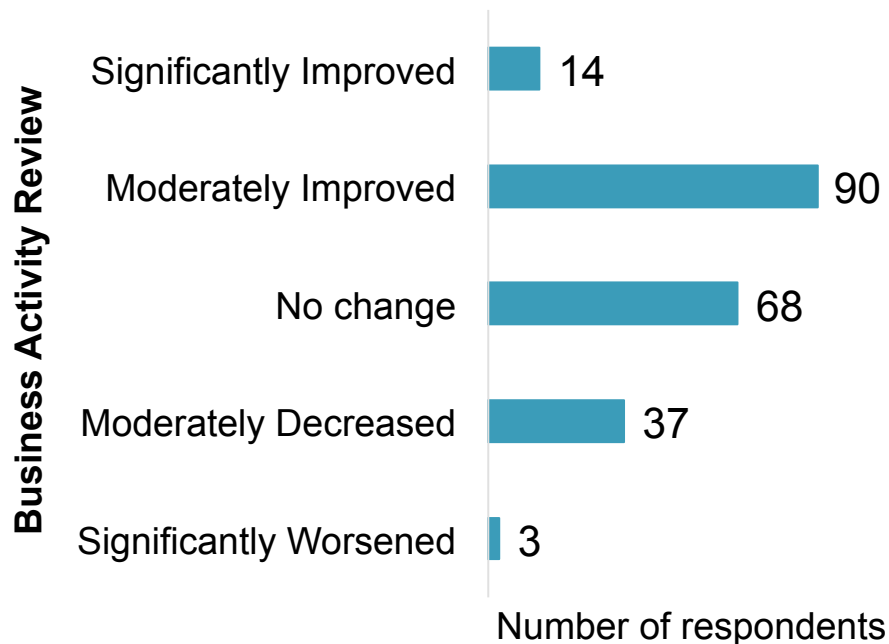
Leisure and Hospitality	36
Professional & Business Services	30
Education & Health Services	23
Financial Services	22
Other Sectors	104

## **Number of Employees**

1 to 19	122
20 to 99	48
100 or more	43
215 responses (record)	

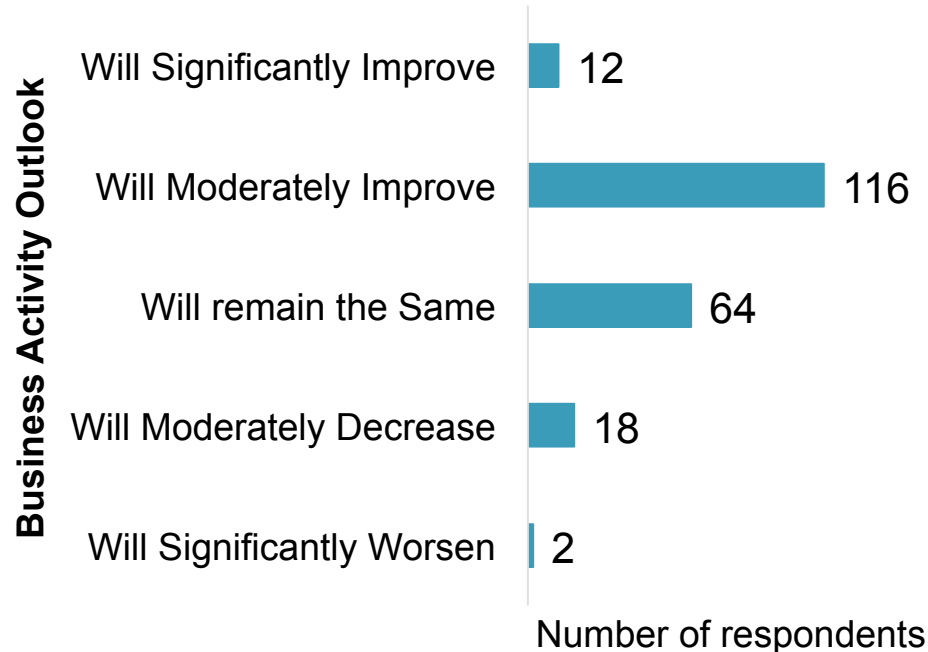
# GENERAL BUSINESS CONFIDENCE

## Previous Six Months



N=215

## Next Six Months

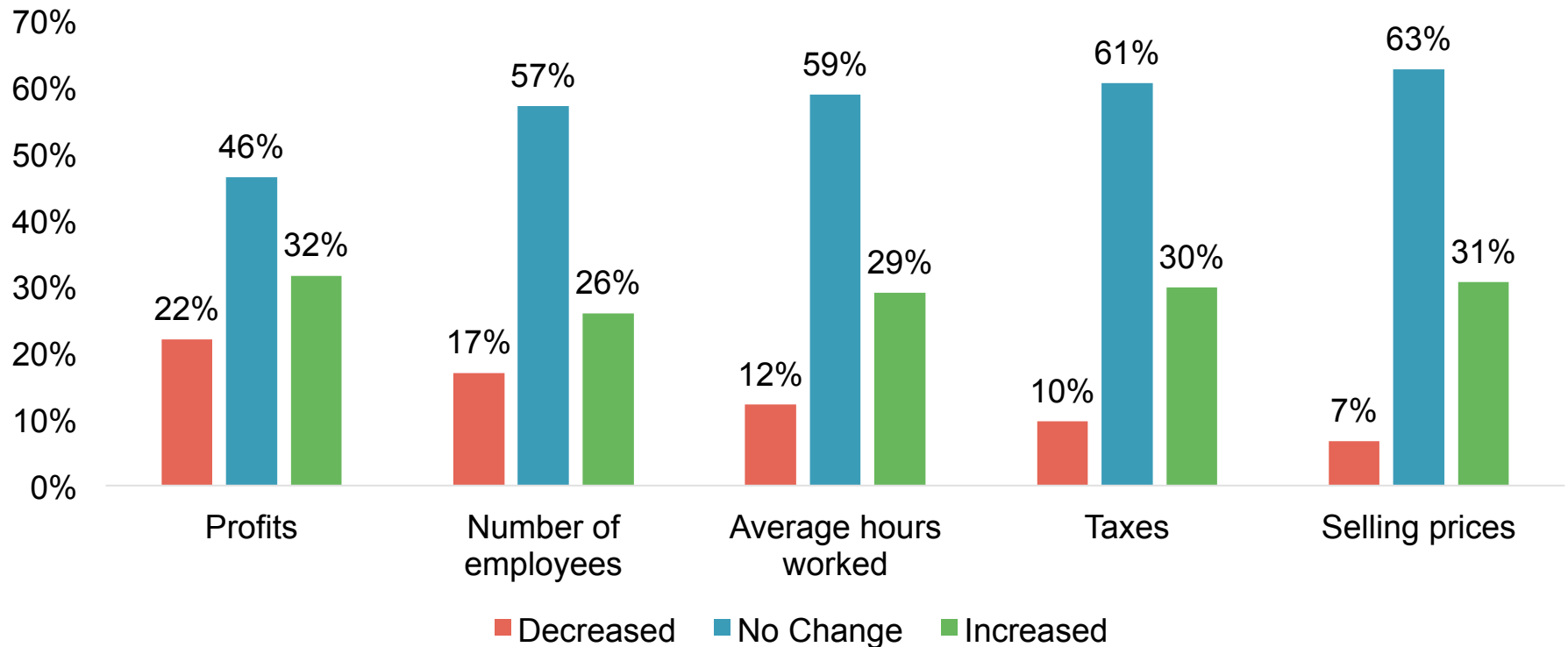


Source: CSS 2019 Business Confidence Survey

# SPECIFIC CONFIDENCE INDICATORS

Previous Six Months

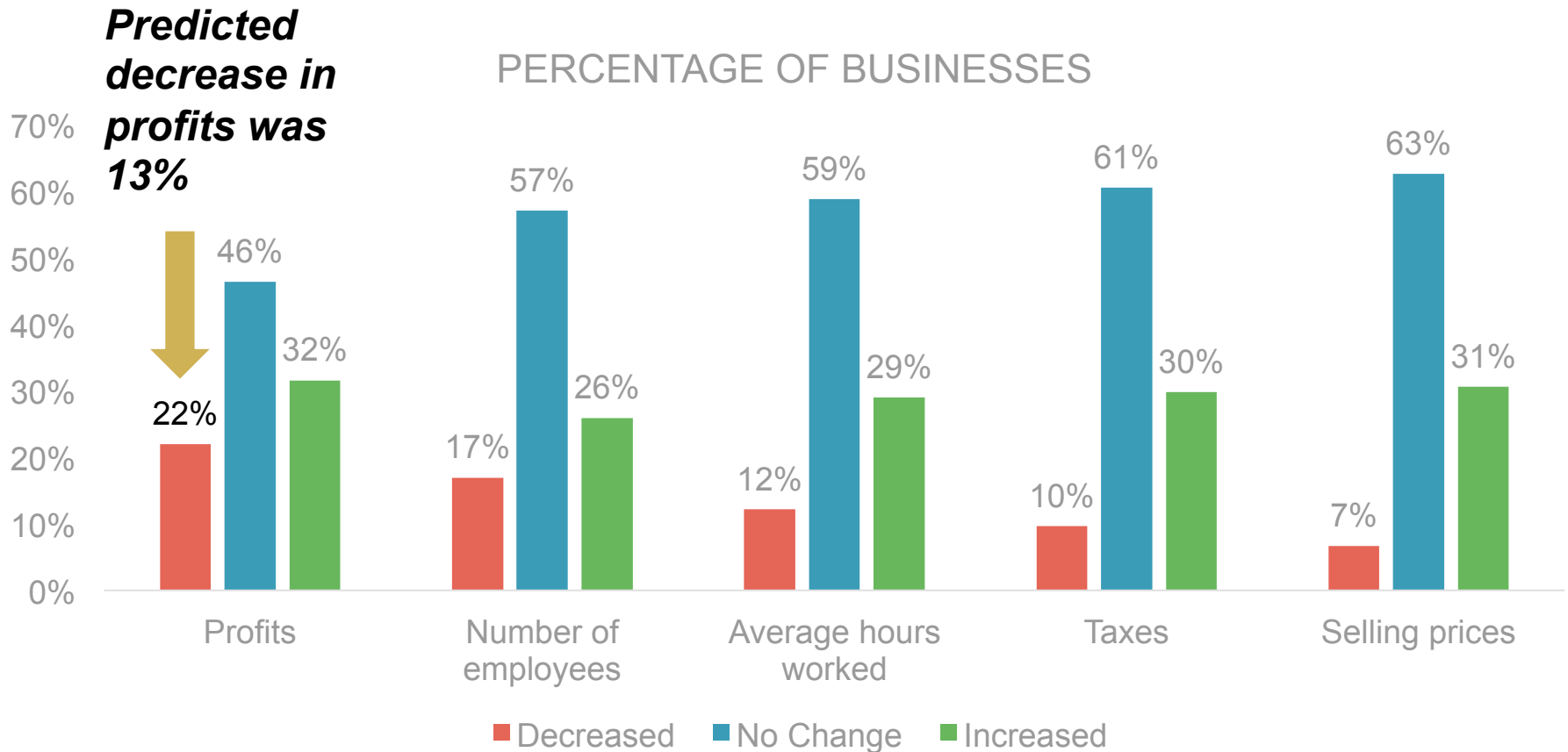
## PERCENTAGE OF BUSINESSES



Source: CSS 2019 Business Confidence Survey

# SPECIFIC CONFIDENCE INDICATORS

## Previous Six Months



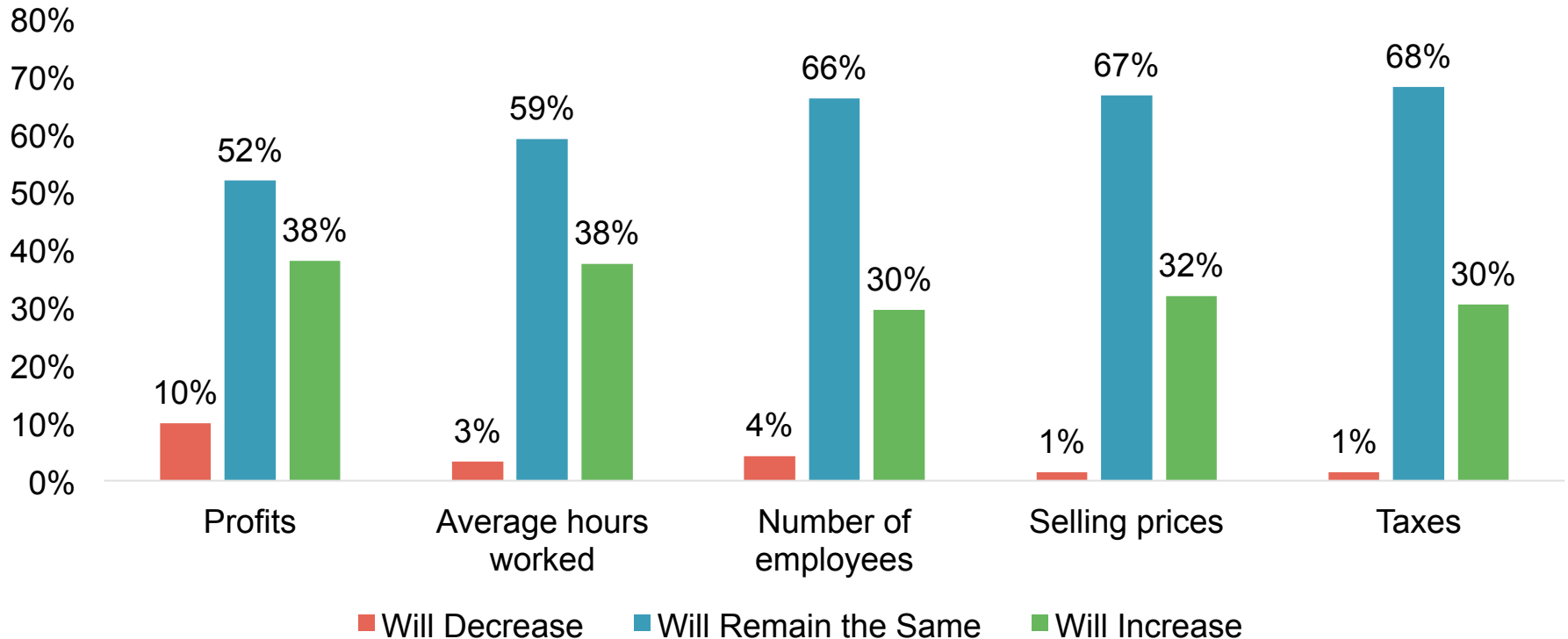
Source: CSS 2019 Business Confidence Survey



# SPECIFIC CONFIDENCE INDICATORS

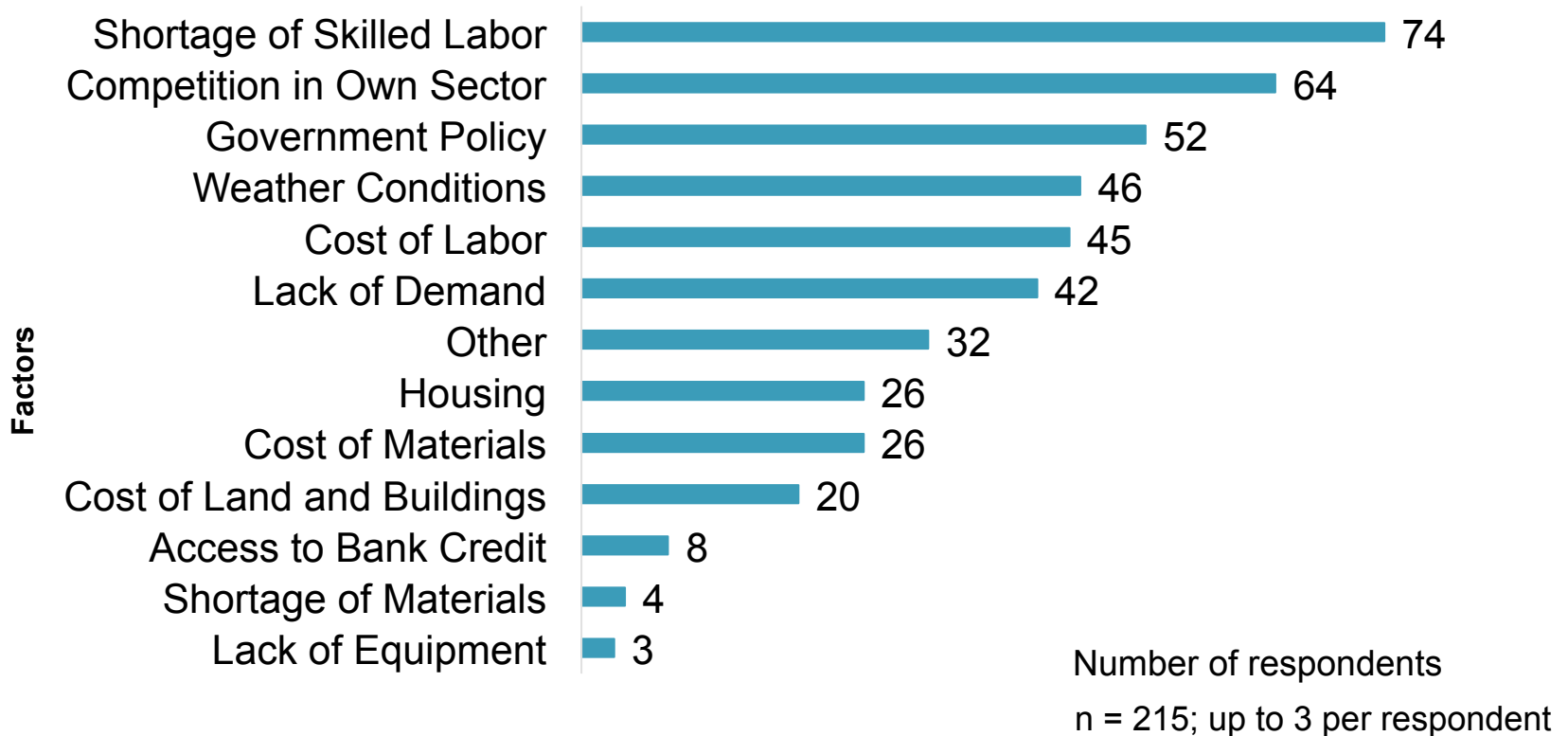
## Next Six Months

### PERCENTAGE OF BUSINESSES



Source: CSS 2019 Business Confidence Survey

# FACTORS LIMITING INCREASED BUSINESS ACTIVITY



Source: CSS 2019 Business Confidence Survey

# SOCIAL ISSUES IMPACTING BUSINESSES

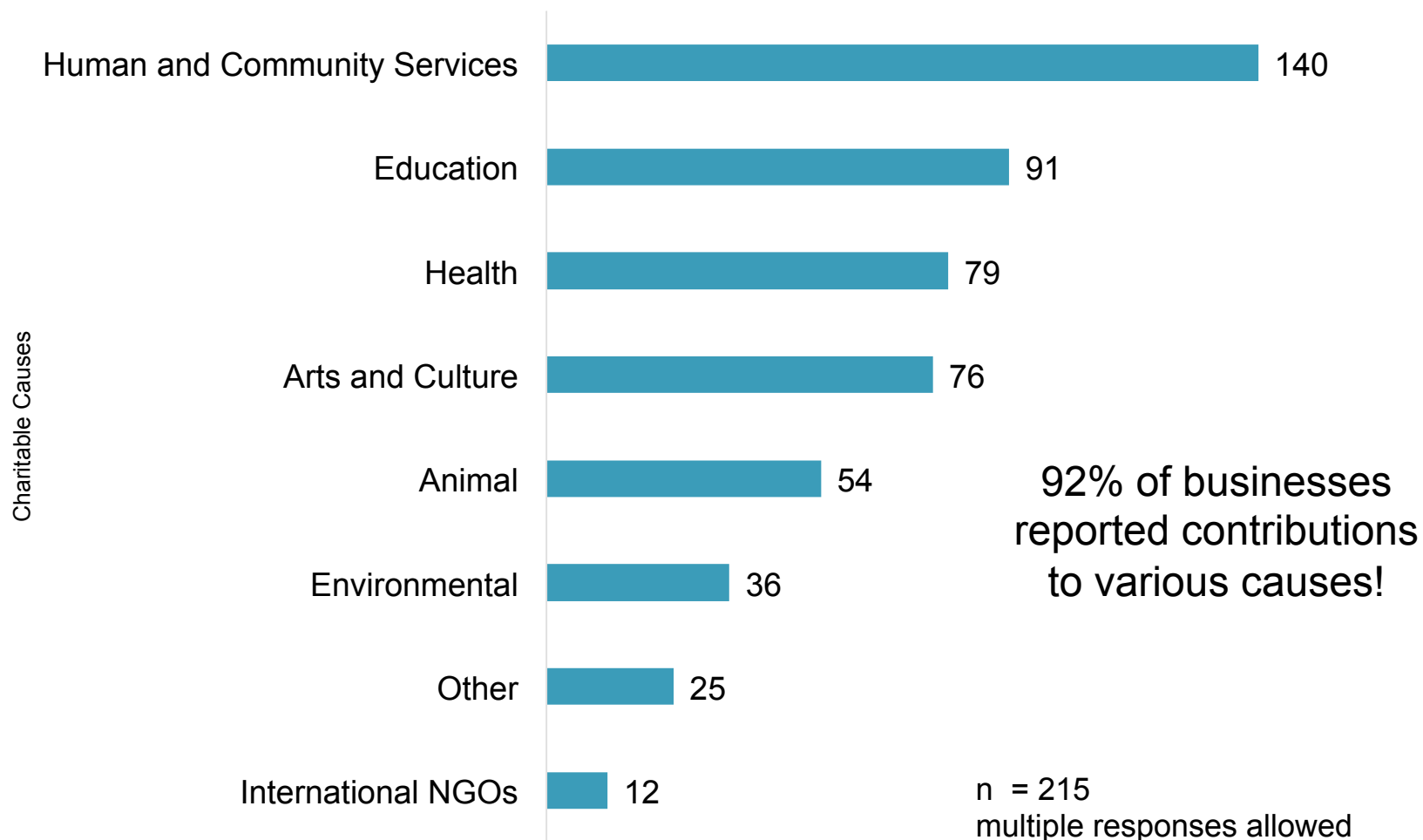
## Notable Issues

Workforce difficulties	25
Housing shortages/cost of housing	20
Drug usage/abuse	13

## Other Reported Issues

- Inadequate technology infrastructure
- Childcare availability/cost
- Government regulation/taxation
- Environmental issues
- Climate/weather
- Wages in comparison to metro
- Mental health care availability
- Public transportation
- Diversity/race/equity issues
- Healthcare/insurance costs

# BUSINESS CONTRIBUTIONS OF EMPLOYEE TIME AND MONEY



Source: CSS 2019 Business Confidence Survey

# SUMMARY

- Confident in overall business activity and specific indicators for the past three years
- Shortage of qualified and skilled labor still impacts businesses
- 92% of businesses donated employee time and financial resources to charitable causes

**TEXT YOUR QUESTIONS**  
**at any time during this presentation to**

**715.919.6315**

**Jen Ford Reedy**  
**President of the Bush Foundation**

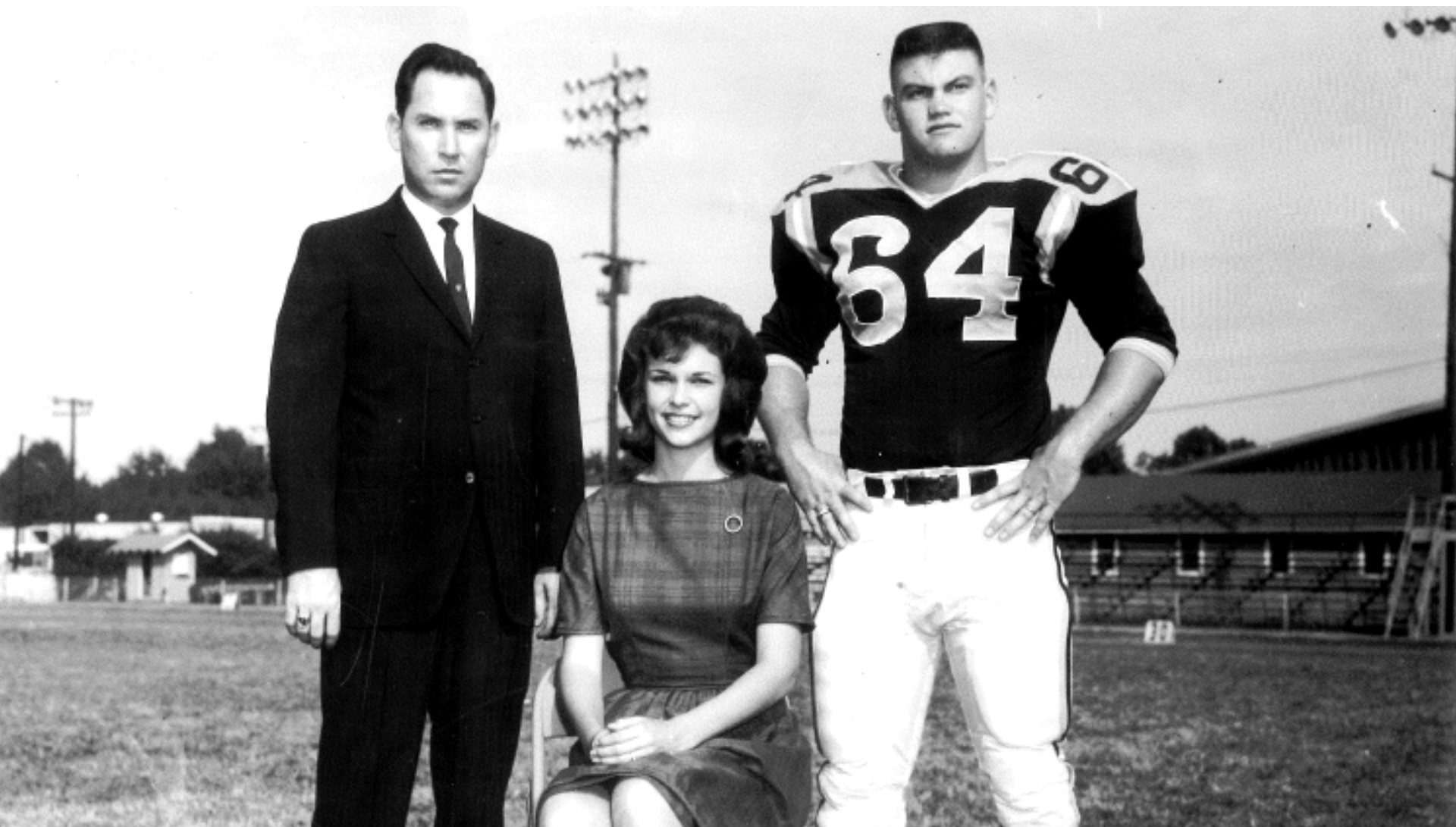


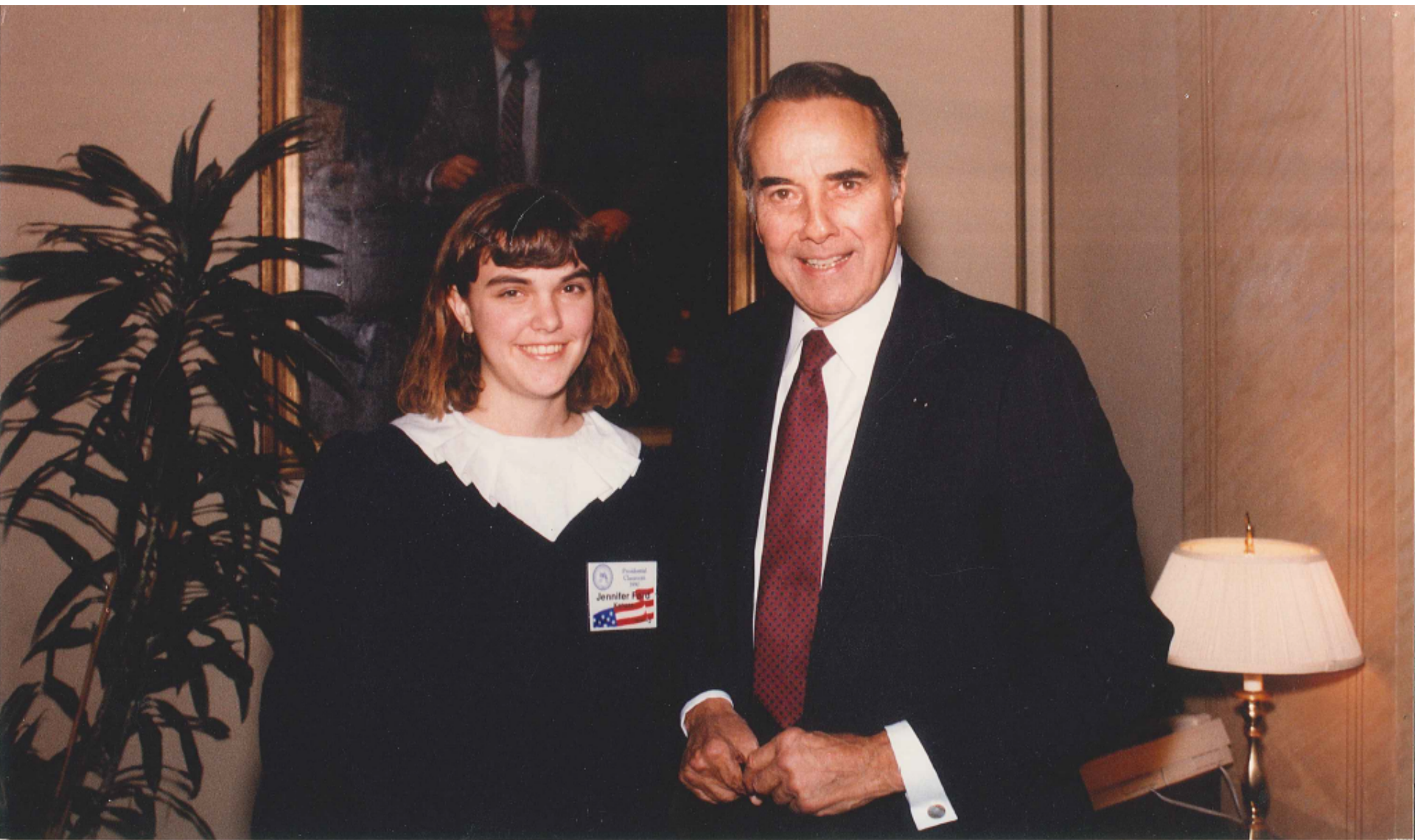
BUSH  
FOUNDATION

**How Change  
Happens**























OUTDOOR WEST

Friends don't  
let friends...



drive drunk.

A Public Service by: Licensed Beverage Information Council & the Outdoor Advertising Assn. of America, Inc.





LIPS THAT  
TOUCH LIQUOR  
SHALL NOT  
TOUCH OURS















BUSH  
FOUNDATION

**How Change  
Happens**

**TEXT YOUR QUESTIONS**  
**at any time during this presentation to**

**715.919.6315**

**Jen Ford Reedy**  
**President of the Bush Foundation**

# RESOURCES

## **National Bank of Commerce**

[nbcbanking.com](http://nbcbanking.com)

## **The College of St. Scholastica**

Rick Revoir, Ed.D.

Associate Professor/Co-Interim Dean  
School of Business and Technology

[rrevoir@css.edu](mailto:rrevoir@css.edu)

Jennifer Pilon

Assistant Professor of Management

[jpilon@css.edu](mailto:jpilon@css.edu)

Erica Henkel, CPA

Assistant Professor of Finance  
and Economics

[ehenkel@css.edu](mailto:ehenkel@css.edu)

## **University of Minnesota Duluth**

Monica Haynes

Director of the Bureau of Business  
and Economic Research

[mrhaynes@d.umn.edu](mailto:mrhaynes@d.umn.edu)

## **University of Wisconsin Superior**

Rubana Mahjabeen, Ph.D.

Associate Professor of Economics

[rmahjabe@uwsuper.edu](mailto:rmahjabe@uwsuper.edu)

Sakib Mahmud, Ph.D.

Associate Professor in Sustainable  
Management and Economics

[smahmud@uwsuper.edu](mailto:smahmud@uwsuper.edu)

# SAVE THE DATE FOR THE NEXT REIF

Tuesday, October 31, 2019

Harbor Side Ballroom, DECC

Featured  
Speaker

Ron Painter

*President/CEO*

*National Association of Workforce Boards*

Look for your email to provide feedback on today's event  
or go online at

<http://bit.ly/REIF2019>

