



# DEMOGRAPHIC AND ECONOMIC TRENDS IN THE 15-COUNTY REGION

**UMD**

UNIVERSITY OF MINNESOTA DULUTH

**Driven to Discover**

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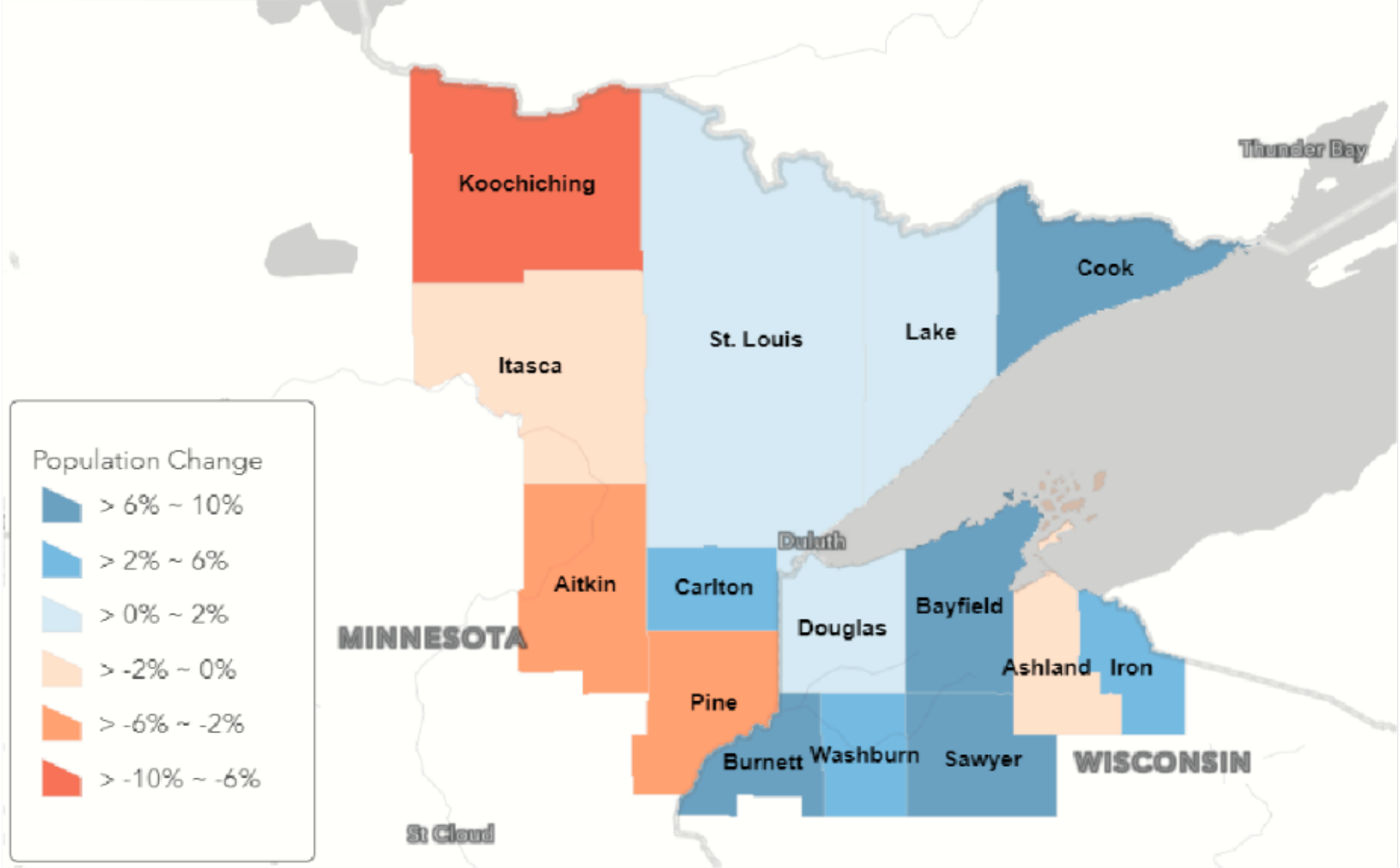


# OBJECTIVES

- Population Change
- Racial Demographics
- Labor Force and Unemployment Rate
- Employment by Sector

# POPULATION CHANGE

2010 to 2020



Source: U.S. Census Bureau, 2021



# RACIAL DEMOGRAPHICS

Race	2020 Population	Percentage Change (2010-2020)
White alone	430,878	-3.6%
Two or more races	25,974	138.8%
American Indian and Alaska Native alone	18,976	5.2%
Black or African American alone	6,519	32.4%
Asian alone	3,255	8.5%
Some other race alone	2,736	132.9%
Native Hawaiian and other Pacific Islander alone	156	34.5%
Total	488,494	0.7%

Source: U.S. Census Bureau, 2021

# LABOR FORCE

2019 to 2021

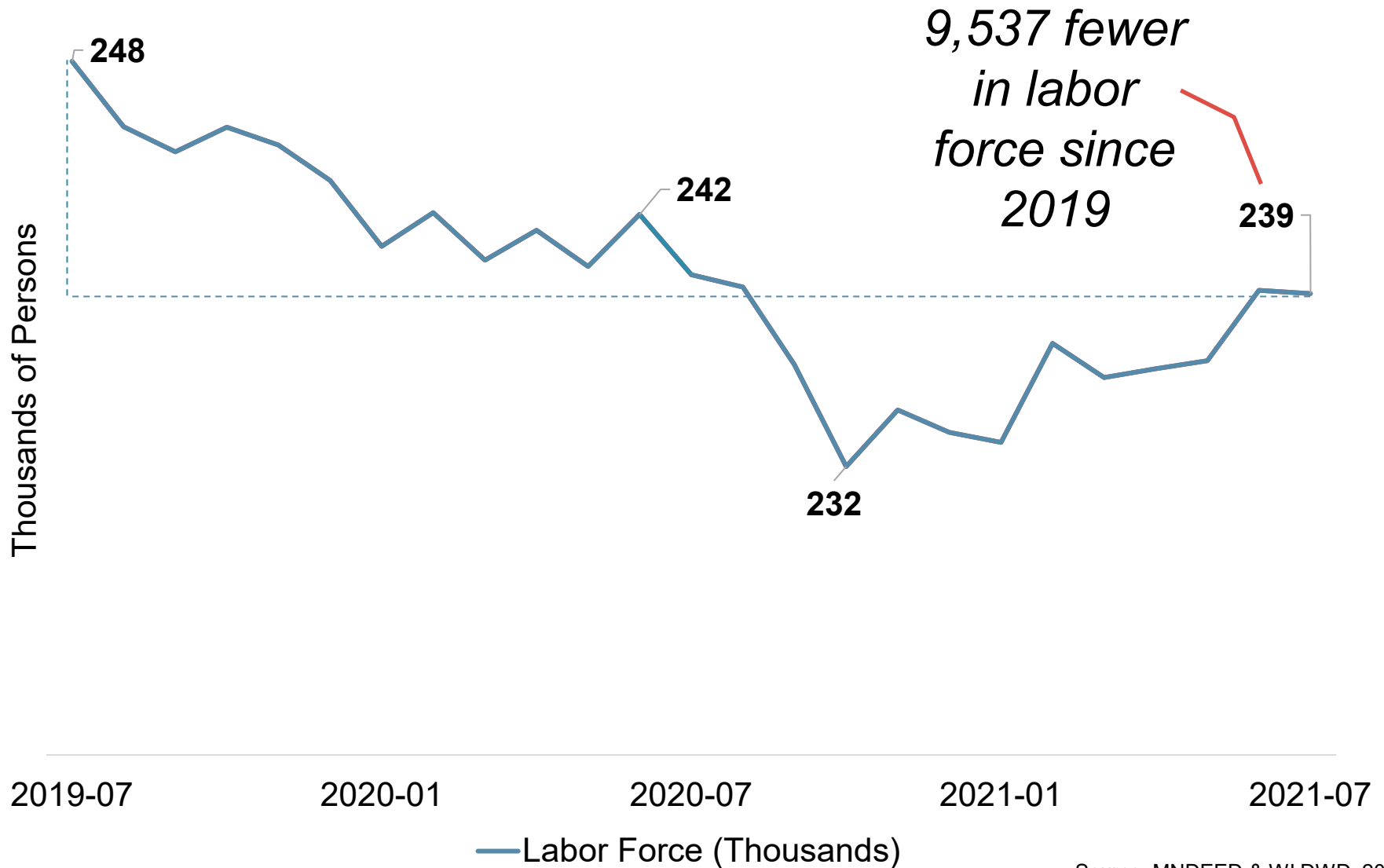


Source: MNDEED & WI DWD, 2021



# LABOR FORCE

2019 to 2021



Source: MNDEED & WI DWD, 2021

# UNEMPLOYMENT RATE

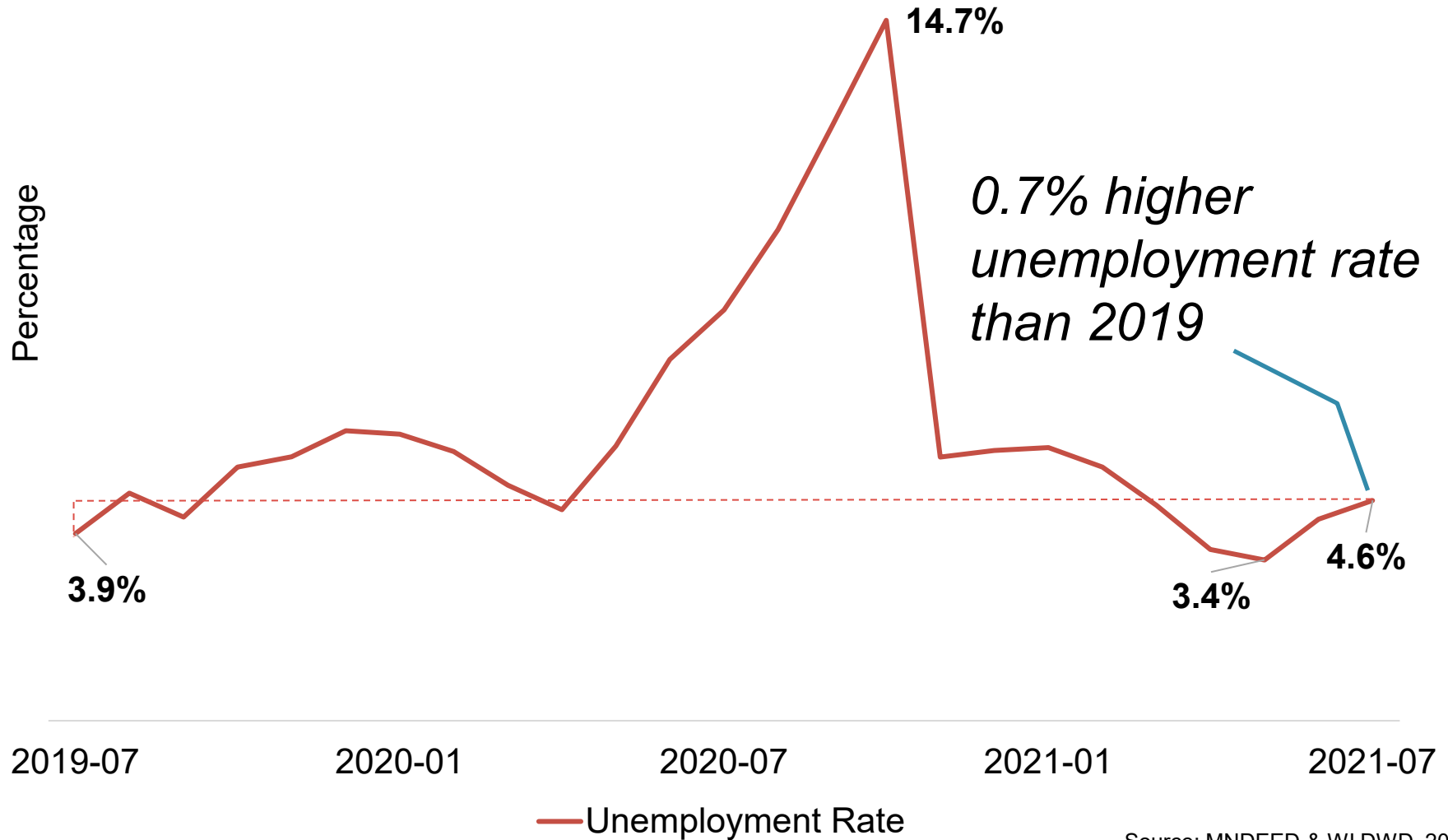
2019 to 2021



Source: MNDEED & WI DWD, 2021

# UNEMPLOYMENT RATE

2019 to 2021

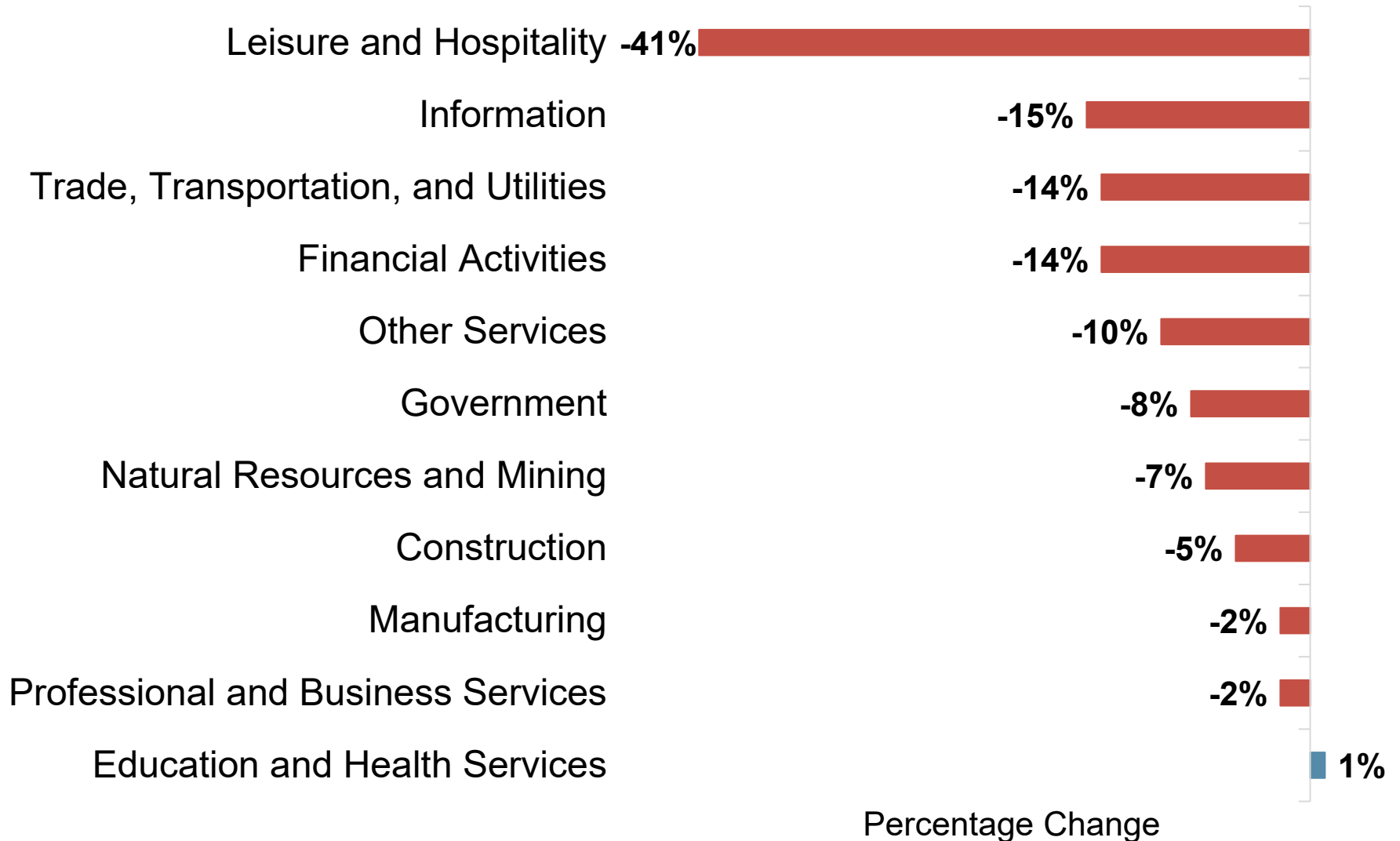


Source: MNDEED & WI DWD, 2021



# EMPLOYMENT BY SECTOR

2019 to 2021



Source: EMSI, 2021



# SUMMARY

- Ten counties gained population; five counties lost
- The white population is shrinking, all the other races experienced increases
- Full recovery for the labor market still appears distant
- Employment of all sectors is decreasing except the Education and Health Services

# CONSUMER CONFIDENCE INDICATORS



**Grant Garding**

University of Wisconsin-Superior



# STUDENT TEAM & DATA COLLECTION TIME & FORMAT

**Fall 2021:** 13 UW-Superior Student Researchers

**Data Collection Time:** September-October 2021

**Data Collection Format:**

Phone Survey of Random Public

Email Survey of Random Public

Email Survey of Past REIF Participants

# CONSUMER CONFIDENCE INDICATORS

## Index of Consumer Sentiments (ICS)

Consumer outlook on personal finances, business conditions and consumption spending

## Index of Current Conditions (ICC)

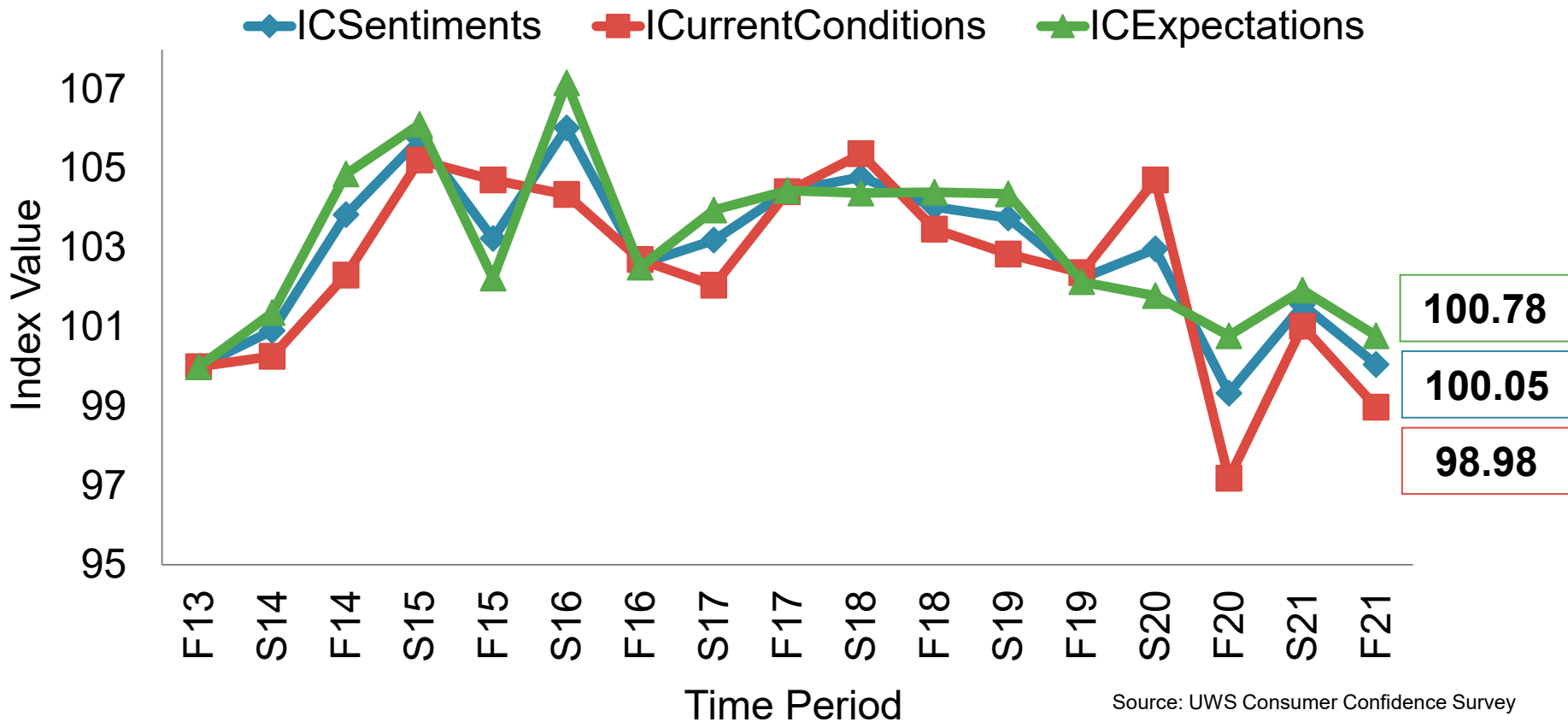
Gauges current state of the economy

## Index of Consumer Expectations (ICE)

Projects future economic and financial conditions

# CONSUMER CONFIDENCE INDICATORS

SAMPLE SIZE: 209



Source: UWS Consumer Confidence Survey

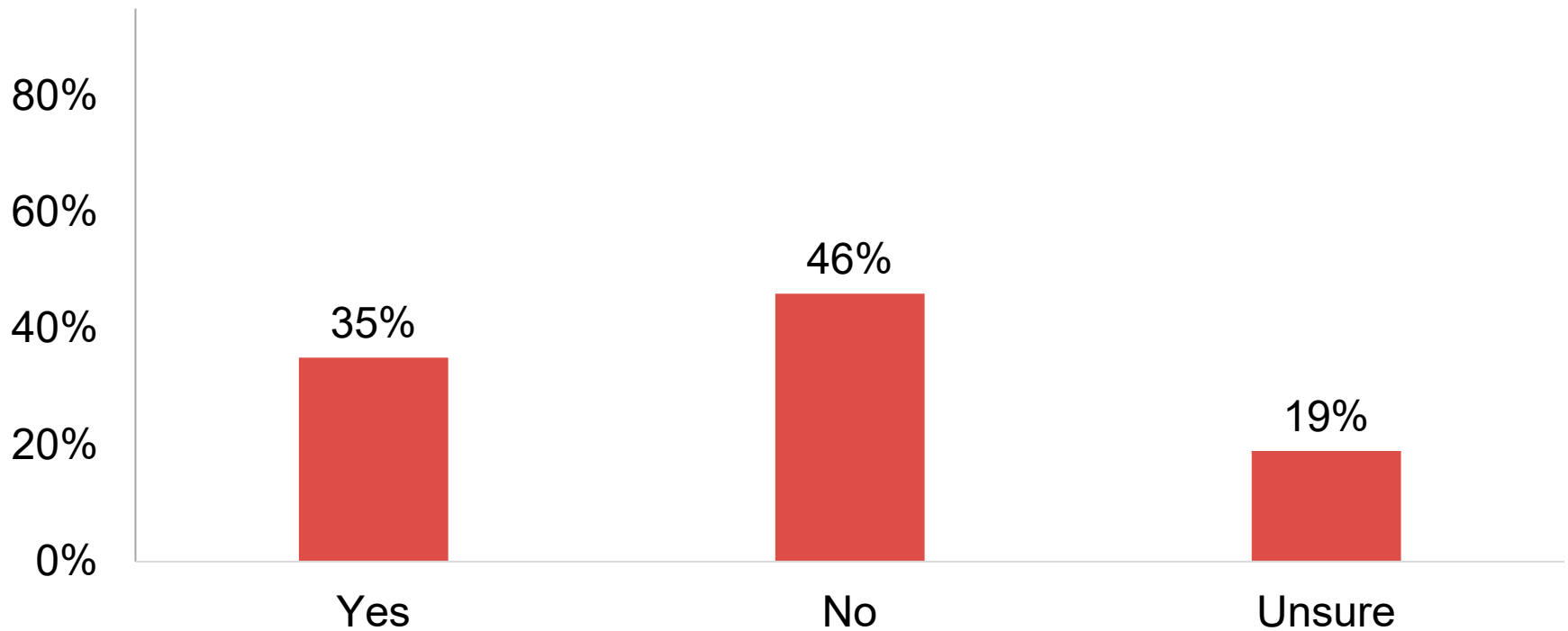
# REIF REGION CONSUMER SENTIMENT CHANGE

Indices	Fall 2020 to Fall 2021 (percentage change)	Spring 2021 to Fall 2021 (percentage change)
Index of Consumer Sentiments (ICS)	0.73	-3.48
Index of Current Conditions (ICC)	1.85	-8.14
Index of Consumer Expectations (ICE)	0.00	-0.22

Source: UWS Consumer Confidence Survey

# REIF REGION: DO YOU KNOW WHAT A CIRCULAR ECONOMY IS?

## PERCENTAGE of RESPONDENTS

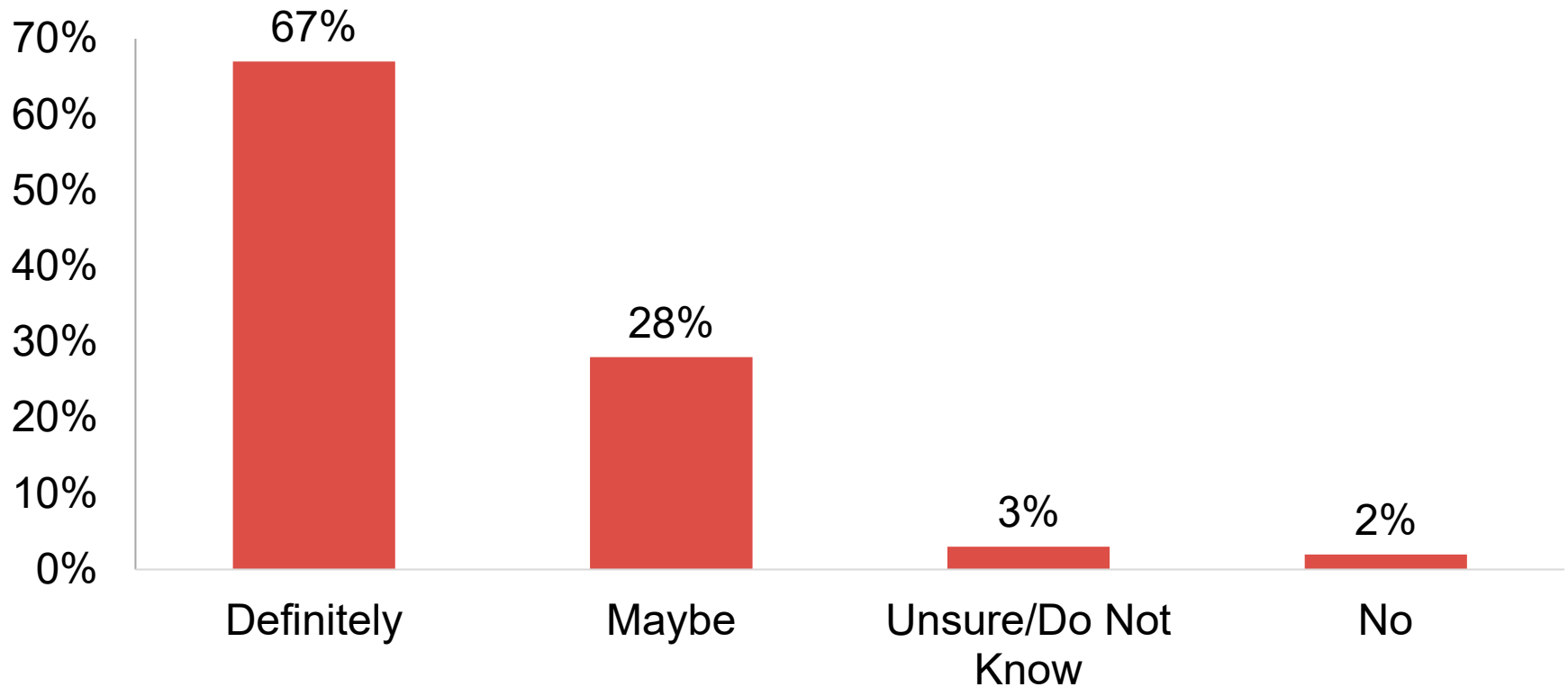


Source: UWS Consumer Confidence Survey



# REIF REGION: BUSINESSES SHOULD DESIGN RECYCLABLE PRODUCTS

## PERCENTAGE of RESPONDENTS



Source: UWS Consumer Confidence Survey

# SUMMARY OF CONSUMER SURVEY

## **Consumer Confidence Indicators**

- Consumers have negative sentiment and weakening outlook of the current state of the regional economy
- However, compared to one year ago consumer confidence of REIF region has become slightly positive

## **REIF Region and Circular Economy**

- Most respondents do not have knowledge on circular economy
- Majority think businesses should adopt waste reduction strategies

# REGIONAL EQUITY INDEX



**Augusto Vladusic**

University of Wisconsin-Superior



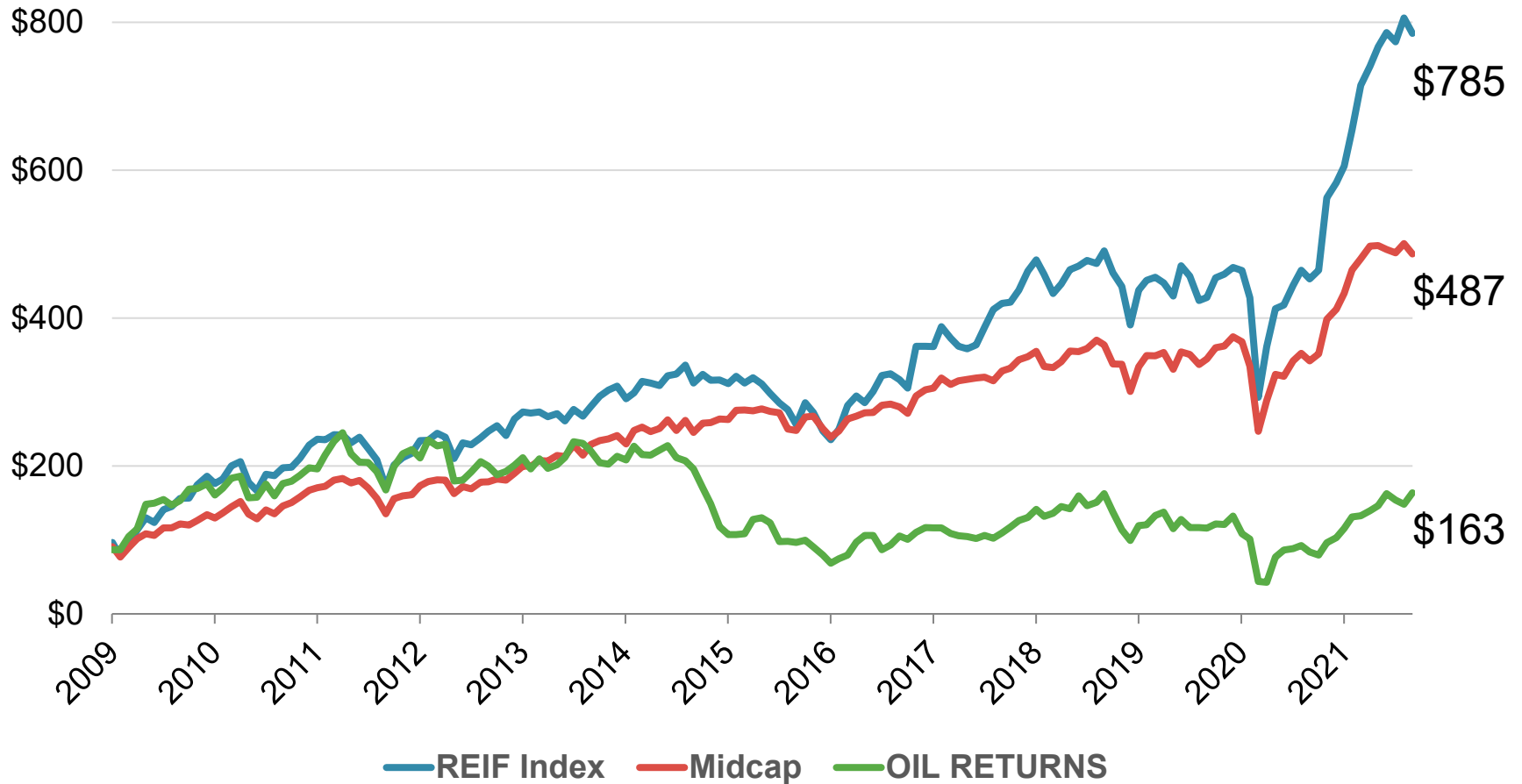
# EQUITY PERFORMANCE ANALYSIS

## STOCKS OF LOCAL INTEREST

- Allete
- Armstrong World Industries
- Calumet
- Canadian National Railway
- Cenovus Energy
- Charter Communications
- Cliffs Natural Resources
- Enbridge Energy Partners
- Louisiana-Pacific
- Marriott International
- Morgan Stanley
- Polymet
- UnitedHealth Group
- US Steel
- Walmart

# GROWTH OF \$100

REIF, MIDCAP, AND OIL Futures (January 2009 to date)

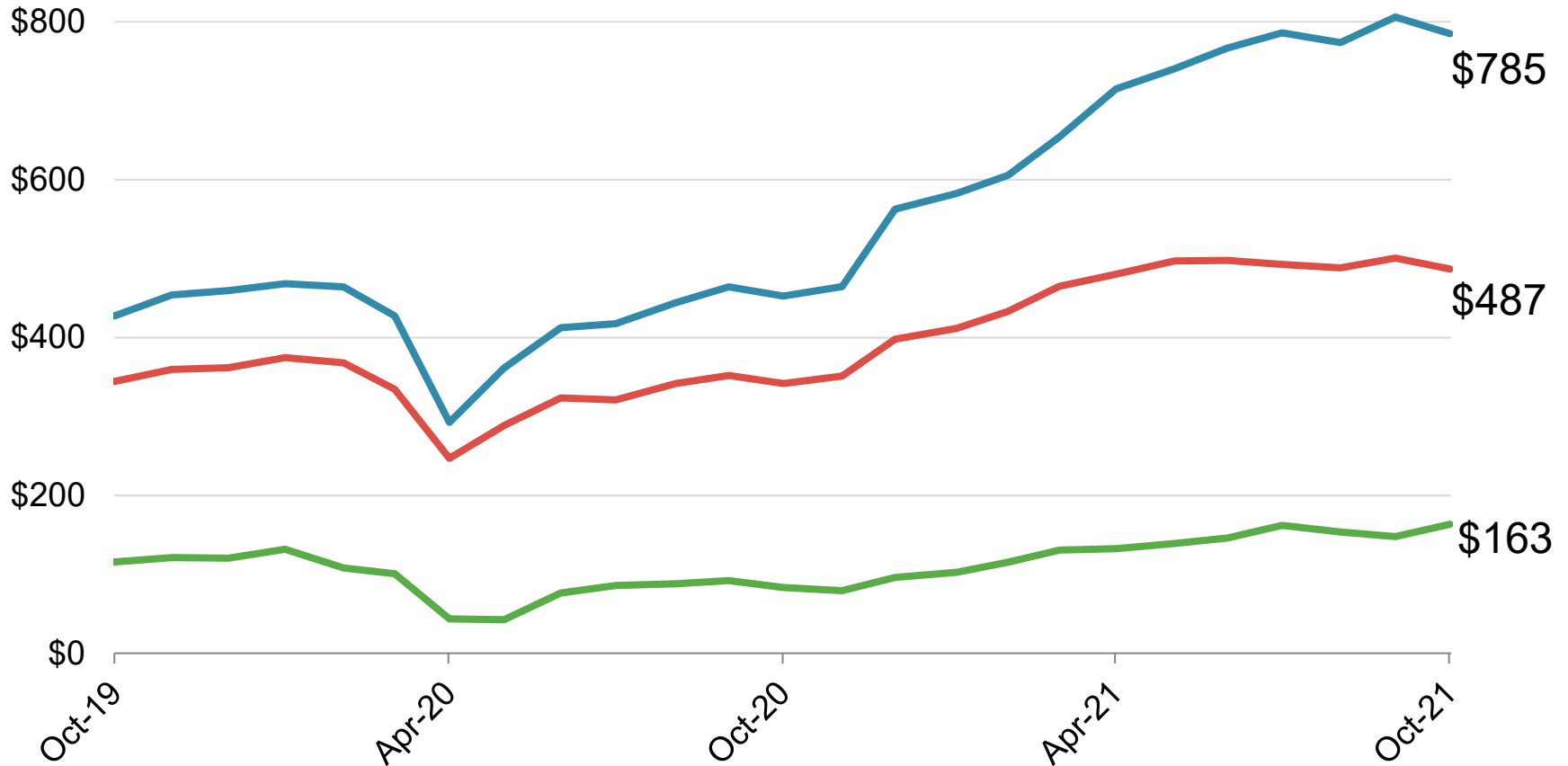


Source: UW-Superior REI Analysis using Yahoo Finance data

# GROWTH OF \$100

REIF, MIDCAP, AND OIL Futures (January 2009 to date)

REIF Index MIDCAP OIL RETURNS



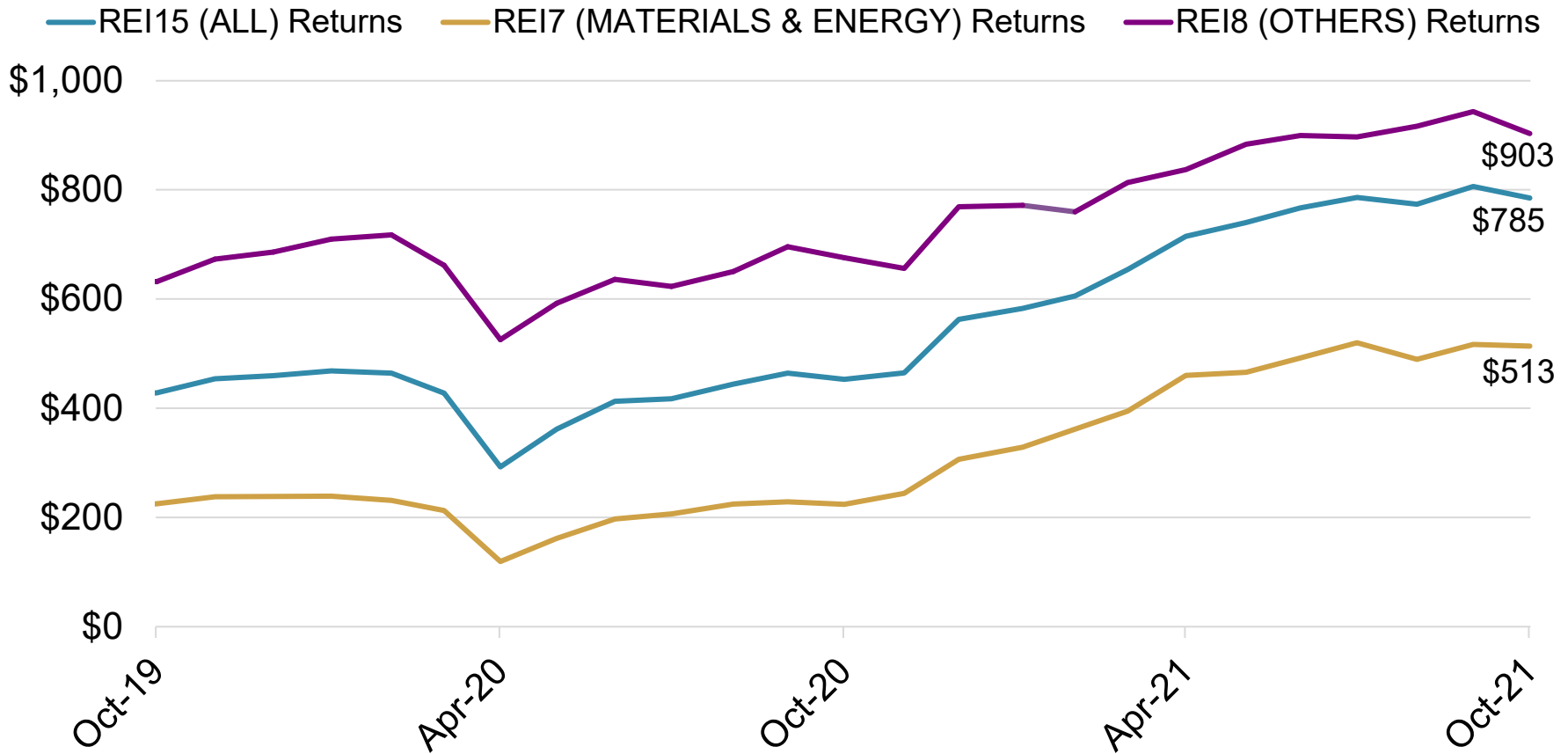
Source: UW-Superior REI Analysis using Yahoo Finance data

# REIF FIRMS: BY SECTOR & INDUSTRY

<b>Sector</b>	<b>REIF Firm (s)</b>
Materials (4)	Cliffs Natural Resources Louisiana-Pacific Polymet United States Steel
Energy (3)	Calumet Enbridge Cenovus
Consumer Cyclical (2)	Walmart Marriott International
Utilities (1)	Allete
Basic Materials (1)	Armstrong World Industries
Industrials (1)	Canadian National Railway
Communications (1)	Charter Communications
Financials (1)	Morgan Stanley
Health Care (1)	UnitedHealth Group

# GROWTH OF \$100

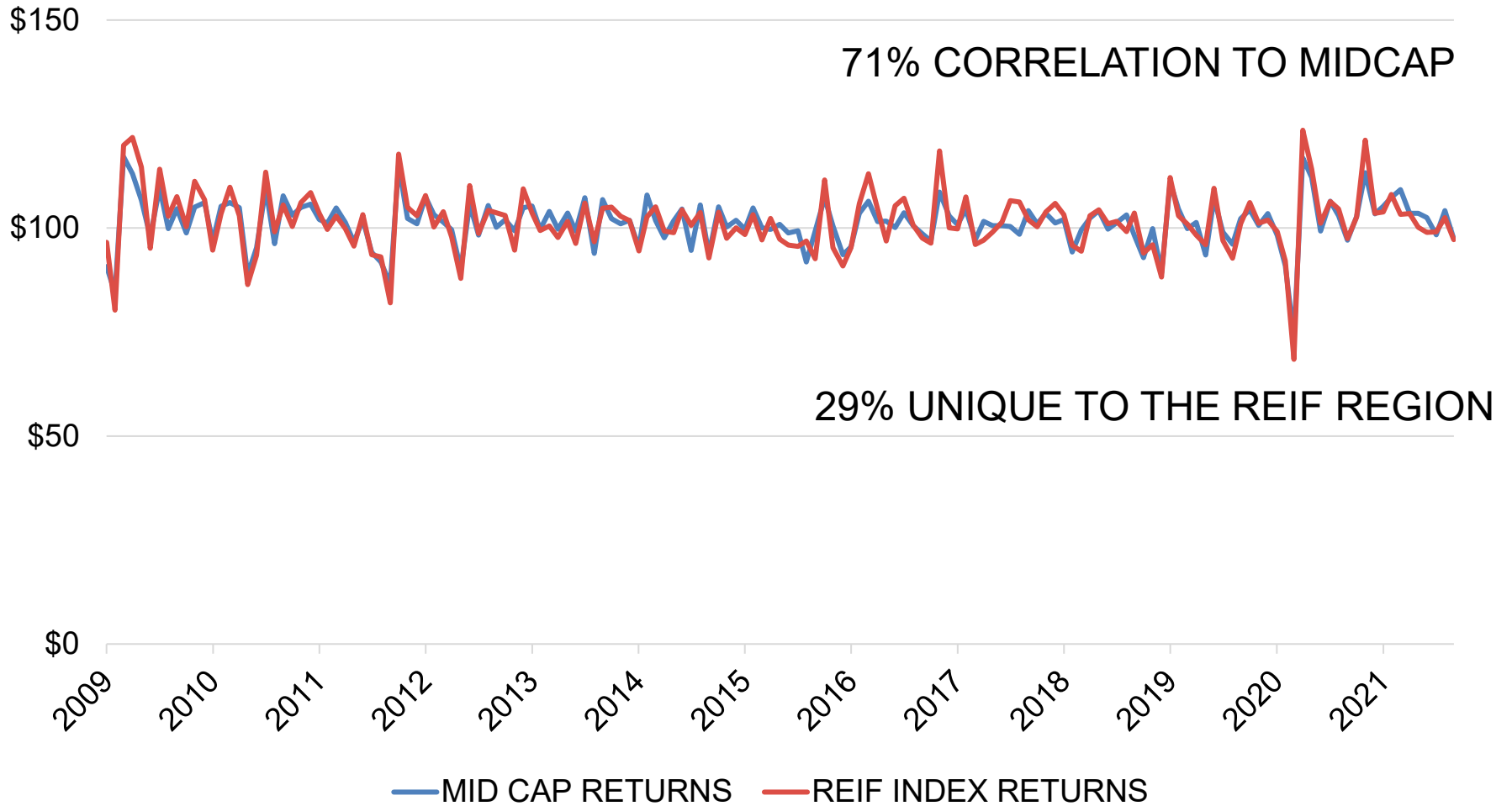
REIF INDEX, REIF MATERIALS & ENERGY INDEX, AND REIF OTHER INDUSTRIES INDEX



Source: UW-Superior REI Analysis using Yahoo Finance data



# REIF AND MID-CAP CORRELATION



Source: UW-Superior REI Analysis using Yahoo Finance data

# SUMMARY OF FINDINGS

## ANALYST OPINIONS

### MORNINGSTAR®

- P/E RATIO
  - Prices lower than the industry standard but the gap is closing
- FORWARD EARNINGS
  - Expected to increase
- SHORT RATIO
  - Index average increase to 3.96

### VALUELINE®

- PERFORMANCE
  - Mirror the market
- SAFETY
  - Slightly above average
- TECHNICAL
  - Slightly 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 outperform
- Investor sentiment is optimistic as indicated by the short interest ratio of 3.96 of the REIF Index
- Economic diversification of the REIF region could be initiated by supporting the technological and green energy sectors
- Regression analysis shows more price volatility, but higher returns

# BUSINESS CONFIDENCE INDICATORS



College

**Rachel Toscano**

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



# OVERVIEW

## Business Sectors Represented

Leisure and Hospitality	14
Professional and Business Services	12
Education and Health Services	12
Trade, Transport and Utilities	11
Other Sectors	27

## Number of Employees

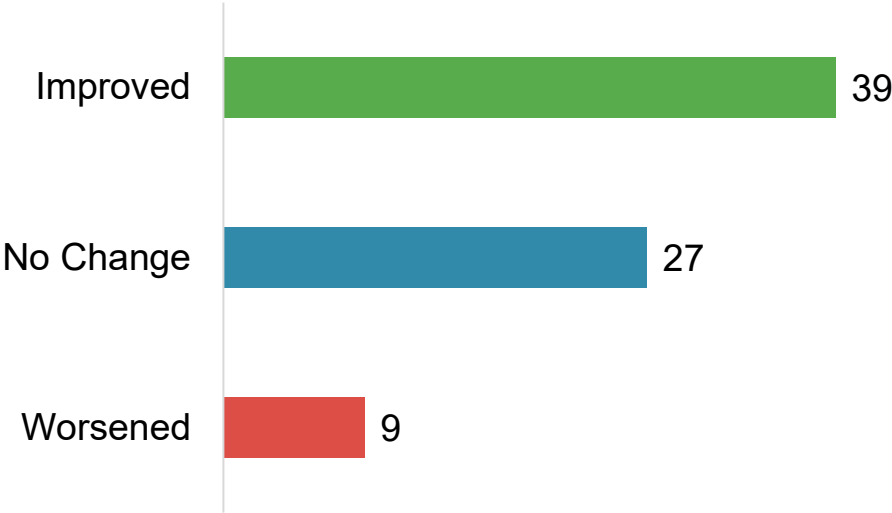
1 to 19	45
20 to 99	19
100 or more	12

N=76

# GENERAL BUSINESS CONDITIONS

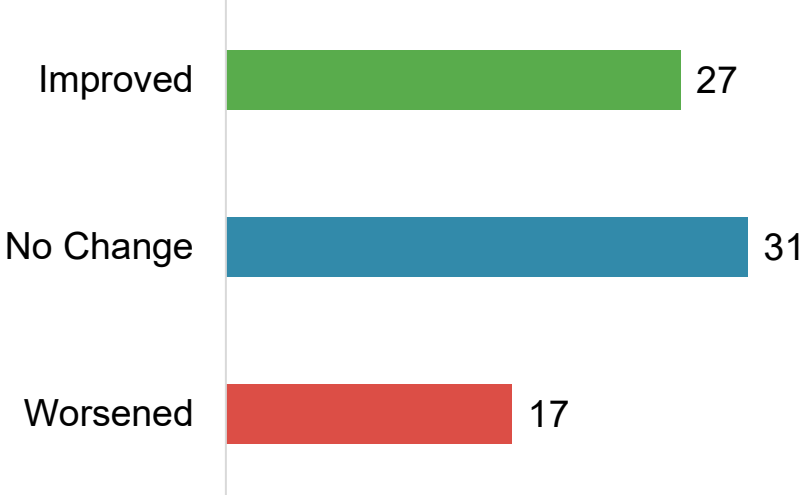
## Previous Six Months

**What is the evaluation of the level of your business's activity?**



N=75

**How has your business environment changed?**

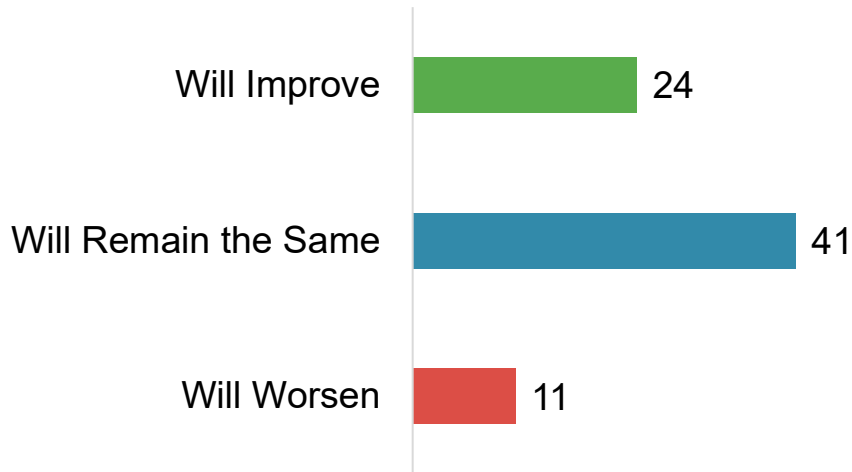


Source: CSS Fall 2021 Business Confidence Survey

# GENERAL BUSINESS CONDITIONS

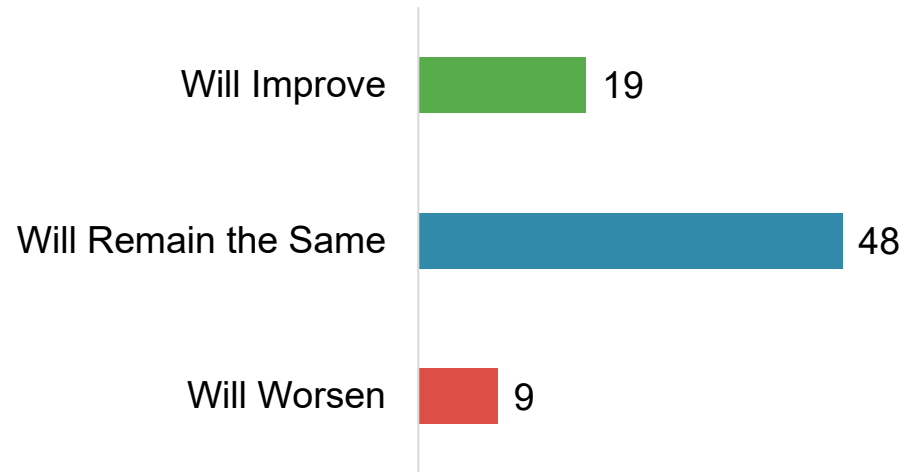
## Next Six Months

**What is the outlook for your business's activity?**



N = 76

**How will your business environment change?**

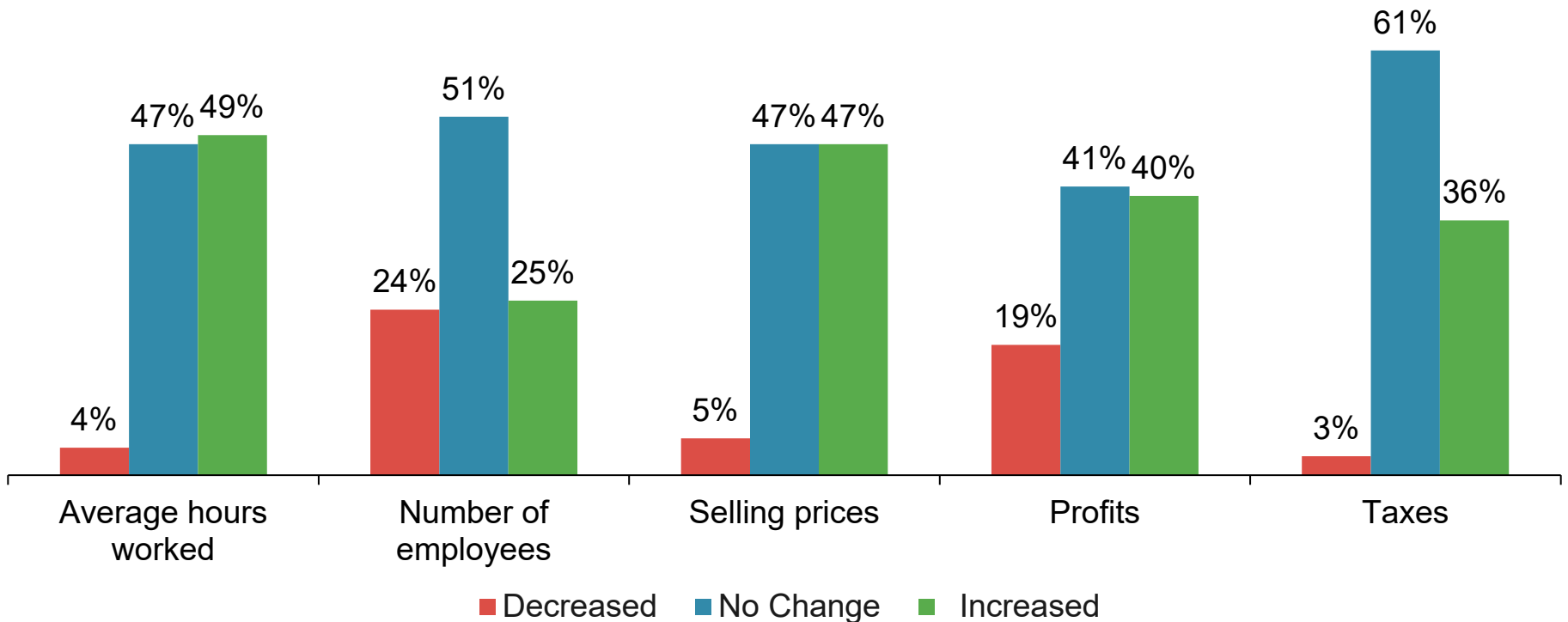


Source: CSS Fall 2021 Business Confidence Survey

# SPECIFIC CONFIDENCE INDICATORS

Previous Six Months

By Percentage of Respondents



N=76

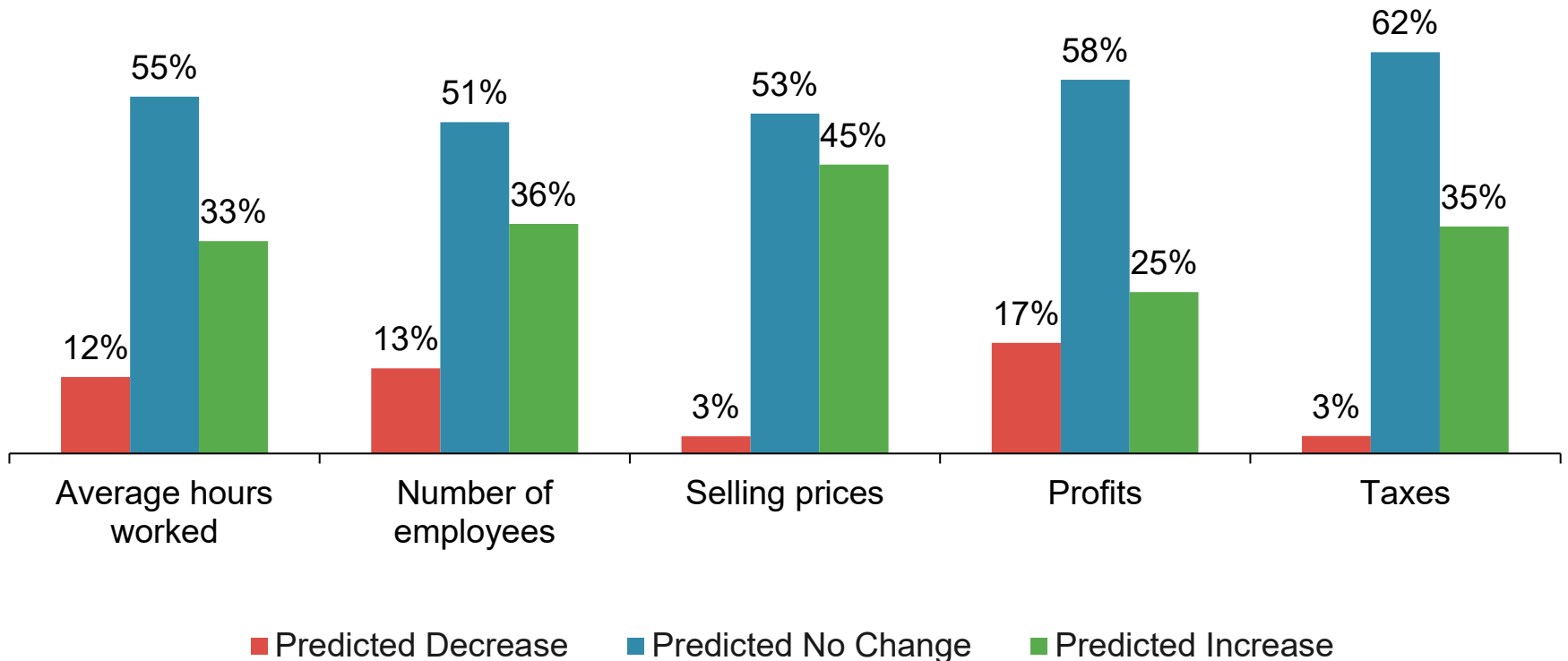
Source: CSS Fall 2021 Business Confidence Survey



# SPECIFIC CONFIDENCE INDICATORS

Next Six Months

By Percentage of Respondents

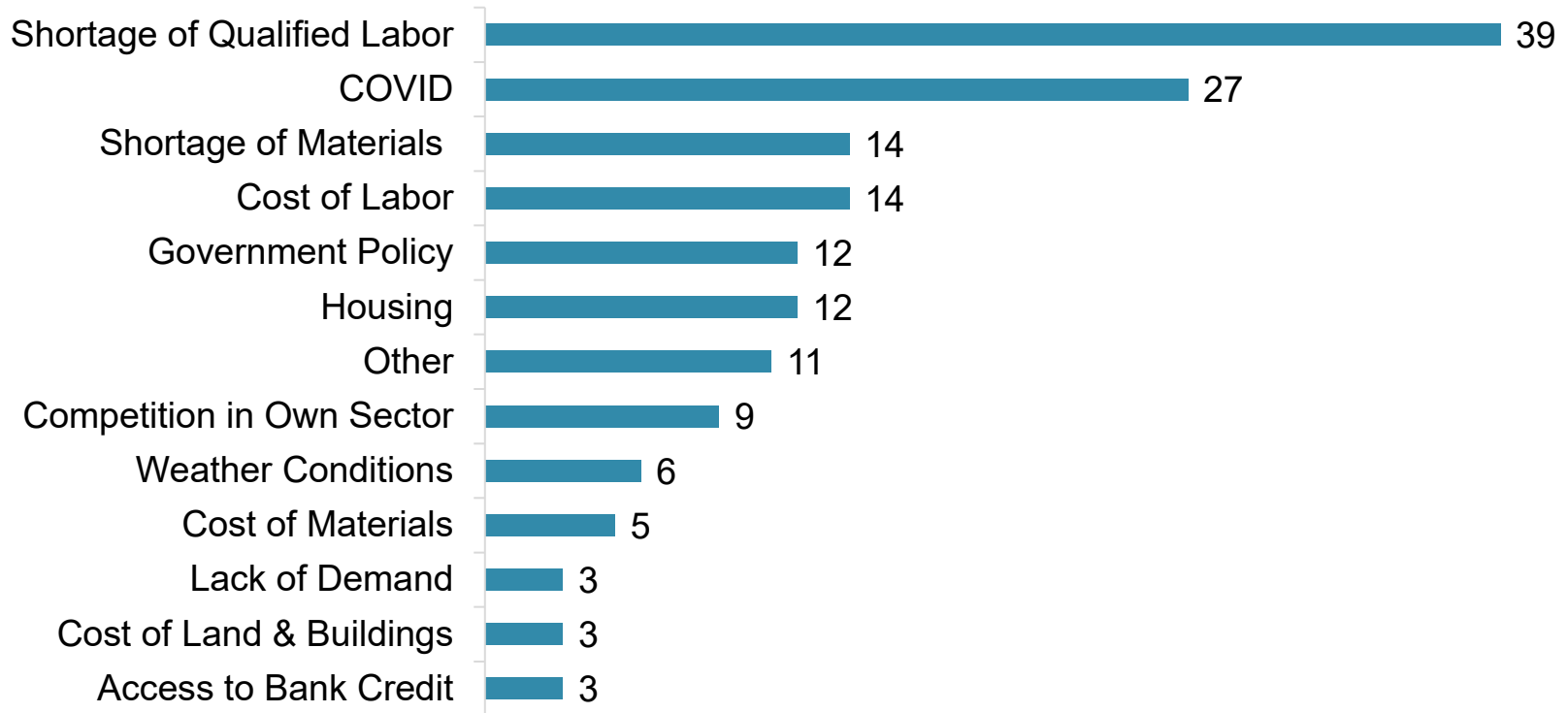


N=76

Source: CSS Fall 2021 Business Confidence Survey

# FACTORS LIMITING INCREASED BUSINESS ACTIVITY

By number of respondents

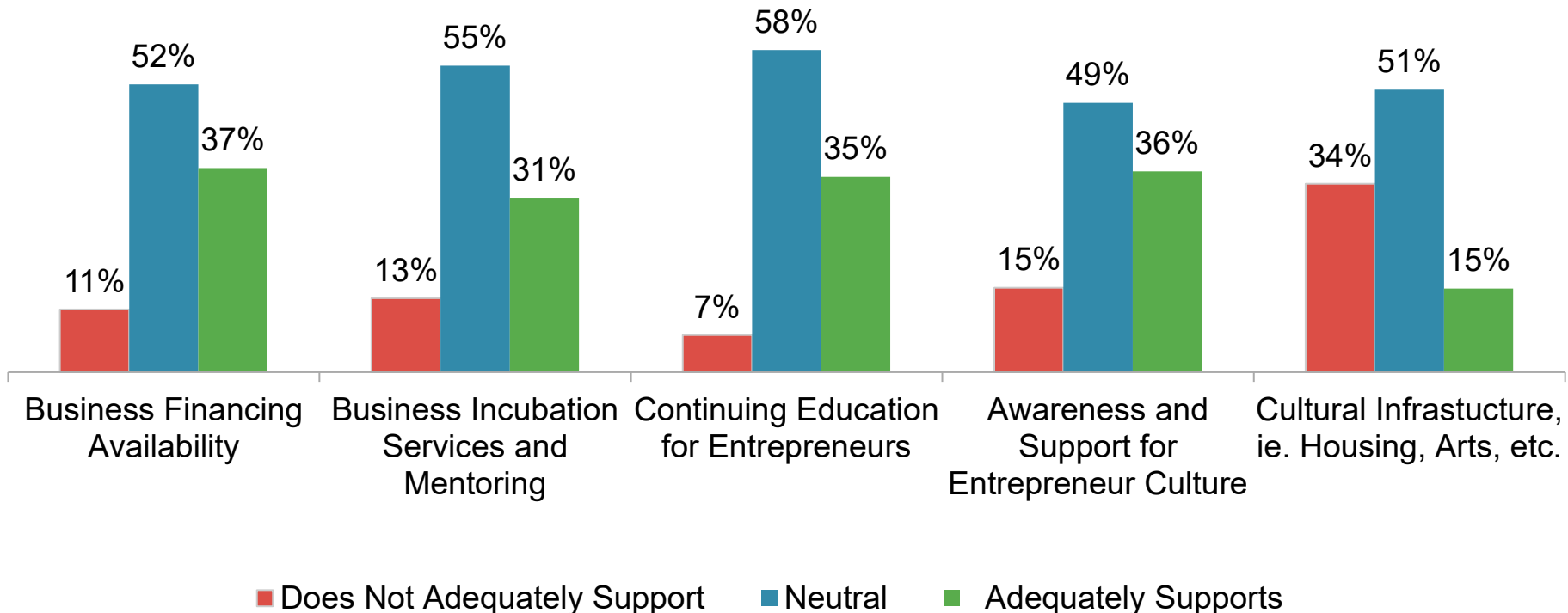


n = 76; up to 3 per respondent

Source: CSS Fall 2021 Business Confidence Survey

# HOW WELL ARE WE SUPPORTING ENTREPRENEURSHIP IN OUR REGION?

## By Percentage of Respondents

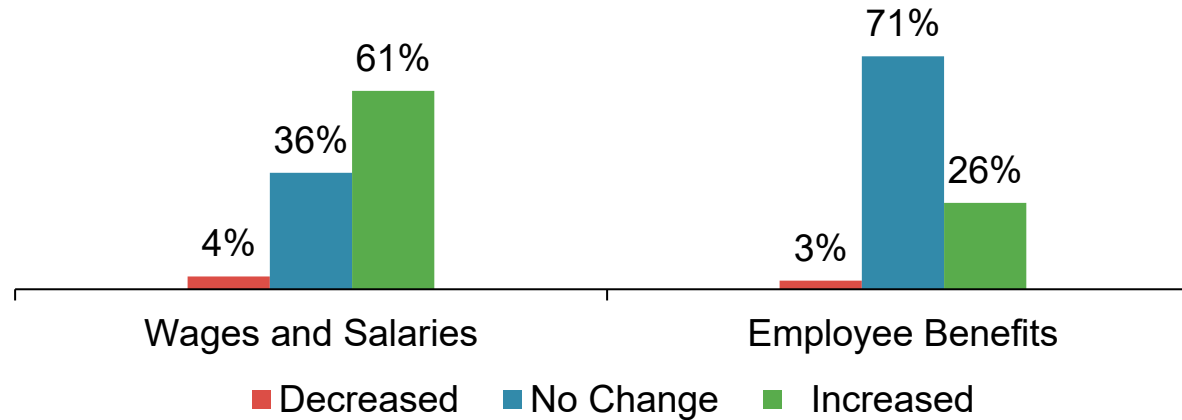


N=107

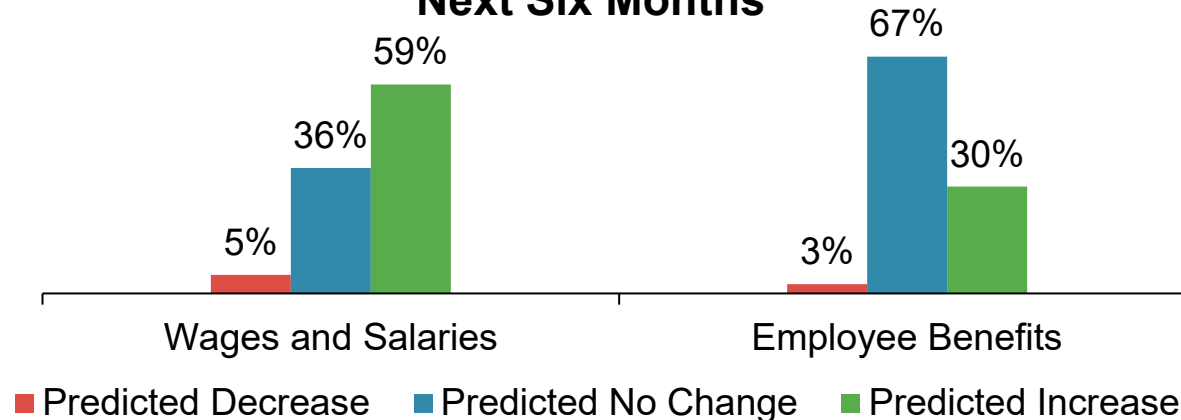
Source: CSS Fall 2021 Business Confidence Survey

# CHANGES IN WAGES AND BENEFITS IN YOUR ORGANIZATION

## Last Six Months



## Next Six Months



N=76

# SUMMARY OF FINDINGS

## Business Confidence Survey

### Business Conditions

- Last Six Months
  - Conditions and business activity are shifting towards improvement
  - Strong increase in profits
- Next Six Months
  - Shift towards positive outlook going forward

### Limiting Factors and Hiring

- COVID no longer the primary factor
- Shortage of qualified labor is now the biggest limiting factor
  - Employers almost universally seeing salary increases
  - Smaller increases in employee benefits

# RESOURCES

## National Bank of Commerce

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

## The College of St. Scholastica

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# SAVE THE DATE FOR THE NEXT REIF

**Tuesday, April 5, 2022**

at the DECC

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

<http://bit.ly/2021SpringREIF>

