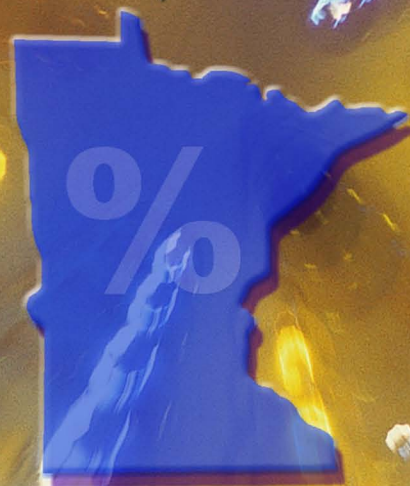


Compare *Minnesota*

Profiles of Minnesota's Economy and Population, 2002-2003

Updated June 2003



tourism

wholesale

agriculture

communications

business

exports

population



transportation

positively

Department of Employment
and Economic Development

Minnesota

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Profiles of Minnesota's Economy and Population, 2002 - 2003

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**A letter from Matt Kramer,
Commissioner of the Minnesota Department
of Employment and Economic Development**

Minnesota has traditionally been known for its thousands of lakes, state parks and vibrant cultural and sporting events. But the state is much more than that. Minnesota has become known for a vibrant and friendly business climate that supports established businesses and entrepreneurs in their efforts to thrive. Our efforts to reduce costs show our commitment. Over the last decade, Minnesota reduced state-imposed costs for businesses by more than \$1 billion, which included lowering worker's compensation taxes, eliminating sales tax on all capital equipment used in manufacturing, and decreasing business property taxes. As these costs were reduced, Minnesota remained committed to the highest standards for education, transportation, and social and environmental services.

Minnesota earned top grades from the Corporation for Enterprise Development on its 2002 report card, the nation's most broad-based index of the states' economies. For the second year in a row, Minnesota was among only five states to receive straight A's in business vitality, development capacity and performance. Our diverse economy and business sector have also helped Minnesota enjoy a high standard of living as reflected in high home ownership rates, great medical services, low crime rates and excellent education. It is no wonder that Morgan Quitno Press has named Minnesota the nation's "Most Livable State" for the past seven consecutive years.

To better serve the needs of Minnesota employers, functions within the Department of Trade and Economic Development and the Department of Economic Security merged in 2003. The new Department of Employment and Economic Development (DEED) will link workforce development and economic development efforts while maintaining a strong commitment to business and community development, trade and tourism. DEED services supporting firms will continue to be available, including:

- Financial assistance for companies that create new jobs, leverage private investment and increase the tax base in Minnesota.
- Free-of-charge publications, workshops and one-on-one counseling to facilitate the incubation and survival of new businesses.
- Site location assistance for expansion or relocation of businesses in Minnesota.
- National and international promotion of the travel and tourism industries and opportunities available in the state.
- Export counseling and advocacy education and training, international marketing information and research for new and current exporters.
- Grants for education and training projects to support businesses with specialized educational and training needs.

I am sure you will find Compare Minnesota useful and I encourage you to take advantage of the many other products and services we offer.

Sincerely,



Matt Kramer,
Commissioner

Department of Employment and Economic Development

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Introduction

Compare Minnesota: Profiles of Minnesota's Economy and Population is a statistical fact book designed to support business growth in Minnesota. It provides accurate information and important input on business-related topics such as capital resources, workforce trends, real estate availability, telecommunications and energy prices, among others.

Updates and Availability

In order to provide data in a timely manner, some pages containing rapidly changing information (e.g., venture capital investments, energy prices and tax information) will be updated every year (depending on data availability) and the entire publication is expected to be updated every two years. *Compare Minnesota* is available online at www.dted.state.mn.us.

Sources of Data

Compare Minnesota contains information compiled from different sources. At the time of the release, the information was the most recent available. However, because the original sources collect and publish data at different intervals, the timeliness of the information varies from page to page.

The original source of information in each table is cited below the table, along with notes on definitions and clarifications of methodology, where appropriate. The text accompanying the table provides interpretation of the information on the table and occasionally includes additional information not presented in the graphs or tables with the purpose of providing increased insight and context. When additional information is from the same source listed in the table, no additional citation is given. If the additional information is from a different source, the citation is included in the text. Additional definitions are also available in the glossary.

Presentation of Data

The data are presented in multiple formats using graphs, tables, maps and text. Comparisons between Minnesota, the Midwest region, individual states and the country are provided whenever applicable. Data reported on a per capita basis are calculated using population data from the 2000 census. U.S. Department of Commerce definitions and other technical terms are used throughout the publication and are defined in the glossary of this publication.

For tables that measure economic growth and change in the economy over time, the time period chosen was usually the beginning and the end of the last decade (e.g. 1991-2001), and based on data availability.

For graphics that present a map of the states, the data were usually broken into four categories. For maps, whenever possible, the data ranges were determined by placing approximately one-quarter of the states in each category.

Throughout this publication, the numbers have usually been rounded to the nearest whole number, or in the case of percentages, to one decimal point. However, in cases where state or metropolitan rankings are presented, the rankings shown are based on the non-rounded numbers whenever possible. Thus, although the numbers that are presented in the tables may indicate a tie among two or more areas, the rankings accurately reflect the actual order. If non-rounded numbers are not available and the numbers are identical, the geographic areas are assigned the same rank.

Comments/Suggestions

The Minnesota Department of Employment and Economic Development welcomes inquires from those using this publication. Please send your questions to:

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Demographics

Demographic growth means a larger pool of labor, a key factor for businesses. Minnesota has the fastest growing population in the Midwest and is projected to grow at a higher rate than most other states in the Midwest. In addition, Minnesota has become more ethnically diverse between 1990 and 2000, reflecting the relatively high birth rate of some minority groups and a net immigration from other states and countries.

- Minneapolis-St. Paul is Minnesota's largest metropolitan area, consisting of 11 counties and over 2.9 million people.
- Between 1990 and 2000, seven counties around the Twin Cities area grew at more than twice the state's average population growth rate of 12.4 percent: Scott, Sherburne, Carver, Washington, Chisago, Wright and Dakota.
- Minnesota's population growth rate between 1990 and 2000 exceeded those of all other states in the Midwest but was nearly one percent lower than the national rate.
- Minnesota was the 21st most populous state in the United States in 2000.
- The median age in Minnesota in 1999 was 35.4 years, about the same as the median age for the Midwest and the nation.
- Minnesota experienced a net gain of almost 400,000 residents between 1990 and 1999, boosting the state's population to more than 4.7 million in 1999.
- The 2000 Census revealed a more racially and ethnically diverse population in Minnesota compared to the 1990 Census. In 2000, 11.8 percent of Minnesotans (582,000) identified themselves as non-white, up from 6.3 percent (274,000 people) in 1990.

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Minnesota's 10 Largest Population Centers, 2001

Minneapolis-St. Paul is the largest MSA in Minnesota and the 15th largest MSA in the nation.



	Population		Population Change 1991-2001	Percent Change 1991-2001
	1991	2001		
Minneapolis-St. Paul MSA	2,489,791	2,912,933	423,142	17.0%
Duluth-Superior MSA	197,767	199,999	2,232	1.1
St. Cloud MSA	151,931	169,987	18,056	11.9
Rochester MSA	108,606	127,123	18,517	17.0
Fargo-Moorhead MSA	50,548	51,604	1,056	2.1
Mankato*	31,442	32,698	1,256	4.0
Grand Forks-East Grand Forks MSA	32,467	31,315	-1,152	-3.5
Winona*	25,623	27,100	1,477	5.8
Austin*	21,888	23,376	1,488	6.8
Owatonna*	19,520	22,780	3,260	16.7
Total Top 10	3,129,583	3,598,915	469,332	15.0
Rest of Minnesota	1,286,709	1,379,061	92,352	7.2
Total, Minnesota	4,416,292	4,977,976	561,684	12.7%

* Represents cities, not MSAs (metropolitan statistical area).

Note: Population is only for Minnesota's portion of MSA.

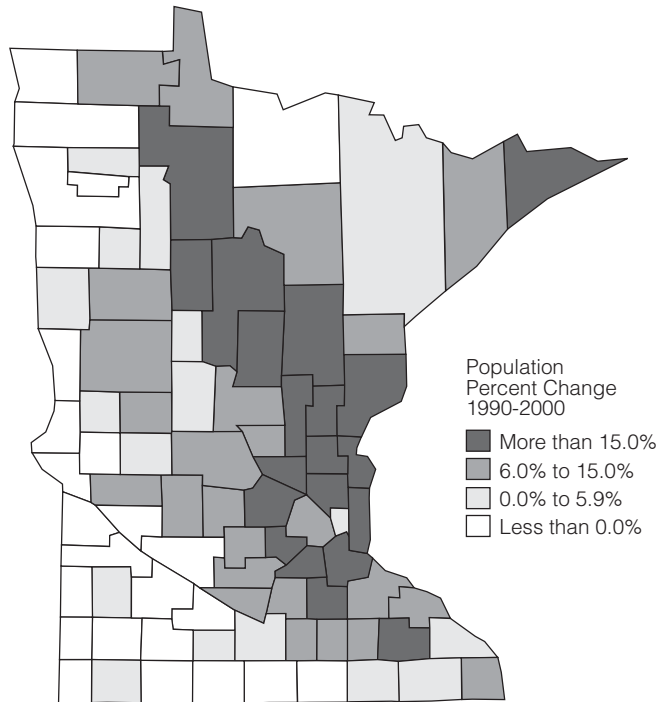
Source: Minnesota Planning (www.mnplan.state.mn.us/demography/demogpop.html, accessed January 2003).

- Minneapolis-St. Paul is Minnesota's largest metropolitan area, consisting of 11 counties and over 2.9 million people.
- Between 1991 and 2001, over 75 percent of the increase in Minnesota's population occurred in the Twin Cities metropolitan area.
- Over 72 percent of Minnesota's population lives in the ten largest MSAs and cities.
- Among the ten largest population centers, only Minneapolis-St. Paul (17.0 percent), Rochester (17.0 percent) and Owatonna (16.7 percent) had faster population growth than the statewide average of 12.7 percent.
- The population in the rest of Minnesota is increasing as well, growing 7.2 percent between 1991 and 2001. In fact, the rest of the state added over 92,000 inhabitants during that period, over 16 percent of the statewide population increase.
- Four MSAs have significant populations in counties in neighboring states: Duluth-Superior (43,468 people in Wisconsin), Fargo-Moorhead (124,021 people in North Dakota), Grand Forks-East Grand Forks (64,390 people in North Dakota), and Minneapolis-St. Paul (103,609 people in Wisconsin).

Population by County, 2000

Over the past decade, Minnesota's population growth was strongest in the central, southeastern and north central parts of the state.

County	Population 2000	Percent Change 1990-2000
Minnesota	4,919,479	12.4%
Aitkin	15,301	23.1
Anoka	298,084	22.3
Becker	30,000	7.6
Beltrami	39,650	15.3
Benton	34,226	13.4
Big Stone	5,820	-7.4
Blue Earth	55,941	3.5
Brown	26,911	-0.3
Carlton	31,671	8.2
Carver	70,205	46.5
Cass	27,150	24.6
Chippewa	13,088	-1.1
Chisago	41,101	34.7
Clay	51,229	1.6
Clearwater	8,423	1.4
Cook	5,168	33.6
Cottonwood	12,167	-4.2
Crow Wing	55,099	24.5
Dakota	355,904	29.3
Dodge	17,731	12.7
Douglas	32,821	14.5
Faribault	16,181	-4.5
Fillmore	21,122	1.7
Freeborn	32,584	-1.4
Goodhue	44,127	8.4
Grant	6,289	0.7
Hennepin	1,116,200	8.1
Houston	19,718	6.6
Hubbard	18,376	23.0
Isanti	31,287	20.7
Itasca	43,992	7.7
Jackson	11,268	-3.5
Kanabec	14,996	17.1
Kandiyohi	41,203	6.3
Kittson	5,285	-8.4
Koochiching	14,355	-11.9
Lac qui Parle	8,067	-9.6
Lake	11,058	6.2
Lake of the Woods	4,522	10.9
Le Sueur	25,426	9.4
Lincoln	6,429	-6.7
Lyon	25,425	2.6
McLeod	34,898	9.0
Mahnomen	5,190	2.9
Marshall	10,155	-7.6
Martin	21,802	-4.9
Meeker	22,644	8.6



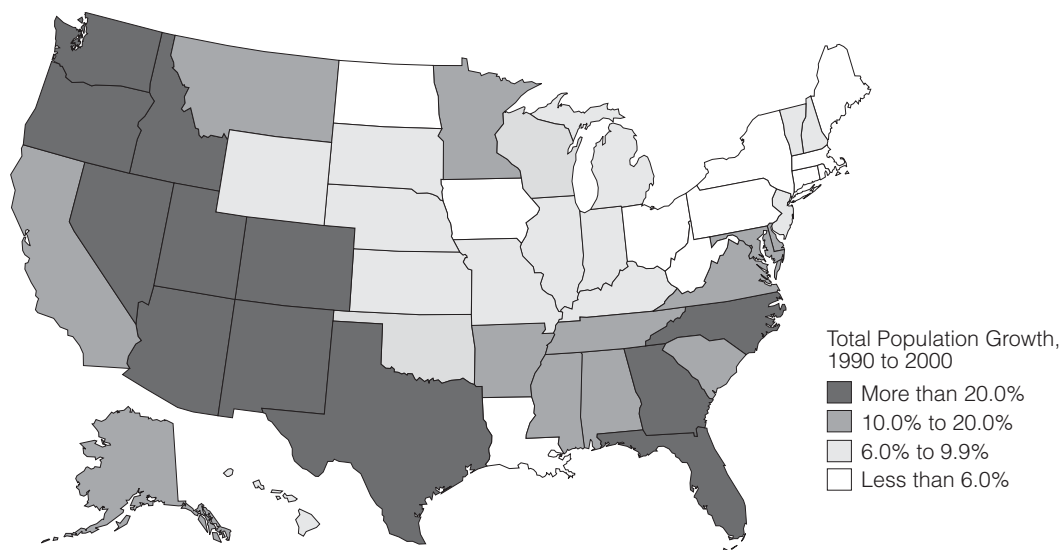
County	Population 2000	Percent Change 1990-2000	County	Population 2000	Percent Change 1990-2000
Mille Lacs	22,330	19.6	Roseau	16,338	8.7
Morrison	31,712	7.1	St. Louis	200,528	1.2
Mower	38,603	3.3	Scott	89,498	54.7
Murray	9,165	-5.1	Sherburne	64,417	53.6
Nicollet	29,771	6.0	Sibley	15,356	6.9
Nobles	20,832	3.7	Stearns	133,166	12.1
Norman	7,442	-6.7	Steele	33,680	9.6
Olmsted	124,277	16.7	Stevens	10,053	-5.5
Otter Tail	57,159	12.7	Swift	11,956	11.5
Pennington	13,584	2.1	Todd	24,426	4.5
Pine	26,530	24.8	Traverse	4,134	-7.4
Pipestone	9,895	-5.7	Wabasha	21,610	9.5
Polk	31,369	-3.5	Wadena	13,713	4.2
Pope	11,236	4.6	Waseca	19,526	8.0
Ramsey	511,035	5.2	Washington	201,130	37.9
Red Lake	4,299	-5.0	Watsonwan	11,876	1.7
Redwood	16,815	-2.5	Wilkin	7,138	-5.0
Renville	17,154	-2.9	Winona	49,985	4.5
Rice	56,665	15.2	Wright	89,986	31.0
Rock	9,721	-0.9	Yellow Medicine	11,080	-5.2

Source: U.S. Department of Commerce, Bureau of the Census, Census 2000 Redistricting Data (P.L. 94-171) Summary File and 1990 Census (<http://blue.census.gov/population/cen2000/phc-t4/tab01.txt>, accessed July 2001).

- Seven counties around the Twin Cities area are growing at more than twice the state's average population growth rate of 12.4 percent: Scott, Sherburne, Carver, Washington, Chisago, Wright and Dakota.
- Counties with declining populations tend to be in the southwestern, south central and northwestern areas of the state.
- High-growth counties are generally located in an area stretching from the southeast corner of the state through to the north central part of the state.
- Minnesota's most populous county, Hennepin, has 1.1 million residents and accounts for 22.7 percent of the state's population.

Population Growth and Projections, 1990 to 2015

Minnesota's population grew faster than any other Midwest state during the last decade.



States and Regions	Population (thousands)				Percent Change	
	1990	2000	2005*	2015*	1990-2000	2000-2015*
United States	248,710	281,422	285,980	310,133	13.2%	10.2%
Midwest	59,668	64,392	64,824	67,025	7.9	4.1
Plains	17,659	19,238	19,673	20,615	8.9	7.2
Iowa	2,777	2,926	2,41	2,994	5.4	2.3
Kansas	2,478	2,688	2,761	2,939	8.5	9.3
Minnesota	4,375	4,919	5,005	5,283	12.4	7.4
Missouri	5,117	5,595	5,718	6,005	9.3	7.3
Nebraska	1,578	1,711	1,761	1,850	8.4	8.1
North Dakota	639	642	677	704	0.5	9.6
South Dakota	696	755	810	840	8.4	11.3
Great Lakes	42,009	45,155	45,151	46,410	7.5	2.8
Illinois	11,431	12,419	12,266	12,808	8.6	3.1
Indiana	5,544	6,080	6,215	6,404	9.7	5.3
Michigan	9,295	9,938	9,763	9,917	6.9	-0.2
Ohio	10,847	11,353	11,428	11,588	4.7	2.1
Wisconsin	4,892	5,364	5,479	5,693	9.6	6.1

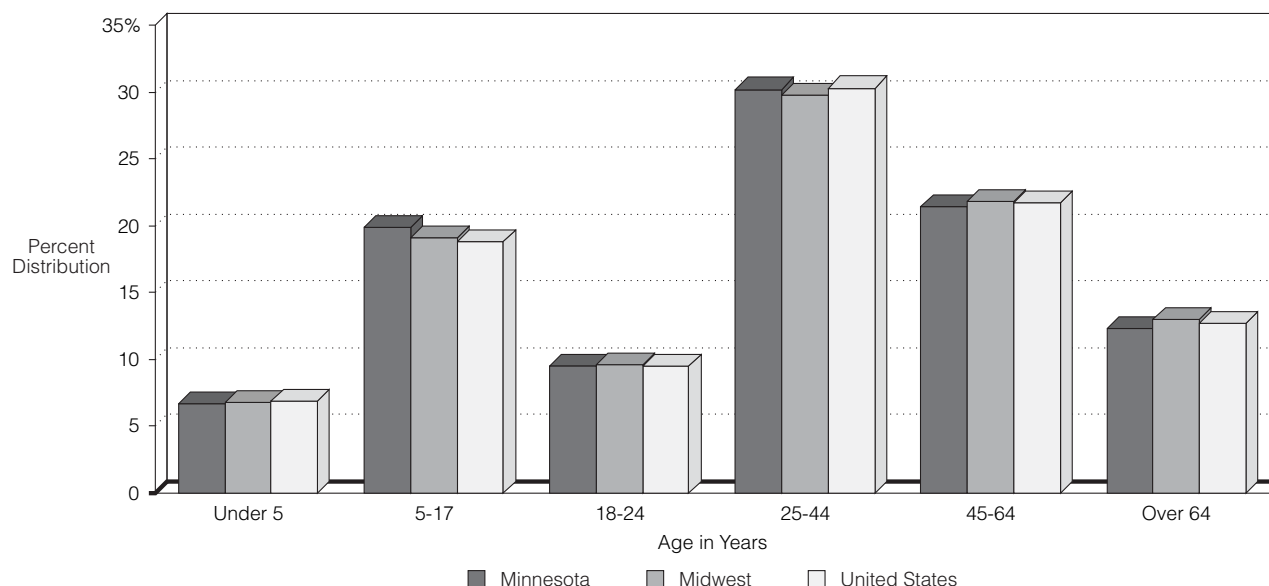
* Projected.

Source: U.S. Department of Commerce, Bureau of the Census (<http://www.census.gov/population/www/projections/stproj.html>, accessed July 2001).

- Minnesota's population increased from 4.4 million to 4.9 million between 1990 and 2000. By 2015, the state's population is projected to reach 5.3 million, an increase of more than 360,000 people since 2000.
- Minnesota's population growth rate of 12.4 percent between 1990 and 2000 exceeded those of all other states in the Midwest but was nearly one percent lower than the national rate.
- Minnesota was the 21st most populous state in the United States in 2000.
- The fastest growing states between 1990 and 2000 were generally located in the west, southwest and southeast areas of the United States. These areas are projected to continue to show the largest growth rates between 2000 and 2015.
- While Minnesota's population is expected to grow more slowly than the national population between 2000 and 2015, Minnesota's population is projected to grow at a higher rate than most other states in the Midwest between 2000 and 2015.

Population Distribution and Change by Age, 1999

Nearly one-third of Minnesota's population is between 25 and 44 years old, and the median age is about 35 years.



Population Distribution by Age, 1999

States and Regions	Under 5 years	5 - 17	18 - 24	25 - 44	45 - 64	Over 64 years	Median Age
Minnesota	6.7%	19.9%	9.5%	30.2%	21.4%	12.3%	35.4
Midwest	6.8	19.1	9.6	29.8	21.8	13.0	35.7
United States	6.9	18.8	9.5	30.3	21.7	12.7	35.5

Percent Change in Population Distribution by Age, 1990 to 1999

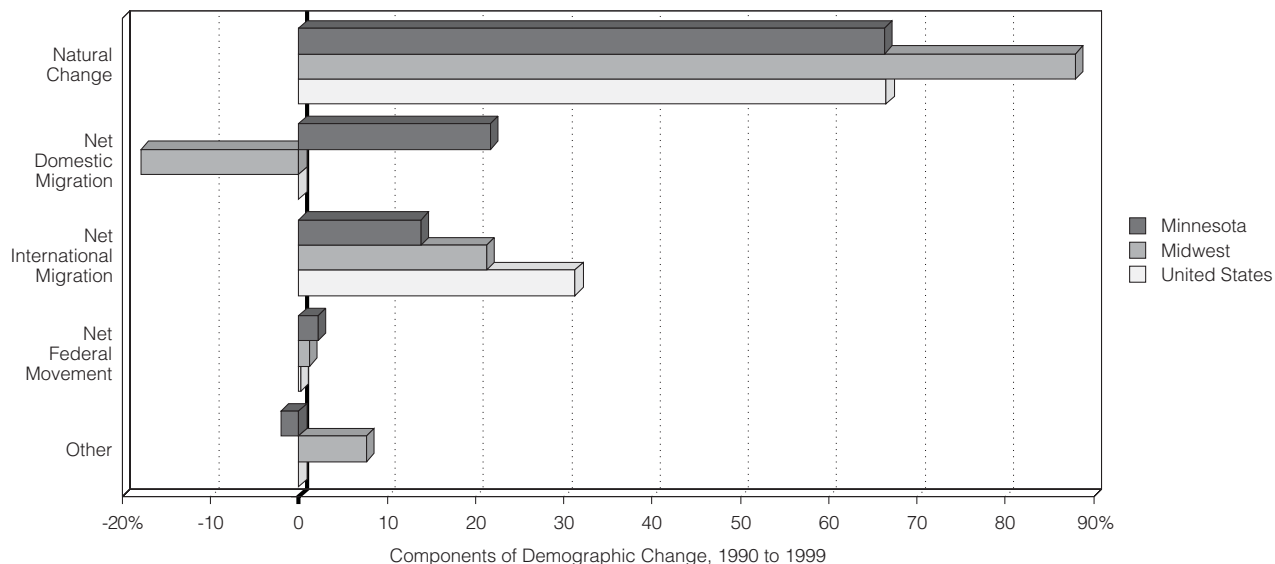
States and Regions	Under 5 years	5 - 17	18 - 24	25 - 44	45 - 64	Over 64 years	Total
Minnesota	-5.9%	13.9%	2.7%	-0.4%	32.3%	6.8%	8.8%
Midwest	-3.9	8.5	-3.5	-0.6	23.2	5.7	5.8
United States	0.5	13.1	-3.1	2.3	27.9	10.6	9.3

Source: ST-99-9, *Population Estimates for the U.S., Regions, and States by Selected Age Groups and Sex: Annual Time Series*, July 1, 1990 to July 1, 1999 (<http://www.census.gov/population/estimates/state/st-99-09.txt>, accessed July 2001).

- The median age in Minnesota in 1999 was 35.4 years, about the same as the median age for the Midwest and the nation.
- The core of Minnesota's working age population — those between 25 and 64 years old — grew by 11.0 percent between 1990 and 1999, faster than the Midwest (8.3 percent), but slightly slower than the nation (11.6 percent).
- More than one-half of the population in Minnesota, the Midwest and the nation was between 25 and 64 years old in 1999.
- Growth in the working age population was driven by the population of 45- to 64-year-olds, which grew faster in Minnesota than in the Midwest and in the nation during the 1990s.
- Minnesota's population of 5- to 17-year-olds was the fastest growing group of “next generation” workers, those aged less than 24 years. It grew by 13.9 percent, faster than in the Midwest and the nation.

Components of Demographic Change, 1990 to 1999

People moving from other states are a more significant component of population growth in Minnesota relative to the Midwest.



	<i>Net Change</i>	<i>Distribution of Change 1990-1999</i>		
	<i>1990-1999</i>	<i>Minnesota</i>	<i>Midwest</i>	<i>United States</i>
Natural Change	265,171	66.3%	87.9%	66.5%
Net Domestic Migration	86,847	21.7	-17.9	0.0
Net International Migration	55,173	13.8	21.2	31.3
Net Federal Movement	953	0.2	1.2	2.2
Other	-8,301	-2.1	7.6	0.0
Total	399,843	100.0%	100.0%	100.0%

Notes: Natural Change = the difference between the number of births and the number of deaths.

Net Domestic Migration = the difference between domestic in-migration to an area and domestic out-migration from it during the period. Domestic in-migration and out-migration consist of moves where both the origins and destinations are within the United States.

Net International Migration = the difference between migration to an area from outside the United States (immigration) and migration from the area to outside the United States (emigration).

Net Federal Movement = the difference between the movement of federal employees (both military and civilian) and their dependents into and out of the United States.

Other = not a demographic component of population change; a statistical artifact of the statistical modeling procedures employed in the estimates.

Sources: ST-99-7, *State Population Estimates and Demographic Components of Population Change: Annual Time Series*, April 1, 1990 to July 1, 1999 (<http://www.census.gov/population/estimates/state/st-99-7.txt>, accessed July 2001). Unpublished data on Internal Revenue Service tax returns, Minnesota Planning.

- Minnesota experienced a net gain of almost 400,000 residents between 1990 and 1999, boosting the state's population to more than 4.7 million in 1999.
- Natural change contributed the largest number of new residents (more than 265,000) in the state and accounted for 66.3 percent of population growth in the 1990s. Natural change had a greater impact on population change in the Midwest than in Minnesota.
- Domestic migration, resulting from the net migration of people between Minnesota and other parts of the United States, accounted for 21.7 percent of growth, or about 87,000 new residents in Minnesota.
- International migration was a smaller contributor to demographic change in Minnesota (13.8 percent of growth) than in the Midwest (21.2 percent of growth) and in the United States (31.3 percent of growth).
- Between 1996 and 2000, Illinois, North Dakota, Iowa and California were the main sources of net in-migrations to Minnesota. In contrast, Arizona, Florida, Colorado and Nevada were the main destinations for net out-migrations from Minnesota.

Population Growth by Race and Hispanic Origin, 1990-2000

Minnesota is becoming a more racially and ethnically diverse state.

	Minnesota Population			Percent Change	
	1990 Census	2000 Census		1990-2000	
		Race Alone	Race Alone and Combination	Race Alone	Race Alone and Combination
Hispanic or Latino (of any race)	53,884	143,382	143,382	166.1%	166.1%
Not Hispanic or Latino					
White	4,101,266	4,337,143	4,392,499	5.8	7.1
Black or African American	93,040	168,813	197,587	81.4	112.4
American Indian or Alaska Native	48,251	52,009	75,733	7.8	57.0
Asian	75,374	141,083	160,702	87.2	113.2
Native Hawaiian and Other Pacific Islander	855	1,714	5,317	100.5	521.9
Other race	2,429	5,031	19,081	107.1	685.5
Total Population	4,375,099	4,919,479	4,919,479	12.4%	12.4%

Notes: Race data from 1990 and 2000 are not comparable because people were permitted a multiple race option in 2000. In 2000 "alone" means that only one race was listed, while "combination" includes multiple and single races. The figures in the "Race Alone and Combination" columns include those who listed only that race plus those who listed that race in combination with another. Data may add up to more than the total population because of the multiple race option. Data for the Hispanic population are comparable between 1990 and 2000 because Hispanics may be of any race.

The difference in population between "Alone" and "Combination" provides a "minimum-maximum" range for population change between 1990 and 2000.

Source: *Difference in Population by Race and Hispanic or Latino Origin 1990 to 2000*, Redistricting Data (P.L. 94-171), Table 4, U.S. Department of Commerce, Bureau of the Census (http://www.census.gov/Press-Release/www/2001/tables/mn_tab_4.PDF, accessed June 2001).

- The 2000 Census revealed a more racially and ethnically diverse population in Minnesota compared to the 1990 Census. In 2000, 11.8 percent of Minnesotans (582,000) identified themselves as non-white, up from 6.3 percent (274,000 people) in 1990.
- With growth rates between 6 percent (race alone) and 7 percent (race alone and in combination with another race), the white population was the slowest growing ethnic group in the state between 1990 and 2000. Despite this slow growth, whites represented 88 percent of the state's population in 2000.
- African Americans experienced an increase between 81.4 percent (race alone) and 112.4 percent (race alone and in combination with another race). The black population is concentrated in the Twin Cities, especially in Minneapolis, St. Paul and Brooklyn Park. Only 9 percent live outside the seven-county metro area.
- The Hispanic population grew 166 percent between 1990 and 2000. Most of the Hispanic population live in the Twin Cities, especially in Minneapolis. Other areas with substantial Latino populations are Willmar, Rochester, Worthington and Faribault.
- The Asian population increased between 87.2 percent (race alone) and 113.2 percent (race alone and in combination with another race). The majority of Asians live in the Twin Cities metro area. Outside the Twin Cities, Rochester had the largest Asian population in 2000.

Economic Diversity

With more than 90 percent of the primary U.S. industries represented in the state, it is no surprise that Goldman Sachs calls Minnesota one of the most economically diverse states in the nation. Minnesota's companies, ranging from food processors to medical device manufacturers and financial services firms, are represented on the *Fortune* 500 list and recognized around the world. The overall strength of the state's economy makes Minnesota an ideal place for entrepreneurs to start and expand a business.

- Between 1991 and 2001, gross state product (GSP) in Minnesota grew by 50 percent (adjusted for inflation), compared to 41 percent growth in U.S. gross domestic product (GDP).
- Services — Minnesota's largest industrial sector — contributed more than 19 percent of Minnesota's gross state product in 2001, a total of \$24 billion.
- Between 1990 and 1999, the fastest growing manufacturing industries in Minnesota included communications equipment (e.g. radio and television broadcasting equipment), and miscellaneous transportation equipment (e.g. travel trailers and campers, tanks and tank components).
- The strength of the high technology industry in Minnesota is reflected by high employment in industrial machinery, including computer-related industries, and rapid growth in the instruments and medical products, and electronic equipment industries.
- Finance, insurance and real estate services (FIRE) represented the second largest sector in Minnesota, generating \$32 billion or over 18 percent of the state's gross state product.

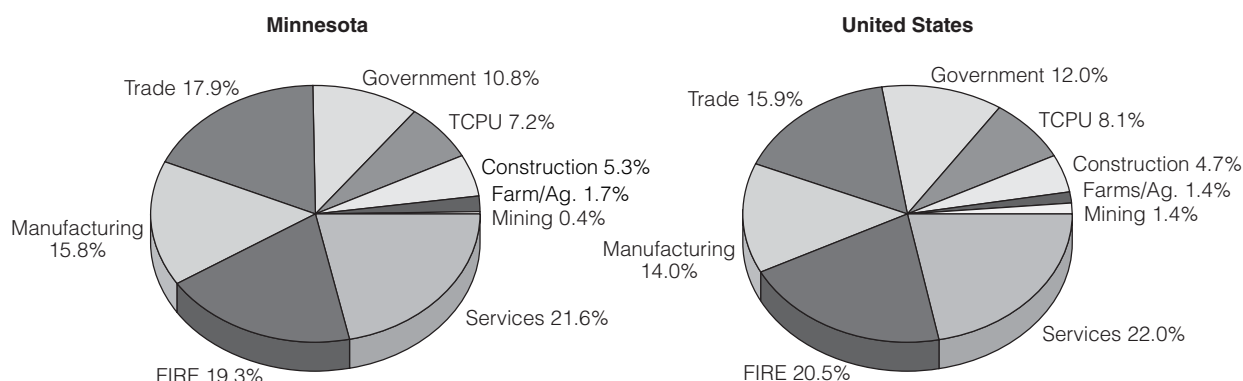
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* Updated June 2003

Gross State Product by Industrial Sector, 2001

Services represented the largest industrial sector, accounting for more than 21 percent of Minnesota's gross state product in 2001.



Industrial Sector	Minnesota GSP (millions)	Distribution of Minnesota GSP (%)	U.S. GDP (millions)	Distribution of U.S. GDP (%)	Minnesota as a Percent of U.S.
Farms	\$2,184	1.2%	\$80,596	0.8%	2.7%
Agricultural Services, Forestry and Fishing	982	0.5	60,054	0.6	1.6
Mining	753	0.4	139,040	1.4	0.5
Construction	9,982	5.3	480,013	4.7	2.1
Manufacturing	29,801	15.8	1,422,990	14.0	2.1
Durable goods	17,915	9.5	812,809	8.0	2.2
Nondurable goods	11,885	6.3	610,181	6.0	1.9
Transportation, Communications, Public Utilities (TCPU)	13,468	7.2	819,464	8.1	1.6
Trade	33,711	17.9	1,612,439	15.9	2.1
Wholesale	15,353	8.2	680,683	6.7	2.3
Retail	18,358	9.8	931,756	9.2	2.0
Finance, Insurance and Real Estate (FIRE)	36,348	19.3	2,076,987	20.5	1.8
Services	40,589	21.6	2,226,585	22.0	1.8
Government	20,234	10.8	1,219,022	12.0	1.7
Federal civilian	2,922	1.6	232,694	2.3	1.3
Federal military	512	0.3	101,204	1.0	0.5
State and local	16,800	8.9	885,124	8.7	1.9
Total Gross State Product	\$188,050	100.0%	\$10,137,190	100.0%	1.9%

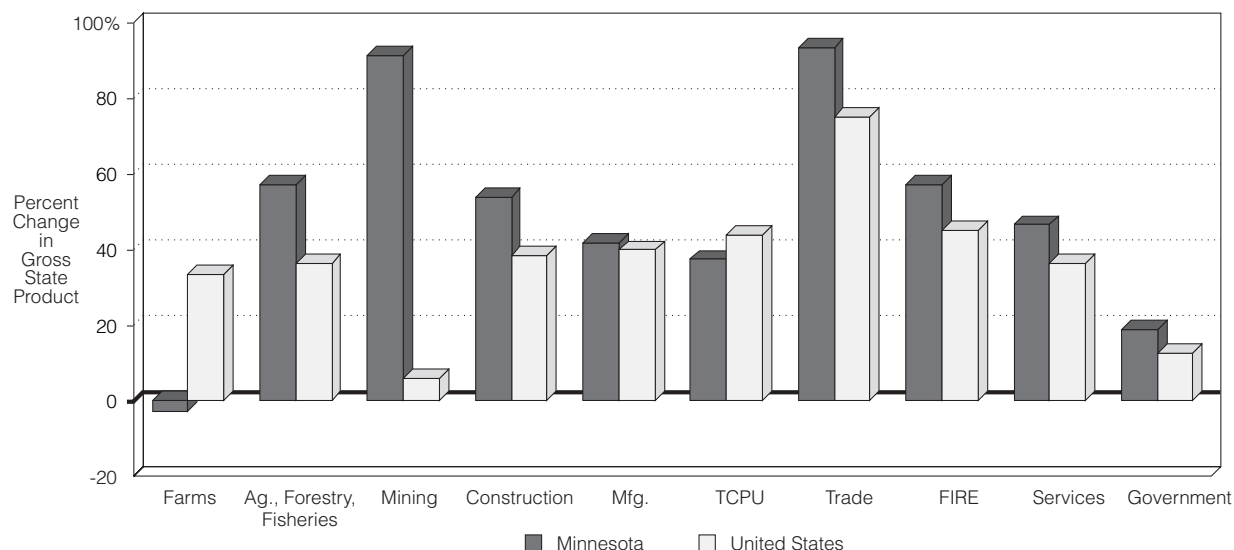
Note: Numbers may not add up to total due to rounding. Growth rates are adjusted for inflation.

Source: Regional Accounts Data, U.S. Department of Commerce, Bureau of Economic Analysis (<http://www.bea.doc.gov/>, accessed June 2003).

- Minnesota's gross state product (GSP) in 2000 was over \$188 billion. Minnesota's GSP represented 1.9 percent of the nation's gross domestic product (GDP) of \$10.1 trillion, up from 1.8 percent in 1991.
- Minnesota's GSP per capita of \$37,776 was about 6.3 percent higher than the U.S. GDP per capita of \$35,529.
- The services sector contributed over \$40 billion to Minnesota's GSP in 2001. The largest services industries were health services (\$12.5 billion) and business services (\$10.2 billion).
- Finance, insurance and real estate services (FIRE) represented the second largest sector in Minnesota in 2000, generating \$36.4 billion. Real estate services contributed just over half of the FIRE sector's value.
- Trade closely followed FIRE in contribution, generating \$33.7 billion in Minnesota. Retail trade contributed 55 percent of the value to trade. Manufacturing contributed \$29.8 billion, 60 percent of that amount was due to durable goods manufacturing.
- The four largest sectors generated 75 percent of Minnesota's GSP and 72 percent of U.S. GDP in 2001. Manufacturing, trade and farming/agriculture are more important to Minnesota's economy, while transportation, communications and public utilities, government, and finance, insurance, and real estate (F.I.R.E.) are more important to the U.S. economy.

Growth in Minnesota's Gross State Product, 1991 to 2001

Minnesota's gross state product grew by 50 percent between 1991 and 2001.



Industrial Sector	Minnesota GSP	U.S. GDP	Real Growth Rate, 1991-2001	
	2001 (millions)	2001 (millions)	Minnesota	United States
Farms	\$3,098	\$114,317	-3.0%	33.5%
Agricultural services, Forestry and Fishing	802	49,079	57.3	36.3
Mining	1,099	106,757	91.5	5.6
Construction	7,734	371,898	53.9	38.4
Manufacturing	31,130	1,490,275	41.5	39.8
Durable goods	21,207	990,094	83.5	77.0
Nondurable goods	10,259	518,305	-2.6	1.5
Transportation, Communications and Utilities	12,726	780,470	37.3	43.7
Trade	35,628	1,699,918	93.4	75.0
Wholesale	16,887	748,674	99.0	79.7
Retail	18,741	951,244	88.6	71.5
F.I.R.E.	32,075	1,843,579	57.3	45.1
Services	33,659	1,843,280	46.5	36.3
Government	17,351	1,047,431	18.5	12.6
Federal civilian	2,544	202,616	-0.4	-0.7
Federal military	448	88,456	0.7	-10.2
State and local	14,350	756,064	23.2	20.4
Total Gross State Product	\$175,371	\$9,335,399	50.0%	41.1%

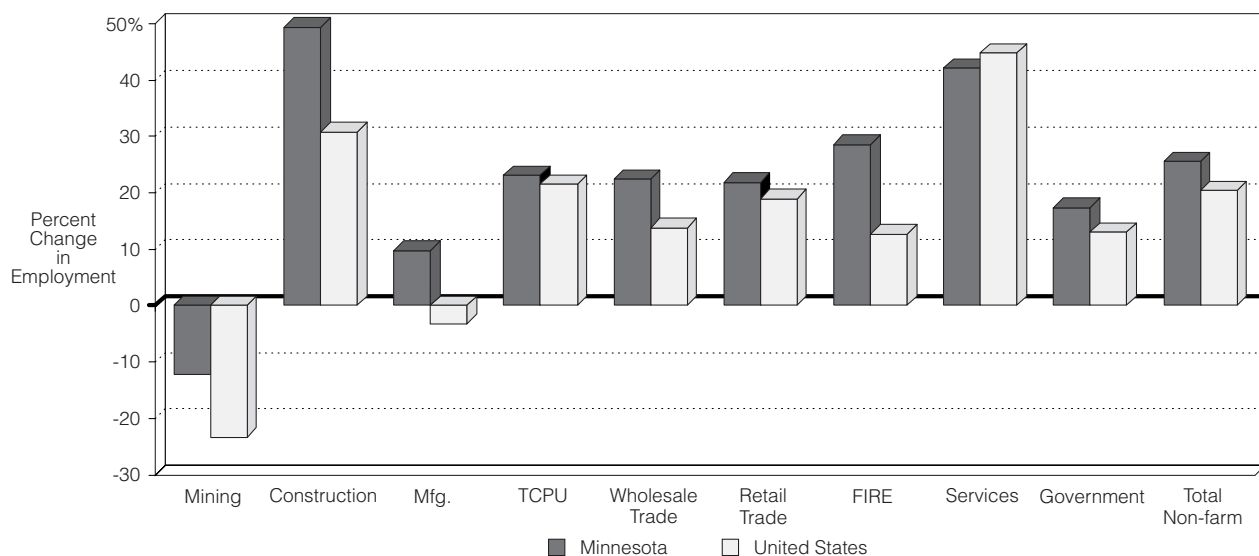
Note: Numbers may not add up to total due to rounding. Growth rates are adjusted for inflation.

Source: Regional Accounts Data (current and real dollars), U.S. Department of Commerce, Bureau of Economic Analysis (<http://www.bea.doc.gov/>, accessed June 2003).

- Between 1991 and 2001, gross state product (GSP) in Minnesota grew by 50.0 percent (adjusted for inflation), compared to growth of 41.1 percent in U.S. gross domestic product (GDP).
- Minnesota's GSP per capita grew by 33.1 percent between 1991 and 2001 (adjusted for inflation), attaining \$35,229 in 2001.
- Trade is the largest sector in Minnesota's economy and accounted for the largest share of growth (29.5 percent) between 1991 and 2001. FIRE industries accounted for 20.0 percent of growth, while services contributed 18.3 percent of growth during this period.
- Among the largest sectors, state growth rates between 1991 and 2001 in the FIRE, trade and services sectors exceeded the respective national growth rates by 10 percent or more.
- Contributions to Minnesota's GSP by durable manufactured goods grew by \$9.6 billion between 1991 and 2001, a growth rate of 83.5 percent, due to strength in electronic equipment and industrial machinery.
- Nondurable manufactured goods declined slightly between 1991 and 2001, due mostly to declines from 2000 to 2001 in the sector's largest components — food and kindred products (-10.1 percent), printing and publishing (-11.4 percent), and rubber and plastic (-7.5 percent).

Non-Farm Employment and Employment Growth by Industry, 1990 to 2000

Minnesota industries added 542,300 non-farm jobs between 1990 and 2000.



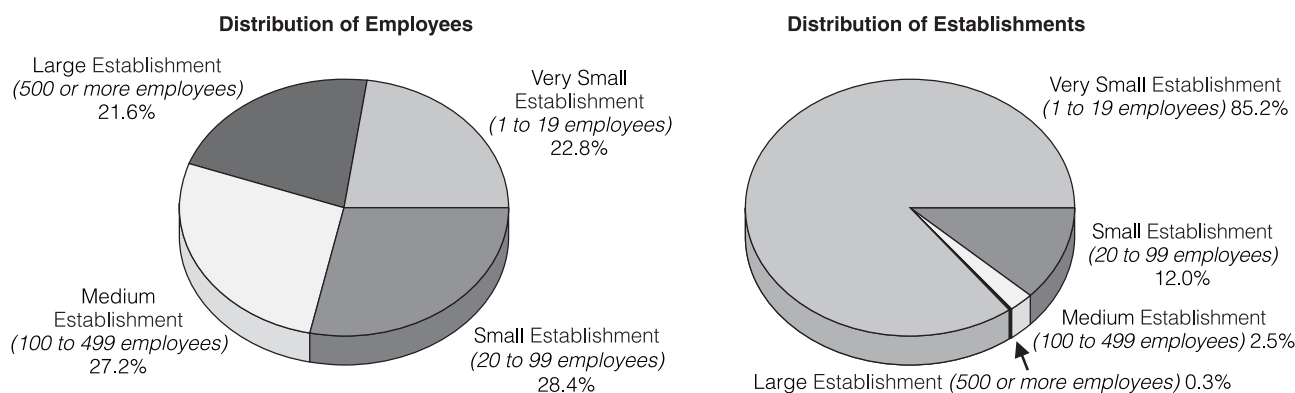
	MN Employment (thousands)		Percent Change 1990-2000		Percent Distribution 2000	
	1990	2000	Minnesota	United States	Minnesota	United States
Industrial Sector						
Mining	8.1	7.1	-12.3%	-23.4%	0.3%	0.4%
Construction	79.4	118.6	49.4	30.8	4.4	5.1
Manufacturing	400.8	439.9	9.8	-3.2	16.5	14.0
Transportation, Communications, Public Utilities (TCPU)	109.5	134.8	23.1	21.5	5.1	5.3
Wholesale Trade	127.0	155.5	22.4	13.8	5.8	5.3
Retail Trade	391.3	476.8	21.9	18.9	17.9	17.7
Finance, Insurance and Real Estate (FIRE)	125.0	160.8	28.6	12.7	6.0	5.7
Services	548.1	778.7	42.1	44.8	29.2	30.7
Government	337.7	396.4	17.4	13.0	14.9	15.7
Total Non-farm employment	2,126.7	2,669.0	25.5%	20.4%	100.0%	100.0%

Source: *Current Employment Statistics*, U.S. Department of Labor, Bureau of Labor Statistics, (<http://stats.bls.gov/790home.htm>, accessed July 2001).

- Between 1990 and 2000, employment in Minnesota's non-farm industries increased by 25.5 percent, compared to a national increase in non-farm employment of 20.4 percent during the same period.
- In 2000, manufacturing employment in Minnesota was nearly 440,000, an increase of 9.8 percent since 1990. This increase contrasted sharply with the 3.2 percent decline in national manufacturing employment during the same period.
- Services accounted for the largest share (42.5 percent) of Minnesota's total non-farm employment increase between 1990 and 2000, followed by retail trade (15.8 percent) and government (10.8 percent).
- Three industries had employment growth greater than the growth rate in total non-farm employment of 25.5 percent. These industries were construction (49.4 percent), services (42.1 percent) and FIRE (28.6 percent).
- According to the Minnesota Department of Economic Security (MDES), employment in the FIRE sector is projected to grow by 18 percent between 1998 and 2008, adding more than 27,000 jobs to the economy in this sector.
- MDES forecasts that the service sector will grow by 26 percent between 1998 and 2008, adding more than 236,000 jobs to the economy. In particular, the business services industry is projected to increase by 55 percent during the same period, increasing the number of jobs in this industry by more than 90,000 by the year 2008.

Distribution of Minnesota Employment by Industry and Establishment Size, 1999

In 1999, Minnesota had 150 establishments with more than 1,000 employees.



NAICS* Code	Industrial Sector	Minnesota Total Employment	Percent of Employment by Establishment Size			
			Very Small (1 to 19 employees)	Small (20 to 99 employees)	Medium (100 to 499 employees)	Large (500 or more employees)
11	Forestry, Fishing and Agriculture Support	2,060	d	d	d	d
21	Mining	6,876	d	d	d	d
22, 48-49	Transportation, Utilities and Warehousing	88,565	15.2%	d	d	d
23	Construction	107,864	44.1	33.7%	18.0%	4.2%
31-33	Manufacturing	378,953	8.2	22.2	38.9	30.7
42-45	Wholesale and Retail Trade	434,957	32.9	33.4	28.8	4.9
51	Information	57,654	16.9	30.2	24.7	28.1
52	Finance and Insurance	140,283	21.8	21.8	22.4	34.1
53	Real Estate and Rental and Leasing	33,494	51.8	25.8	d	d
55	Management of Enterprises	105,441	3.3	10.1	21.7	64.9
54, 56-72	Services	849,774	20.0	31.6	26.3	22.1
81-99	Other	132,721	d	d	d	d
Total Minnesota		2,338,642	22.8%	28.4%	27.2%	21.6%
Total United States		110,705,661	24.6%	29.1%	25.9%	20.3%

* For an explanation of NAICS codes, see the glossary of this publication.

Notes: d = non-disclosed data.

Employment excludes government employees, railroad employees and the self-employed.

Business establishments are single location units that are either independently owned or a branch/franchise of a company.

Totals include unclassified establishments not shown separately.

Source: *County Business Patterns*, 1999, U.S. Department of Commerce, Bureau of the Census.

- More than 85 percent of Minnesota business establishments employed fewer than 20 workers in 1999, while only 22.8 percent of all Minnesotans were employed by establishments with fewer than 20 workers. Minnesota's distribution of employees and establishments are similar to the national distribution.
- In 1999, a slightly greater share of Minnesotans (48.8 percent) worked in business establishments with at least 100 employees than the U.S. average (46.2 percent). These shares have increased by about one percent for both Minnesota and the United States since 1995.
- More than 40 percent of Minnesotans employed in real estate, rental and leasing, and construction worked in establishments with 19 employees or less in 1999. In contrast, 64.9 percent of employees in the management of enterprises sector worked in establishments with 500 or more employees.
- In 1999, Minnesota had 150 establishments with more than 1,000 employees. Of these 150 establishments, 60 were in services and 32 were in manufacturing. These were followed by management of enterprises (21 establishments with more than 1,000 employees) and finance and insurance (18 establishments).

Rapidly Growing Industries in Minnesota, 1990 to 1999

Between 1990 and 1999, 15 Minnesota industries with at least 3,000 employees grew by more than 82 percent.

SIC Code	Industry	Minnesota Employment 1999	Net Employment Gain 1990-1999	Percent Change Minnesota Employment 1990-1999	Percent Change U.S. Employment 1990-1999
239	Misc. Fabricated Textile Products	3,322	2,123	177.1%	6.1%
737	Computer and Data Processing Services	45,396	28,860	174.5	136.7
632	Medical Service and Health Insurance	13,254	7,891	147.1	54.7
808	Home Health Care Services	9,472	5,339	129.2	123.9
833	Job Training and Related Services	9,379	5,201	124.5	37.6
366	Communications Equipment	6,076	3,267	116.3	0.9
379	Miscellaneous Transportation Equipment	4,311	2,301	114.5	33.8
175	Carpentry and Floor Work	5,359	2,853	113.8	50.3
799	Misc. Amusement, Recreation Services	31,649	16,642	110.9	67.1
616	Mortgage Bankers and Brokers	8,004	4,196	110.2	130.5
736	Personnel Supply Services	58,813	29,647	101.6	129.7
411	Local and Suburban Transportation	3,903	1,860	91.0	62.1
621	Security Brokers and Dealers	15,420	7,151	86.5	57.0
177	Concrete Work	6,089	2,764	83.1	45.7
832	Individual and Family Services	19,911	8,988	82.3	62.1
	Other	1,970,354	322,049	19.5	13.6
	Total	2,210,712	451,132	25.6%	18.4%

Note: The table includes only those industries with at least 3,000 employees in 1999.

Source: *Covered Employment and Wages (ES-202)*, 1999, U.S. Department of Labor, Bureau of Labor Statistics.

- Between 1990 and 1999, the fastest growing manufacturing industries were miscellaneous fabricated textile products (177.1 percent growth) and communications equipment (116.3 percent growth).
- The fastest growing services industries between 1990 and 1999 were computer and data processing (174.5 percent growth) and medical service and health insurance (147.1 percent growth).
- Finance, insurance and real estate industries — such as medical service and health insurance, mortgage bankers and brokers, and security brokers and dealers — also exhibited high growth rates between 1990 and 1999.
- Other fast growing manufacturing industries between 1990 and 1999 were search and navigation equipment (76 percent growth to 3,357 employees), miscellaneous fabricated metal products (70 percent growth to 6,242 employees), and medical instruments and supplies (69 percent growth to 20,666 employees).
- According to the *Development Report Card for the States, 2001* — a publication providing assessment of each state's economy and potential for future growth — Minnesota was among the 10 states with the highest indexes in performance, business development and capacity. The indexes are based on factors such as entrepreneurial energy, structural diversity and infrastructure resources.

Employment in Manufacturing Industries, 1990 to 2000

Employment in Minnesota manufacturing industries grew by 9.8 percent between 1990 and 2000, compared to a decrease of 3.2 percent nationally.

SIC Code	Industry	Minnesota Employment (thousands)		Percent Change 1990-2000	
		1990	2000	Minnesota	United States
35	Industrial Machinery and Equipment*	77.7	74.1	-4.6%	1.2%
27	Printing and Publishing	52.0	55.1	6.0	-1.4
20	Food and Kindred Products	49.5	53.5	8.1	1.4
38	Instruments and Related Products	33.5	39.7	18.5	-15.3
34	Fabricated Metal Products	34.8	37.4	7.5	8.3
36	Electronic and Other Electric Equipment	30.5	37.0	21.3	2.7
26	Paper and Allied Products	33.9	29.5	-13.0	-5.7
24	Lumber and Wood Products	16.9	22.2	31.4	13.4
30	Rubber and Misc. Plastics Products	15.0	20.3	35.3	13.8
37	Transportation Equipment	11.3	15.4	36.3	-7.0
28	Chemicals and Allied Products	10.0	11.3	13.0	-4.4
32	Stone, Clay and Glass Products	8.6	10.7	24.4	4.1
33	Primary Metal Industries	6.3	7.9	25.4	-7.7
25	Furniture and Fixtures	5.5	7.6	38.2	10.4
	Other Manufacturing Industries	15.3	18.2	19.0	-26.8
	Total Manufacturing	400.8	439.9	9.8%	-3.2%

* Includes the manufacture of computers, computer storage devices and computer peripheral equipment, as well as refrigeration industry, and miscellaneous commercial and industrial machinery.

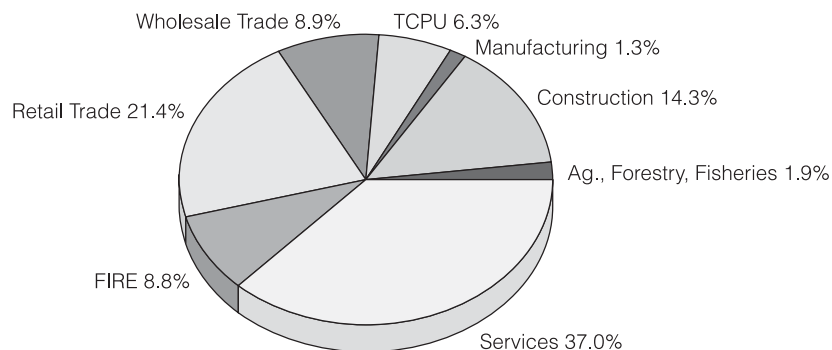
Source: *Current Employment Statistics*, U.S. Department of Labor, Bureau of Labor Statistics, (<http://stats.bls.gov/790home.htm>, accessed July 2001).

- Employment in Minnesota manufacturing industries increased by 9.8 percent between 1990 and 2000, while manufacturing employment nationally declined by 3.2 percent. Moreover, the Minnesota Department of Economic Security projects continued employment growth in the state's manufacturing sector.
- Of the two manufacturing industries that had declining employment, paper and allied products lost more net jobs (4,400). Most of the employment decline was isolated in the miscellaneous converted paper products sub-industry, which had a total employment decline of 5,000 jobs between 1990 and 1999. Other sub-industries actually experienced growth, such as corrugated and solid fiber boxes, which had an increase of nearly 900 jobs (36 percent growth).
- The other industry with declining employment was industrial machinery and equipment, which lost 3,600 net jobs. One sub-industry, electronic computers, lost nearly 15,000 jobs between 1990 and 1999, meaning that other sub-industries added roughly 11,000 jobs. Employment increases were led by computer storage devices (an increase of 5,300 jobs), packaging machinery (1,200 jobs) and industrial machinery not elsewhere classified (4,700 jobs).
- The strength of the high technology industry in Minnesota is reflected by high employment in industrial machinery and rapid growth in the instruments and related products, and electronic equipment manufacturing industries.
- In 2000, printing and publishing was the second largest manufacturing industry in Minnesota with more than 55,000 employees. Employment grew by 6.0 percent between 1990 and 2000, compared to a decline in printing and publishing employment of 1.4 percent nationally.
- Furniture and fixtures, transportation equipment, and rubber and miscellaneous plastic products also grew substantially more quickly in Minnesota than nationally and added 11,500 jobs in the state between 1990 and 2000.
- Minnesota's natural resources support the state's lumber products and food processing industries. Between 1990 and 2000, Minnesota employment increased by 31.4 percent in the lumber and wood products industry, compared to a 13.4 percent increase nationally. Similarly, the food processing industry increased by 8.1 percent in Minnesota, compared to a 1.4 percent increase nationally.

Dynamics of Minnesota Job Creation, 4th Quarter 1998 to 4th Quarter 1999

Business expansion is the most important contributor to Minnesota's strong job growth.

Distribution of Business Expansion Job Growth



Industrial Sector	Net Change in Number of Businesses	Job Gains from Business Births	Job Losses from Business Deaths	Job Gains from Business Expansions	Job Losses from Business Contractions
Agricultural Services, Forestry and Fisheries	150	786	477	2,847	1,750
Mining	2	13	19	218	315
Construction	642	3,157	1,268	15,795	7,458
Manufacturing	74	2,506	2,224	20,268	19,508
Transportation, Communications, Public Utilities (TCPU)	220	1,560	885	7,986	4,285
Wholesale Trade	(42)	3,896	3,011	15,421	10,217
Retail Trade	451	18,344	8,299	33,405	20,906
Finance, Insurance and Real Estate (FIRE)	330	3,395	1,680	12,591	7,427
Services	2,444	17,370	9,229	52,227	30,614
Total	4,271	51,027	27,092	160,758	102,480

Notes: Business births and deaths refer to new and terminated businesses, respectively. Business expansions and contractions refer to established businesses that increase or decrease employment, respectively.

Pie chart does not include Mining and Public Administration because they had net job losses of 0.2 percent and 0.1 percent, respectively.

Source: Business Tracking System, December 2000, Minnesota Department of Trade and Economic Development.

- Between 1998 and 1999, Minnesota's services and retail trade industries together accounted for 35,714 more jobs (nearly 70 percent of job growth) from business births. Nevertheless, these industries also lost 17,528 jobs (65 percent of the job losses) from business deaths.
- Minnesota's services sector added 2,444 net new businesses between the 4th quarter of 1998 and the 4th quarter of 1999, representing the largest number and also the largest share (57 percent) of new establishments among the sectors.
- 58,278 net new jobs were added from business expansions and contractions during this period, more than twice the net number of jobs added from business births and deaths.
- The leading sector in net new jobs from business expansion and contractions was services (21,613 net new jobs, or 37 percent of net new jobs). The leading sector in net new jobs from business births and deaths was retail trade (10,045 net new jobs, or 42 percent of net jobs).
- Some company expansions announced in 2001 included by ACD Telecommunications, Best Buy, American Express, U.S. Bancorp, Medtronic and Avalon Group.

Minnesota's Large Corporate Employers, 2001

Minnesota's large corporate employers reflect the strength and diversity of the state's business community.

Fortune 500 Companies Headquartered in Minnesota

<i>Company</i>	<i>Product or Service Examples</i>
Target	General merchandise retailer
UnitedHealth Group	Health care management
Supervalu	Food retail and distribution
U.S. Bancorp	Banking services
3M Company	Chemical, electrical, health-care and office products manufacturer
Best Buy	Electronic products retailer
Xcel Energy	Energy utility
Northwest Airlines	Air transportation
St. Paul Cos.	Insurance
Cenex Harvest States	Integrated agricultural foods cooperative
General Mills	Food products producer
Medtronic	High-technology medical devices producer and marketer
Hormel Foods	Consumer-branded meat and food products manufacturer and marketer
Nash Finch	Food retail and distribution
PepsiAmericas	Beverages distributor
C.H. Robinson Worldwide	Multimodal transportation services and logistics solutions provider

Other Companies with Significant Minnesota Operations

<i>Company</i>	<i>Product or Service Examples</i>
Mayo Foundation	Health care
Allina Health System	Health care
Fairview	Health care
Wells Fargo & Co.	Banking services
Manpower	Human services
Wal-Mart	General merchandise retailer
Carlson Cos. Inc.	Hospitality services
HealthPartners	Health care
Kmart Corp.	General merchandise retailer
HealthEast Care System	Health care
American Express Financial Advisors	Financial services
Park Nicollet Health Services	Health care
Honeywell	Control systems
Qwest	Telecommunications
IBM Corporation	Computers and software

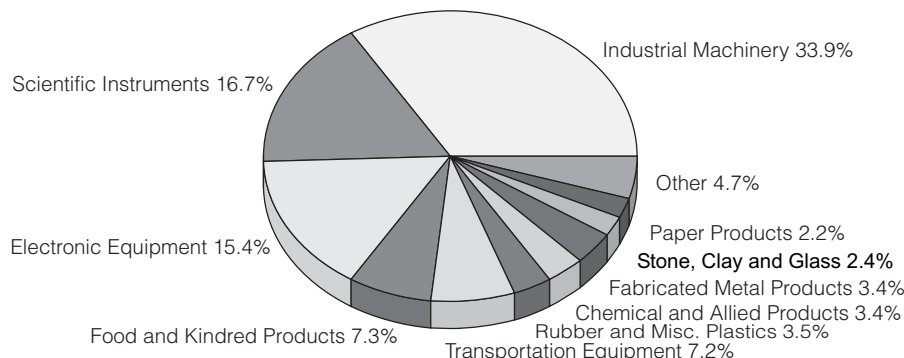
Sources: *Fortune*, April 15, 2002.
Corporate Report Fact Book 2002, December 2001.

-
- General Mills, 3M Company (Minnesota Mining and Manufacturing) and Medtronic, some of the largest industrial corporations headquartered in Minnesota, are good examples of the types of homegrown companies that add vitality and stability to the Minnesota economy.
 - Minnesota inventions include the enclosed shopping center, masking and scotch tape, Post-It notes, snowmobiles, rollerblades and health maintenance organizations.
 - Minnesota ranks fourth in the nation (including the District of Columbia) in the number of *Fortune* 500 company headquarters per capita.
 - The Twin Cities ranked 15th among the best large metro areas in the country to start and grow a company in 2000, according to *Inc.* (December 2000).

Manufactured Exports, 2000

Minnesota's manufactured exports reached a record high of \$10.2 billion in 2000.

Minnesota's Export Distribution, 2000



Market	Minnesota Exports (millions)			Percent Change 1990 to 2000		Percent Distribution 2000		Minnesota as a Percent of U.S. 2000
	1990	1995	2000	Minnesota	U.S.	Minnesota	U.S.	
Canada	\$1,467	\$2,388	\$2,441	66.4%	115.7%	24.0%	22.9%	1.5%
Japan	837	792	898	7.4	48.7	8.8	7.9	1.6
China (incl. Hong Kong)	120	313	585	387.0	173.7	5.7	3.8	2.1
United Kingdom	439	437	549	25.1	79.4	5.4	5.3	1.4
Germany	371	431	496	33.5	58.3	4.9	3.8	1.8
Netherlands	368	386	439	19.5	78.2	4.3	2.8	2.1
Ireland	50	82	424	745.6	213.0	4.2	1.0	5.6
Mexico	141	154	390	176.1	304.0	3.8	14.6	0.4
France	237	224	382	61.4	57.1	3.7	2.7	2.0
Philippines	19	41	342	1713.5	281.5	3.4	1.1	4.2
Singapore	88	295	336	279.5	122.0	3.3	2.4	1.9
Thailand	59	318	330	457.4	128.7	3.2	0.9	5.3
South Korea	228	296	304	33.7	118.3	3.0	3.5	1.2
Malaysia	80	336	297	272.6	227.4	2.9	1.5	2.8
Italy	241	186	248	2.9	51.7	2.4	1.4	2.5
Taiwan	109	191	222	103.8	137.0	2.2	3.1	1.0
Australia	149	168	212	42.0	45.5	2.1	1.7	1.7
Brazil	48	83	147	208.4	227.4	1.4	2.0	1.0
Belgium	67	157	146	117.3	40.3	1.4	1.8	1.1
Spain	69	57	91	31.2	32.6	0.9	0.8	1.7
Other	676	882	914	35.1	82.3	9.0	14.9	0.8
Total	\$5,862	\$8,219	\$10,191	73.8%	109.2%	100.0%	100.0%	1.4%

Note: Numbers may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of the Census, Foreign Trade Division and University of Massachusetts at Amherst (MISER).

- Between 1990 and 2000, Minnesota's manufactured exports rose from \$5.9 billion to \$10.2 billion. Adjusting for inflation, Minnesota's exports grew by 49.2 percent.
- Exports as a share of total manufacturing production increased from 10.7 percent in 1990 to 11.5 percent in 1998.
- The top three export industries — industrial machinery, scientific instruments and electronic equipment — accounted for two-thirds of Minnesota's exports and showed the largest gains in value between 1990 and 2000.
- Markets in Latin America (Peru, Brazil, Venezuela and Mexico) and Asia (South Korea, Taiwan and Thailand) were among Minnesota's fastest growing export markets between 1999 and 2000.
- Minnesota's businesses have a relatively large presence in some of the state's top markets, such as in China (third largest market, 2.1 percent of U.S. exports) and Ireland (sixth largest market, 5.6 percent of U.S. exports).
- There were 787 U.S. affiliates of foreign companies operating in Minnesota according to preliminary 1999 data from the Bureau of Economic Analysis. In 1999, these affiliates employed 91,800 Minnesotans.

The 25 Largest Electronic Equipment and Computer Manufacturers Operating in Minnesota, 2000

Minnesota's top 25 electronic equipment and computer companies employed nearly 40,000 Minnesotans.

Rank	Company	Number of Employees Statewide	Number of Employees Worldwide	Revenues (millions)	Minnesota Product/Service Line
1	IBM Corporation	7,200	316,303	\$88,400	Computer hardware and software
2	Honeywell International*	6,095	n/a	4,060	Control systems for industrial processes
3	Seagate Technology Inc.	4,000	n/a	1,332	Recording heads
4	Hutchinson Technology Incorporated	3,891	4,729	460	Components for computer disk drives
5	ADC Telecommunications, Inc.	3,886	22,000	3,300	Audio and video communications devices
6	Schott Corporation	1,379	1,800	80	Transformers and magnetic components
7	Onan Corporation	1,300	1,800	600	Power generation systems
8	Imation Corporation	1,300	4,500	1,235	Data storage devices
9	Innovex Precision Components	1,000	n/a	26	Customized circuit applications
10	General Dynamics Information Systems	1,000	n/a	121	Software development, electronic system design
11	Benchmark Electronics	900	n/a	43	Electronic services
12	Telex Communications	900	2,500	329	Multimedia devices
13	3M Company	900	70,549	15,659	Electric and electronic components
14	Eaton Hydraulics Inc.	800	3,000	220	Fluid power systems
15	Cypress Semiconductors	627	4,400	1,288	Semiconductor products
16	Reptron Manufacturing Services	600	3,546	39	Electronic circuit boards
17	Sheldahl Inc.	600	968	137	Circuitry and interconnect technology
18	Manufacturers Service Central	500	500	54	Electronic components for the computer industry
19	Pemstar Inc.	500	4,239	635	Electromechanical products
20	Emerson Electric Co.	500	n/a	30	Generators and related controls
21	Artesyn Technologies Inc.	487	n/a	49	Custom electronic power supplies
22	Siemens**	420	n/a	46	Control systems for electric utilities
23	TRW Inc.	391	n/a	20	Aerospace products
24	Communications Systems	357	964	120	Connectivity infrastructure
25	ITT Industries Inc.	286	41,553	4,829	Electronic components and systems

* Employment in Minnesota considers only employees working for electronic and electrical equipment and components.

** Annual sales and employment in Minnesota are estimates only for operations in electronic and electrical equipment and components in the state.

Notes: n/a = not available

List include companies under SIC codes 36 and 357.

Sources: *Corporate Report Fact Book, 2001 Edition, 2000.*

Dun and Bradstreet, Dialog File 516, accessed October 2001.

Corporations' websites, accessed October 2001.

Correspondence with corporate representatives.

- Electronic equipment and computer companies in Minnesota develop and manufacture diversified high-tech goods such as business computing systems, audio and video communications devices, data storage devices and components.
- Minneapolis-St. Paul is among the top 10 metropolitan areas in the country with the highest concentration of large electronics manufacturing headquarters, according to *Economic & Demographic Trends*, October 2001.
- ADC Telecommunications, Hutchinson Technologies Inc., 3M Company and Imation Corporation are headquartered in Minnesota. Multinational companies like IBM Corporation and Seagate Technology Inc. also have major operations in the state.
- In addition to electronic and computer manufacturing firms, computers and electronic services companies also have a significant presence in the state. Ceridian Corporation — a Minnesota company with revenues over \$1.3 billion — provides human resources management systems. Another major computer services company is Lawson Software, provider of software for financial management and the procurement supply chain.

The 25 Largest Medical Technology Companies Operating in Minnesota, 2000

Minnesota's medical technology industry is recognized worldwide and includes some of the leading manufacturers of medical devices.

Rank	Company	Number of Employees Statewide	Number of Employees Worldwide	Revenues (millions)	Minnesota Product/Service Line
1	Medtronic, Inc.	4,300	21,490	\$5,015	Cardiovascular, neurological and other devices
2	3M Company*	3,300	7,850	3,100	Medical supplies, information systems etc.
3	Guidant Cardiac Rhythm Management Group	2,500	3,000	251	Cardiovascular products
4	Boston Scientific Scimed, Inc.	2,100	3,908	42	Nonsurgical cardiovascular products
5	Beckman Coulter, Inc.	1,200	6,945	27	Immunodiagnostic systems
6	Starkey Laboratories, Inc.	1,050	3,300	252	Hearing aids
7	St. Jude Medical, Inc.	650	4,379	1,179	Cardiovascular and electrophysiology products
8	Lake Region Manufacturing Co., Inc.	600	1,230	72	Custom medical devices and machining
9	Deltec, Inc.	560	600	120	Infusion therapy products
10	Techn Corporation	450	500	115	Cellular communication reagent products
11	Miracle Ear, Inc.	450	800	61	Hearing aids
12	Minntech Corporation	425	425	74	Dialysis and cardiosurgery products
13	MEDTOX Scientific, Inc.	340	340	43	Toxicology devices and services
14	BMC Industries, Inc/Vision-Ease Lens	340	1,700	136	Ophthalmic products
15	DiaSorin, Inc.	330	340	28	Immunodiagnostic and related products
16	American Medical Systems	300	500	100	Urological products and services
17	Sulzer Spine-Tech, Inc.	290	300	60	Spinal condition devices
18	Chronimed, Inc.	280	280	226	Products and services for chronic conditions
19	Empi, Inc.	265	500	73	Rehabilitation and incontinence products
20	Augustine Medical, Inc.	246	250	54	Hypothermia products
21	Possis Medical, Inc.	232	232	20	Cardiovascular and other medical devices
22	MedSource Technologies, Inc.	217	1,165	98	Medical device components
23	Advanced Respiratory	215	500	32	Medical devices for airway clearance
24	Mallinckrodt, Inc.	207	500	19	Medical products for apnea
25	Apothecary Products, Inc.	200	211	26	Pharmaceutical-related products

* Employment and revenues are estimates for the health care units of the company only.

Note: List includes companies with an emphasis in SIC 283, 382, 384, and 385.

Sources: Dun and Bradstreet, Dialog File 516, accessed October 2001.
Corporate Report Fact Book, 2001 Edition, 2001, Corporate Report Minnesota.
Correspondence with corporate representatives.

- The Minneapolis-St. Paul metropolitan area has the highest number of very large medical instruments company headquarters (7), according to *Economic & Demographic Trends*, October 2001.
- Medical technology companies headquartered in Minnesota that operate worldwide include Medtronic and 3M. Both are *Fortune* 500 companies recognized on the list of "America's Most Admired Companies" for 2001. Guidant and Boston Scientific also received this accolade.
- Medical technology companies operating in Minnesota have seen rapid growth. Three Minnesota companies appeared on the Deloitte and Touche Technology Fast 500 for the U.S. and Canada in 2001, and companies in this industry made up approximately 25 percent of the Deloitte and Touche 2000 Technology Fast 50.
- Medical Alley is a non-profit trade association with more than 230 member organizations. It is unique for its combination of medical device and pharmaceutical manufacturers, healthcare service providers, health plans, and research facilities (www.medicalalley.org). MNBIO is an association specific to Minnesota's biotechnology industry. It is comprised of academia, industry, finance and government organizations (www.mnbio.org).
- The Minnesota Department of Economic Security projects that employment growth in occupations important to medical technology companies will be strong. Between 1998 and 2008, the number of medical scientists is expected to grow by 36 percent and the number of electrical engineers is expected to increase by 21 percent. Moreover, employment of health practitioners and technicians is expected to grow by 21 percent during the same period.

Minnesota's Key Industries

Minnesota's diverse economy means that most of the nation's major industries operate in the state. The state's rapid employment growth is an indicator that businesses are successful in industries such as medical devices, printing and publishing, food and kindred products, and business services. Minnesota offers a strong and dynamic environment that supports and facilitates the development of a wide variety of industries.

- Private employers in high-tech industries in Minnesota added more than 34,000 jobs between 1990 and 2000, a growth rate of 21.9 percent. The national increase was 13.3 percent.
- Minnesota is internationally known for producing medical devices such as pacemakers, heart valves and bypass systems, by companies such as Medtronic Inc. and St. Jude Medical Inc., which are headquartered in Minnesota.
- Business services industries are among Minnesota's strongest industries. Employment in Minnesota's business services industries increased 90.1 percent between 1990 and 2000 compared to 88.7 percent nationally. According to the 1997 Economic Census, business services industries generated \$10.2 billion in revenue in Minnesota, almost 78 percent more than the 1992 revenue (adjusted for inflation).
- An estimated 39,000 jobs were added in Minnesota's finance, insurance and real estate (FIRE) industries between 1990 and 2000, an increase of 31.9 percent compared to 12.7 percent nationally.

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High Technology Industries, 2000

High-tech employment growth in Minnesota between 1990 and 2000 significantly surpassed the national average.

SIC Code Industry	Minnesota Employment 2000	Employment Growth 1990-2000		Minnesota Location Quotient 2000
		Minnesota	United States	
All Private Sector Industries	2,260,745	28.5%	21.1%	1.00
High Technology	191,196	21.9	13.3	1.05
Non-durable Goods				
28 Chemicals and Allied Products	11,273	13.8	-5.5	0.53
291 Petroleum Refining	n/a	n/a	-30.4	n/a
Durable Goods				
348 Ordnance and Accessories, NEC	3,206	-67.3	-49.3	4.06
351 Engines and Turbines	110	41.0	-1.8	0.06
353 Construction and Related Machinery	5,657	38.9	4.4	1.16
357 Computer and Office Equipment	20,349	-41.8	-18.7	2.77
36 Electronic and Other Electrical Equipment	37,390	24.7	2.1	1.06
372 Aircraft and Parts	795	-24.3	-35.0	0.08
376 Guided Missiles, Space Vehicles, Parts	n/a	n/a	-53.8	n/a
38 Scientific Instruments	39,994	20.8	-16.0	2.31
Services				
489 Communications Services*	3,010	84.4	51.0	0.59
737 Computer and Data Processing Services	49,166	197.3	175.5	1.11
871 Engineering & Architectural Services	15,376	45.2	27.6	0.74
873 Research and Testing Services**	4,870	17.2	10.0	0.47

* Consists of 4822 Telegraph and Other Communications, 4841 Cable and Other Pay Television Services and 4899 Other Communications Services.

** Excludes 8732 Commercial Nonphysical Research (including business, marketing and opinion research).

Notes: n/a = not available
NEC = not elsewhere classified
See the glossary for a definition of location quotient.

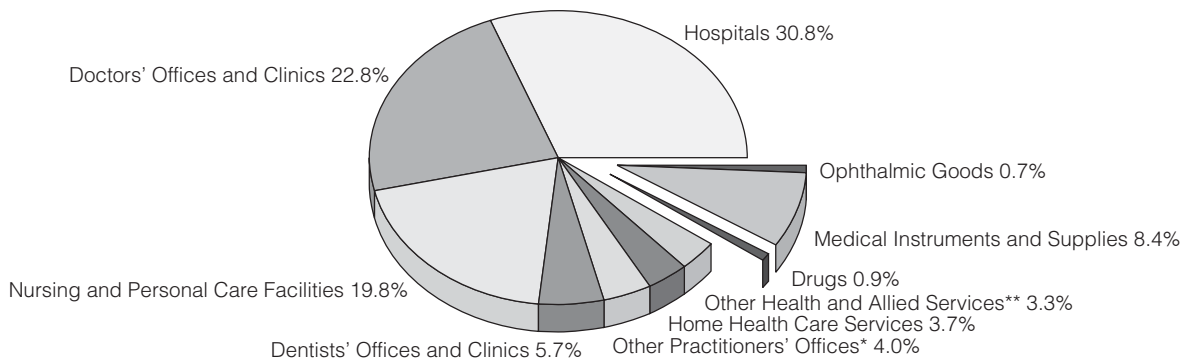
Source: *Covered Employment and Wages* (ES-202), 2000, U.S. Department of Labor, Bureau of Labor Statistics.

- High-tech industries accounted for more than 190,000 private industry jobs in Minnesota in 2000.
- Private employers in high-tech industries in Minnesota added more than 34,000 jobs between 1990 and 2000, representing a growth rate of 21.9 percent. The national growth rate was 13.3 percent. The majority of the new jobs were in computer and data processing services, which offset the decline in employment in computer and office equipment and ordnance and accessories industries.
- Employment in scientific instruments (including medical devices), computer and office equipment and ordnance and accessories industries was two to four times more concentrated in Minnesota than in the United States in 2000.
- In Minnesota, workers added more value in output per hour in high-tech manufacturing industries than in the manufacturing sector overall. Minnesota's workers added \$87.95 in value per hour in the medical equipment industry, \$110.30 per hour in the computer and electronics industry and \$184.61 per hour in the chemical industry, compared to the average value-added contribution of \$76.69 per hour in manufacturing overall.
- Minnesota Technology Inc., a public non-profit corporation, aims to help existing small and medium-sized companies apply, develop and commercialize technology by diversifying the Greater Minnesota economy, promoting Minnesota's technology economy and providing leadership on public policy issues.

Medical Devices and Health Industries, 2000

Minnesota ranked second nationwide in the number of people employed in the manufacture of medical instruments.

Minnesota Employment Distribution, Health and Medical Industries, 2000



SIC Code	Industry	Minnesota Employment 2000	Employment Growth 1990-2000		Minnesota Location Quotient 2000
			Minnesota	United States	
	All Private Sector Industries	2,260,745	28.5%	21.1%	1.00
	Medical Devices and Health Industries	245,212	34.0	28.8	1.12
283	Drugs	2,144	31.3	30.8	0.34
	Medical Devices	22,303	54.3	10.0	3.50
384	Medical Instruments and Supplies	20,531	67.7	15.9	3.52
385	Ophthalmic Goods	1,772	-19.8	-23.6	2.60
80	Health Services	220,765	32.2	29.4	1.07
801	Doctors' Offices and Clinics	55,819	52.2	43.1	1.40
802	Dentists' Offices and Clinics	14,007	26.4	33.0	0.99
803, 804	Other Practitioners' Offices*	9,737	27.8	56.6	0.99
805	Nursing and Personal Care Facilities	48,476	11.9	26.3	1.31
806	Hospitals	75,602	34.9	13.3	0.93
807, 809	Other Health and Allied Services**	8,035	-0.7	41.2	0.71
808	Home Health Care Services	9,089	119.9	125.7	0.70

* Includes osteopaths' offices and clinics.
 ** Includes medical and dental laboratories.

Note: See the glossary for a definition of location quotient.

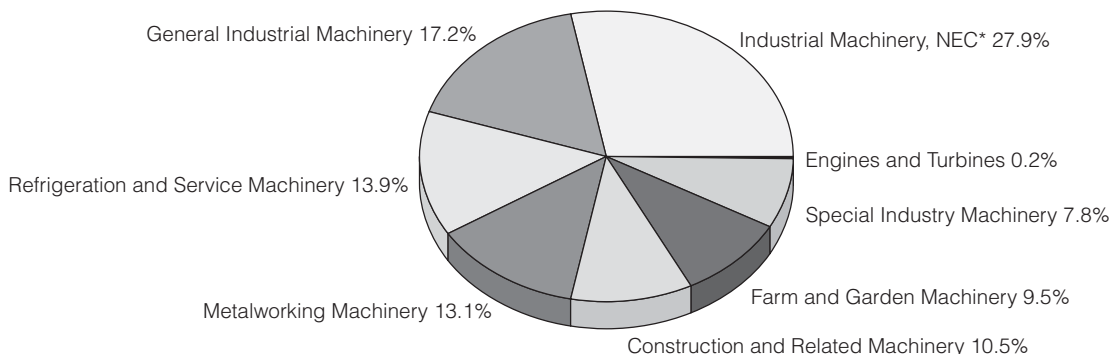
Source: Covered Employment and Wages (ES-202), 2000, U.S. Department of Labor, Bureau of Labor Statistics.

- In 2000, Minnesota ranked second in the nation for the number of people (20,500) employed in the manufacturing of medical instruments and supplies. This industry also had a concentration of employment that was more than three times the U.S. average.
- Minnesota's health services industry accounted for 90 percent of the employment in the health and medical industries in 2000 and created more than 53,800 jobs between 1990 and 2000. In addition to private employment, federal, state and local governments in Minnesota employed more than 29,500 people in health services in 2000.
- In 2000, employment in the ophthalmic goods manufacturing industry, was nearly three times more concentrated in Minnesota than the U.S. average.
- Minnesota is internationally known for producing medical devices such as pacemakers, heart valves and bypass systems by companies such as Medtronic Inc. and St. Jude Medical Inc., which are headquartered in Minnesota.
- Medical Alley is a trade association with member organizations from across the medical industry that promotes innovation in health care through advocacy and education (www.medicalalley.org).

Industrial Equipment Industries, 2000

Employment in Minnesota's industrial equipment industries grew four times faster than the national average between 1990 and 2000.

Minnesota Employment Distribution, Industrial Equipment Industries, 2000



SIC Code	Industry	Minnesota Employment 2000	Employment Growth 1990-2000		Minnesota Location Quotient 2000
			Minnesota	United States	
All Private Sector Industries		2,260,745	28.5%	21.1%	1.00
35	Total Industrial Equipment (excluding SIC 357)	53,976	26.8	6.7	1.50
351	Engines and Turbines	110	60.3	-1.5	0.06
352	Farm and Garden Machinery	5,101	1.2	-7.5	2.55
353	Construction and Related Machinery	5,657	40.3	5.9	1.16
354	Metalworking Machinery	7,070	15.1	2.8	1.04
355	Special Industry Machinery	4,196	24.4	5.6	1.21
356	General Industrial Machinery	9,257	43.4	2.4	1.80
358	Refrigeration and Service Machinery	7,498	4.2	19.4	1.72
359	Industrial Machinery, NEC*	15,087	47.4	14.9	1.98

* NEC = not elsewhere classified

Note: See the glossary for a definition of location quotient.

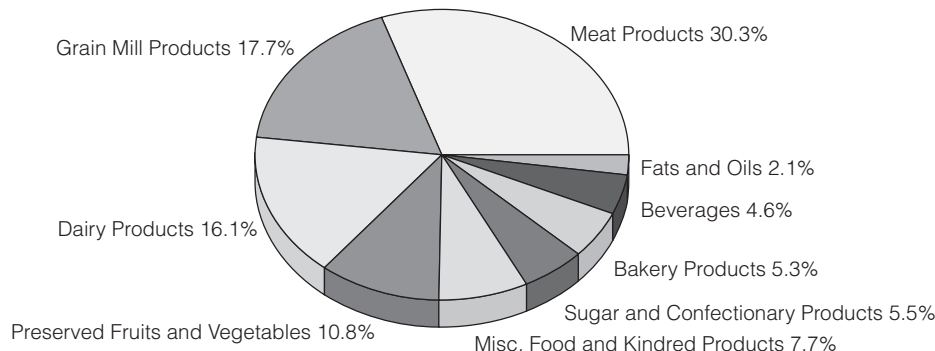
Source: *Covered Employment and Wages* (ES-202), 2000, U.S. Department of Labor, Bureau of Labor Statistics.

- A total of 53,976 workers were employed in Minnesota's industrial equipment industries in 2000. Since 1990, the state's employment in these industries increased by 26.8 percent (about 11,000 new jobs), compared to an increase of 6.7 percent nationally.
- Nearly all industrial equipment industries grew faster in Minnesota than in the United States. In addition, employment in nearly all of these industries was more concentrated than the national average.
- Workers in Minnesota's industrial equipment manufacturing industries added more value in output per hour worked (\$76.00) than did their counterparts nationally (\$74.82).
- The two largest Minnesota-based industrial equipment manufacturers (Pentair and Toro) are on the *Fortune 1000* list of the largest public companies by revenue.
- Several industry organizations create opportunities for collaboration within the industrial equipment industries, including organizations such as the Minnesota Precision Manufacturing Association, Minnesota Technology, Inc., Manufacturing Technology of Minnesota, Arrowhead Manufacturers and Fabricators Association, and the Tri-State Manufacturers' Association.

Food and Kindred Products Industries, 2000

Employment in Minnesota's food and kindred products industries increased faster than the national average.

Minnesota Employment Distribution, Food and Kindred Products Industries, 2000



SIC Code	Industry	Minnesota Employment 2000	Employment Growth 1990-2000		Minnesota Location Quotient 2000
			Minnesota	United States	
All Private Sector Industries		2,260,745	28.5%	21.1%	1.00
20	Total Food and Kindred Products	53,253	7.9	1.4	1.54
201	Meat Products	16,133	30.5	19.3	1.56
202	Dairy Products	8,592	8.5	-6.6	2.87
203	Preserved Fruits and Vegetables	5,737	-7.8	-9.3	1.25
204	Grain Mill Products	9,420	9.6	-2.0	3.71
205	Bakery Products	2,826	0.0	-4.5	0.67
206	Sugar and Confectionary Products	2,917	6.5	-7.6	1.55
207	Fats and Oils	1,102	12.0	-9.2	1.89
208	Beverages	2,442	-28.9	-1.4	0.64
209	Misc. Food and Kindred Products	4,085	-4.4	-0.3	1.10

Note: See the glossary for a definition of location quotient.

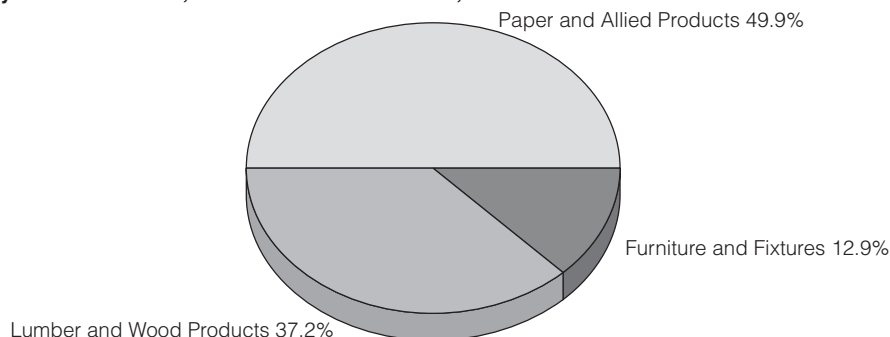
Source: Covered Employment and Wages (ES-202), 2000, U.S. Department of Labor, Bureau of Labor Statistics.

- More than 53,000 workers were employed in Minnesota's food and kindred products industries in 2000. Since 1990, the state's employment in this industry increased 7.9 percent (adding an estimated 3,900 new jobs), compared to an increase of 1.4 percent nationally.
- Between 1990 and 2000, the meat products industry had the highest increase of employment in Minnesota's food and kindred products industries (30.5 percent), followed by the fats and oils industry (12.0 percent). However, the beverages industry experienced a significant reduction in employment (28.9 percent).
- Food and kindred products is one of Minnesota's highest value-added manufacturing industries, generating \$5.6 billion in value-added in 1999. Workers in Minnesota added \$80.23 in value per hour, compared to \$75.76 in value per hour nationally.
- Employment in grain mill products was nearly four times more concentrated in Minnesota than in the nation in 2000.
- In 2001, General Mills completed its merger with Pillsbury Co., which is expected to result in a total employment of 27,000, including 5,000 in Minnesota.
- Nine Minnesota-based companies appeared on the *Food Processing*, "List of Top 100" in 2001: Cargill (5), General Mills (18), Pillsbury (20), Hormel Foods (30), International Multifoods Corp. (37), Associated Milk Producers (64), Michael Foods Inc. (68) and American Crystal Sugar Co. (81).
- Minnesota-based General Mills and Hormel Foods Corporation were *Fortune* 500 companies in 2000.

Forest Products Industries, 2000

Minnesota's employment growth exceeded the national growth rate in most forest products industries between 1990 and 2000.

Minnesota Employment Distribution, Forest Products Industries, 2000



SIC Code	Industry	Minnesota Employment 2000	Employment Growth 1990-2000		Minnesota Location Quotient 2000
			Minnesota	United States	
All Private Sector Industries		2,260,745	28.5%	21.1%	1.00
Total Forest Products		59,173	4.5	4.5	1.42
24	Lumber and Wood Products	22,028	30.0	11.8	1.30
241	Logging	909	65.3	-11.4	0.58
242	Sawmills	1,157	2.6	-8.1	0.31
243	Millwork	14,807	26.9	27.3	2.17
244	Containers	967	54.2	29.6	0.81
245	Buildings	1,378	60.8	51.5	0.74
249	Misc. Wood Products	2,811	32.7	-3.5	1.64
25	Furniture and Fixtures	7,635	39.1	8.9	0.67
251	Household	1,627	32.7	-0.8	0.27
252	Office	1,653	142.7	13.8	1.03
253	Public Building and Related Furniture	d	n/a	61.2	n/a
254	Partitions	3,138	28.8	15.9	1.67
259	Misc. Furniture and Fixtures	d	n/a	13.6	n/a
26	Paper and Allied Products	29,510	-13.6	-6.4	2.19
261	Pulp Mills	d	n/a	-7.8	n/a
262	Paper Mills	d	n/a	-22.6	n/a
263	Paperboard Mills	d	n/a	-12.1	n/a
265	Paperboard Containers and Boxes	5,066	n/a	2.6	1.13
267	Misc. Converted Paper Products	19,326	-21.0	-1.0	3.91

Notes: n/a = not available; d = non-disclosed data.
See the glossary for a definition of location quotient.

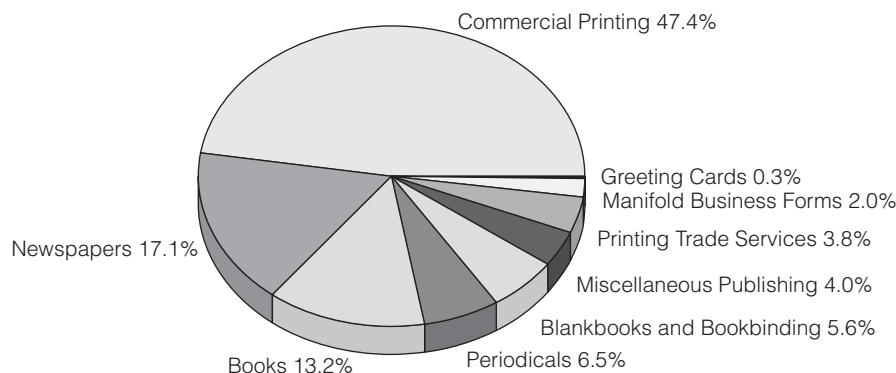
Source: Covered Employment and Wages (ES-202), 2000, U.S. Department of Labor, Bureau of Labor Statistics

- After accounting for the impact of job losses in miscellaneous converted paper products, all remaining forest products industries had a combined employment growth rate of 24.0 percent in Minnesota, compared with 5.3 percent nationally.
- Minnesota's worker productivity exceeds national worker productivity by more than 11 percent in both wood product manufacturing and furniture and related product manufacturing. Minnesota's value-added per production worker hour in these two industries in 1999 were \$49.06 and \$51.16, respectively.
- Minnesota's concentration of employees in miscellaneous converted paper products, paper and allied products, and millwork industries was at least two times higher than the U.S. average in 2000.
- Leading forest products manufacturers Andersen Corporation, Marvin Lumber and Cedar Company, Potlatch Corporation, Boise Cascade and Crenlo Incorporated each employed more than 1,000 Minnesotans in 2000, according to *CityBusiness Fact Book*, 2001.

Printing and Publishing Industries, 2000

The concentration of employment in Minnesota's printing and publishing industries ranked second nationally in 2000.

Minnesota Employment Distribution, Printing and Publishing Industries, 2000



SIC Code	Industry	Minnesota Employment 2000	Employment Growth 1990-2000		Minnesota Location Quotient 2000
			Minnesota	United States	
All Private Sector Industries		2,260,745	28.5%	21.1%	1.00
27	Total Printing and Publishing	55,395	6.7	-2.5	1.75
271	Newspapers	9,484	-28.9	-7.4	1.05
272	Periodicals	3,614	-4.3	14.2	1.20
273	Books	7,334	26.7	-0.3	2.86
274	Miscellaneous Publishing	2,215	-12.6	13.1	1.13
275	Commercial Printing	26,261	29.9	0.5	2.29
276	Manifold Business Forms	1,091	129.2	-14.8	1.24
277	Greeting Cards	186	564.3	-4.5	0.36
278	Blankbooks and Bookbinding	3,128	-15.1	-17.2	2.58
279	Printing Trade Services	2,083	-0.3	-24.8	2.14

Note: See the glossary for a definition of location quotient.

Source: Covered Employment and Wages (ES-202), 2000, U.S. Department of Labor, Bureau of Labor Statistics.

- In 2000, there were 55,395 people employed in Minnesota's printing and publishing industries. Between 1990 and 2000, employment in these industries grew 6.7 percent in Minnesota, compared to a decrease of 2.5 percent nationally.
- In addition to the 55,395 people employed at 1,731 printing and publishing establishments, thousands more workers with similar skills are employed by businesses with in-house printing and publishing operations.
- Several printing and publishing industries experienced strong employment growth between 1990 and 2000, including manifold business forms (129.2 percent), commercial printing (29.9 percent) and books (26.7 percent). Greeting cards had the highest employment growth rate (564.3 percent), but added only 158 jobs.
- Workers in Minnesota's printing and related support activities industry added more value in output per hour worked (\$54.30) than did their counterparts nationally (\$51.82).
- The Minnesota Department of Economic Security (MDES) projects continued growth for the printing and publishing industries. According to MDES forecasts, these industries are expected to add more than 5,000 new jobs between 1998 and 2008.
- In 2000, employment in the books industry was nearly three times more concentrated in Minnesota than the U.S. average.

Wholesale Trade Industries, 2000

Employment in the wholesale trade industries grew almost twice as fast in Minnesota between 1990 and 2000 as it did nationally.

SIC Code Industry	Minnesota Employment 2000	Employment Growth 1990-2000		Minnesota Location Quotient 2000
		Minnesota	United States	
All Private Sector Industries	2,260,745	28.5%	21.1%	1.00
Total Wholesale Trade	155,488	22.5%	12.8%	1.08
50 Wholesale Trade - Durable Goods	91,921	27.0	15.3	1.07
501 Motor vehicles and motor vehicle parts and supplies	11,140	34.0	14.0	1.04
502 Furniture and home furnishings	3,160	23.7	16.2	0.87
503 Lumber and other construction materials	6,328	37.3	27.0	1.06
504 Professional and commercial equipment and supplies	24,308	39.5	21.3	1.25
505 Metals and minerals, except petroleum	3,105	28.5	13.5	0.94
506 Electrical goods	11,885	38.9	18.4	0.99
507 Hardware, plumbing, heating equipment and supplies	7,479	33.4	13.7	1.14
508 Machinery, equipment and supplies	19,333	5.4	5.8	1.11
509 Miscellaneous durable goods	5,183	13.0	14.2	0.74
51 Wholesale Trade - Nondurable Goods	63,567	16.5	9.3	1.10
511 Paper and paper products	6,160	25.5	13.5	1.10
512 Drugs, drug proprietaries and druggists' sundries	4,178	36.3	39.3	0.78
513 Apparel, piece goods and notions	1,680	18.1	6.0	0.38
514 Groceries and related products	21,471	24.8	10.8	1.11
515 Farm-product raw materials	9,165	22.3	-18.8	4.48
516 Chemicals and allied products	2,510	6.1	17.7	0.75
517 Petroleum and petroleum products	2,221	-20.9	-23.7	0.72
518 Beer, wine and distilled alcoholic beverages	2,709	15.9	9.9	0.80
519 Miscellaneous nondurable goods	13,474	4.2	12.2	1.20

Note: See the glossary for a definition of location quotient.

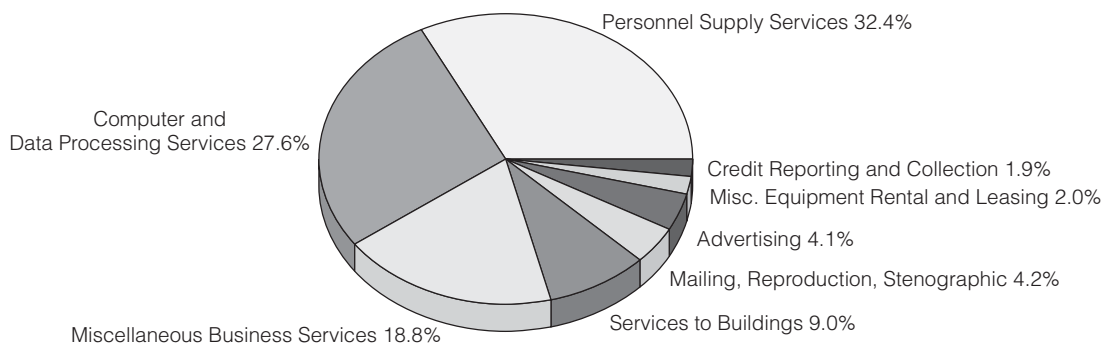
Source: *Covered Employment and Wages* (ES-202), 2000, U.S. Department of Labor, Bureau of Labor Statistics.

- Between 1990 and 2000, employment growth in Minnesota's wholesale trade industries (22.5 percent) was almost twice the national growth rate (12.8 percent). A total of 28,539 wholesale trade jobs were added in Minnesota over this time period. The Minnesota Department of Economic Security projects a 13 percent increase in wholesale trade employment between 1998 and 2008, an increase of almost 19,500 jobs.
- According to the 1997 Economic Census, Minnesota's wholesale trade sales (over \$103 million) were the ninth highest in the nation out of the 41 states that had some portion of their sales disclosed. Just over half (52 percent) of Minnesota's wholesale trade sales were in durable goods.
- The strength of Minnesota's wholesale trade industries is partly due to the strength of this state's manufacturing sector. Manufacturing employment in Minnesota increased by 9.8 percent between 1990 and 2000 while the nation's manufacturing decreased 3.2 percent.
- The fastest wholesale trade employment growth in Minnesota was in the professional and commercial equipment and supplies industry (39.5 percent). Notable Minnesota companies in this industry include Medtronic, Guidant and St. Jude Medical.
- Minnesota is prominent in wholesale trade industries that specialize in farm-product raw materials with companies such as Cargill and Cenex Harvest States. There are also numerous wholesale food-related products companies, such as General Mills Inc., Hormel Foods Corp., and Land O'Lakes Inc.
- In 2000, employment in farm-product raw materials industries was more than four times more concentrated in Minnesota than the U.S. average.

Business Services Industries, 2000

During the last decade business services industries grew faster in Minnesota than in the nation.

Minnesota Employment Distribution, Business Services Industries, 2000



SIC Code	Industry	Minnesota Employment	Employment Growth 1990-2000		Minnesota Location Quotient
		2000	Minnesota	United States	2000
All Private Sector Industries		2,260,745	28.5%	21.1%	1.00
73	Total Business Services	178,003	90.1	88.7	0.88
731	Advertising	7,298	59.6	28.7	1.18
732	Credit Reporting and Collection	3,424	48.9	46.5	1.05
733	Mailing, Reproduction, Stenographic	7,475	67.1	39.0	1.11
734	Services to Buildings	15,934	19.1	22.9	0.77
735	Misc. Equipment Rental and Leasing	3,542	38.0	31.3	0.63
736	Personnel Supply Services	57,685	97.8	144.9	0.73
737	Computer and Data Processing Services	49,166	197.3	175.5	1.11
738	Miscellaneous Business Services	33,479	62.2	42.1	0.90

Note: See the glossary for a definition of location quotient.

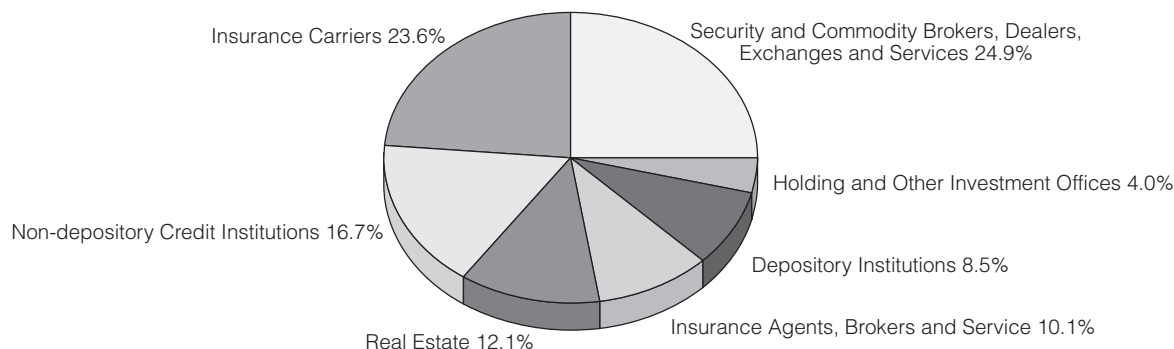
Source: Covered Employment and Wages (ES-202), 2000, U.S. Department of Labor, Bureau of Labor Statistics.

- Business services industries are among Minnesota's strongest industries. Employment in Minnesota's business services industries increased 90.1 percent between 1990 and 2000, compared to 88.7 percent nationally.
- According to the 1997 Economic Census, business services industries generated \$10.2 billion in revenue in Minnesota, almost 78 percent more than the 1992 revenue (adjusted for inflation), similar to the nation.
- Business services ranked second among the largest two-digit industries in Minnesota with 178,003 jobs in 2000, surpassed only by health services with 220,765 jobs.
- Between 1990 and 2000, computer-related services, not elsewhere classified (SIC 7379); computer integrated systems design (SIC 7373); and computer programming services (SIC 7371) were the fastest growing computer and data processing services industries with increases of 691.4 percent, 524.3 percent and 318.3 percent, respectively.
- Minnesota had a slightly higher employment concentration in advertising; credit reporting and collection; mailing, reproduction, stenographic; and computer and data processing services than the nation.
- The personnel supply services industry accounted for more than one-third of Minnesota's employment in the business services industries, the largest share among these industries. Examples of firms in this industry are C.H. Robinson Co., Hickory Tech Human Resources and ProStaff Personnel. These firms each have at least 250 employees.

Finance, Insurance and Real Estate Industries (FIRE), 2000

Employment in Minnesota's FIRE industries grew by more than twice the national growth rate between 1990 and 2000.

Minnesota Employment Distribution, FIRE Industries, 2000



SIC Code	Industry	Minnesota Employment 2000	Employment Growth 1990-2000		Minnesota Location Quotient 2000
			Minnesota	United States	
	All Private Sector Industries	2,260,745	28.5%	21.1%	1.00
	Finance, Insurance and Real Estate (FIRE)	161,342	31.9	12.7	1.06
60	Depository Institutions	38,127	9.7	-9.8	0.91
61	Non-depository Credit Institutions	13,732	89.2	83.0	0.98
62	Security and Commodity Brokers, Dealers, Exchanges and Services	19,531	103.9	78.0	1.26
63	Insurance Carriers	40,203	21.7	4.9	1.34
64	Insurance Agents, Brokers and Service	16,355	38.2	14.2	1.05
65	Real Estate	26,870	28.2	15.3	0.87
67	Holding and Other Investment Offices	6,523	31.6	29.4	1.30

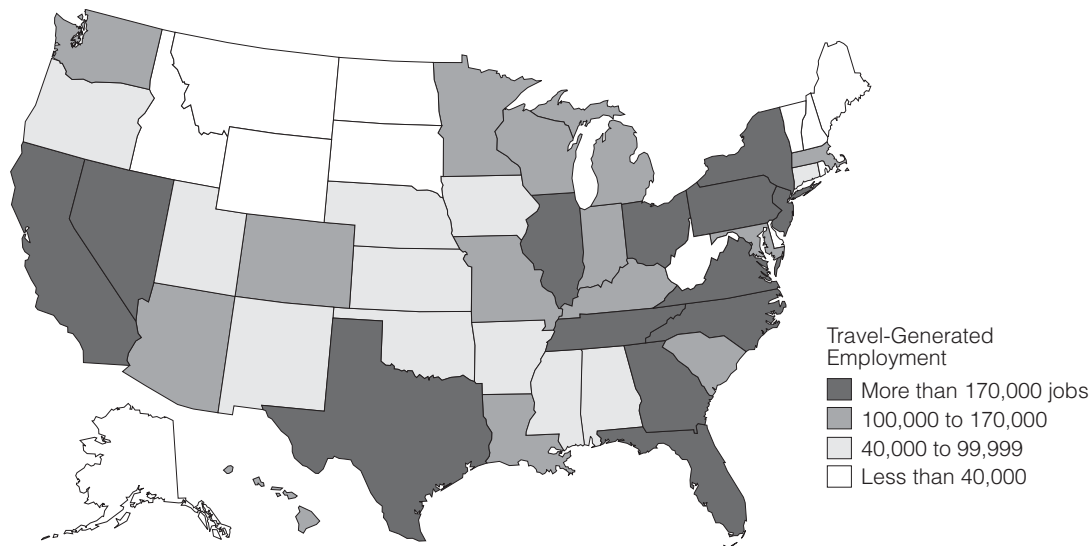
Note: See the glossary for a definition of location quotient.

Source: Covered Employment and Wages (ES-202), 2000, U.S. Department of Labor, Bureau of Labor Statistics.

- An estimated 39,000 jobs were added in Minnesota's finance, insurance and real estate (FIRE) industries between 1990 and 2000, an increase of 31.9 percent, compared to 12.7 percent nationally.
- Security and commodities brokers, dealers, exchanges and services added the largest number of jobs (nearly 10,000) between 1990 and 2000 and showed the strongest growth rate (103.9 percent). Insurance carriers, the largest FIRE industry by employment, added the second largest number of jobs (nearly 7,200) while non-depository credit institutions had the second-strongest employment growth rate (89.2 percent) between 1990 and 2000.
- Employment in medical services and health insurance (SIC 632) grew by more than 154 percent in Minnesota — the strongest growth rate among insurance carriers industries — compared to approximately 58 percent nationally. Employment in security brokers and dealers (SIC 621) grew by almost 109 percent in Minnesota, compared to about 72 percent nationally.
- The largest property and casualty insurance companies (by written premiums in 2000) in the Twin Cities were State Farm Mutual Automobile (\$549 million), American Family Mutual Insurance Co. (\$389 million) and Illinois Farmers Insurance Co. (\$314 million). Medica Insurance Co. was the largest Minnesota-based firm (\$165 million), according to *CityBusiness*.
- American Express Financial Advisors Inc., Dain Rauscher Inc., and Piper Jaffray Inc. — all headquartered in Minnesota — were the metro area's largest security broker/dealer firms by revenue in 2000. The largest commercial and industrial real estate firms were United Properties Corp., CB Richard Ellis, Welsh Cos. and Colliers Towle Real Estate, according to *CityBusiness*.

Tourism Industries, 1999

Travel in Minnesota generated thousands of jobs and billions of dollars to support the state's economy.



U.S. Rank	State	Travel Expenditures (millions)	Travel Expenditures Per Capita	U.S. Rank	State	Travel Expenditures (millions)	Travel Expenditures Per Capita
	United States	\$523,760	\$1,921				
1	California	71,370	2,153	26	Indiana	\$6,058	\$1,019
2	Florida	55,785	3,692	27	District of Columbia	5,721	11,024
3	New York	36,315	1,996	28	Oregon	5,461	1,647
4	Texas	33,131	1,653	29	Connecticut	5,243	1,597
5	Illinois	22,147	1,826	30	Alabama	5,110	1,169
6	Nevada	21,034	11,626	31	Kentucky	5,068	1,279
7	New Jersey	15,053	1,849	32	Mississippi	4,348	1,570
8	Pennsylvania	14,763	1,231	33	Iowa	4,172	1,454
9	Georgia	14,538	1,867	34	Utah	3,924	1,842
10	Hawaii	14,224	11,998	35	Oklahoma	3,735	1,112
11	Virginia	12,863	1,872	36	Arkansas	3,659	1,434
12	Ohio	12,748	1,133	37	New Mexico	3,545	2,038
13	Massachusetts	12,207	1,977	38	Kansas	3,412	1,286
14	North Carolina	11,868	1,551	39	Nebraska	2,592	1,556
15	Michigan	11,512	1,167	40	New Hampshire	2,347	1,954
16	Tennessee	9,752	1,778	41	Idaho	2,102	1,679
17	Arizona	9,489	1,986	42	Maine	2,073	1,655
18	Colorado	9,355	2,306	43	Montana	1,904	2,157
19	Missouri	9,346	1,709	44	West Virginia	1,642	909
20	Washington	8,499	1,476	45	Alaska	1,507	2,433
21	Louisiana	8,090	1,850	46	Wyoming	1,496	3,120
22	Maryland	8,043	1,555	47	Vermont	1,442	2,429
23	South Carolina	7,046	1,813	48	Rhode Island	1,425	1,438
24	Minnesota	6,919	1,449	49	South Dakota	1,189	1,622
25	Wisconsin	6,253	1,191	50	North Dakota	1,148	1,812
				51	Delaware	1,088	1,443

Note: Includes domestic and international travel. Domestic travel refers to travelers from the United States. International travel refers to travelers from outside the United States.

Source: *Impact of Travel on State Economies 1999*, Travel Industry Association of America.

- According to the *TravelScope Survey 1000* (Travel Industry Association of America), tourism in Minnesota generated an estimated 25 million domestic and 760,000 international person-trips in 2000. A person-trip is one person on one trip.
- Minnesota ranked 24th in domestic travel expenditures and 23rd in international travel expenditures among all states and the District of Columbia in 1999.
- According to the Minnesota Department of Trade and Economic Development, travel spending by domestic and international visitors generated 129,700 jobs in Minnesota in 2000. Gross travel sales and payroll for the state's travel employees totaled \$9.0 billion and \$3.5 billion, respectively.

Agricultural and Mining Industries, 2000

Minnesota is one of the largest producers of agricultural goods and iron ore in the country.

Minnesota Agricultural Receipts, 2000		<i>Cash Receipts (thousands)</i>	<i>Share of Total Cash 2000</i>	<i>U.S. Rank*</i>
Major Crops and Livestock	Soy Beans	\$1,320,115	17.6	3
	Hogs	1,207,465	16.1	3
	Corn	1,172,691	15.6	5
	Dairy Products	1,126,560	15.0	5
	Cattle and Calves	888,267	11.8	12
	Turkeys	360,876	4.8	2
	Sugar Beets	339,292	4.5	1
	Wheat	249,300	3.3	8
Miscellaneous Crops	Greenhouse/Nursery	168,864	2.2	n/a
	Potatoes	114,901	1.5	6
	Sweet Corn	50,897	0.7	2
	Green Peas	45,204	0.6	1
	Hay	44,472	0.6	25
	Dry Beans	42,687	0.6	4
	Misc. Fruits/Vegetables	27,674	0.4	n/a
	All Other Crops	24,766	0.3	n/a
	Barley	17,204	0.2	5
	Sunflowers	12,972	0.2	5
	Oats	8,100	0.1	1
Miscellaneous Livestock	Eggs	116,666	1.6	12
	Misc. Livestock/Poultry**	101,960	1.4	n/a
	Chickens (Broilers and Farm)	72,975	1.0	22
	Honey	7,695	0.1	5
Total Cash Receipts		7,522,018	100.0	
PLUS	Government Transfers	1,502,230		
PLUS	Other Income	676,730		
EQUALS:	Total Gross Income	9,700,978		
LESS	Farm Production Expenses	8,152,600		
EQUALS:	Total Net Farm Income	1,548,378		

* U.S. rankings are based on 2000 cash receipts, except for sunflowers, sweet corn, barley, dry beans, green peas, oats and honey, whose rankings are based on 2000 crop production.

** Misc. Livestock/Poultry consists of miscellaneous livestock, other poultry, and sheep and lambs.

Note: n/a = not available

Sources: U.S. Department of Agriculture, Economic Research Service, U.S. and State Farm Income Data, (<http://www.ers.usda.gov/data/farmincome/finfidmu.htm>, accessed December 2001).
Minnesota Agricultural Statistics 2001, U.S. Department of Agriculture, National Agricultural Statistics Service (<http://www.nass.usda.gov/mn/>, accessed December 2001).
Mineral Industry of Minnesota, 2000, *Minerals Yearbook*, U.S. Geological Survey, (<http://minerals.usgs.gov/minerals/pubs/state/mn.html>, accessed May 2002).

- Minnesota's agricultural cash receipts, totaling more than \$7.5 billion, ranked sixth in the nation in 2000.
- Minnesota had 79,000 farms in 2000 that utilized 28.6 million acres, accounting for 3.6 percent of the nation's farms and 3.0 percent of the nation's farmland.
- Minnesota's estimated \$2.2 billion in exports of agricultural commodities and related food products ranked seventh in the nation in 2000. Minnesota's agricultural exports, mainly consisting of soybeans, feed grains and live animals, accounted for 4.4 percent of the national total in 2000, according to the U.S. Department of Agriculture.
- In 2000, the value of nonfuel mineral production in Minnesota totaled \$1.57 billion, ranking the state eighth in the nation and accounting for nearly 4 percent of the U.S. total.
- Iron ore accounted for more than 82.1 percent of the state's nonfuel mineral production value, while construction sand and gravel accounted for 10.1 percent and crushed stone accounted for 4.1 percent.
- Minnesota ranked first in the nation in iron ore production and third in the production of peat in 2000.

Government

Minnesota's government is committed to a competitive cost environment for businesses. During the 1990s, all major taxes declined in the state, saving businesses an estimated \$700 million annually. At the same time, the state has also maintained high standards for its schools, transportation systems, and social and environmental services.

- Minnesota tax revenue per \$1,000 of personal income declined 7 percent between fiscal years 1993 and 1999, compared to an average decline of 4.5 percent nationally. Compared to the other Midwest states, Minnesota's decline was second only to Iowa's.
- Unlike many other states, Minnesota's state law does not allow local governments to impose additional income or payroll taxes on businesses.
- Minnesota's workers' compensation costs for manufacturers were 13 percent lower than the national average in 2001 and ranked 18th lowest among all states.
- Overall unemployment insurance taxes paid have declined from \$452 million in 1994 to \$440 million in 2002, resulting in a savings of \$12 million to businesses.
- Between 1997 and 2002, tax reforms are expected to cause declines in commercial and industrial property taxes, averging 43 percent in the Metro Area and 36 percent in Greater Minnesota for a \$1 million business facility.

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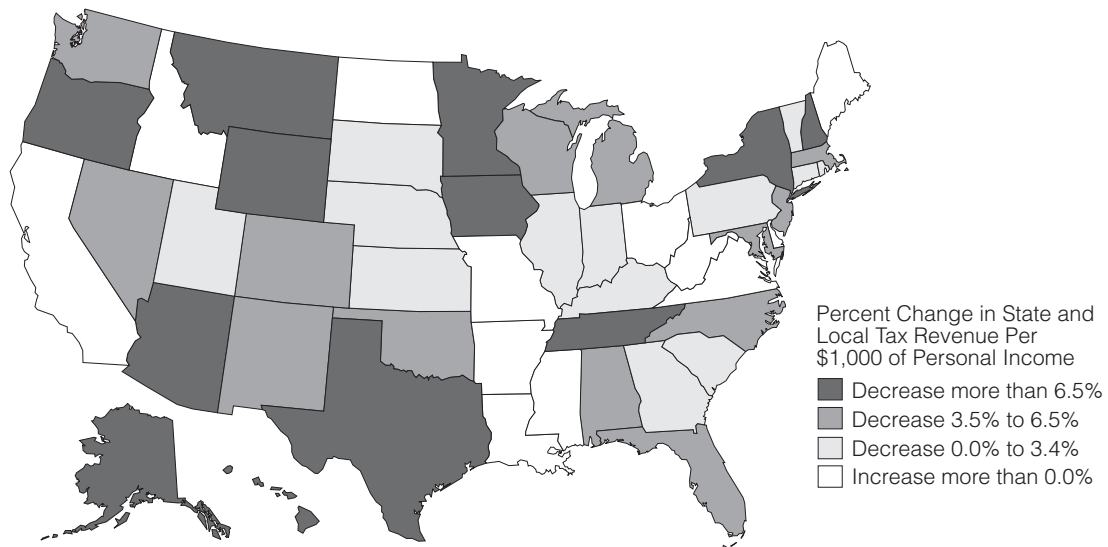
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* Updated June 2003
** Updated September 2002

Change in State and Local Tax Revenue Per \$1,000 of Personal Income, Fiscal Years 1993-1999

Minnesota's tax revenue from personal income declined by 7 percent between fiscal years 1993 and 1999, the second largest in the Midwest.



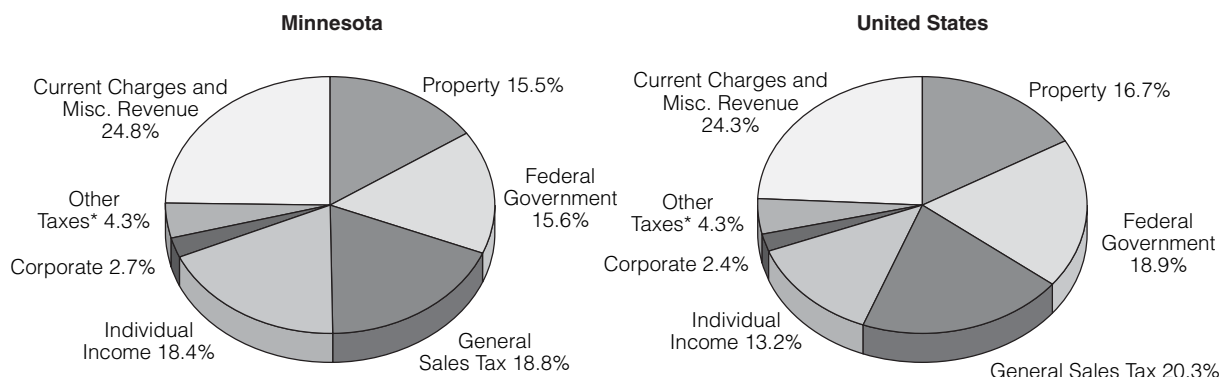
	Tax Revenue Per \$1,000 of Personal Income FY 1999			U.S. Rank	Percent Change 1993-1999
	State	Local	Combined		
United States	\$67.89	\$42.77	\$110.48	—	-4.5%
Plains					
Iowa	68.49	39.46	107.95	29	-11.4
Kansas	67.71	39.88	107.59	32	-3.2
Minnesota	89.51	33.75	123.26	5	-7.0
Missouri	62.00	39.56	101.56	44	9.2
Nebraska	61.98	45.68	107.66	31	-3.1
North Dakota	76.20	38.69	114.89	13	2.1
South Dakota	50.06	44.99	95.06	48	-1.5
Great Lakes					
Illinois	58.63	46.32	104.95	35	-3.0
Indiana	65.45	39.25	104.70	38	-0.9
Michigan	83.03	30.57	113.60	15	-5.8
Ohio	61.83	48.03	109.86	24	1.5
Wisconsin	84.84	42.24	127.08	4	-5.1

Source: *State and Local Government Finance Estimates by State*, U.S. Department of Commerce, Bureau of the Census, 1992-1993 (<http://www.census.gov/govs/estimate/93stlss1.xls>, accessed July 2001), to 1998-1999 (<http://www.census.gov/govs/estimate/98stlss1.xls>, accessed August 2001).

- Minnesota tax revenue per \$1,000 of personal income declined 7 percent between fiscal years 1993 and 1999, compared to an average decline of 4.5 percent nationally. Compared to other Midwest states, Minnesota's decline was second only to Iowa's.
- The percentage changes in tax revenues per \$1,000 of personal income for the states ranged from an increase of 9.9 percent (Maine) to a decrease of 54.6 percent (Alaska).
- The state's spending grew an estimated 7.4 percent between fiscal years 1999 and 2000, according to *State Policy Reports* (August 2000, Vol. 18, Issue 15). This growth in spending was the 6th lowest among the Midwest states and 25th lowest in the nation.

State and Local Revenue by Source, Fiscal Year 1999

Taxes on sales and gross receipts were the largest sources of government revenue for Minnesota in 1999.



Tax Revenue per \$1,000 of Personal Income, FY 1999

States and Regions	Property Tax	General Sales Tax	Individual Income Tax	Corporate Income Tax	Other Taxes*	Total State and Local Taxes	U.S. Rank
United States	\$32.52	\$27.17	\$25.64	\$4.59	\$8.32	\$110.48	—
Plains							
Iowa	35.63	24.93	24.69	3.30	8.32	107.95	29
Kansas	31.20	31.78	25.03	3.75	5.95	107.59	32
Minnesota	31.98	24.63	38.05	5.59	8.81	123.26	5
Missouri	23.93	28.42	27.91	2.00	7.15	101.56	44
Nebraska	36.49	23.95	24.96	3.14	8.66	107.66	31
North Dakota	34.24	26.19	12.53	6.45	13.90	114.89	13
South Dakota	35.49	32.40	0.00	2.92	11.42	95.06	48
Great Lakes							
Illinois	38.97	18.85	20.03	5.82	5.95	104.95	35
Indiana	34.80	22.24	28.33	6.65	3.02	104.70	38
Michigan	33.47	27.47	28.40	9.17	7.04	113.60	15
Ohio	31.75	23.81	34.99	2.56	6.77	109.86	24
Wisconsin	40.31	25.10	37.67	4.90	7.02	127.08	4

* Includes motor vehicle taxes.

Source: *State and Local Government Finance Estimates by State*, U.S. Department of Commerce, Bureau of the Census (<http://www.census.gov/govs/www/estimate99.html>), accessed September 2001).

- Minnesota's state and local government general revenue totaled \$28.8 billion in 1999, an increase of 21 percent from fiscal year 1995. The total tax revenue in the country increased nearly 23 percent for the same period.
- By source of tax revenue, taxes on sales and gross receipts were the largest sources of government revenue in Minnesota, totaling \$5.4 billion, or nearly 32 percent of tax revenue. The national share was nearly 36 percent.
- In fiscal year 1999, taxes accounted for nearly 60 percent of Minnesota's state and local government revenue, while federal government income and charges and miscellaneous general revenue represented 15.6 percent and 24.8 percent, respectively.
- Individual income taxes accounted for nearly 31 percent of Minnesota's tax revenue or \$5.3 billion, surpassing the national share by almost 8 percent.
- Property taxes accounted for nearly 26 percent of tax revenue or \$4.4 billion. According to the Minnesota Department of Revenue, the historic tax reform enacted in 2001 will cut an estimated \$843 million in property taxes in 2002, which are expected to decrease approximately 10 percent for commercial and industrial property, 23 percent for homesteads and nearly 25 percent for apartments.

Corporate Income Tax Structure, 2003

Minnesota's business tax structure is competitive with those in neighboring states.

States and Regions	Corporate Income Tax			
	Taxable Income Tax Brackets (lowest and highest)	Marginal Tax Rates ¹	Apportionment Formula (sales/property/payroll)	Corporate Capital Value Tax Rate ²
Plains				
Iowa	first \$25,000 above \$250,000	6% 12%	100/0/0	none
Kansas	first \$50,000 above \$50,000	4% ³ 4% + 3.35% surtax	33/33/33	\$2 per \$1,000 of shareholder's equity
Minnesota	flat rate	9.8%	75/12.5/12.5	none
Missouri	flat rate	6.25% ³	33/33/33 or 100/0/0	0.33%, if value exceeds \$1 million
Nebraska	first \$50,000 above \$50,000	5.58% 7.81%	100/0/0	first \$10,000 - \$13 above \$100 million - \$11,995
North Dakota	first \$3,000 above \$50,000	3% 10.50%	33/33/33	none
South Dakota	none	none	none	none
Great Lakes				
Illinois	flat rate	4.8% + 2.5% surtax	100/0/0	0.1% of value
Indiana	flat rate	8.50%	50/25/25	none
Michigan	flat rate	1.8% for 2003 ^{3,4}	90/5/5	none
Ohio	first \$50,000 above \$50,000	5.1% + 0.11% surtax ³ 8.5% + 0.22% surtax	60/20/20	0.4% of value + 0.014% surtax ⁵
Wisconsin	flat rate	7.9%	50/25/25	none

1 The rates displayed are general rates only; determination of taxable income varies between states.

2 The determination of the capital value tax varies between states.

3 Local taxes may also be imposed on corporate income.

4 Michigan's single business tax will be reduced by 0.1 percent per year until the tax expires, if statutory provisions are met.

5 Ohio's businesses pay the greater of the corporate income tax or the capital value tax.

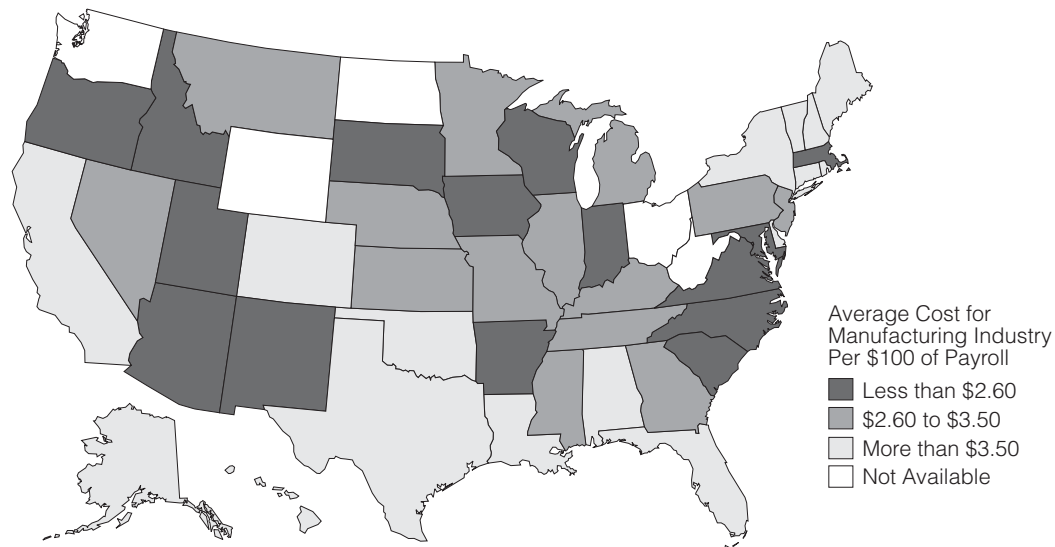
Note: For specific tax information, contact the appropriate state revenue office.

Sources: 2003 State Tax Handbook, 2001, CCH Incorporated.

- States only tax corporate income that is attributable to that state. State taxable income is calculated by an apportionment formula. Minnesota's apportionment formula weights sales at 75 percent, and payroll and property at 12.5 percent each. As a result, businesses with a small proportion of sales within Minnesota may pay lower taxes than in other states.
- Minnesota does not apply a "throwback rule" in apportioning sales for the corporate income tax. States that use the rule include sales in states with no corporate income tax in the apportionment formula used to calculate the tax bill.
- Minnesota allows a corporate income tax credit for research and development expenses. The credit can be carried forward up to 15 years.
- Unlike many other states, Minnesota state law does not allow local governments to impose additional income or payroll taxes on businesses.
- In 2002, Minnesota received the highest rating from all three bond rating agencies (Moody's, Standard and Poor's and Fitch IBCA's), allowing the state to borrow at favorable terms and interest rates and save taxpayers millions of dollars in interest.

Comparison of Workers' Compensation Costs for the Manufacturing Industry, 2002

The average cost of workers' compensation for manufacturers in Minnesota was the 19th lowest among all states in 2002, improving from 34th lowest in 1992.



Rank	State	Average Costs for Manufacturing Industry Per \$100 of Payroll	Rank	State	Average Costs for Manufacturing Industry Per \$100 of Payroll	Rank	State	Average Costs for Manufacturing Industry Per \$100 of Payroll
	United States	\$3.18	17	Kentucky	\$2.73	34	New Hampshire	\$3.79
1	Arizona	1.15	18	Nebraska	2.76	35	Maine	3.84
2	Utah	1.26	19 Minnesota	2.81	36	Connecticut	3.86	
3	Oregon	1.44	20	Nevada	3.05	37	Alabama	3.91
4	New Mexico	1.80	21	New Jersey	3.10	38	New York	4.06
5	Virginia	1.83	22	Kansas	3.11	39	Rhode Island	4.25
6	Indiana	1.91	23	Georgia	3.13	40	Oklahoma	4.26
6	South Carolina	2.09	24	Montana	3.17	40	Vermont	4.26
8	Arkansas	2.26	25	Illinois	3.22	42	Delaware	4.74
9	Wisconsin	2.43	26	Michigan	3.28	43	Texas	4.79
10	South Dakota	2.44	27	Pennsylvania	3.34	44	Florida	5.33
11	Idaho	2.46	28	Missouri	3.37	45	California	7.23
11	North Carolina	2.46	29	Tennessee	3.43		North Dakota	n/a
13	Maryland	2.51	30	Louisiana	3.53		Ohio	n/a
14	Massachusetts	2.53	30	Alaska	3.57		Washington	n/a
15	Iowa	2.55	30	Hawaii	3.64		West Virginia	n/a
16	Mississippi	2.71	33	Colorado	3.65		Wyoming	n/a

n/a = not available.

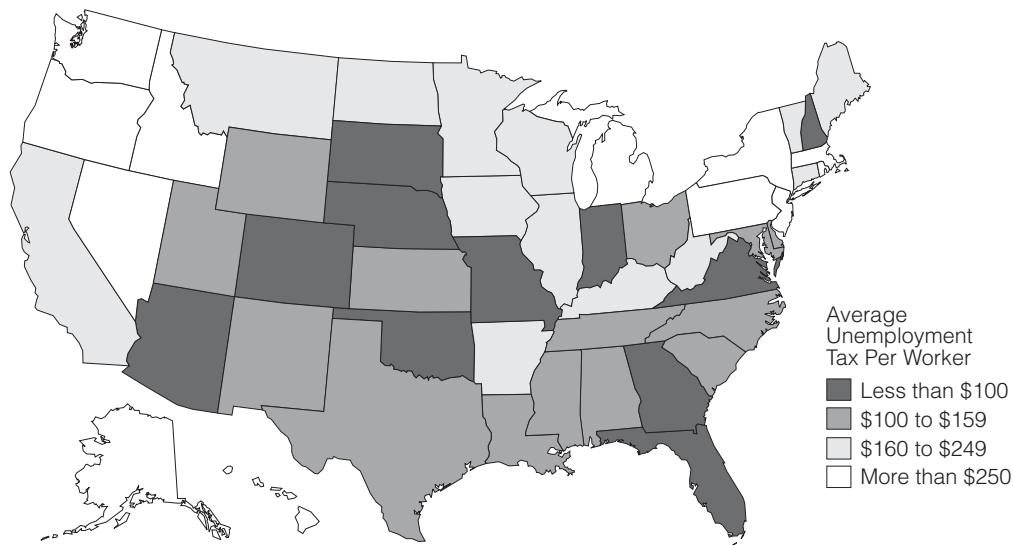
Note: These workers' compensation costs are the net insurance costs, which are the same as the actual premium costs incurred by employers. The Actuarial and Technical Solutions, Inc. study assumes uniform employment distribution among all states. The rates were effective January 1, 2002.

Source: Workers' Compensation State Rankings, 2002 Edition, Actuarial and Technical Solutions, Inc.

- Between 1992 and 2002, Minnesota's average cost decreased by 55 percent, falling from \$6.19 to \$2.81 per \$100 of payroll for manufacturers. The U.S. average cost decreased from \$5.10 to \$3.18 per \$100 of payroll for manufacturers, or 38 percent, during the same period.
- Minnesota's workers' compensation costs for manufacturers were about 12 percent less than the national average in 2002 and ranked 19th lowest among all states.
- According to the Minnesota Department of Labor and Industry, total workers' compensation costs for employers peaked in 1994. Since then, costs have declined by 22 percent to \$1.0 billion in 2000 based on cost control measures by employers and insurers and law changes in Minnesota in the mid-1990s.

Average Unemployment Insurance Tax Rate Per Worker, 2002

The average unemployment insurance tax per worker in Minnesota declined nearly 9 percent between 1992 and 2002, compared to an average decline of about 7 percent nationally.



States and Regions	Taxable Wage Base	Average Tax Rate as a Percentage of Taxable Wage Base	Average Tax Per Worker	U.S. Rank
U.S. Average	\$12,453	1.6%	\$187	—
Plains				
Iowa	18,600	1.2	223	16
Kansas	8,000	1.9	152	29
Minnesota	21,000	0.9	189	24
Missouri	7,000	1.4	98	42
Nebraska	7,000	1.4	98	43
North Dakota	17,400	1.3	226	15
South Dakota	7,000	0.6	42	51
Great Lakes				
Illinois	9,000	2.3	207	20
Indiana	7,000	1.1	77	46
Michigan	9,500	2.6	247	12
Ohio	9,000	1.4	126	34
Wisconsin	10,500	2.0	210	18

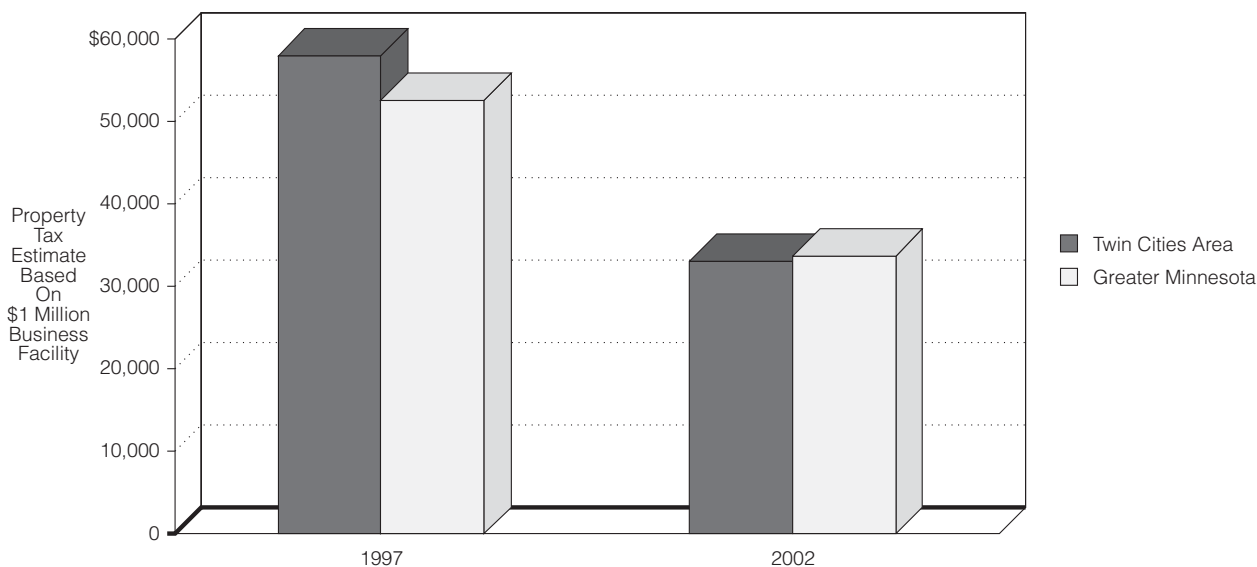
Note: Rates depicted do not reflect any additional surcharges, if applicable.

Source: U.S. Department of Labor, Employment and Training Administration, Unemployment Insurance Service, 2002.

- Minnesota companies with the most favorable employment histories may receive an unemployment insurance tax rate as low as 0.38 percent in 2003, plus an additional 0.09 percent surcharge for the Minnesota Dislocated Workers Fund, or a maximum of \$103.40 per employee. Most of the surcharge funds various employment and training programs, while a portion of the surcharge funds technology improvements for the unemployment insurance system.
- Overall unemployment insurance taxes paid have declined from \$452 million in 1994 to \$440 million in 2002, resulting in a savings of \$12 million to businesses, according to the Minnesota Department of Economic Security.
- Employers in all states pay federal unemployment insurance taxes. Under the Federal Unemployment Tax Act, employers are required to pay the federal government an effective rate of 0.8 percent on the first \$7,000 of each employee's wages, or \$56 per employee.

Business Property Taxes, 1997-2002

Property taxes for commercial and industrial businesses continue to decline in Minnesota.



<i>States and Regions</i>	<i>Property Taxes on Commercial and Industrial Personal Property</i>	<i>States and Regions</i>	<i>Property Taxes on Commercial and Industrial Personal Property</i>
Plains		Great Lakes	
Iowa	exempt	Illinois	exempt
Kansas	taxable	Indiana	taxable
Minnesota	exempt	Michigan	taxable
Missouri	taxable	Ohio	taxable
Nebraska	taxable	Wisconsin	taxable
North Dakota	taxable		
South Dakota	exempt		

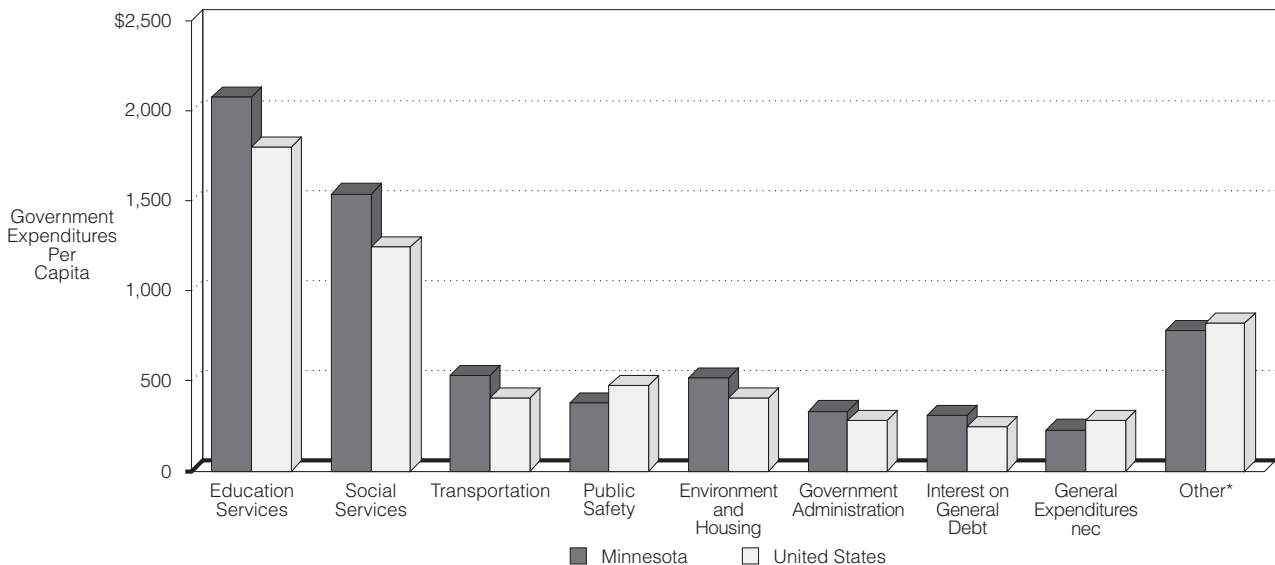
Note: The definition of personal property varies among states.

Sources: Minnesota Department of Revenue (<http://www.taxes.state.mn.us/laws/01bull/proptax.html>, accessed September 2001).
 2000 All States Tax Handbook, 2000, Research Institute of America.
 2001 State Tax Handbook, 2001, CCH Incorporated.

- Between 1997 and 2002, tax reforms are expected to cause declines in commercial and industrial property taxes averaging 43 percent in the Metro Area and 36 percent in Greater Minnesota for a \$1 million business facility.
- Estimates by the Minnesota Taxpayers Association reveal that the latest property tax reform will reduce commercial and industrial property taxes by 20 percent between 2001 and 2002 for the Metro Area and 23 percent for Greater Minnesota for a \$1 million business facility.
- Because Minnesota does not tax commercial and industrial personal property, a lower effective tax rate results.
- One of the most advantageous recent reforms in Minnesota is the exemption of sales tax on new and replacement capital equipment for manufacturers. Another important sales tax exemption is on electricity and gas consumed in the production process.
- Minnesota has a two-tiered classification rate for industrial property taxes. For taxes payable under the current law (2001), the taxable capacity of industrial property is 2.4 percent for the first \$150,000 of value and 3.4 percent of value over \$150,000. Under the new law (2002), the taxable capacity of industrial property will be 1.5 percent of the first \$150,000 of value and 2.0 percent of total value over \$150,000. The total property tax capacity is multiplied by the total property tax rate to determine actual property tax liability.

State and Local Direct General Government Expenditures Including Government Employment, 1999-2000

Minnesota's education services accounted for 31.1 percent of state and local expenditures.



	Total State and Local Government		State Government			Local Government		
	Employees Per 10,000 Residents	U.S. Rank	Employees Per 10,000 Residents	U.S. Rank	As a Percent of Total	Employees Per 10,000 Residents	U.S. Rank	As a Percent of Total
United States	536	—	145	—	27.1%	391	—	72.9%
Plains								
Iowa	601	10	189	15	31.4	407	15	68.6
Kansas	635	6	158	29	25.0	476	4	75.0
Minnesota	568	20	149	36	26.3	419	8	73.7
Missouri	535	30	163	27	30.5	372	32	69.5
Nebraska	629	7	174	24	27.7	455	6	72.3
North Dakota	596	12	246	5	41.2	351	41	58.8
South Dakota	549	26	177	21	32.3	372	31	67.7
Great Lakes								
Illinois	500	45	103	50	20.6	397	18	79.4
Indiana	517	42	136	40	26.3	381	26	73.7
Michigan	496	46	143	38	28.8	353	40	71.2
Ohio	524	36	120	45	22.9	404	16	77.1
Wisconsin	529	34	119	46	22.5	410	11	77.5

* Other includes utility, liquor store and insurance trust expenditures. Both Minnesota and U.S. expenditures exclude duplicative intergovernmental transactions.

Notes: nec = not elsewhere classified. Employment data represent full-time equivalent employment.

Sources: State and Local Government Finance by Level of Government: 1998-1999, U.S. Department of Commerce, Bureau of the Census

(<http://www.census.gov/govs/estimate/99stlss1.xls>, accessed August 2001).

State and Local Government Employment and Payroll Data by State and by Function, 1998-1999 (<http://www.census.gov/statab/www/part6.html>, accessed September 2001).

State Government Employment and Payroll Data, March 2000 (<http://www.census.gov/govs/apes/00stall.xls>, accessed September 2001).

Local Government Employment and Payroll Data by State and by Function, March 2000 (<http://www.census.gov/govs/apes/00local.xls>, accessed September 2001).

- Minnesota's total general government expenditures per capita (\$6,674) exceeded the national average (\$5,949) by 12.2 percent in fiscal year 1999.
- Minnesota's government expenditures per capita exceeded national expenditures per capita in most services except in public safety, other areas (defined in the table footnote), and general expenditures.
- In 2000, state government employment accounted for 26.3 percent of Minnesota's state and local public employment.
- More than 40 percent of Minnesota's public employees worked in elementary and secondary education, while nearly 8 percent of Minnesota's public employees worked in health and hospitals in 2000.

Labor

Minnesota's rapidly growing population, its exceptional education system and its great work ethic make the state's labor force one of the best in the country. In addition, Minnesota has the highest labor force participation rate in the country and one of the highest rates of multiple job holders nationwide. Furthermore, Minnesota's highly educated workers make it an ideal state for high-tech businesses.

- Studies generally conclude that Minneapolis-St. Paul is among the top 10 metropolitan areas nationwide in the number of high-tech jobs.
- The number of people employed in Minnesota is expected to increase from 2.8 million in 1998 to 3.2 million by 2008, an increase of 15.7 percent or almost 435,000 workers.
- In 2000, 431,000 Minnesotans worked in professional specialty occupations, 15.8 percent of Minnesota's workforce. Employment in these occupations, which include engineers, computer scientists, teachers and health-related occupations, increased 31.7 percent between 1990 and 2000. The proportion of workers employed in these occupations was higher in Minnesota than in the Midwest and in the United States.
- Occupational wages in Minnesota tend to be lower than in other states. For example, the average wage for general and operational managers was at least 16 percent less in the Twin Cities metropolitan area than in San Francisco, Seattle and New York. Lower wages are mainly attributable to a lower cost of living in Minnesota than in other states.
- Minnesota's overall labor force participation rate was 75.1 percent in 1999, the highest labor force participation rate in the nation and 8 percent higher than the United States average.
- Unemployment rates in Minnesota were lower than the national and Midwest unemployment rates in all major industries and for all major occupations in 1998.

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* Updated June 2003

Employed Civilians in Selected High-Technology Occupations, 2001

Minnesota's highly educated workers are the driving force behind the state's high-tech businesses.

	<i>Computer Support Specialists</i>	<i>Computer Software Engineers, Applications</i>	<i>Computer Software Engineers, System Software</i>	<i>Electronic Engineers, Except Computer</i>	<i>Network and Computer Systems Administrators</i>
Midwest	100,660	68,680	37,090	21,540	48,580
Plains	37,510	26,550	12,070	9,260	15,710
Iowa	4,050	2,200	nr	520	1,540
Kansas	4,620	4,360	1,330	3,710	2,900
Minnesota	12,330	10,490	5,430	3,130	4,690
Missouri	9,710	5,830	2,900	1,300	3,890
Nebraska	3,400	3,000	2,110	400	1,680
North Dakota	1,300	370	200	30	390
South Dakota	2,100	300	100	170	620
Great Lakes	63,150	42,130	25,020	12,280	32,870
Illinois	19,000	15,400	9,510	3,650	9,090
Indiana	5,980	3,820	2,310	1,910	3,420
Michigan	12,210	9,300	4,370	2,140	6,720
Ohio	17,950	10,580	5,990	3,320	9,630
Wisconsin	8,010	3,030	2,840	1,260	4,010

Notes: nr = not reported.

Source: *State Occupational Employment and Wage Estimates*, 2001, U.S. Department of Labor, Bureau of Labor Statistics (<http://stats.bls.gov/oes/2001/oesrcst.htm>, accessed January 2003)
http://www.aeanet.org/Press_Room/idmk_cs2002_Minnesota.asp, accessed January 2003.

- The American Electronics Association *Cyberstates 2002* report ranks Minnesota as the 14th highest state in high-tech employment and high-tech payroll in 2001. High-tech firms employed 60 of every 1,000 private sector workers and included industries such as high-tech manufacturing, communication services, software development and computer-related services.
- *Cyberstates 2002* also ranked Minnesota: second in electromedical equipment manufacturing employment with 7,700 jobs; fifth in computers and office equipment manufacturing employment with 20,300 jobs; and seventh in electronic components manufacturing employment with 14,100 jobs.
- Minnesota had about 69,000 employees in computer and mathematical occupations, including computer and information scientists, computer programmers, and computer software engineers in 2001. More than 80 percent of these professionals worked in the Twin Cities.
- More than 73 percent of the 49,000 Minnesotans employed in engineering occupations worked in Minneapolis-St. Paul in 2001. Engineering jobs are quite varied, including computer hardware engineers, biomedical engineers and electromechanical technicians, among others.
- Among the Plains and Great Lakes states, Minnesota ranked third in the number of computer support specialists (12,330), behind Illinois (19,000) and Ohio (17,950) in 2001. Also, in terms of the number of computer software engineers (both applications and systems software), Minnesota ranked third behind Illinois (first) and Ohio (second).

Employment and Employment Projections in Major Occupational Groups and Selected Occupations, 1998 and 2008

Minnesota is projected to add nearly 435,000 jobs by 2008.

Occupational Groups	Minnesota Employment 1998	Projected Employment 2008	Net Change 1998-2008	Percent Change 1998-2008
Managerial and Administrative	170,076	197,982	27,906	16.4%
General Managers and Top Executives	63,277	74,135	10,858	17.2
Marketing, Advertising and Public Relations	13,095	15,787	2,692	20.6
Financial Managers	13,585	15,402	1,817	13.4
Engineering, Math and Sciences Managers	8,143	11,541	3,398	41.7
Professional, Paraprofessional and Technical	580,186	723,717	143,531	24.7
Health Practitioners and Technicians	122,495	148,292	25,797	21.1
Teachers, Librarians and Counselors	117,703	138,657	20,954	17.8
Computer Scientists and Related Workers	52,468	93,568	41,100	78.3
Engineers and Related Occupations	54,862	63,650	8,788	16.0
Management Support (Analysts, Cost Estimators, etc.)	45,301	53,705	8,404	18.6
Social and Recreation Workers	35,539	47,147	11,608	32.7
Financial Specialists	31,105	35,600	4,495	14.5
Sales	327,802	385,717	57,915	17.7
Clerical and Administrative Support	466,949	518,018	51,069	10.9
Services	455,464	524,699	69,235	15.2
Food and Beverage Service Occupations	187,245	207,260	20,015	10.7
Health Service and Related Occupations	59,404	75,719	16,315	27.5
Agriculture, Forestry and Fishing	84,269	80,990	-3,279	-3.9
Precision Production, Craft and Repair	276,466	306,535	30,069	10.9
Mechanics, Installers and Repairers	100,611	113,232	12,621	12.5
Construction Trades and Extractive Occupations	77,645	85,723	8,078	10.4
Production, Construction and Maintenance Supervisors	43,220	48,763	5,543	12.8
Precision Metal Workers	15,852	17,529	1,677	10.6
Other Precision Production Occupations	27,057	29,602	2,545	9.4
Operator, Fabricator and Laborer	400,688	459,012	58,324	14.6
Transportation and Material Moving Equipment Operators	110,230	128,930	18,700	17.0
Hand Helpers, Laborers and Material Movers	92,779	107,657	14,878	16.0
Hand Working Occupations (Including Assemblers)	84,076	97,017	12,941	15.4
Metal and Plastic Machine Setters and Operators	33,931	37,637	3,706	10.9
Printing and Binding Machine Setters and Operators	14,045	15,486	1,441	10.3
Other Machine Setters and Operators	48,076	53,716	5,640	11.7
Total All Occupations	2,761,900	3,196,670	434,770	15.7%

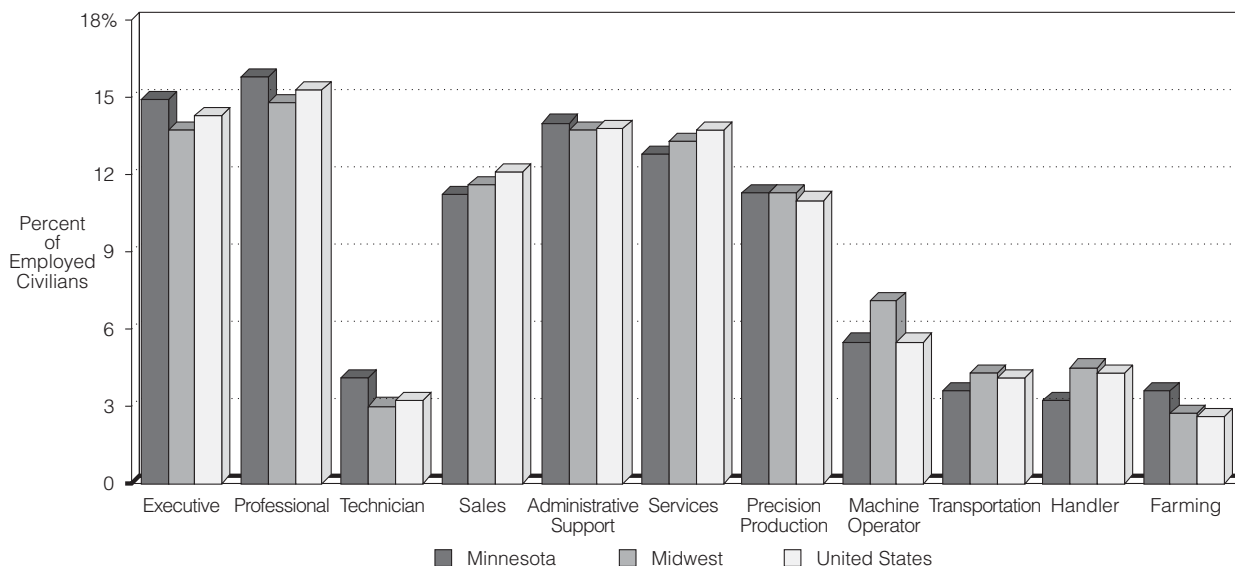
Note: Employment refers to the number of jobs (including both full-time and part-time), not the number of employed persons. Because some people work at more than one job, fewer persons will be employed than the number of jobs listed.

Source: *Minnesota Employment Outlook by Occupation, 1998-2008*, Minnesota Department of Economic Security (<http://www.mnworkforcecenter.org/lmi/projections/alocc.htm>, accessed July 2001).

- The number of people employed in Minnesota is expected to increase from 2.8 million in 1998 to 3.2 million by 2008, an increase of 15.7 percent or almost 435,000 workers.
- Minnesota had more than 54,800 workers in engineering-related occupations in 1998. Driven mainly by growth in the number of engineers, the number of workers in these occupations is expected to increase by 16.0 percent by 2008.
- Between 1998 and 2008, the largest net changes in employment are expected to be in professional, paraprofessional and technical occupations, and service occupations.
- The fastest-growing group of occupations is computer scientists and related workers. Employment is expected to grow by 78.3 percent to almost 93,600 workers between 1998 and 2008, based mainly on increased demand for computer systems analysts and computer support specialists.
- The number of people employed in hand-operating occupations such as precision and hand workers (including assemblers), and machine setters and operators is expected to grow by more than 28,000 workers between 1998 and 2008.

Employed Civilians by Occupation, 2000

Over 30 percent of Minnesota's labor force are employed in executive, administrative, managerial or professional specialty occupations.



Occupation	Minnesota Employed Civilians (thousands)	Employed Civilians Distribution		
		Minnesota	Midwest	United States
Executive, Administrative and Managerial	408	14.9%	13.7%	14.3%
Professional Specialty	431	15.8	14.8	15.3
Technician and Related Support	111	4.1	3.0	3.2
Sales	305	11.2	11.6	12.1
Administrative Support, Including Clerical	383	14.0	13.7	13.8
Services	350	12.8	13.3	13.7
Precision Production, Craft and Repair	210	11.3	11.3	11.0
Machine Operator, Assembler and Inspector	150	5.5	7.1	5.5
Transportation and Material Moving	97	3.6	4.3	4.1
Handler, Helper and Laborer	88	3.2	4.5	4.3
Farming, Forestry and Fishing	97	3.6	2.7	2.6
Total	2,732	100.0%	100.0%	100.0%

Notes: Numbers may not add to total due to rounding.
Data are tabulated by employees.

Source: *Geographic Profile of Employment and Unemployment, 2000*, U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/opub/gp/laugp.htm>, accessed January 2003).

- In 2000, 431,000 people worked in professional specialty occupations, 15.8 percent of Minnesota's workforce. Employment in these occupations, which include engineers, computer scientists, teachers and health-related occupations, increased 31.7 percent between 1990 and 2000. The proportion of workers employed in these occupations was higher in Minnesota than in the Midwest and in the United States.
- The second largest occupational group in Minnesota consisted of executive, administrative and managerial occupations, which comprised 14.9 percent of Minnesota's civilian workforce in 2000. Between 1990 and 2000, the number of employees in executive, administrative and manager occupations increased by 51.1 percent.
- Employment in precision production, craft and repair occupations increased to 310,000 in 2000, a 29 percent increase over 1990. Combined employment in three production-related occupational groups (machine operator, assembler and inspector; transportation and material moving; and handler, helper and laborer) increased to 335,000 in 2000, an increase of almost 12 percent since 1990.
- The percentage of Minnesota workers employed in farming, forestry and fishing occupations in 2000 was 3.6 percent, nearly one percent above the Midwest and U.S. averages. Between 1990 and 2000, employment in farming, forestry and fishing occupations decreased by 22.9 percent in Minnesota to 97,000 people.

Annual Average Wages of Selected Industries, 1999

The annual average wage in Minnesota in 1999 was \$33,487, slightly higher than the national average.

Major Industry Group	Minnesota		United States	
	Average Wage 1999	Wage Growth 1990-1999	Average Wage 1999	Wage Growth 1990-1999
Agriculture, Forestry and Fishing	\$21,256	7.6%	\$19,472	7.2%
Mining	47,449	4.7	54,636	15.4
Metal Mining	49,096	5.2	56,701	19.7
Construction	40,929	8.9	34,719	4.3
Manufacturing	42,696	11.3	41,961	13.9
Food and Kindred Products	38,694	11.8	33,387	6.9
Lumber and Wood Products	34,320	0.3	28,487	8.0
Furniture and Fixtures	32,471	9.0	29,025	11.1
Paper and Allied Products	61,425	13.1	44,339	6.6
Printing and Publishing	38,423	24.1	38,204	13.5
Rubber and Plastic Products	34,861	15.3	33,943	7.8
Fabricated Metal Products	39,498	1.9	36,725	4.8
Industrial Machinery and Equipment	47,001	6.3	48,730	16.0
Electronic Equipment	40,519	21.2	49,620	29.5
Instruments and Related Products	51,410	24.2	53,859	21.6
Transportation, Communications and Public Utilities (TCPU)	40,552	5.7	41,494	7.3
Communications	48,739	22.7	56,094	25.4
Electric, Gas Utilities and Sanitary Services	55,521	10.7	53,179	14.5
Wholesale Trade	46,432	19.1	44,184	15.4
Retail Trade	17,882	20.6	17,601	8.7
General Merchandise Stores	19,934	18.9	16,807	4.9
Eating and Drinking Places	10,783	17.1	11,644	9.5
Finance, Insurance and Real Estate (FIRE)	47,954	31.9	50,744	34.3
Banking	37,809	26.4	40,563	27.0
Insurance Carriers	49,437	24.2	48,718	23.4
Services	30,375	12.8	31,420	9.8
Business	33,519	43.1	32,736	31.7
Health	34,026	13.8	33,629	5.0
Legal	54,836	18.2	55,578	9.0
Social	18,304	4.2	19,237	3.6
Miscellaneous Services	48,111	13.3	59,211	9.5
Government	34,460	7.8	37,054	9.0
All Employment	\$33,487	13.5%	\$33,340	10.8%

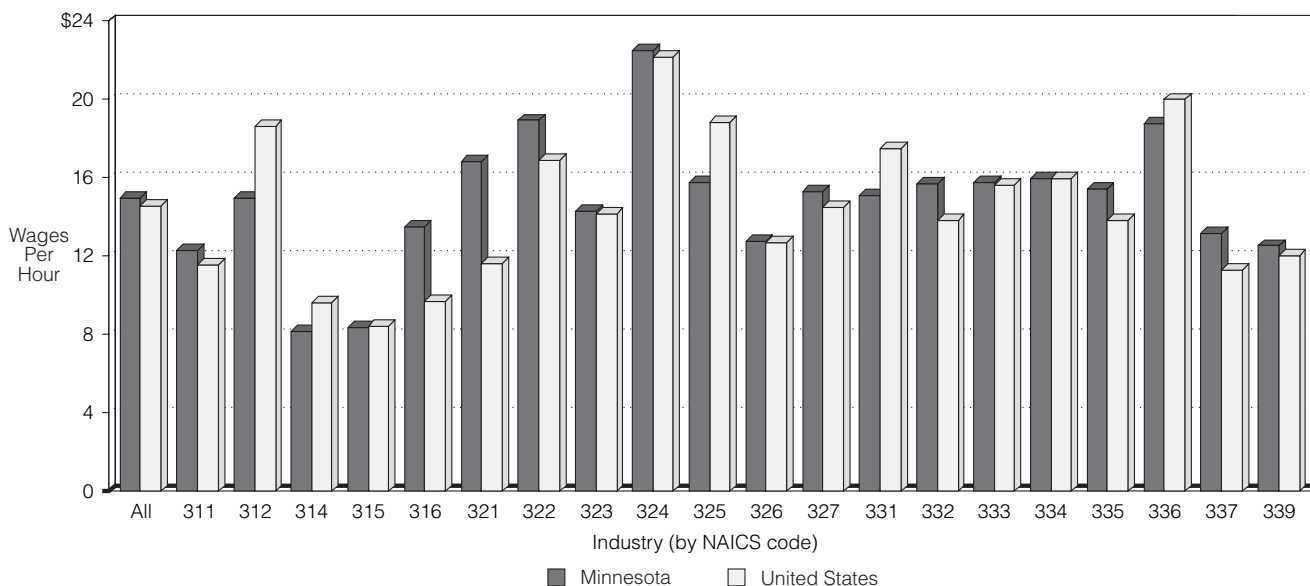
Notes: Growth rates adjusted for inflation using the Consumer Price Index for the Minneapolis-St. Paul Metropolitan area (MN column) and for all urban areas (U.S. column). Wages are per job. As a result, part-time and seasonal employment may skew the average wage of some industries that have low proportions of full-time, permanent employment.

Sources: *Covered Employment and Wages (ES-202)*, 1999, U.S. Department of Labor, Bureau of Labor Statistics.
Consumer Price Index, U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov>, accessed July 2001).

- The average wage in Minnesota was \$33,487 in 1999, an increase of 13.5 percent since 1990. The national average wage was \$33,340, an increase of 10.8 percent over the same period.
- The average wage of \$61,425 in the paper and allied products industry was the highest among all industries in Minnesota in 1999. Wages in this industry increased by 13.1 percent between 1990 and 1999, compared to 6.6 percent nationally.
- The business services industry, employing more than 175,000 people, had the largest percentage increase in wages in Minnesota between 1990 and 1999. The average wage in business services increased by 43.1 percent to \$33,519, compared to an increase of 31.7 percent nationally.
- Health services, which employed nearly 244,000 people in 1999, was Minnesota's largest industry in terms of employment. The average wage of \$34,026 for the industry in Minnesota was higher than the industry's national average and grew at a higher rate than the nation during the 1990s.
- Thanks to the strong work ethic of the people of Minnesota, the state has one of the highest multiple job-holding rates in the country. High wages per job and a high level of multiple job holders have combined to rapidly increase Minnesota per capita income, raising the state to the 11th highest per capita personal income in 2000, from 17th highest in 1990.

Average Hourly Wage of Production Workers in Manufacturing Industries, 1999

The average hourly wage for production workers in Minnesota slightly exceeded the national average in 1999.



NAICS Code	Industry	Production Worker Hourly Earnings	
		Minnesota	United States
311	Food manufacturing	\$12.31	\$11.57
312	Beverage and tobacco product manufacturing	14.97	18.66
314	Textile product mills	8.15	9.61
315	Apparel manufacturing	8.37	8.45
316	Leather and allied product manufacturing	13.47	9.68
321	Wood products manufacturing	16.84	11.66
322	Paper manufacturing	18.93	16.92
323	Printing and related support activities	14.31	14.19
324	Petroleum and coal products manufacturing	22.48	22.15
325	Chemical manufacturing	15.78	18.84
326	Plastics and rubber products manufacturing	12.75	12.69
327	Nonmetallic, mineral product manufacturing	15.31	14.48
331	Primary metal manufacturing	15.09	17.49
332	Fabricated metal manufacturing	15.70	13.86
333	Machinery manufacturing	15.79	15.65
334	Computer and electronic product manufacturing	15.95	15.97
335	Electrical equipment, appliance and component manufacturing	15.44	13.86
336	Transportation equipment manufacturing	18.75	20.00
337	Furniture and related product manufacturing	13.19	11.32
339	Miscellaneous manufacturing	12.53	12.06
	All Manufacturing	\$14.95	\$14.54

Note: For an explanation of the NAICS classification system, see the glossary of this publication.

Source: 1999 Annual Survey of Manufacturers, April 2001, U.S. Department of Commerce, U.S. Census Bureau (<http://www.census.gov/prod/2001pubs/m99-as3.pdf>, accessed July 2001).

- The petroleum and coal products industry, one of the state's smaller manufacturing industries, had the highest hourly wage (\$22.48 per hour) and the highest value-added per hour (\$267.70 per hour).
- The two most labor-intensive industries were food and fabricated metal which had the two largest numbers of production hours among the manufacturing industries — 69,192 hours and 67,299 hours, respectively.
- The two manufacturing industries with the highest number of hours were:
 - Meat product industry (38 percent of total food industries);
 - Machine shops; turned product; and screw, nut and bolt industry (30 percent of total fabricated metal industries).
- The food and fabricated metal industries employed the highest number of production workers in Minnesota — 33,000 and 34,000, respectively — in 1999.

Average Hourly Pay in Selected Occupations for 18 Large Metropolitan Areas, 1999

Occupational wages in Minneapolis-St. Paul are competitive with those in other major metropolitan areas.

Metropolitan Area	General and Operations Managers	Computer Programmers	Electrical Engineers	Secretaries*	Data Entry Keyers	Maintenance and Repair Workers
Atlanta, GA	\$34.85	\$26.87	\$29.51	\$11.61	\$10.59	\$12.63
Boston, MA	40.47	29.43	29.89	13.44	11.42	15.50
Chicago, IL	34.28	24.15	28.16	12.96	10.47	14.79
Cleveland, OH	32.53	24.78	30.26	12.37	10.16	12.74
Denver, CO	36.04	27.22	28.92	12.80	10.13	12.45
Detroit, MI	42.98	26.80	31.05	12.93	10.50	14.49
Houston, TX	n/a	29.89	37.55	12.30	9.49	12.34
Los Angeles, CA	37.80	26.67	31.22	13.90	10.62	14.60
Miami, FL	31.35	22.83	29.30	11.64	9.57	11.22
Minneapolis-St. Paul, MN	34.42	25.59	29.29	13.30	10.99	14.55
New York, NY	48.71	29.85	32.06	15.22	12.51	15.35
Philadelphia, PA	36.94	27.29	28.24	12.66	10.05	14.35
Phoenix, AZ	35.12	28.00	34.50	11.79	10.20	12.79
San Francisco, CA	40.90	31.86	32.24	15.54	12.25	15.52
Seattle, WA	41.82	25.42	28.56	13.03	11.13	14.79
St. Louis, MO	30.99	25.54	27.56	11.44	9.38	14.10
Washington, D.C.	35.14	24.88	30.89	13.50	10.73	13.37

* Except legal, medical and executive secretaries.

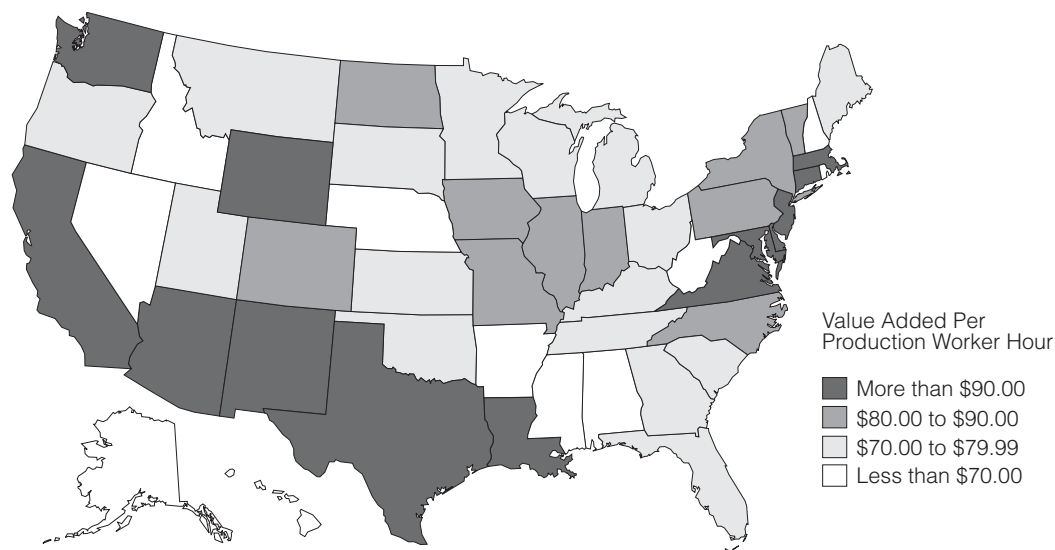
Note: Average wages reflect hourly pay in private industries.
n/a=not available.

Source: *Occupational Employment Statistics*, 1999, Metropolitan Area Occupational Employment and Wage Estimates, U.S. Department of Labor, Bureau of Labor Statistics (<http://stats.bls.gov/oes/1999/oesrcma.htm>, accessed July 2001).

- Occupational wages in Minnesota are competitive with those in other major cities. For example, the average wage for general and operational managers was lower in the Twin Cities metropolitan area than in San Francisco and New York, but slightly higher than in Cleveland and St. Louis.
- In 2000, employer costs for voluntary employee benefits averaged about \$4.09 per hour in the Midwest region. These costs were 17.1 percent lower in the Midwest than in the Northeast, according to the Bureau of Labor Statistics.
- Wages tend to be lower outside the Twin Cities metropolitan area. For example, according to the Minnesota Department of Economic Security, the median wages in 1999 for accountants and auditors in Duluth was \$18.56 per hour, compared to \$20.53 per hour in the Twin Cities. The median wage for machinists in Rochester, Minnesota was \$11.84 per hour, compared to \$16.10 per hour in the Twin Cities.

Labor Productivity, 2001, and Civilian Labor Force Participation Rates, 2000

Minnesota has the highest labor force participation rate in the nation.



	<i>Minnesota Labor Force (thousands)</i>	<i>Minneapolis- St. Paul MSA</i>	<i>Participation Rate</i>			<i>United States</i>
			<i>Minnesota</i>	<i>Midwest</i>		
Men	1,794	80.4%	80.1%	76.6%		74.7%
Women	1,303	70.6	70.3	63.7		60.2
Total	3,097	75.4%	75.1%	69.9%		67.2%

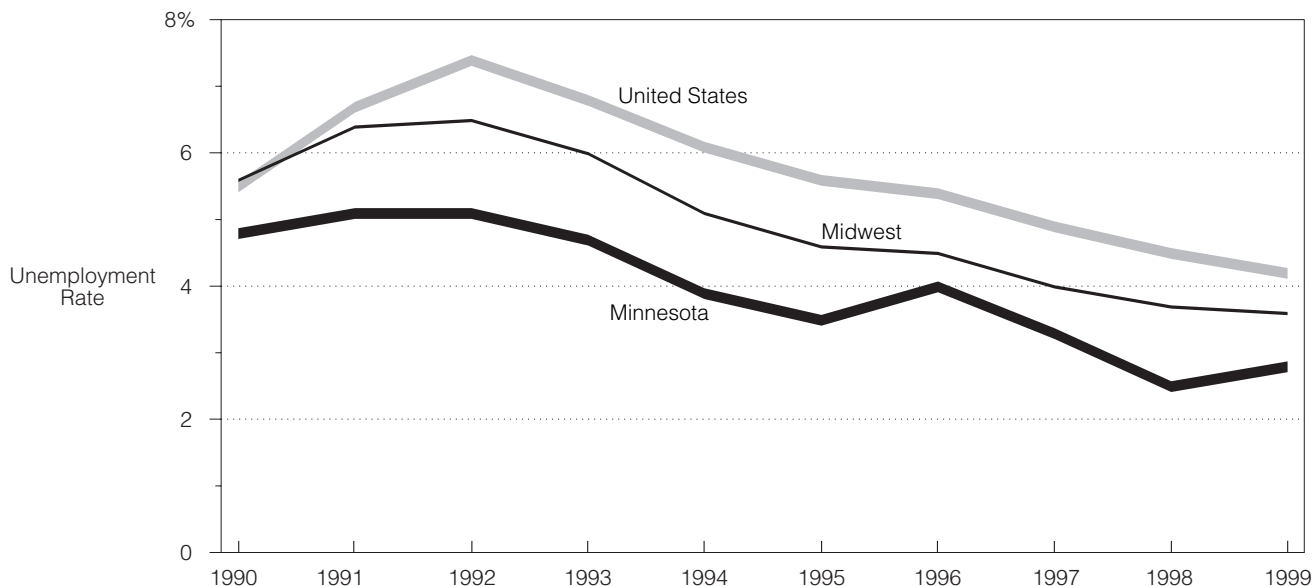
Sources: 2001 Annual Survey of Manufacturers, Geographic Area Statistics, U.S. Department of Commerce, Census Bureau (<http://www.census.gov/prod/2002pubs/m00as-3.pdf>, accessed January 2003).

Geographic Profile of Employment and Unemployment, 2000, U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/opub/gp/laugp.htm>, accessed January 2003).

- Minnesota's overall labor force participation rate was 75.1 percent in 2000, the highest labor force participation rate in the nation and nearly 8 percent higher than the U.S. average.
- Although Minnesota's gross state product per job was 7.5 percent lower than the national average in 2000, Minnesota's output per job grew by 19.1 percent (adjusted for inflation) between 1990 and 2000, exceeding the nation's growth rate of 16.7 percent.
- In manufacturing, Minnesota's production workers added an average value of \$79.13 per hour, slightly lower than the national average, \$82.96.
- Value-added per hour in Minnesota's petroleum (\$431.24), chemical (\$161.30), beverages (\$112.54) computer and electronics (\$111.01), paper (\$99.97) and transportation equipment (\$93.26) industries exceeded the state average for all industries (\$75.67).
- Minnesota's production workers generated an average of \$4.80 in value of manufacturing output for every production wage dollar in 2000, slightly lower than the national contribution of \$5.41 per production wage dollar.
- Minnesota's nonfatal work injury and illness incidence rate in private industry was 6.3 percent in 2001, lower than most other Midwest states but slightly higher than the U.S. rate of 5.7 percent.

Annual Average Unemployment Rates, 1990 to 1999

Minnesota's unemployment rate was consistently lower than the national and Midwest unemployment rates during the 1990s.



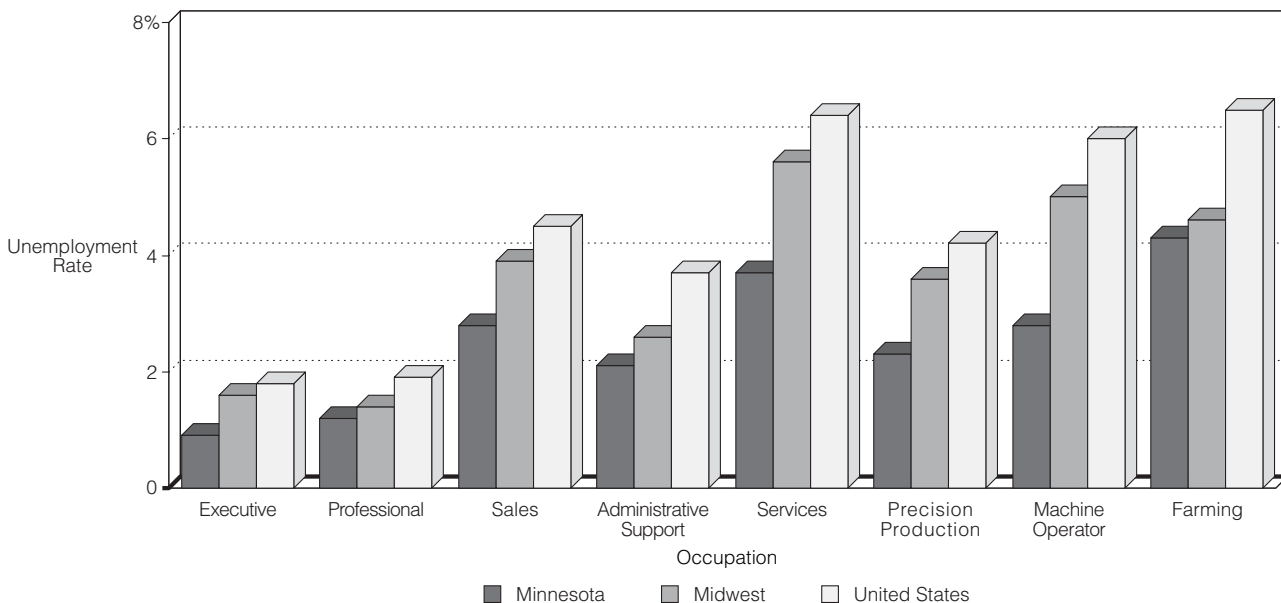
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
United States	5.5%	6.7%	7.4%	6.8%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%
Midwest	5.6	6.4	6.5	6.0	5.1	4.6	4.5	4.0	3.7	3.6
Minnesota	4.8	5.1	5.1	4.7	3.9	3.5	4.0	3.3	2.5	2.8

Sources: *Geographic Profile of Employment and Unemployment*, 1990 to 1999, U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/opub/gp/laugp.htm>, accessed August 2001).
Personal communication, Minnesota Department of Economic Security.

- During the 1990s, Minnesota's annual average unemployment rates fell from a high of 5.1 percent in 1991 and 1992 to a low of 2.5 percent in 1998. In contrast, the U.S. rates ranged from 7.4 percent in 1992 to 4.2 percent in 1999.
- In 1999, 2.8 percent of the labor force was unemployed in Minnesota. In comparison, unemployment rates were 3.6 percent and 4.2 percent in the Midwest and in the nation, respectively.
- Compared to most other states, Minnesota's economy is more highly diversified across industries, which likely contributed to its overall economic strength and performance during the 1990s. In 1999, the four largest industrial sectors — services; finance, insurance, and real estate service; manufacturing; and trade — generated 75 percent of Minnesota's gross state product, with shares ranging from 18 percent to 21 percent.

Unemployment Rates by Occupation and Major Industry, 1998

Minnesota's unemployment rate was lower than the national and Midwest average in all industry sectors in 1998.



Industry	Unemployment Rates		
	Minnesota	Midwest	United States
Construction	6.6%	7.6%	7.5%
Manufacturing	2.3	3.1	3.9
Goods	2.5	2.7	3.4
Non-durable Goods	1.9	3.8	4.6
Transportation, Communication and Public Utilities (TCPU)	2.1	3.2	3.4
Trade*	3.2	4.7	5.5
Finance, Insurance and Real Estate (FIRE)	0.7	2.0	2.5
Services**	2.1	3.6	4.4
Total Unemployment Rate	2.5	3.7	4.5

* Includes wholesale and retail trade.

** Excludes private households.

Notes: 1998 data was used because numbers for Minnesota were missing in the 1999 publication. Data are tabulated by employees.

Source: *Geographic Profile of Employment and Unemployment, 1998*, U.S. Department of Labor, Bureau of Labor Statistics. (<http://stats.bls.gov/opub/gp/laugp.htm>, accessed August 2001).

- Unemployment rates in Minnesota were lower than the national and Midwest unemployment rates in all major industries and for all major occupations in 1998.
- The average duration of unemployment in Minnesota (13.6 weeks) was slightly lower than the national average (13.7 weeks) in 2000.
- People employed in the construction sector experienced the highest unemployment rate of 6.6 percent (8,000 people). However, despite the low unemployment rate of 3.2 percent in the trade sector, 17,000 people were unemployed. Similarly, people working in the services sector had an unemployment rate of 2.1 percent, but 14,000 people were unemployed.

Education

Companies looking for a highly educated labor force can find one of the nation's best in Minnesota. The state's commitment to education is reflected in the high number of skilled people working for high-tech companies, the large number of patents developed in the state and numerous awards granted to Minnesota schools.

- The U.S. Department of Education has designated 81 of Minnesota's schools as Blue Ribbon Schools since 1982. This program identifies schools that are centers of education excellence.
- Graduates of the University of Minnesota's Institute of Technology have founded more than 1,000 companies, including such major corporations as Medtronic, Rosemount, TSI, Control Data and Cray Research.
- Between 1991 and 2000, the University of Minnesota established 528 licensing agreements with the private sector for new University-developed technologies.
- The University of Minnesota ranked 11th nationally among all U.S. public and private colleges and universities in the number of patents assigned to it between 1969 and 1999, with a total of 556 patents during that time period.

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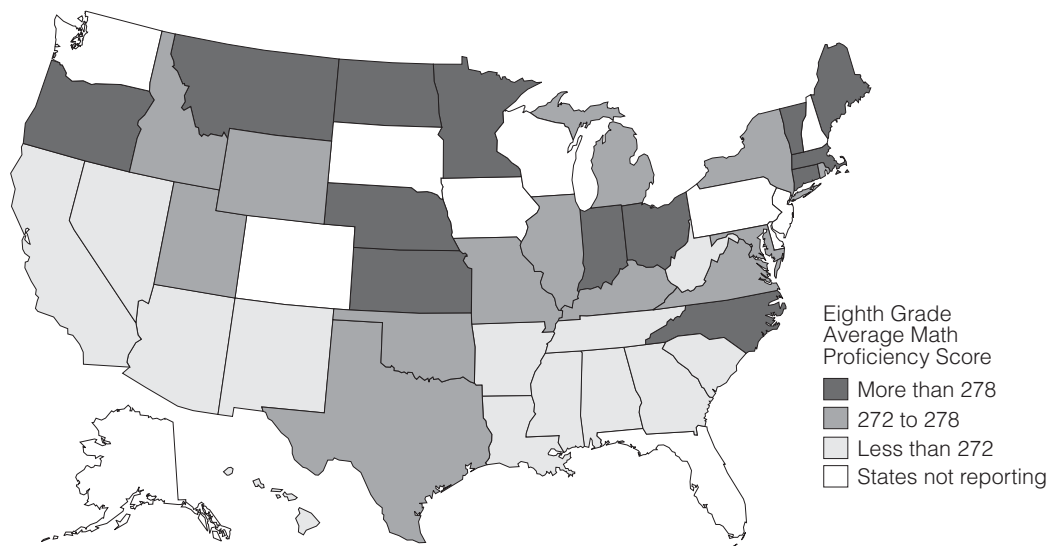
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* Updated June 2003

High School Graduation Rates, 1998-1999 and Eighth Grade Math Proficiency Scores, 2000

Minnesota had the second highest high school graduation rate in the nation.



Rank	State	Graduation Rate	Rank	State	Graduation Rate	Rank	State	Graduation Rate
	United States	67.2%	17	Kansas	74.5%	34	Oregon	66.6%
1	Nebraska	86.3	18	Washington	74.1	35	Alaska	66.4
2	Minnesota	84.7	19	Virginia	73.6	36	Kentucky	65.7
3	North Dakota	84.5	20	Oklahoma	73.1	37	Delaware	64.1
4	Utah	83.2	21	New Hampshire	73.0	38	Texas	60.6
5	Iowa	83.1	22	Arkansas	72.7	39	Arizona	60.2
6	Vermont	80.3	23	Michigan	72.5	40	North Carolina	59.8
7	New Jersey	79.6	24	Missouri	72.4	41	Hawaii	59.7
8	Montana	78.5	25	South Dakota	71.9	42	New Mexico	59.4
9	Wisconsin	78.1	26	Connecticut	71.8	43	New York	59.2
10	Idaho	77.8	27	Maryland	71.7	44	Florida	56.0
11	Wyoming	76.5	28	Nevada	70.7	44	Mississippi	56.0
12	West Virginia	75.7	29	Indiana	70.6	46	Alabama	55.5
13	Maine	75.5	30	Colorado	70.4	47	Louisiana	55.1
14	Illinois	75.4	31	Ohio	69.5	48	Tennessee	54.9
15	Massachusetts	75.0	32	Rhode Island	68.6	49	South Carolina	51.8
16	Pennsylvania	74.9	33	California	68.3	50	Georgia	50.4

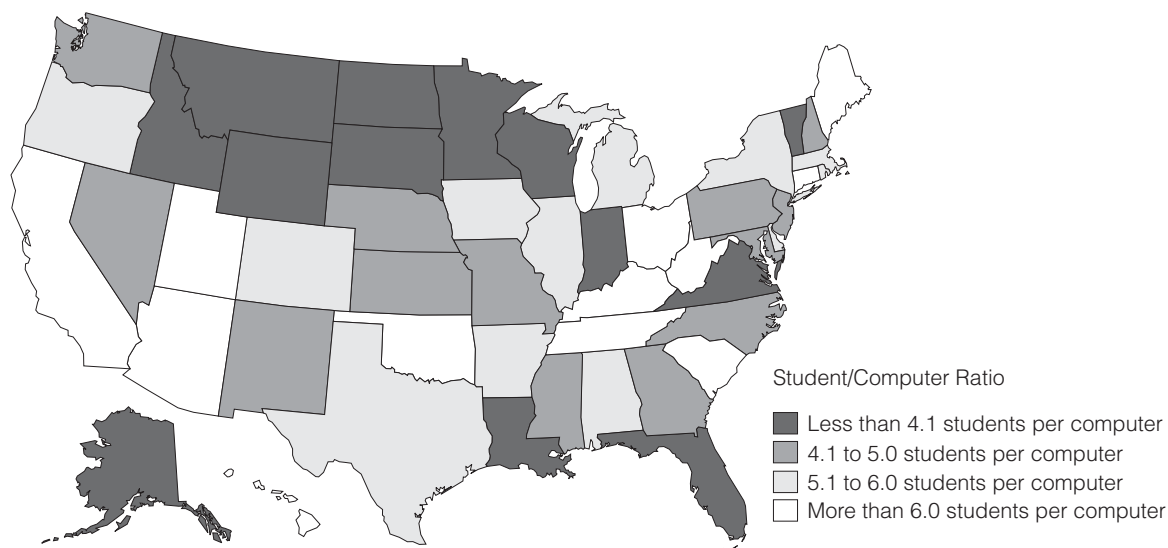
Note: High school graduation rate is calculated by dividing the actual number of high school graduates in school year 1998-1999 by ninth grade enrollment at the beginning of the 1995-1996 school year. Data include graduates of regular day school programs, but exclude graduates of other programs and persons receiving high school equivalency certificates.

Sources: Unpublished data from the U.S. Department of Education, National Center for Education Statistics, Common Core of Data surveys, Table 102, prepared March 2001. *NAEP 2000 Mathematics Report Card for the Nation and States, 2000*, U.S. Department of Education, National Center for Education Statistics (<http://nces.ed.gov/nationsreportcard/mathematics>, accessed October 2001).

- Minnesota, with a graduation rate nearly 18 percent higher than the national rate, consistently ranks among the top states in the nation.
- Since 1995, Minnesota has administered tests of basic reading, writing and mathematics that students must pass in order to be eligible for high school graduation.
- Minnesota's public school open enrollment program allows elementary and secondary students to enroll in a public school district other than the one in which the student lives.
- In fall 2000, approximately 62 percent of Minnesota high school graduates attended a post-secondary educational institution. Of those graduates, 48 percent attended Minnesota institutions. A total of 289,610 students were enrolled in the state's post-secondary institutions.

Educational Resources, 1999-2000

Minnesota's educational resources include more teachers and more computers for students than the national average.



Rank	State	Student/Teacher Ratio	Rank	State	Student/Teacher Ratio	Rank	State	Student/Teacher Ratio
	United States	16.2	17	Iowa	14.8	34	Mississippi	16.2
1	Vermont	12.4	18	Louisiana	15.0	35	Pennsylvania	16.3
2	Maine	12.8	18	Tennessee	15.0	36	New Mexico	16.4
3	New Jersey	13.5	20	Texas	15.1	37	Maryland	16.7
4	Massachusetts	13.6	20	Alabama	15.1	38	Idaho	16.8
5	Virginia	13.9	22	Wisconsin	15.2	39	Indiana	16.9
5	Connecticut	13.9	22	Oklahoma	15.2	40	Alaska	17.1
5	Wyoming	13.9	24	New Hampshire	15.4	41	Colorado	17.2
5	Rhode Island	13.9	24	Montana	15.4	42	Hawaii	17.6
9	Nebraska	14.0	26	Delaware	15.5	43	Oregon	18.1
10	New York	14.0	27	Georgia	15.8	43	Florida	18.1
11	Missouri	14.1	27	North Carolina	15.8	45	Michigan	18.4
11	North Dakota	14.1	29	Minnesota	15.9	46	Nevada	18.7
11	South Dakota	14.1	29	Arkansas	15.9	47	Arizona	19.2
14	West Virginia	14.3	31	Illinois	16.0	48	Washington	20.0
15	Kansas	14.6	31	Kentucky	16.0	49	California	20.7
16	South Carolina	14.7	31	Ohio	16.0	50	Utah	22.3

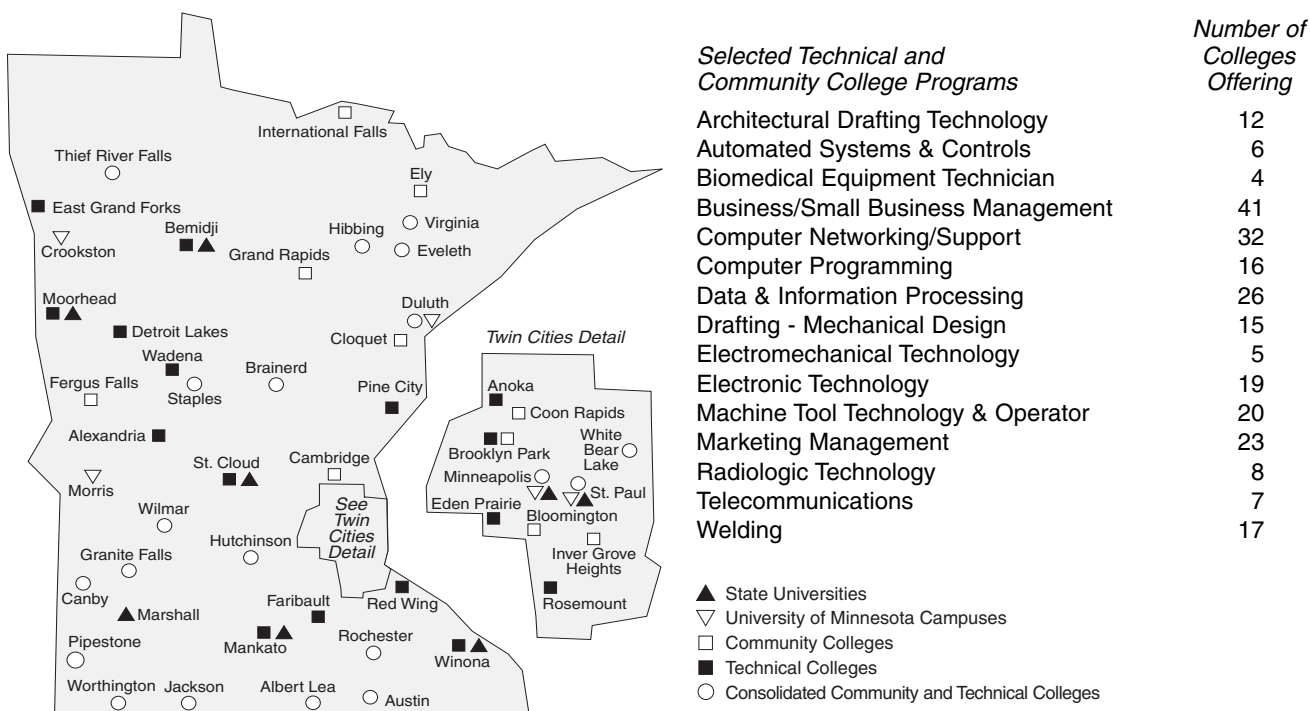
Note: The 1999 teacher and enrollment data were estimated by state education agencies.

Source: Education Technology by State, 2000-2001, Quality Education Data, Inc. (http://www.qeddata.com/tech_bystate.htm, accessed October 2001).
Digest of Education Statistics, 2000, Table 39, U.S. Department of Education, National Center for Education Statistics (<http://www.nces.ed.gov/pubs2001/digest/dt039.html>, accessed November 2001).
Digest of Education Statistics, 2000, Table 66, U.S. Department of Education, National Center for Education Statistics (<http://www.nces.ed.gov/pubs2001/digest/dt066.html>, accessed November 2001).

- In 2000, Minnesota ranked seventh in the nation with 3.6 students per computer, compared to the national average of 5.4 students per computer. According to a 2001 *Education Week* report titled "Technology Counts," 98 percent of Minnesota schools have access to the Internet compared to the national average of 94 percent.
- Between fiscal years 1994 and 1999, Minnesota's per student expenditures on public elementary and secondary education increased by 22 percent, compared to a 20 percent increase nationally.
- Minnesota ranked fourth in the Midwest in per student expenditures for public elementary and secondary education in fiscal year 1999. The state spent \$6,674 per student in elementary and secondary schools, about 3 percent more than the national average expenditure of \$6,458 in fiscal year 1999.
- Four Minnesota teachers have been named National Teachers of the Year by the Council of Chief State School Officers since the program's inception in 1952, and the U.S. Department of Education has designated 81 of Minnesota's schools as Blue Ribbon Schools since 1982.

Post-Secondary Educational Institutions and Average Scores for College Entrance Exams, 2002

Minnesota's high school students outperformed the nation on college entrance exams.



Selected Technical and Community College Programs	Number of Colleges Offering
Architectural Drafting Technology	12
Automated Systems & Controls	6
Biomedical Equipment Technician	4
Business/Small Business Management	41
Computer Networking/Support	32
Computer Programming	16
Data & Information Processing	26
Drafting - Mechanical Design	15
Electromechanical Technology	5
Electronic Technology	19
Machine Tool Technology & Operator	20
Marketing Management	23
Radiologic Technology	8
Telecommunications	7
Welding	17

States and Regions	Composite ACT Score	Percent of High School Graduates Taking ACT	Composite SAT Score	Percent of High School Graduates Taking SAT
United States	20.8	39	1,020	46
Plains				
Iowa	22.0	66	1,193	5
Kansas	21.6	76	1,158	9
Minnesota	22.1	65	1,172	10
Missouri	21.5	68	1,154	8
Nebraska	21.7	72	1,131	8
North Dakota	21.2	78	1,207	4
South Dakota	21.4	71	1,162	5
Great Lakes				
Illinois	20.1	99	1,174	11
Indiana	21.5	19	1,001	62
Michigan	21.3	68	1,130	11
Ohio	21.4	62	1,073	27
Wisconsin	22.2	68	1,182	7

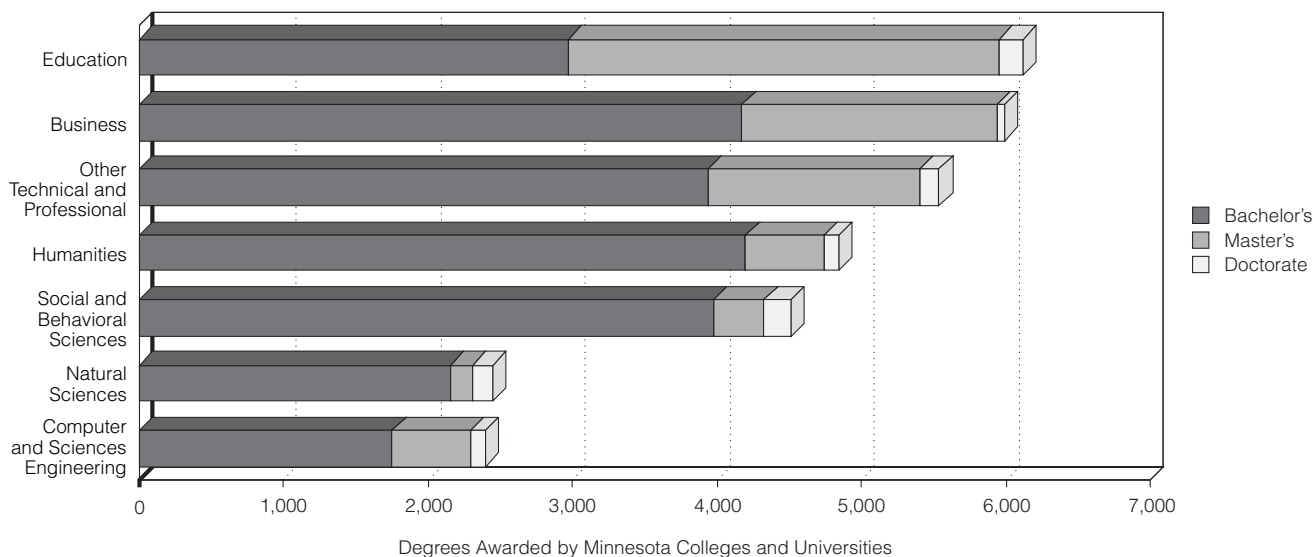
Note: Due to the self-selection of students taking the college entrance exams, as well as the differing numbers and backgrounds of those students, state comparisons should not be interpreted as providing rankings of the educational systems of the various states.

Sources: *Go Places, 2000-2001*, Minnesota State Colleges and Universities. (<http://www.mnscu.edu/Student/Go%20Places02.pdf>, accessed January 2003).
ACT Average Composite Scores by State (ACT Press Release), 2002, American College Testing, Inc. (www.act.org/news/data/02/states.html, accessed January 2003).
Mean SAT 1 Verbal and Math Scores by State (College Board Press Release), 2002, College Entrance Examination Board (http://www.collegeboard.com/prod_downloads/about/news_info/cbsenior/yr2002/pdf/CBS2002Report.pdf, accessed January 2003).

- Minnesota's ACT average score of 22.1 out of 36 ranked second among states in which more than half of high school seniors took the test.
- The Minnesota Job Skills Partnership (MJSP) represents a commitment by the state to extend its education and training resources to Minnesota employers. Since its creation in 1983, MJSP has funded 418 projects involving more than 676 companies and more than 116,000 trainees.

Undergraduate and Graduate Degrees Granted by Minnesota Colleges and Universities, and Educational Attainment Levels, 2000

Minnesota has the highest percentage of its population aged 25 and older with a Bachelor's or higher degree in the Midwest.



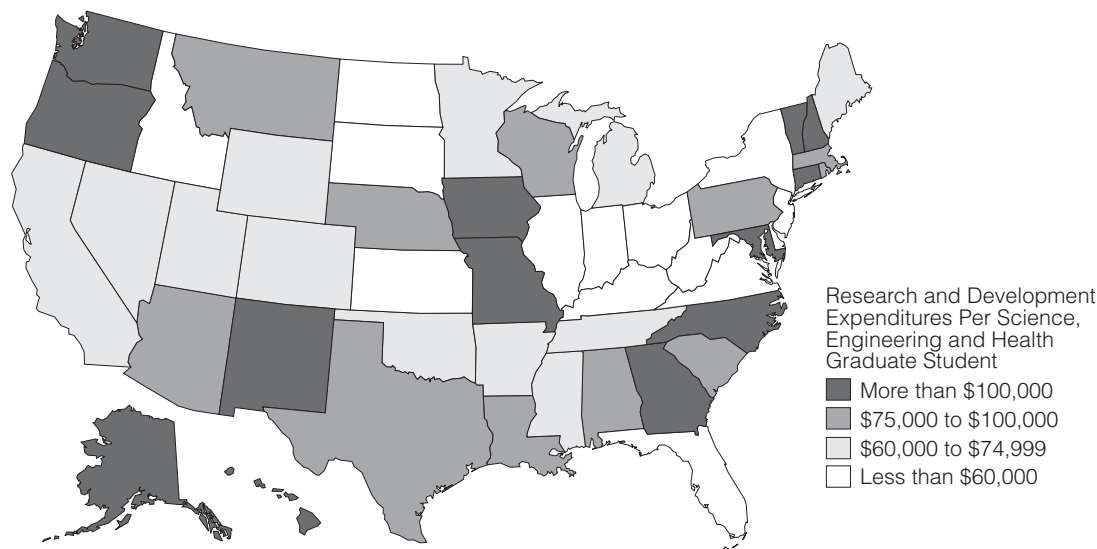
State	Percentage of Population Aged 25 and Older with High School Degree	U.S. Rank	Percentage of Population Aged 25 and Older with Bachelor's Degree or Higher	U.S. Rank
United States	84.1	—	25.6	—
Plains				
Iowa	89.7	9	25.5	23
Kansas	88.1	14	27.3	15
Minnesota	90.8	3	31.2	7
Missouri	86.6	21	26.2	21
Nebraska	90.4	5	24.6	25
North Dakota	85.5	30	22.6	38
South Dakota	91.8	1	25.7	22
Great Lakes				
Illinois	85.5	29	27.1	17
Indiana	84.6	33	17.1	50
Michigan	86.2	23	23.0	36
Ohio	87.0	19	24.6	24
Wisconsin	86.7	20	23.8	31

Source: U.S. Census Bureau, Current Population Survey, March 2000 (<http://www.census.gov/population/www/socdemo/educ-attn.html>, accessed December 2001). Minnesota Higher Education Services Office, 2000. Original source: National Center for Education Statistics IPEDS Completion Surveys. (<http://www.mheso.state.mn.us/pdf/enrollment/awardsconferred/2000/summaryDegrees.pdf>, accessed January 2003).

- In 2000, 90.8 percent of Minnesotans aged 25 and older had a high school degree, the third highest rate in the nation.
- The share of Minnesotans aged 25 and older with a bachelor's degree or higher increased by 4.9 percent between 1996 and 2000, a stronger growth rate than the national increase of 2.1 percent.
- Graduates of the University of Minnesota's Institute of Technology have founded more than 1,000 companies, including such major corporations as Medtronic, Rosemount, TSI, Control Data and Cray Research.
- The University of Minnesota-Twin Cities' doctoral program in psychology ranked third in the nation in 2001 according to *U.S. News & World Report, 2001*. Other graduate and professional programs at the University of Minnesota ranking in the top 10 were: macroeconomics, American politics, political theory, applied mathematics, community/public health nursing, adult/medical-surgical nursing and chemical engineering.
- The Executive MBA program at the Carlson School of Management at the University of Minnesota-Twin Cities ranked 16th in the nation in *U.S. News & World Report, 2002*.

Research and Development, Fiscal Year 1999 and Average Number of Patents Per 10,000 People, 2000

Minnesota's commitment to research and development is the driving force behind the state's technical talent.



States and Regions	Number of U.S. Patents Per 10,000 People, 2000	U.S. Rank
United States	3.44	—
Plains	—	—
Iowa	2.31	26
Kansas	1.73	33
Minnesota	6.07	4
Missouri	1.73	35
Nebraska	1.74	34
North Dakota	1.53	39
South Dakota	1.30	41
Great Lakes	—	—
Illinois	3.63	16
Indiana	2.79	23
Michigan	4.13	12
Ohio	3.55	17
Wisconsin	3.87	13

Sources: *Academic Research and Development Expenditures: Fiscal Year 1999* (Table B-50), 1999, National Science Foundation (<http://www.nsf.gov>, accessed October 2001). *Graduate Students and Postdoctorates in Science and Engineering* (Table A-2), 1999, National Science Foundation (<http://www.nsf.gov>, accessed October 2001). *Patents Count by Country/State and Year, Jan 1977 - Dec 2000, A Technology Assessment and Forecast Report*, United States Patent and Trade Work Office.

- In fiscal year 1999, the University of Minnesota ranked 15th in total research and development expenditures in the sciences and engineering among all universities in the country, with expenditures of more than \$370 million.
- Between 1991 and 2000, the University of Minnesota established 528 licensing agreements with the private sector for new University-developed technologies.
- In fiscal year 1999, Minnesota's doctorate-granting educational institutions spent approximately \$69,000 on research and development per science, engineering and health graduate student, slightly less than the national expenditure of \$74,000 per student.
- Minnesota ranked fourth highest in the country in the average annual number of U.S. patents issued per 10,000 people in 2000. Overall, patents serve as an indicator of the available talent and commitment to research in the state.
- The University of Minnesota ranked 11th nationally among all U.S. public and private colleges and universities in the number of patents assigned to it between 1969 and 1999, with a total of 556 patents during that time period.

Capital Resources

Capital resources are one of the most important elements needed to start and expand businesses. Companies in Minnesota find a variety of capital resources to support their business goals including venture capital investment and alternative business finance programs. Entrepreneurs and established businesses in Minnesota find the financial assistance they need to thrive.

- Minnesota had the 12th highest concentration of commercial and industrial loans in the United States and the highest among the Plains states in 2000.
- Minnesota received the highest venture capital investment per capita in the Midwest (\$65), significantly surpassing other states such as Missouri (\$30), South Dakota (\$24), Ohio (\$19) and Illinois (\$18).
- Minnesota companies obtained 55 venture capital investments totaling \$325.3 million in 2002, ranking 14th in the country by amount.
- Minnesota companies issued common stock 16 times in 2000, ranking 15th nationally.
- Minnesota's state and local governments offer financial assistance through a variety of funds to support businesses in the Twin Cities and Greater Minnesota.

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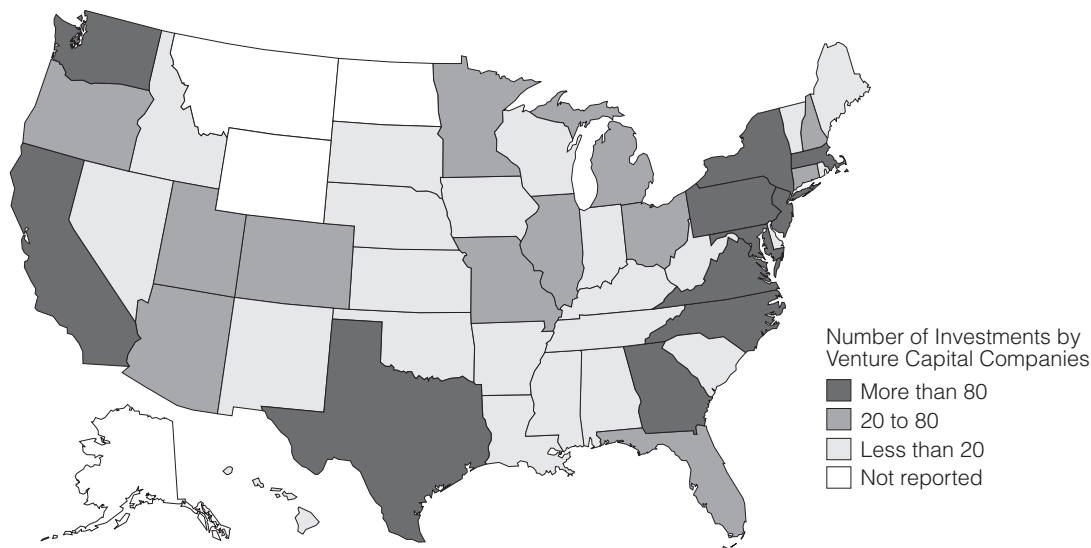
**Commercial and Industrial Loans
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* Updated June 2003

Investments by Venture Capital Companies, 2002

Minnesota's investments ranked 14th in the country.



U.S. Rank	State	No. of Deals	Investment Amount (millions)	U.S. Rank	State	No. of Deals	Investment Amount (millions)	U.S. Rank	State	No. of Deals	Investment Amount (millions)
1	California	1037	\$9,467.3	18	Connecticut	47	\$218.6	35	South Dakota	2	\$18.0
2	Massachusetts	337	2,362.7	19	Arkansas	5	191.4	36	West Virginia	7	17.9
3	Texas	170	1,284.2	20	Missouri	37	169.5	37	Idaho	3	17.6
4	New York	151	803.3	21	Oregon	28	159.1	38	Nebraska	2	11.9
5	Maryland	92	624.8	22	Utah	26	94.6	39	Maine	5	11.9
6	Washington	114	599.0	23	Tennessee	16	82.5	40	Arizona	25	9.7
7	Georgia	85	587.7	24	Michigan	27	73.0	41	Kansas	5	7.1
8	New Jersey	88	567.8	25	Delaware	4	67.3	42	Mississippi	3	5.0
9	North Carolina	88	547.3	26	District of Columbia	7	67.3	43	South Carolina	4	5.0
10	Colorado	78	547.3	27	Wisconsin	11	64.5	44	Kentucky	2	3.0
11	Pennsylvania	82	419.7	28	Rhode Island	13	58.4	45	Hawaii	1	2.9
12	Virginia	91	408.7	29	Indiana	11	52.1	46	Iowa	1	2.0
13	Florida	53	356.8	30	Oklahoma	5	50.5	47	Vermont	5	1.5
14	Minnesota	55	\$325.4	31	New Mexico	7	36.9		Montana	nr	nr
15	New Hampshire	39	230.1	32	Louisiana	10	31.5		North Dakota	nr	nr
16	Illinois	64	229.0	33	Nevada	5	26.8		Wyoming	nr	nr
17	Ohio	47	220.8	34	Alabama	8	23.7				

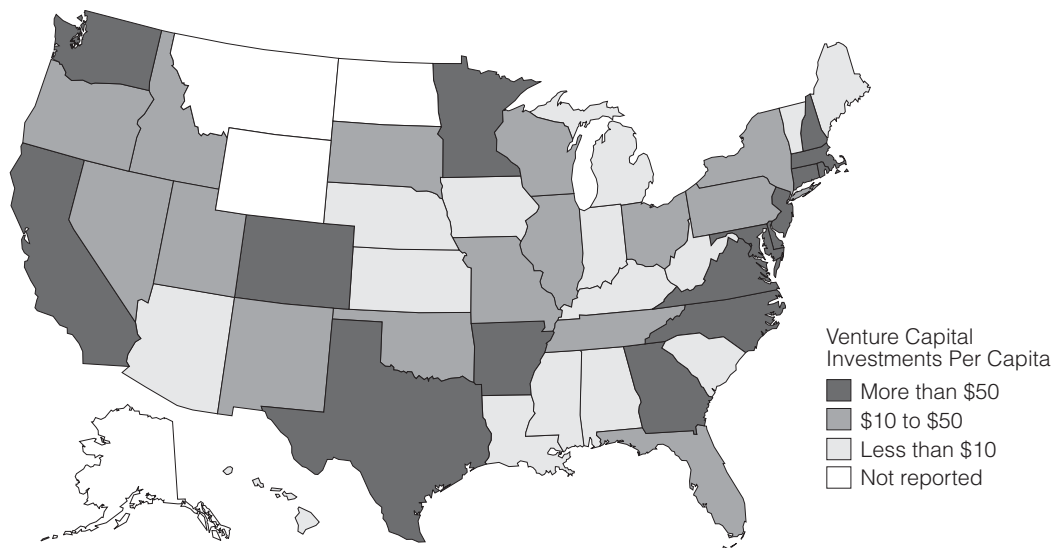
Notes: nr = no reported investments.

Source: National Venture Capital Survey, 2002, Price Waterhouse Coopers LLP in collaboration with Venture One Capital Association.

- After peaking in 2000, venture capital investments have declined with the economic recession. The level of venture capital investment in the United States in 2002 was similar to 1998.
- Despite the slowdown in venture capital investments in the country, Minnesota companies obtained 55 venture capital investments totaling of \$325.3 million and ranking 14th in the country by amount.
- Minnesota venture capital investments in 2002 were the highest in the Midwest, surpassing Illinois (\$229 million), Ohio (\$220 million) and Missouri (\$169 million).
- Among Minnesota industries, medical devices and equipment and biotechnology combined received the highest share of venture capital investments, 41 percent. Media and entertainment, computer and peripherals, and electronics and instrumentation received less than 1 percent each of total venture capital investments.
- Medical devices companies received some of the highest venture capital investments in Minnesota in 2002, including Acorn Cardiovascular (\$20.1 million) and ev3, Inc. (\$22.0 million).

Venture Capital Investments Per Capita, 2002

Minnesota ranked first in venture capital investments per capita in the Midwest in 2002.



U.S. Rank	State	Venture Capital Investment Per Capita	U.S. Rank	State	Venture Capital Investment Per Capita	U.S. Rank	State	Venture Capital Investment Per Capita
1	Massachusetts	\$367.57	18	New York	\$41.93	35	Michigan	\$7.26
2	California	269.60	19	Utah	40.84	36	Louisiana	7.03
3	New Hampshire	180.44	20	Pennsylvania	34.03	37	Nebraska	6.90
4	Colorado	121.44	21	Missouri	29.88	38	Alabama	5.28
5	Maryland	114.46	22	South Dakota	23.72	39	Kansas	2.63
6	Washington	98.71	23	Florida	21.35	40	Vermont	2.36
7	Delaware	83.39	24	New Mexico	19.89	41	Hawaii	2.33
8	Arkansas	70.61	25	Ohio	19.33	42	Arizona	1.78
9	Georgia	68.65	26	Illinois	18.17	43	Mississippi	1.76
10	New Jersey	66.10	27	Oklahoma	14.45	44	South Carolina	1.23
11	North Carolina	65.78	28	Tennessee	14.24	45	Kentucky	0.73
12	Minnesota	64.82	29	Idaho	13.12	46	Iowa	0.68
13	Connecticut	63.17	30	Nevada	12.35	47	Alaska	nr
14	Texas	58.96	31	Wisconsin	11.85	48	Montana	nr
15	Virginia	56.04	32	West Virginia	9.93	49	North Dakota	nr
16	Rhode Island	54.56	33	Maine	9.19	50	Wyoming	nr
17	Oregon	45.17	34	Indiana	8.46			

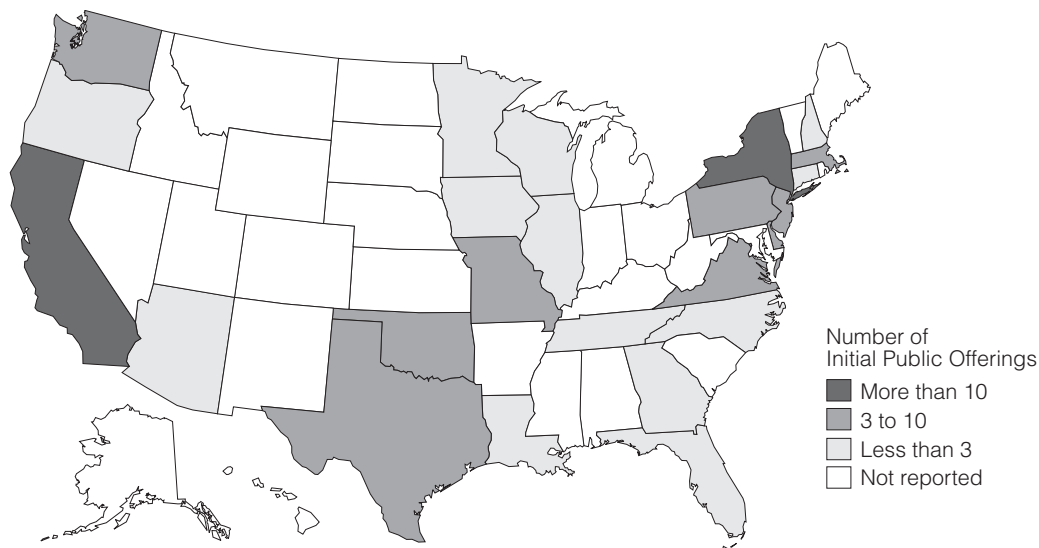
Notes: Venture capital investments are the amount of capital invested from various state and national sources.
nr = none reported.

Source: National Venture Capital Survey, 2002, PricewaterhouseCooper Money Tree Survey in collaboration with National Venture Capital Association.

- With \$64.8 of venture capital invested per capita, Minnesota ranked 12th in the country, slightly lower than the U.S. average (\$73.5 per capita), but higher than the Midwest region average (\$18.0).
- Minnesota received the highest venture capital investment per capita in the Midwest (\$65), significantly surpassing other states such as Missouri (\$30), South Dakota (\$24), Ohio (\$19) and Illinois (\$18).
- Venture capital investment per capita in medical devices industries in Minnesota (\$19.8) significantly surpassed the nation's average (\$6.4).
- Venture capital investment per capita in telecommunications industries in the U.S. (\$10.0) significantly surpassed Minnesota's average (\$3.4).

Initial Public Offerings (IPOs), 2001

Minnesota ranked fourth among Midwest states in the number of IPOs in 2001.



U.S. Rank	State	Number of Issues	Proceeds (millions)	U.S. Rank	State	Number of Issues	Proceeds (millions)	U.S. Rank	State	Number of Issues	Proceeds (millions)
1	New York	14	10,291.6	18	North Carolina	1	150.0		Maine	nr	-
2	New Jersey	6	6,913.1	19	Florida	1	138.8		Maryland	nr	-
3	Texas	8	3,174.8	20	New Hampshire	1	120.0		Michigan	nr	-
4	Virginia	4	2,779.4	21	Tennessee	1	107.8		Mississippi	nr	-
5	California	24	2,123.9	22	Wisconsin	2	104.9		Montana	nr	-
6	Indiana	1	1,987.2	23	Washington	3	85.0		Nebraska	nr	-
7	Iowa	1	1,808.4	24	Louisiana	1	70.4		Nevada	nr	-
8	Illinois	16	1,766.8	25	Oregon	1	12.0		New Mexico	nr	-
9	Delaware	5	1,238.5	26	Arizona	1	10.4		North Dakota	nr	-
10	Pennsylvania	3	930.6		Alabama	nr	-		Ohio	nr	-
11	Connecticut	1	878.4		Alaska	nr	-		Rhode Island	nr	-
12	District of Columbia	2	484.7		Arkansas	nr	-		South Carolina	nr	-
13	Missouri	3	473.0		Colorado	nr	-		South Dakota	nr	-
14	Oklahoma	3	259.8		Hawaii	nr	-		Utah	nr	-
15	Minnesota	1	185.2		Idaho	nr	-		Vermont	nr	-
16	Georgia	1	164.2		Kansas	nr	-		West Virginia	nr	-
17	Massachusetts	3	157.8		Kentucky	nr	-		Wyoming	nr	-

Notes: IPOs are the sale of stock of a company's portfolio to the public for the first time. IPOs are used to monitor the investment environment.
nr = no stock offerings reported.

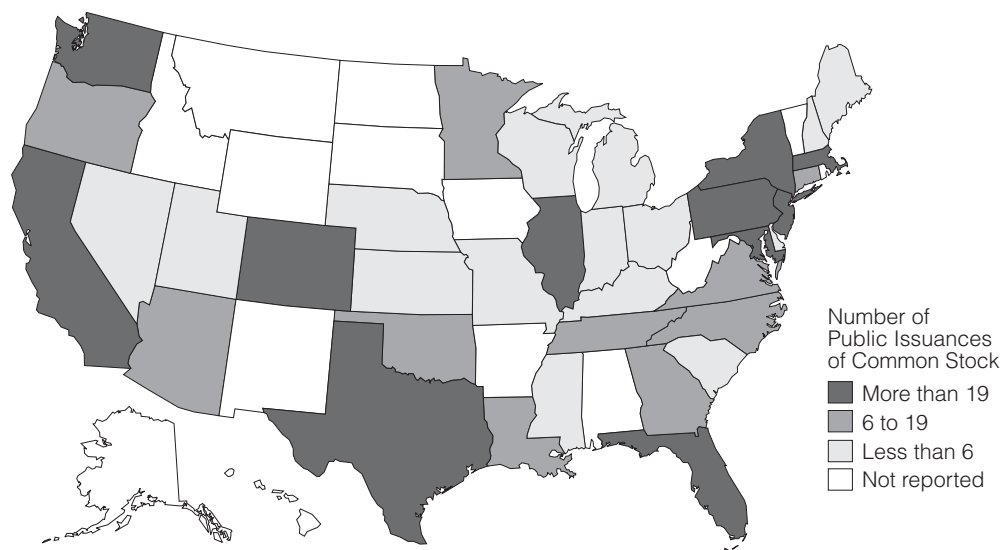
Rankings were based on the number of issues and proceed amounts for those instances of ties among states.

Source: Unpublished data, 2002, Thomson Financial Securities Data.

- Due to poor market conditions, the number of IPOs issued and the proceed amounts declined nationwide in 2001 by 64 percent and 28 percent, respectively. With the exception of Lawson Software, Inc., Minnesota companies who were once considered strong contenders in the market shelved plans to go public.
- Minnesota ranked 15th among all states in total proceeds of the companies that went public in 2001, raising a total of \$185.2 million. Minnesota issued one IPO in 2001.
- Among Midwest states, Minnesota ranked fourth (tied with Indiana and Iowa) in the number of issues (one) and fifth in IPO proceeds in 2001.

Public Issuances of Common Stock, 2000

Minnesota had the second largest number of common stock offerings among Midwest states in 2000.



U.S. Rank	State	Number of Issues	Proceeds (millions)	U.S. Rank	State	Number of Issues	Proceeds (millions)	U.S. Rank	State	Number of Issues	Proceeds (millions)
1	California	247	\$43,322.0	18	District of Columbia	9	\$714.9	35	Kentucky	1	\$156.4
2	Massachusetts	68	12,905.7	19	Arizona	8	946.2	36	Mississippi	1	72.2
3	Texas	52	11,196.8	20	Oklahoma	6	1,052.8	37	New Hampshire	1	43.6
4	New York	40	16,912.6	21	Louisiana	6	744.3		Alabama	nr	-
5	Colorado	23	4,800.6	22	Oregon	6	414.7		Alaska	nr	-
6	New Jersey	23	3,583.8	23	Missouri	4	2,076.2		Arkansas	nr	-
7	Pennsylvania	23	2,486.0	24	Utah	4	417.7		Hawaii	nr	-
8	Washington	21	14,320.7	25	Ohio	4	329.1		Iowa	nr	-
9	Florida	21	2,883.6	26	Michigan	3	428.8		Idaho	nr	-
10	Maryland	20	6,114.3	27	Nevada	3	405.2		Montana	nr	-
11	Illinois	20	2,222.2	28	Wisconsin	3	267.1		New Mexico	nr	-
12	Virginia	19	7,144.7	29	Delaware	2	1,467.5		North Dakota	nr	-
13	Connecticut	19	3,435.6	30	Maine	2	902.3		Rhode Island	nr	-
14	Georgia	17	3,703.9	31	South Carolina	2	240.8		South Dakota	nr	-
15	Minnesota	16	1,797.5	32	Kansas	2	190.2		Vermont	nr	-
16	North Carolina	11	1,798.8	33	Nebraska	2	162.7		West Virginia	nr	-
17	Tennessee	10	1,291.3	34	Indiana	1	210.2		Wyoming	nr	-

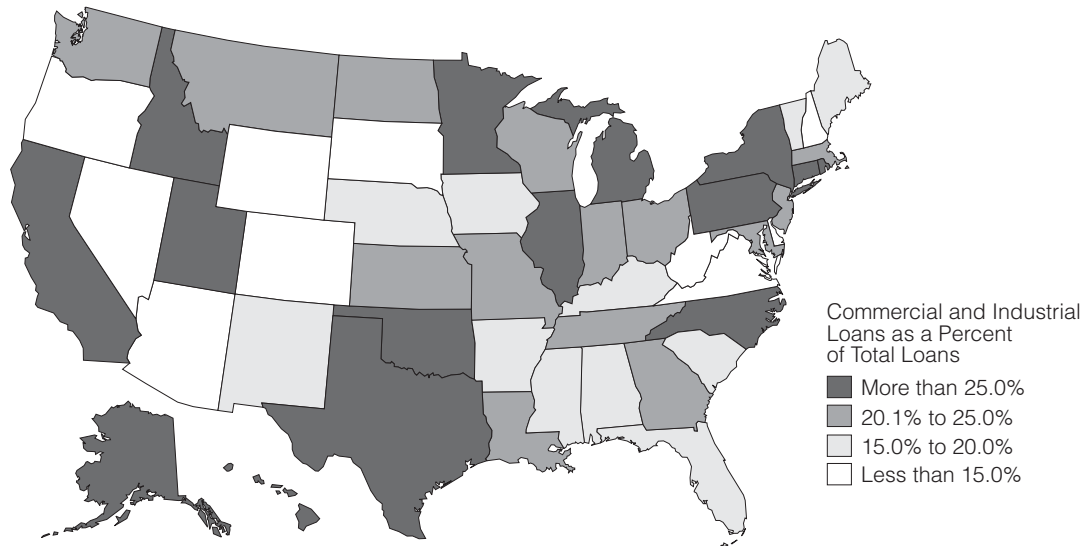
Note: nr = no stock offerings reported.
Includes initial and secondary offerings.
Rankings were based on the number of issues and proceed amounts for those instances of ties among states.

Source: Unpublished data, 2001, Thomson Financial Securities Data.

- Minnesota companies issued common stock 16 times in 2000, ranking 15th nationally. By proceeds, the 16 stock offerings raised nearly \$1.8 billion, ranking 17th among the states.
- Minnesota's largest investment banks, such as RBC Dain Rauscher and US Bancorp Piper Jaffray, are major suppliers of equity financing. In 2000, these and other major Minnesota companies were the underwriters for 97 initial public stock offerings and 83 secondary stock offerings across the nation.
- Of the eight secondary public stock offerings by Minnesota companies in 2000, five raised at least \$100 million:
 - IntraNet Solutions, now known as Stellent (\$198 million, business services);
 - Cima Labs (\$147 million, pharmaceuticals);
 - Rural Cellular (\$147 million, telecommunications services);
 - Net Perceptions (\$119 million, Internet software);
 - Computer Network Technology (\$102 million, software).

Commercial and Industrial Loans as a Percent of Total Loans and Loan-to-Deposit Ratio, 2000

Minnesota's banks are vigorous lenders to businesses.



U.S. Rank	State	Loan-to-Deposit Ratio	Number of Banks	U.S. Rank	State	Loan-to-Deposit Ratio	Number of Banks	U.S. Rank	State	Loan-to-Deposit Ratio	Number of Banks
	United States	91.3%	2,214	18	Wisconsin	92.2%	315	35	District of Columbia	81.4%	6
1	Nevada	230.2	32	19	Pennsylvania	91.9	187	36	Missouri	81.0	362
2	Oregon	222.5	43	20	South Carolina	90.0	79	37	Louisiana	80.7	149
3	South Dakota	216.8	97	21	North Dakota	89.8	110	38	Iowa	80.2	431
4	Arizona	136.2	45	22	Washington	89.4	79	39	New York	79.3	148
5	Delaware	123.6	32	23	Kentucky	89.3	233	40	Idaho	78.1	18
6	Ohio	114.2	211	24	Vermont	89.2	18	41	Oklahoma	78.0	286
7	Georgia	108.0	337	25	Maryland	87.1	74	42	Montana	77.2	84
8	Michigan	107.2	168	26	Maine	87.1	15	43	Kansas	77.0	376
9	Minnesota	106.7	492	27	California	86.8	304	44	Arkansas	77.0	185
10	Indiana	106.1	153	28	Nebraska	85.9	276	45	Alaska	74.7	6
11	New Hampshire	104.4	16	29	Wyoming	85.6	46	46	Texas	73.5	710
12	Rhode Island	102.3	7	30	Illinois	85.4	711	47	New Mexico	71.6	54
13	Hawaii	97.4	8	31	Florida	83.1	265	48	Colorado	71.2	181
14	North Carolina	97.3	75	32	Utah	82.8	56	49	Connecticut	66.6	23
15	Virginia	95.4	143	33	West Virginia	82.7	70	50	New Jersey	63.5	81
16	Alabama	95.1	158	34	Mississippi	81.8	101	51	Massachusetts	42.6	44
17	Tennessee	93.6	197								

Notes: The loan-to-deposit ratio indicates the use of deposits in funding loans. A low ratio may signify weak loan demand or a conservative lending policy. Rankings were based on loan-to-deposit ratios and number of banks for those instances of ties among states.

Source: FDIC Statistics on Banking, 2000, Federal Deposit Insurance Corporation (<http://www.fdic.gov/bank/statistical/statistics/index.html>, accessed June 2001).

- Minnesota had the 12th highest concentration of commercial and industrial loans in the United States and the highest among the Plains states in 2000.
- Minnesota is home to nearly 500 commercial banks with deposits of more than \$122 billion.
- In 2000, commercial loans as a percentage of total loans for the two biggest banks (by total loans and leases) operating in Minnesota were 35.0 percent (US Bancorp) and 17.9 percent (Wells Fargo).
- The combined loan-to-deposit ratio for Minnesota banks increased from 88.3 percent in 1995 to 106.7 percent in 2000, which means that Minnesota banks became net importers of funds to meet the financial needs of growing businesses in the state.

Alternative Business Financing Programs, 2000-2001

A variety of federal, state and local programs directly assist Minnesota businesses.

	Total Awards	Amount Awarded (thousands)
<i>Selected Federal Programs</i>		
A. U.S. Small Business Administration		
1. Guaranteed Loans Program - 7(A) Loans ¹	1,129	\$229,823
2. Disaster Lending ²	5,489	192,819
3. Certified Development Loans or 504 Loan Program ¹	174	62,154
4. Small Business Investment Companies (SBIC) ¹	63	65,914
B. Farm Services, USDA: Short, intermediate and long-term loans to farmers ¹	1,126	149,637
C. Rural Economic and Community Development, USDA: Loan Guarantee Program ³	9	30,487
<i>Selected State Programs</i>		
A. Minnesota Department of Trade and Economic Development		
1. Minnesota Development Fund ³	36	8,039
2. Small Business Development Program ¹	4	14,900
3. Challenge Grant Program ³	40	2,691
4. Capital Access Program ³	21	45
5. Tourism Loan Program ³	13	764
6. Minnesota Enterprise Zone Program ⁴	5	1,500
7. Minnesota Pathways ^{4,5}	3	501
8. Minnesota Job Skills Partnership Board ^{4,5}	64	17,326
9. Urban Initiative Program ³	40	648
B. Indian Affairs Council: Indian Business Loan Program ³	9	622
C. Tax-Exempt Private Activity Bonds: Manufacturing Program ³	9	28,035

1 Fiscal Year 2000 (Defined by respective organizations)

2 January 2001-September 2001

3 Fiscal Year 2001 (Defined by respective organizations)

4 Combined fiscal years 2000 and 2001

5 Three grant rounds (8/14/00, 11/13/00, 7/20/01)

Sources: Minnesota State Auditor's Office, *Tax Increment Financing Report*, February 2001 (<http://www.osa.state.mn.us/reports/tif/2001/tif2001.pdf>, accessed October 2001).

U.S. Small Business Administration (<http://www.sba.gov/financing/indexloans.html>, accessed October 2001).

Personal correspondence with officials at U.S. Small Business Administration, Farm Services, Rural Economic and Community Development and Minnesota Department of Trade and Economic Development.

- Financial assistance is available through loan guarantees, low-interest loans, gap and incentive financing and business tax credits. Financial resources are designed to stimulate business growth and expansion through development, acquisition and construction.
- Various local and regional governmental and non-profit organizations provide some form of assistance to entrepreneurs. Tax increment financing (TIF) was used in 2,103 tax increment districts in Minnesota in 1999. These TIF districts captured more than \$275 million in net increment tax revenue in 1999 to pay for development costs allowable under Minnesota TIF law. Local governments might also grant a tax abatement for business expansion projects (similar to a property tax rebate) of their share of the local property taxes under certain conditions.
- The non-profit Minnesota Investment Network Corporation (MIN-Corp.) promotes community economic development, primarily in rural Minnesota companies. In its fiscal year 2001, MIN-Corp. invested \$1.5 million in six companies and two funds.
- Minnesota has six Regional Initiative Funds for Greater Minnesota and an Urban Initiative Fund to assist economic development in the Twin Cities metropolitan area. The funds assist new or expanding businesses with loans.

Energy, Transportation and Telecommunications

Utility costs, transportation and telecommunications infrastructure influence business location decisions. Minnesota's central location and its extensive transportation system allow for the convenient movement of passengers and cargo by all modes of transportation. The state's relatively low utility costs and strong telecommunications environment support the state's business climate.

- A study by *Expansion Management* (September 2001) comparing the infrastructure of all metropolitan areas in the country for manufacturing and distribution, ranked Minneapolis-St. Paul the ninth highest for logistics. The rankings were mainly based on transportation indicators such as water ports, road congestion, truck safety and interstate highway access.
- Minneapolis-St. Paul Airport (MSP) was named the best large airport in North America for overall customer satisfaction in 2001 by the International Air Transport Association for the second consecutive year.
- Minnesota has extensive navigable waters and railroad systems. In 1999, Duluth-Superior was the largest port in the Great Lakes and the 16th largest port in the country, by total tonnage.
- Minnesota businesses have easy access to more than 1.7 million businesses and more than 63 million customers within a 500-mile radius of Minneapolis-St. Paul.
- Minnesota's energy prices are affordable. The average electricity price for commercial users in Minnesota was nearly 24 percent lower than the national average in 2001.
- Minnesota has public video conferencing sites and an extensive current and planned telecommunications structure throughout the state.

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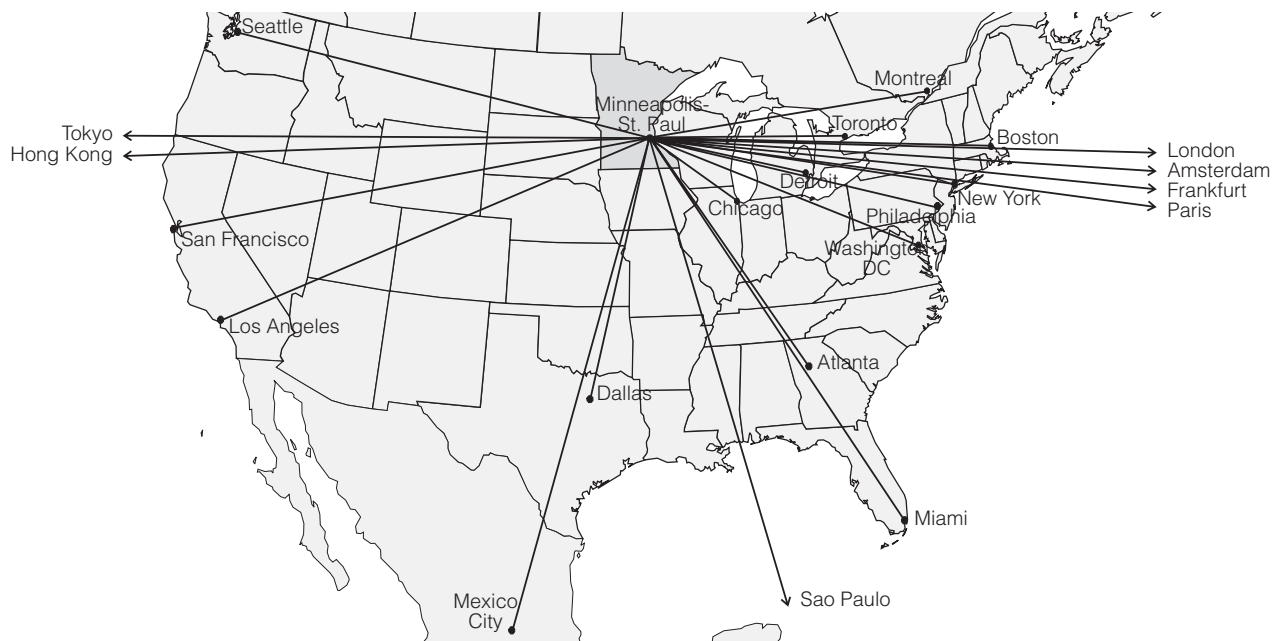
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* Updated June 2003

Air Travel Time and Number of Flights to Major U.S. and World Urban Centers, 2001

Minnesota's central time zone, mid-continental location and major international airport provide an efficient base for managing business operations.



		Approximate Hours for Non-Stop Flights		Number of Daily Flights		
		Non-Stop	One-stop	Connecting	Total	
Major Domestic Markets	Atlanta, GA	2.30	15	1	54	70
	Boston, MA	2.40	10	0	54	64
	Chicago, IL	1.20	55	0	51	106
	Dallas-Fort Worth, TX	2.30	14	4	59	77
	Detroit, MI	1.45	13	1	53	67
	Los Angeles, CA	3.50	13	1	70	84
	Miami, FL	3.35	2	1	54	57
	New York, NY	2.45	26	3	85	114
	Philadelphia, PA	2.40	9	3	52	64
	San Francisco, CA	4.05	10	1	62	73
	Seattle, WA	3.35	9	1	52	62
	Washington, D.C.	2.30	20	2	64	86
Major International Markets	Amsterdam, Netherlands	8.00	4	0	60	64
	Frankfurt, Germany	n/a	0	0	80	80
	Hong Kong, China	n/a	0	0	28	28
	London, England	8.15	1	0	67	68
	Mexico City, Mexico	n/a	0	0	57	57
	Montreal, Canada	2.30	2	1	57	60
	Paris, France	n/a	0	0	73	73
	Tokyo, Japan	12.15	2	0	71	73
	Toronto, Canada	2.00	7	0	61	68
Sao Paulo, Brazil	n/a	0	0	31	31	

Notes: The number of flights above are estimates before the slowdown in the number of flights after the events of September 11, 2001. Flights were selected for a random day. One-stop flights do not require a change of aircraft. Connecting flights require one stop and one change of aircraft. n/a = not available

Source: Official Airline Guides, 2001, Electronic Edition, Official Airline Guide, Inc.

- Non-stop or one-stop flights are available to international destinations such as Tokyo, London, Amsterdam, Montreal and Toronto.
- Connecting flights are available to major domestic and international destinations in North America, Europe, Asia, Central and South America, Australia and Africa.

Air Passenger Traffic at the World's 25 Busiest Airports, 2001

The Minneapolis-St. Paul International Airport is considered one of the world's best large airports.

International Airport	City	Total Passengers, 2000		Cargo Handled, 2000	
		Passengers	Rank	Metric tons	Rank
Hartsfield Atlanta International	Atlanta, GA	75,849,375	1	743,717	22
O'Hare International	Chicago, IL	66,805,339	2	1,284,822	12
Los Angeles International	Los Angeles, CA	61,024,541	3	2,122,874	2
Heathrow	London, England	60,743,154	4	1,263,542	13
Haneda	Tokyo, Japan	58,692,688	5	725,124	23
Dallas/Forth Worth International	Dallas/Fort Worth, TX	55,150,689	6	793,974	21
Rhein/Main	Frankfurt, Germany	48,559,980	7	1,613,292	7
Charles De Gaulle	Paris, France	47,996,223	8	1,479,304	10
Schiphol	Amsterdam, Netherlands	39,538,483	9	1,232,031	14
Denver International	Denver, CO	36,086,751	10	358,631	15
Sky Harbor International	Phoenix, AZ	35,481,950	11	283,337	16
McCarran International	Las Vegas, NV	35,195,675	12	80,064	17
Minneapolis-St. Paul International	Minneapolis/St. Paul, MN	35,170,528	13	339,676	48
George Bush Intercontinental	Houston, TX	34,794,868	14	337,842	49
San Francisco International	San Francisco, CA	34,626,668	15	635,060	24
Barajas Airport	Madrid, Spain	33,984,413	16	330,687	25
Hongkong International	Hong Kong, China	32,553,000	17	2,099,605	3
Detroit Metro Wayne County	Detroit, MI	32,294,121	18	240,763	4
Miami International	Miami, FL	31,668,450	19	1,639,762	6
Gatwick	London, England	31,182,361	20	294,881	7
Bangkok International Airport	Bangkok, Thailand	30,623,764	21	842,588	19
Newark, NJ Airport	Newark, NJ	30,500,000	22	800,000	20
John F. Kennedy International Airport	New York, NY	29,400,000	23	1,500,000	9
Orlando International	Orlando, FL	28,166,612	24	223,545	10
Changi International Airport	Singapore, Singapore	28,093,759	25	1,529,930	8

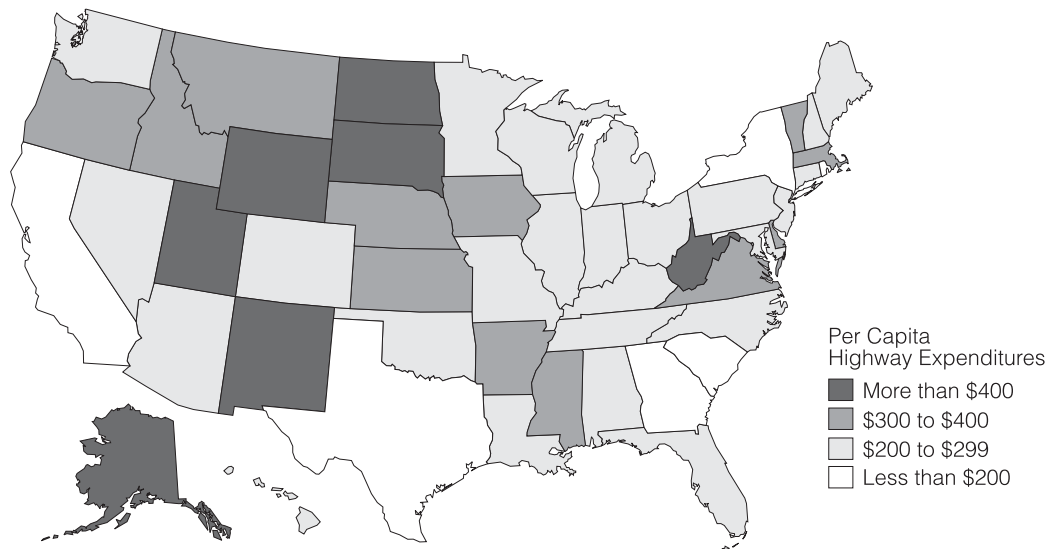
Note: Total Passengers counts arriving passengers plus departing passengers, with passengers on connecting flights counted only once.

Source: Preliminary 2000 data. Airports Council International (<http://www.airports.org>, accessed January 2003).

- The International Air Transport Association named the Minneapolis-St. Paul International Airport (MSP) the best large airport in North America for overall customer satisfaction in 2001 for the third consecutive year. MSP ranked third as the best large airport in the world, behind those in Singapore and Hong Kong.
- MSP served over 35 million passengers in 2001, representing a growth rate of 31 percent since 1995. In terms of total passenger traffic in 2001, MSP ranked 13th largest in the world and 8th largest in the United States.
- Thirteen major U.S. passenger airlines, three international carriers, three regional commuter airlines, seven charter airlines and 19 cargo airlines serve the Twin Cities airport. The MSP airport employs more than 25,000 people.
- MSP processed about 340,000 metric tons of cargo in 2001, ranking 48th in the world. Memphis, Tennessee — the home base of Federal Express and the world's busiest airport by cargo handled — handled 2.6 million metric tons of cargo in 2001.
- Long term expansion projects for MSP include: completion of the new fourth runway and related taxiways in late 2004; new, expanded air freight and airline maintenance facilities; more de-icing pads; an improved storm water drainage system; additional Humphrey Terminal gates and parking; light rail stations at the Lindbergh and Humphrey terminals (2004); and an elevated concourse tram to begin operation in mid-2003.
- According to the *Air Travel Consumer Report*, July 2002 (summer estimate), planes using MSP arrived on time 80.7 percent of the time, compared to the national average of 80.9 percent and departed on time 80.4 percent of the time, compared to the national average of 79.8 percent.
- The *Air Travel Consumer Report*, December 2002 (winter estimate) shows that planes using MSP arrived on time 84.8 percent of the time, compared to the national average of 78.6 percent and departed on time 85.8 percent of the time, compared to the national average of 78.3 percent.

Per Capita State Government Expenditures on Highways (1998) and Roadway Congestion Indicators (1999)

Minnesota's expenditure on highways and transportation services aims to reduce commuting time to work, speed up freight movement and improve overall traffic flow.



Metropolitan Area	1999 Roadway Congestion Index	1999 Rank	1994-1999 Percent Change
Los Angeles, CA	1.58	1	3.9%
Washington, DC-MD-VA	1.34	3	-6.3
Chicago, IL-Northwestern, IN	1.31	4	2.3
Boston, MA	1.28	6	18.5
Miami-Hialeah, FL	1.23	11	-6.8
Minneapolis-St. Paul, MN-WI	1.20	13	17.1
Detroit, MI	1.20	13	-3.2
Denver-Boulder-Greeley, CO	1.20	13	12.1
New York, NY-Northeastern, NJ	1.15	21	-0.0
Houston, TX	1.10	26	-1.8
Philadelphia, PA-NJ	1.06	30	1.0
Dallas, TX	1.05	33	-3.7
St. Louis, MO-IL	1.03	38	5.1
Cleveland, OH	0.99	44	-1.0
Pittsburgh, PA	0.78	61	-6.0

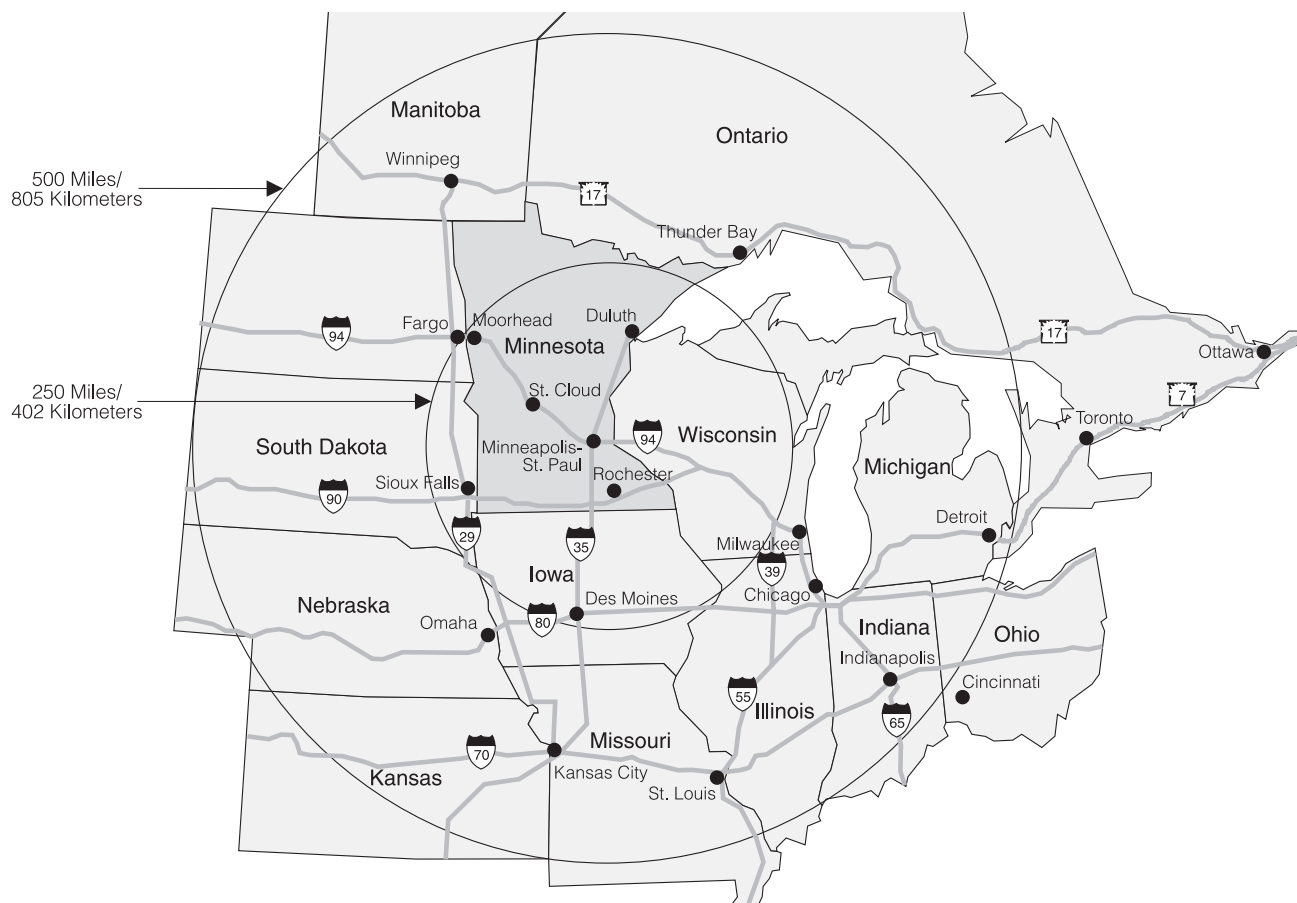
Note: Road congestion index is an indicator of traffic volume. A value of 1 represents the beginning of undesirable traffic levels.

Sources: *State Government Finances 1998*, electronic data files, U.S. Department of Commerce, Bureau of the Census (<http://www.census.gov/govs/>, accessed May 2001). *Urban Roadway Congestion*, 1994 (table 1), 1999 (table A-16), Texas Transportation Institute (<http://mobility.tamu.edu/>, accessed May 2001).

- In fiscal year 1998, Minnesota's state expenditure per capita on highways of \$263 was higher than the national average expenditure of \$236.
- Federal, state and local expenditures on Minnesota highways totaled nearly \$1.5 billion in fiscal year 1999.
- In 1999, Minneapolis-St. Paul had a roadway congestion index of 1.20 — lower than indexes of cities comparable in size (over 1 million but less than 3 million people), such as San Diego (1.25) and Seattle-Everett (1.30).
- To prevent and alleviate congestion, the Minnesota Department of Transportation initiated the SmartTraveler® Information Service, in 1998 to provide free real-time and transit information through a touch-tone telephone or the Internet.
- The metro area's new light-rail public transit system — the Hiawatha Light Rail Train (LRT) — will connect downtown Minneapolis to the airport and the Mall of America. Construction is expected to be completed in the fall of 2004.

Minnesota Market Location and Truck Transportation, 2000

Minnesota businesses have easy access to more than 1.7 million businesses and more than 63 million customers within a 500-mile radius of Minneapolis-St. Paul.

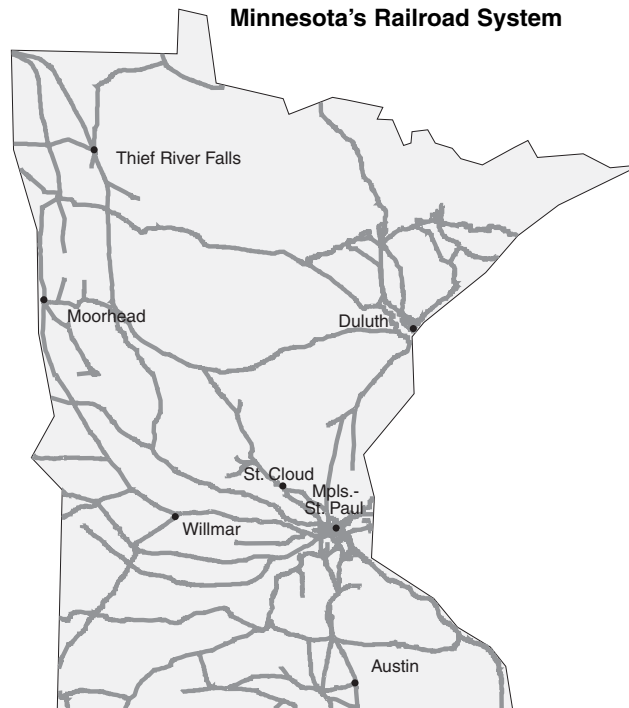


Source: 2001 *Road Atlas*, Rand McNally.

- More than 1.7 million businesses, including over 110,000 manufacturers, are located within a 500-mile radius of Minneapolis-St. Paul, according to U.S. Department of Labor data.
- Minnesota has more than 131,000 miles of roads and streets, of which 12,000 miles are trunk highway under the Minnesota Department of Transportation's management. About 5,000 miles of Minnesota's trunk highway system are part of the National Truck Network. This designation allows twin trailer trucks to travel on these roads.
- Approximately 3,500 intrastate carriers and more than 33,000 interstate carriers have authority to operate in Minnesota, offering a wide variety of trucking options.
- The March 2000 *Minnesota Statewide Freight Flows Study* showed that Minnesota exports 50 percent more freight than it imports. It is the ninth largest state for outbound interstate shipments by weight, following only Illinois and the large coal and oil-producing states.
- According to the U.S. Census Bureau's 1997 *Survey of Commodity Flow* report, 290 million tons of Minnesota's goods and commodities, valued at an estimated \$155 billion, were shipped out of the state. Trucking, the predominant mode of transportation, was used to ship 65 percent of these goods (by weight).

Minnesota Commerce on Navigable Waterways and Railroads, 2000

Minnesota has extensive navigable waters and railroad systems to facilitate transportation of Minnesota's goods.



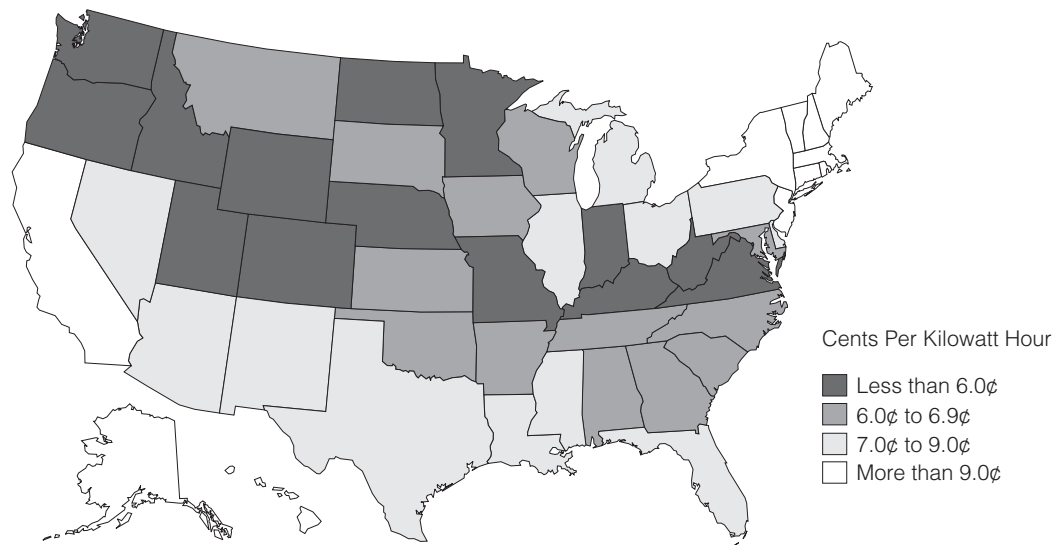
<i>Minnesota Ports</i>	<i>Tonnage, 2000</i>	<i>Average Tonnage, 1996-2000</i>
Great Lakes Shipments		
Duluth-Superior	41,239,513	40,747,051
Two Harbors	13,254,591	11,770,296
Taconite Harbor	8,826,220	8,719,414
Silver Bay	5,450,592	5,219,995
Total Great Lakes Shipments	68,770,916	66,456,755
Mississippi River Shipments		
St. Paul	6,429,813	6,104,916
Savage	5,157,102	5,207,861
Winona	2,809,445	2,677,945
Minneapolis	1,966,791	1,753,340
Red Wing	940,430	948,194
Total River Shipments	17,303,581	16,692,256
Total Minnesota Waterborne Shipments	86,074,497	83,149,011

Source: Minnesota Department of Transportation, Office of Freight, Railroads, and Waterways (<http://www.dot.state.mn.us/>, accessed May, 2001).

- Minnesota's rail system consists of four major carriers, which own 2,896 miles of track, and 20 small carriers, which own 1,705 miles of track.
- In 1998, the Dakota, Minnesota & Eastern Railroad (DM&E), one of Minnesota's major grain-carrying railroad, proposed the Powder River Basin Expansion Project (PRB) to the U.S. Department of Transportation (USDOT). The PRB is expected to increase train volumes in Southern Minnesota.
- Minnesota has four Great Lakes ports consisting of 34 terminals: 31 located in Duluth/Superior and one each in Two Harbors, Taconite Harbor and Silver Bay. In 1999, Duluth-Superior was the largest port in the Great Lakes and the 16th largest port in the country, by total tonnage.
- Minnesota is served by the Mississippi River system, which stretches over 231 miles. The river system comprises 45 terminals located in five river ports: St. Paul (22 terminals), Savage (7 terminals), Winona (7 terminals), Minneapolis (5 terminals) and Red Wing (4 terminals).

Average Electricity Prices for Commercial Users, 2001

The average electricity price for commercial users in Minnesota was nearly 24 percent lower than the national average in 2001.



Rank	State	Average Revenue (cents per kilowatt hour)	Rank	State	Average Revenue (cents per kilowatt hour)	Rank	State	Average Revenue (cents per kilowatt hour)
U.S. Average		7.8¢	16	Kansas	6.2¢	34	Louisiana	7.6¢
1	Kentucky	5.1	18	South Carolina	6.3	34	Texas	7.6
2	Idaho	5.2	18	Tennessee	6.3	36	Michigan	7.7
3	Washington	5.4	20	Maryland	6.4	36	Ohio	7.7
3	West Virginia	5.4	20	Montana	6.4	38	Pennsylvania	8.0
5	Oregon	5.5	20	Wisconsin	6.4	39	Nevada	8.5
5	Utah	5.5	23	North Carolina	6.5	40	New Jersey	9.2
5	Wyoming	5.5	24	Alabama	6.6	41	Connecticut	9.3
8	Nebraska	5.6	24	South Dakota	6.6	42	Alaska	10.1
9	Colorado	5.7	26	Georgia	6.7	43	Rhode Island	10.4
10	Indiana	5.8	26	Iowa	6.7	44	New Hampshire	10.5
10	Virginia	5.8	28	Florida	7.0	45	Massachusetts	10.7
12	Minnesota	5.9	28	Mississippi	7.0	46	Vermont	11.1
12	Missouri	5.9	30	Delaware	7.1	47	California	11.2
12	North Dakota	5.9	31	Illinois	7.2	48	Maine	11.3
15	Oklahoma	6.1	32	Arizona	7.4	49	New York	13.0
16	Arkansas	6.2	33	New Mexico	7.5	50	Hawaii	14.5

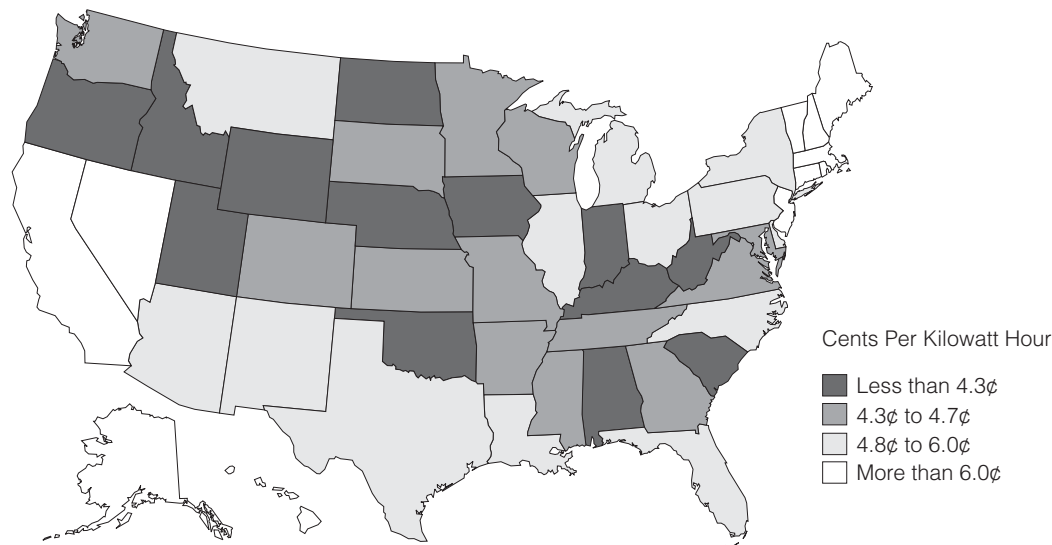
Notes: Data are preliminary.

Source: Form EIA-861, *Electric Power Monthly*, March 2001 (Table 55), U.S. Department of Energy, Energy Information Administration (<http://tonto.eia.doe.gov/FTP/ROOT/electricity/epm/02260203.pdf>, accessed January 2003).

- Commercial electricity users paid an average of 5.9 cents per kilowatt hour of electricity in Minnesota in 2001, nearly 24 percent below the national average commercial electricity price of 7.8 cents per kilowatt hour.
- Summer peak demand for electricity in the Mid-Continent Area Power Pool (MAPP), of which Minnesota is a member, is expected to grow by 1.9 percent annually between 2002 and 2011. MAPP utilities have committed to provide an additional 2,800 megawatts of new generation to meet the increased demand.
- In 2001, Minnesota's more than 217,000 commercial electricity users incurred lower average electricity costs than those in 36 other states.
- The Minnesota Energy Security and Reliability Act, approved by the state legislature in 2001, aims to increase reliability of services, accelerates the process for establishing power facilities' sites and routes, develops a comprehensive state energy plan, and provides incentives for the development of alternative energy sources.

Average Electricity Prices for Industrial Users, 2001

The average price for industrial electricity users in Minnesota was lower than the national average in 2001.



Rank	State	Average Price (cents per kilowatt hour)	Rank	State	Average Price (cents per kilowatt hour)	Rank	State	Average Price (cents per kilowatt hour)
	U.S. Average	5.0¢						
1	Kentucky	3.0	17	Maryland	4.4¢	31	Texas	5.2¢
2	Wyoming	3.5	17	Tennessee	4.4	35	Florida	5.4
3	Idaho	3.6	17	Washington	4.4	35	New Mexico	5.4
3	Utah	3.6	20	Arkansas	4.5	37	Louisiana	5.5
5	West Virginia	3.7	20	Colorado	4.5	38	Montana	5.8
6	Alabama	3.8	20	Mississippi	4.5	38	Pennsylvania	5.8
6	Nebraska	3.8	20	Missouri	4.5	40	Nevada	6.4
6	South Carolina	3.8	24	Kansas	4.6	41	Maine	7.0
9	Indiana	4.0	24	Minnesota	4.6	42	Connecticut	7.7
10	North Dakota	4.1	24	South Dakota	4.6	43	Alaska	7.9
10	Oregon	4.1	27	Illinois	4.8	43	Vermont	7.9
12	Iowa	4.2	27	North Carolina	4.8	45	New Jersey	8.4
12	Oklahoma	4.2	27	Ohio	4.8	46	California	9.1
12	Virginia	4.2	30	Delaware	5.1	47	New Hampshire	9.2
15	Georgia	4.3	31	Arizona	5.2	48	Massachusetts	9.7
15	Wisconsin	4.3	31	Michigan	5.2	49	Rhode Island	9.8
			31	New York	5.2	50	Hawaii	11.3

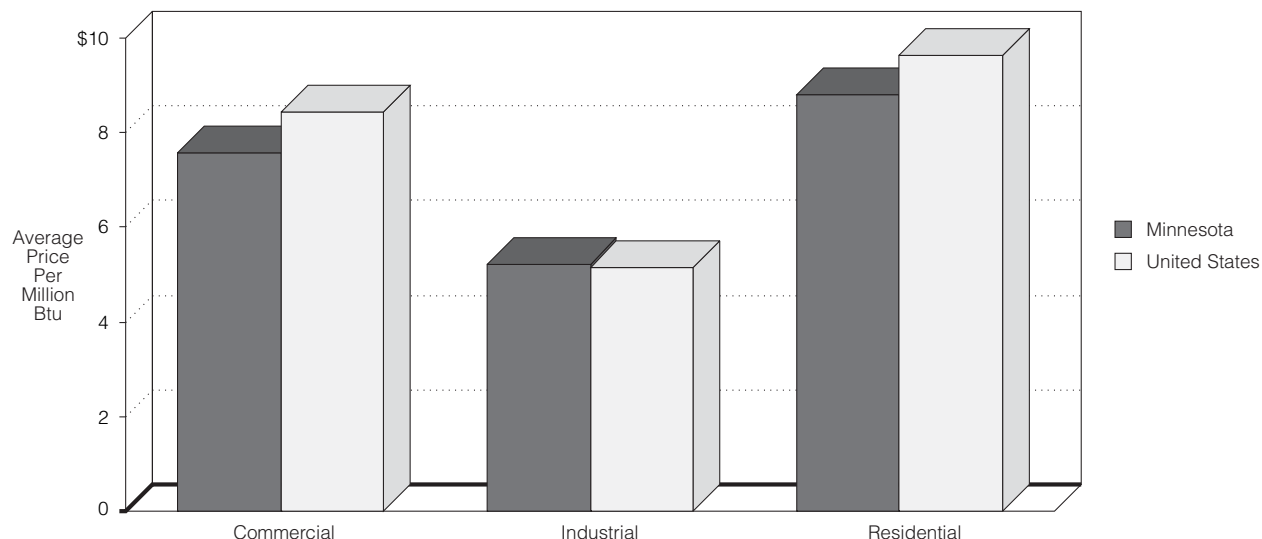
Notes: Data are preliminary.

Source: Form EIA-861, *Electric Power Monthly*, March 2001 (Table 55), U.S. Department of Energy, Energy Information Administration (<http://tonto.eia.doe.gov/FTP/ROOT/electricity/epm/02260203.pdf>, accessed January 2003).

- Industrial electricity users paid an average of 4.6 cents per kilowatt hour of electricity in Minnesota in 2001, approximately 8 percent lower than the national average industrial electricity price of 5.0 cents per kilowatt hour.
- The average electricity price for Minnesota's 10,838 industrial electricity users was lower than in 24 other states in 2001.
- Regulated electric utilities are mandated to invest from 1.5 to 2.0 percent of their revenues into energy conservation programs. Minnesota saves \$3 to \$4 in electric system costs and more than \$3.50 in natural gas system costs per dollar spent on such programs.
- In 2002, more than 13,600 small, commercial and industrial businesses in Minnesota participated in conservation improvement and/or load management control programs with Xcel Energy, the largest provider of energy resources in Minnesota.

Average Natural Gas Prices by Class of Service, 2001

Natural gas prices in Minnesota were lower than the national average for commercial and residential customers.



	Commercial Customers		Industrial Customers		Residential Customers	
	Average Price in Dollars Per Million Btu, 2001	Percent Change 1990-2001	Average Price in Dollars Per Million Btu, 2001	Percent Change 1990-2001	Average Price in Dollars Per Million Btu, 2001	Percent Change 1990-2001
United States	\$8.45	74.9%	\$5.16	76.1%	\$9.63	66.0%
Plains						
Iowa	na	na	na	na	8.88	78.0
Kansas	9.15	172.3	4.83	67.7	10.07	124.8
Minnesota	7.57	90.2	5.22	75.8	8.80	90.1
Missouri	9.68	113.7	7.23	72.6	10.51	101.7
Nebraska	7.19	86.3	5.74	93.3	8.47	84.1
North Dakota	6.19	47.7	5.28	58.1	7.62	62.1
South Dakota	na	na	6.08	60.4	8.58	66.9
Great Lakes						
Illinois	8.65	86.4	5.55	35.4	9.05	78.9
Indiana	na	na	na	na	na	na
Michigan	5.30	14.5	4.66	19.8	5.59	11.4
Ohio	9.32	99.1	8.68	112.7	9.95	88.1
Wisconsin	7.60	60.0	6.75	99.1	8.76	52.6

Note: Btu = British thermal units, used to measure gas volumes.

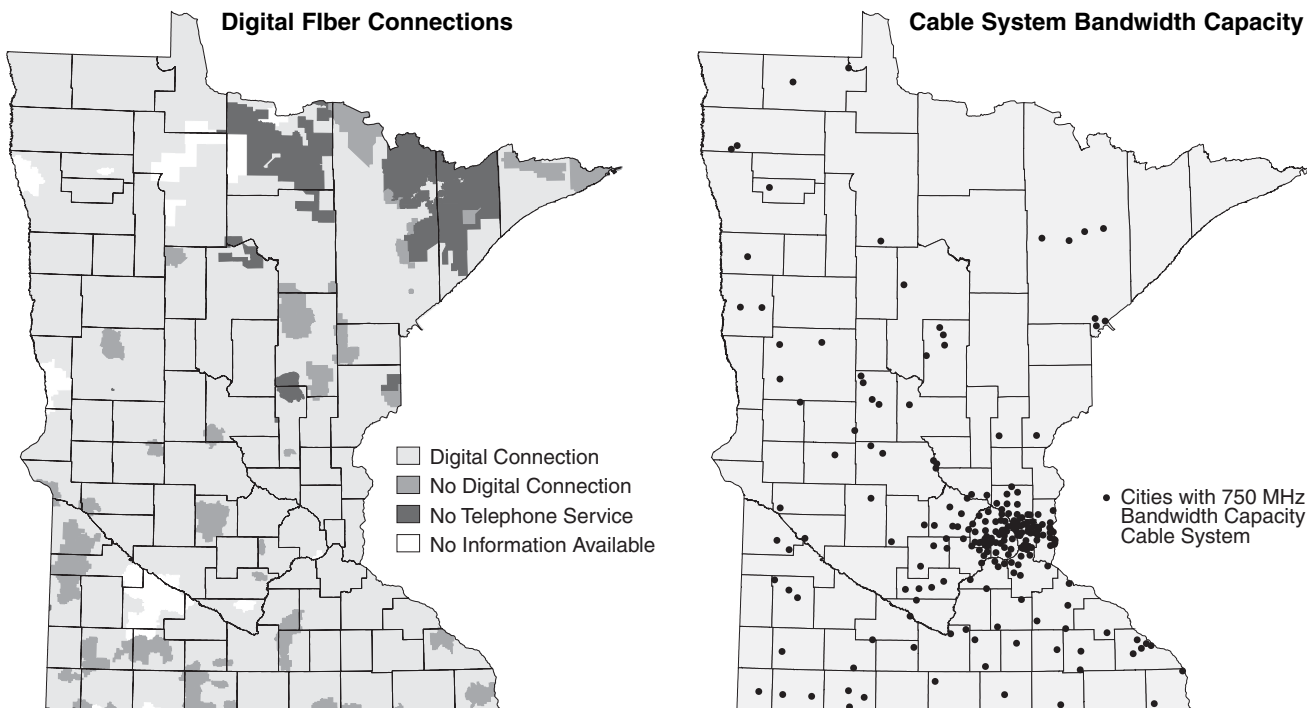
n/a = not available

Sources: http://www.eia.doe.gov/oil_gas/natural_gas/data_publications/historical_natural_gas_annual/hnga.html, accessed June 2001.
http://www.eia.doe.gov/pub/oil_gas/natural_gas/data_publications/natural_gas_monthly/current/pdf/table_21.pdf, accessed January 2003.
http://www.eia.doe.gov/pub/oil_gas/natural_gas/data_publications/natural_gas_monthly/current/pdf/table_22.pdf, accessed January 2003.
http://www.eia.doe.gov/pub/oil_gas/natural_gas/data_publications/natural_gas_monthly/current/pdf/table_23.pdf, accessed January 2003.

- In 2001, natural gas prices for all customer classes in Minnesota were among the lowest in the Midwest.
- Commercial customers paid \$7.57 per million Btu, 10.4 percent below the national average, while residential customers paid \$8.80 per million Btu, 8.6 percent below the national average in 2001.
- A study by RAND in 2002 found that improvements in energy efficiencies in the industrial and commercial sectors in Minnesota between 1977 and 1997 were associated with an increase in economic output of between \$793 and \$903 per capita in 1997.

Minnesota's Electronic Communication and Telecommunications Infrastructure, 2000

Minnesota has public video conferencing sites and an extensive current and planned telecommunications structure throughout the state.



Note: 750Mhz is the bandwidth capacity level that allows high speed data service and cable telephony.

Sources: Minnesota Department of Commerce, Telecommunications.

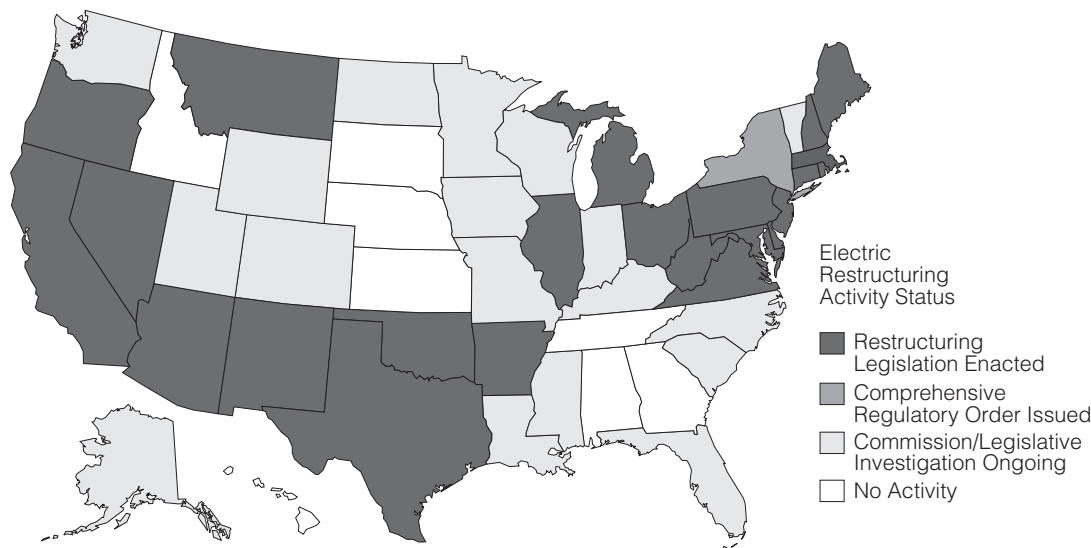
Digital Fiber Connections (<http://www.commerce.state.mn.us/pages/Telecom/TcomPDF/alltelcommmaps.pdf>, accessed July 2001).

Cable System Bandwidth Capacity (<http://www.commerce.state.mn.us/pages/Telecom/TcomPDF/allcablemaps.pdf>, accessed July 2001).

- The Learning Network of Minnesota, built by MEANS Telcom and its partners in 1996, supports data, Internet and videoconferencing delivery to more than 470 Minnesota school districts and public libraries. Videoconferencing reduces travel time, expenses and other associated costs while increasing staff productivity. The network of 23 public videoconference centers located across the state creates global links to Minnesota companies and organizations.
- Onvoy operates the largest network of Internet services in Minnesota — a fiber-optic network spanning more than 2,000 miles across the state — with multiple connections with national Internet backbones.
- *Connecting Minnesota* is an initiative by the Minnesota departments of Transportation and Administration to install 2,200 miles of fiber optic cable along interstate highways to increase telecommunication capacity in Greater Minnesota and in the Minneapolis-St. Paul metro area.
- When the *Connecting Minnesota* network is complete in 2003, it will reach within 10 miles of about 80 percent of the state's population, including rural areas and small towns throughout Greater Minnesota.
- Minneapolis-St. Paul was the 19th "most-wired city" in the United States, according to *Yahoo! Internet Life*, April 2001. Rankings were based on factors such as the number of households online, the prevalence of online companies, and the depth of local government websites.

Electric Deregulation in Minnesota, 2000-2001

Minnesota continues to evaluate the costs and benefits of electric deregulation.



Note: No states were listed in a 5th category titled "Legislation/Orders Pending."

Source: U.S. Department of Energy, Energy Information Administration (http://www.eia.doe.gov/cneaf/electricity/chg_str/regmap.html, accessed May 2001).

- A report released in 2000 by the Legislative Electric Energy Task Force (LEETF) concluded that although there is no underlying consensus among stakeholders from utilities as to whether Minnesota should restructure or not, the majority believed that restructuring in the state is inevitable. LEETF recommended that a plan be drafted to assist the legislature in making a decision on whether the state should restructure or not.
- In its 2000 report, *Keeping the Lights On: Securing Minnesota's Energy Future*, the Minnesota Department of Commerce (DOC) stated that deregulation would not be supported by the department due to problems experienced in other states (i.e. California). DOC proposed a change in the tax structure to promote the construction of new power plants and increased energy conservation, among other measures.
- In 2001, the Minnesota Legislature passed the House Electric Reliability bill to streamline the process of providing energy and supporting diversification of electric generation in Minnesota. The bill is expected to increase the state's energy capacity by conducting long-term resource planning (energy security blueprint) and short-term planning for infrastructure needs (state transmission plan).

Construction and Real Estate

Available and affordable real estate is one of the most important factors in determining the location of a business. With a growing availability of affordable office and industrial space, Minnesota is an ideal location to start or expand a business.

- As of the second quarter of 2001, 2.7 million square feet of office space in 13 projects were under construction in the Twin Cities, while an additional 3.4 million square feet of space in 24 projects had been proposed.
- Gross rental rates of Class A office space in the Twin Cities are competitive with other major North American metropolitan areas in both the Central Business District (CBD) and the suburban markets.
- The Twin Cities market for industrial space is growing, with vacancy rates of 8.3 percent for office/warehouse space and 11.4 percent for bulk warehouse space in 2000.
- Minneapolis's commercial and industrial building construction index decreased from 110.1 in 1996 to 102.7 in 2001, dropping from seventh highest in 1996 to ninth highest in 2001 among 22 major North American metropolitan areas.

Contents

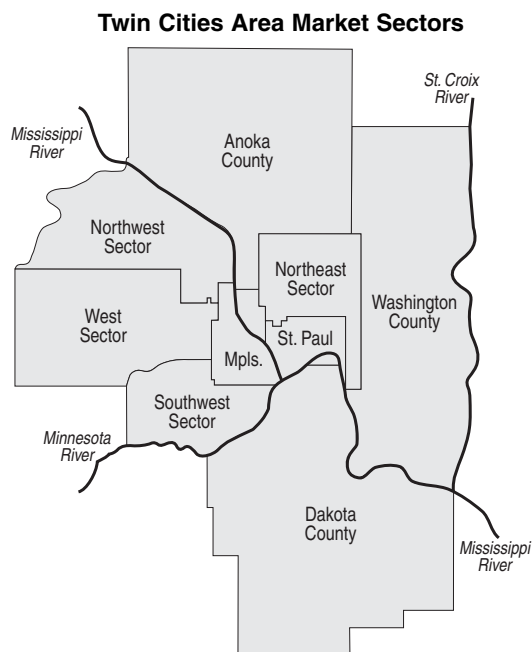
Twin Cities Area	
Office Space Market, 20019.1
Office Space for Selected Major	
North American Markets, 20009.2
Industrial Space for Selected Major	
North American Markets, 20009.3
Commercial/Industrial Building	
Construction Cost Index in	
Major North American	
Metropolitan Areas, 20019.4

Twin Cities Area Office Space Market, 2001

With an average vacancy rate of 11.5 percent, the Twin Cities offers businesses room to grow.

Twin Cities Market Sector	Total Office Space (sq. ft.)	Percent Vacant	Net Rent Per Sq. Ft.	
			Low	High
Minneapolis CBD				
Class A	11,472,592	5.6%	\$14.25	\$21.50
Class B	6,813,731	8.3	8.50	15.75
Class C	1,803,577	12.4	4.25	14.50
Renovated	3,168,913	9.6	4.50	14.00
Total	23,258,813	7.5	-	-
Minneapolis Out-of-CBD	1,719,067	16.8	7.50	18.25
St. Paul CBD				
Class A	1,618,488	26.4	12.50	20.00
Class B	4,743,566	13.0	7.00	14.50
Class C	1,423,375	11.3	5.25	11.00
Total	7,785,429	15.5	-	-
St. Paul Out-of-CBD	1,995,176	15.2	5.75	14.00
Northeast	2,840,425	11.1	5.00	15.50
Northwest	1,143,587	18.9	7.00	12.13
Southwest				
Class A	5,619,345	11.7	12.95	19.25
Class B	9,017,794	13.0	7.50	17.25
Total	14,637,139	12.5	-	-
West				
Class A	2,367,330	11.0	16.50	17.50
Class B	4,638,107	15.6	9.00	16.00
Total	7,005,437	14.1	-	-
Anoka County	466,966	6.0	6.60	14.00
Dakota County	1,645,164	14.1	8.25	16.00
Washington County	523,413	7.3	9.00	14.50
Twin Cities Area Total	63,020,616	11.5%	-	-

Source: Towle Report, Midyear 2001 Mpls/St. Paul. Colliers Towle Real Estate Company.

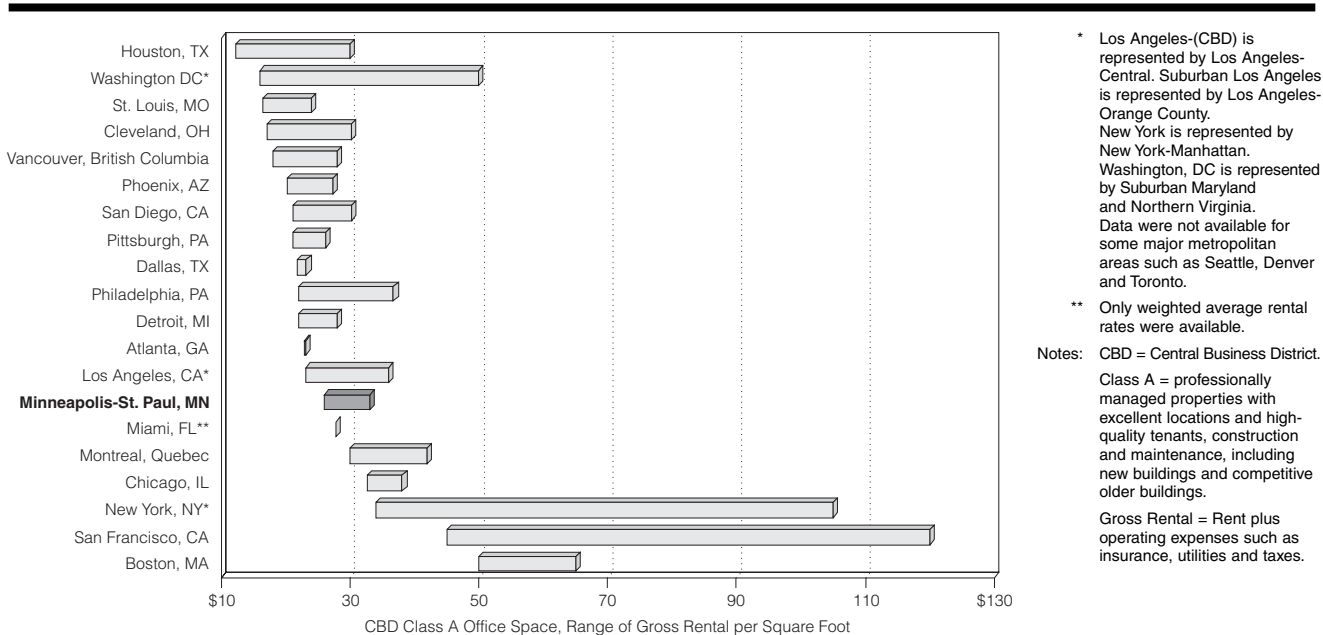


Notes: Net Absorption = the difference in occupied space between two periods.
 CBD = central business district.
 Class A = buildings generally new and first class in condition, design, decor and location.
 Class B = seasoned buildings generally older and/or less desirable.
 Class C = older buildings in average to poor condition.
 Net Rent = the quoted asking rent less expenses (including building insurance and utilities).

- Office vacancy rates in the Twin Cities increased to 11.5 percent in the second quarter of 2001, an increase of over 3 percent from the second quarter 1999 vacancy rate of 8.3 percent. The most dramatic increase in vacancy rates occurred in Class A buildings in the St. Paul CBD. Vacancy rates fell for Class C buildings in the St. Paul CBD, Class A buildings in the West market sector and in Washington County.
- For the first time since 1984, the Minneapolis CBD reported negative annual absorption of 96,727 square feet between the second quarter of 2000 and the second quarter of 2001, meaning the total amount of space occupied actually fell. This was likely because of sluggish demand for office space resulting from the recession that began in March 2001. The majority of the decrease was in Class A buildings.
- As of the second quarter of 2001, 2.7 million square feet of space in 13 projects were under construction in the Twin Cities, and an additional 3.4 million square feet of space in 24 projects had been proposed.

Office Space for Selected Major North American Markets, 2000

Rental rates for office space in Minneapolis-St. Paul are competitive with those in other major markets.



Metropolitan Area	Central Business District (CBD) Class A Office Space				Suburban (Outside CBD) Class A Office Space			
	Inventory (square feet)	Vacancy Rate	Gross Rental Per Square Foot		Inventory (square feet)	Vacancy Rate	Gross Rental Per Square Foot	
			Low	High			Low	High
Houston, TX	21,331,764	2.8%	\$12.25	\$30.00	31,954,227	12.4%	\$8.00	\$28.00
Washington DC*	49,811,500	2.7	16.00	50.00	94,015,628	2.4	12.50	45.00
St. Louis, MO	4,971,614	10.1	16.50	24.00	13,261,267	11.5	18.00	28.00
Cleveland, OH	10,746,116	7.9	17.00	30.00	3,752,375	16.4	17.00	26.00
Vancouver, British Columbia	6,507,800	3.6	18.00	28.00	8,045,800	4.0	15.00	21.00
Phoenix, AZ	6,928,397	5.9	20.21	27.34	3,595,949	14.3	21.30	24.38
San Diego, CA	8,932,757	10.1	21.00	30.00	27,557,631	7.9	27.00	37.80
Pittsburgh, PA	14,034,029	10.4	21.00	26.00	12,525,378	16.1	19.00	23.00
Dallas, TX	18,323,062	16.8	21.69	23.10	55,599,927	15.5	21.98	22.58
Philadelphia, PA	26,727,402	7.9	22.00	36.75	37,762,292	10.6	15.00	37.50
Detroit, MI	8,334,519	6.0	22.00	28.00	27,144,781	6.0	22.00	30.00
Atlanta, GA	18,333,631	7.3	22.92	23.18	46,800,440	10.5	22.16	22.49
Los Angeles, CA*	18,032,179	13.5	24.00	36.00	55,276,481	6.2	16.98	32.52
Minneapolis-St. Paul, MN	12,486,142	5.2	26.00	33.00	6,663,463	5.8	27.00	31.00
Miami, FL**	5,415,482	6.0	27.81	27.81	6,010,996	9.7	24.21	24.21
Montreal, Quebec	19,704,668	6.9	30.00	42.00	8,238,122	10.0	24.00	28.50
Chicago, IL	42,609,046	10.3	32.64	38.04	31,658,868	16.5	18.24	30.26
New York, NY*	176,883,000	2.5	34.00	105.00	59,567,000	2.0	37.00	65.00
San Francisco, CA	34,097,451	2.0	45.00	120.00	10,157,358	2.2	24.00	84.96
Boston, MA	40,222,190	1.0	50.00	65.00	69,890,271	2.7	19.50	62.00

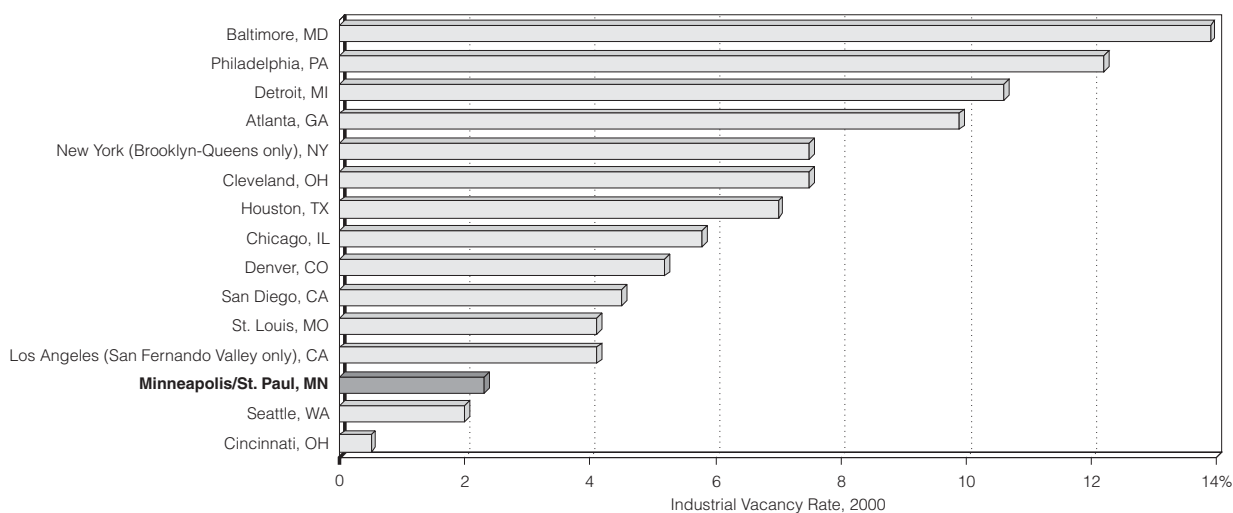
* and ** See notes above, by chart.

Source: 2001 Comparative Statistics of Industrial and Office Real Estate Markets, Society of Industrial and Office Realtors (www.sior.com, accessed November 2001).

- In the Minneapolis-St. Paul CBD market, Class A office space rents were between \$26 and \$33 per square foot in 2000. Suburban rental costs were similar, but had a narrower spread.
- Vacancy rates for the Twin Cities were below average for the major markets shown in the table above. About 5.2 percent of Class A office space in the Minneapolis-St. Paul CBD market was vacant, while 5.8 percent of Class A office space outside the metro area was vacant.

Industrial Space for Selected Major North American Markets, 2000

More than 5 million square feet of industrial space were available in the Twin Cities in 2000.



Twin Cities Market Sector	Total Area Available (sq. ft.)	Vacancy Rate	Average Net Office Rent Per Sq. Ft.	Average Net Warehouse Rent Per Sq. Ft.	Real Estate Taxes Per Sq. Ft.	Total Expenses Per Sq. Ft.
Office/Warehouse Market						
Anoka County	69,098	3.3%	\$7.81	\$4.12	\$1.29	\$1.99
Dakota County	419,660	11.2	7.75	4.11	1.21	1.98
Minneapolis	172,329	5.1	7.49	3.80	1.30	2.16
Northeast	573,339	9.8	8.28	4.35	1.41	2.06
Northwest	882,612	14.4	8.21	4.23	1.53	2.27
Scott County	47,147	5.9	8.29	4.13	0.79	1.56
St. Paul	156,102	5.7	8.34	4.31	1.77	2.55
Southwest	442,709	6.2	7.72	3.77	1.50	2.48
Washington County	20,688	1.9	8.84	4.48	1.86	2.59
West	472,737	7.3	8.54	4.43	1.88	2.77
Twin Cities Metro	3,256,421	8.3	8.20	4.24	1.56	2.36
Bulk Warehouse Market						
Anoka County	35,534	5.3%	\$8.00	\$3.85	\$1.06	\$2.09
Dakota County	741,881	24.8	7.48	3.87	0.94	1.52
Minneapolis	313,154	11.9	7.28	3.48	0.90	1.71
Northeast	82,540	4.0	8.09	3.74	1.18	1.68
Northwest	222,323	8.8	8.06	3.89	1.37	2.15
Scott County	140,000	19.8	7.13	4.13	0.58	1.06
St. Paul	281,370	9.7	8.25	3.65	1.01	1.60
Southwest	95,531	5.6	8.00	4.12	1.15	1.75
Washington County	165,128	35.6	8.75	3.88	n/a	1.90
West	161,032	5.6	7.49	3.98	1.20	2.00
Twin Cities Metro	2,238,493	11.4	7.77	3.84	1.07	1.81

Note: Total Expenses = the annual cost of all operating expenses, excluding rent, but including taxes.

Office/Warehouse = multi-tenant facilities with more than 25,000 rentable square feet, built after World War II, and having 10 to 20 percent finished office space.

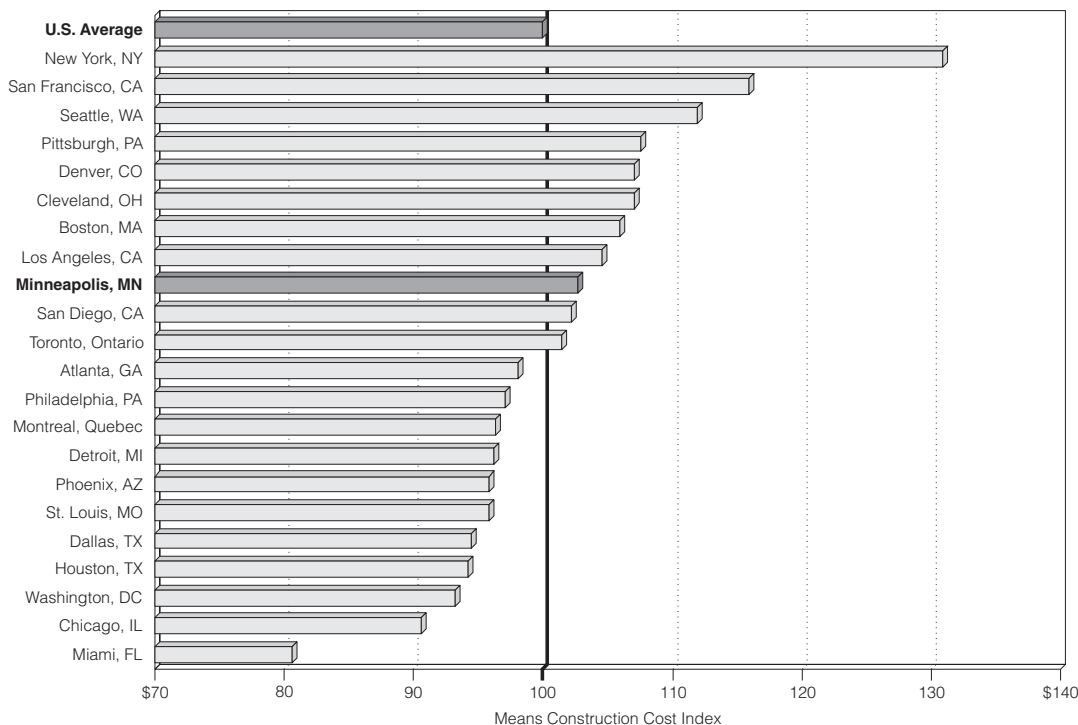
Bulk Warehouse = multi-tenant facilities with more than 50,000 rentable square feet, built after World War II, having 5 to 10 percent finished office space, and having ceiling heights of 20 feet or more.

Sources: 2001 Comparative Statistics of Industrial and Real Estate Markets, Society of Industrial and Office Realtors (www.sior.com, accessed November, 2001). Towle Report, 2001, Colliers Towle Real Estate.

- Net absorption, the difference in occupied space between two periods, totaled 1.8 million square feet between the fourth quarter 1999 and the third quarter 2000, down from 2.9 million square feet in the previous period.
- The construction of 30 buildings in the Twin Cities added 2.2 million square feet of industrial space in 2000.
- Between 2001 and 2002, 39 projects totaling approximately 4.6 million square feet of industrial space were planned or under construction.
- Between 2001 and 2002, lease rates are expected to increase between 10 and 20 cents per square foot due to higher costs for development.

Commercial/Industrial Building Construction Cost Index in Major North American Metropolitan Areas, 2001

Construction costs in Minnesota cities did not differ substantially from the U.S. average in 2001.



Minnesota City	Construction Cost Index	Minnesota City	Construction Cost Index
Minneapolis	102.7	Rochester	97.2
St. Cloud	98.9	Willmar	95.9
St. Paul	98.9	Bemidji	93.9
Brainerd	98.8	Detroit Lakes	93.9
Duluth	98.2	Windom	93.6
Mankato	98.0	Thief River Falls	93.4

Note: Index figures include material and installation, and are based on a 30-city average of 100. The index represents the percentage ratio of a specific city's cost to the national average cost as of July 1, 2001. The bar graph includes the central cities of the 22 most populous U.S. metropolitan regions plus Toronto and Montreal. All Minnesota cities with a 2001 Means Index are included in the table.

Source: Means Building Construction Cost Index, Phillip R. Waier, Senior Editor, 2002, R.S. Means Co.

- With an index of 102.7, construction costs were higher in Minneapolis in 2001 than in the rest of the state. Of the Minnesota cities analyzed by Means, most of the larger ones were clustered near the U.S. base cost index of 100, while some of the smaller Minnesota cities were more than 5 percent under the base.
- Minneapolis' cost index decreased from 110.1 in 1996 to 102.7 in 2001, dropping from seventh highest among 22 major North American metropolitan areas in 1996 to ninth highest in 2001.
- Compared to other major U.S. cities, Minneapolis' cost index (102.7) was slightly above the national average but below major cities such as New York (130.8), Boston (105.9) and Los Angeles (104.6).

Quality of Life

The state's healthy economy and abundant natural and recreational resources contribute to Minnesota's high standard of living. Minnesotans enjoy a wide variety of cultural and sporting events, great outdoor activities, one of the best health care systems in the country and high home ownership rates. Does this sound like paradise? It is!

- Minnesota has been called "the most livable state in the country" for seven consecutive years by Morgan Quitno Press.
- Between 1997 and 2002, Minnesota ranked among the three healthiest states in the country, according to Morgan Quitno Press.
- Strong income growth in Minnesota has helped improve home ownership rates. With more than 76 percent of households owning their homes, Minnesota ranked fourth in the United States in 2000, a significant improvement from 22nd in 1990.
- Minnesota's violent crime rate of 281 crimes per 100,000 residents is 55 percent lower than the U.S. average rate of 506.
- The Twin Cities offer many entertainment opportunities, including the Minnesota Orchestra, the Guthrie Theater, the Mall of America, and college and professional sports, among others.
- Minnesota's 66 state parks cover 244,000 acres that include 6,381 picnic sites, 4,378 campsites, 1,255 miles of trails and 360 archaeological sites. In 2000, approximately 8.5 million people visited Minnesota's park system.

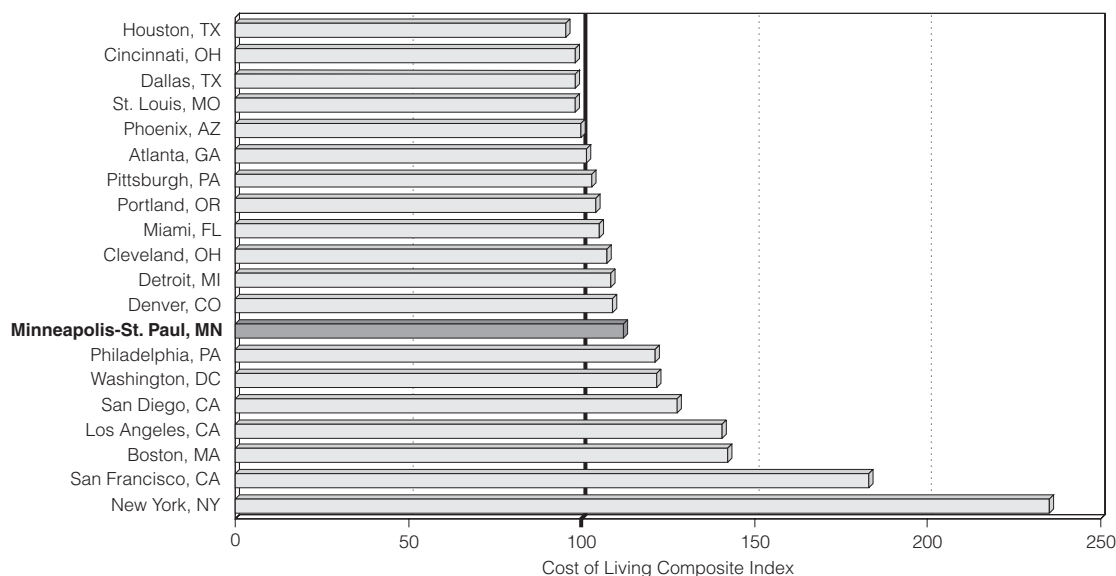
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* Updated June 2003

Cost of Living for 20 Large Metropolitan Areas in the United States, 2001

Minneapolis-St. Paul area residents enjoy a cost of living comparable to other major metropolitan areas.



<i>Metropolitan Area</i>	<i>Composite Index</i>	<i>Metropolitan Area</i>	<i>Composite Index</i>
Houston, TX	95.6	Detroit, MI	108.2
Cincinnati, OH	98.0	Denver, CO	108.8
Dallas, TX	98.3	Minneapolis-St. Paul, MN	112.0
St. Louis, MO	98.5	Philadelphia, PA	121.1
Phoenix, AZ	100.1	Washington, D.C.	121.6
Atlanta, GA	101.4	San Diego, CA	128.0
Pittsburgh, PA	103.2	Los Angeles, CA	140.9
Portland, OR	104.1	Boston, MA	142.5
Miami, FL	105.3	San Francisco, CA	183.0
Cleveland, OH	107.6	New York, NY	235.2

Notes: Metropolitan areas listed in the table reported cost of living data for at least two quarters of 2000 to the American Chamber of Commerce Researchers Association. Cost of living reported in the table represents the average of available quarterly indices for 2001.

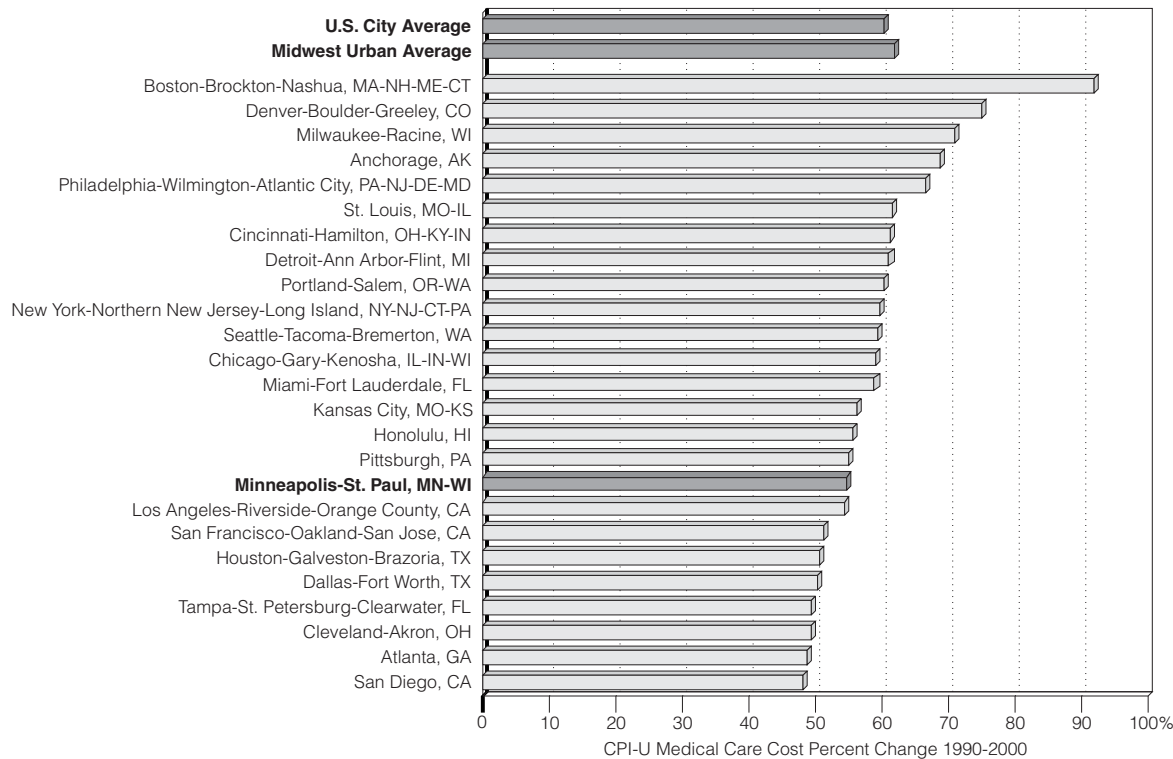
100 = average for approximately 302 urban areas. The number of urban areas varies by quarter. The index for Minneapolis-St. Paul is an average of the indices for Minneapolis and St. Paul. For other metropolitan areas that include more than one urban area, the one index providing the best coverage is reported. Major cities not responding to the survey included Chicago and Seattle.

Source: *Cost of Living Index*, First, Second, Third and Fourth Quarter issues, 2001, American Chamber of Commerce Researchers Association (ACCRA).

- Minneapolis-St. Paul had the 13th lowest cost of living in 2001 among the 20 largest metropolitan areas that responded to the American Chamber of Commerce Researchers Association *Cost of Living Index* survey.
- For Twin Cities residents, grocery items had the lowest cost (99.1) — fourth lowest among the 20 metropolitan areas. Health care was Minneapolis-St. Paul's highest cost item (127.6) — 17th lowest among the 20 metropolitan areas.
- The Twin Cities also ranked 16th lowest among the 20 metropolitan areas for utilities (122.1), 12th lowest for housing (118.2) and 14th lowest for transportation (112.2).
- Minneapolis-St. Paul ranked fourth among 125 large urban areas in the country for earning and saving money in 2001, according to a study by ING-USA, a financial company. Minneapolis-St. Paul ranked among the top 10 areas in five of the study's 15 measures: participation in retirement savings programs (second), few low income households (third), use of life insurance products (fifth), low lack of health insurance (ninth), and low unemployment (ninth).
- ACCRA reported cost of living data for Rochester (composite index of 101.9), St. Cloud (98.1) and the Fargo-Moorhead area (100.6).

Health Scores, 2002 and Medical Care Costs, 1990-2000

Minnesota has ranked among the healthiest states in the country and medical care costs have risen slowly in Minneapolis-St. Paul, compared to other metropolitan areas.



U.S. Rank	State	Health Score	U.S. Rank	State	Health Score	U.S. Rank	State	Health Score
1	Vermont	16.26	18	Oregon	6.81	35	Arizona	-2.59
2	Minnesota	15.91	19	Virginia	5.74	36	Tennessee	-2.86
3	Iowa	15.78	20	South Dakota	4.77	37	Maryland	-3.81
4	New Hampshire	15.54	21	Colorado	4.12	38	New York	-4.22
5	Nebraska	14.42	22	Idaho	3.88	39	Missouri	-4.50
6	Hawaii	13.56	23	Pennsylvania	3.74	40	Arkansas	-5.94
7	North Dakota	12.24	24	Ohio	3.63	41	Georgia	-7.51
8	Connecticut	11.02	25	Wyoming	3.61	42	Texas	-7.93
9	Massachusetts	10.83	26	Wisconsin	3.26	43	Delaware	-8.96
10	Utah	10.42	27	Michigan	2.64	44	Florida	-9.56
11	Maine	10.4	28	Indiana	0.33	45	South Carolina	-10.19
12	Kansas	8.84	29	Alaska	-0.17	46	Nevada	-11.78
13	California	8.39	30	West Virginia	-1.21	47	Alabama	-13.53
14	Washington	8.13	31	Illinois	-1.25	48	New Mexico	-16.07
15	New Jersey	8.09	32	Oklahoma	-1.69	49	Louisiana	-17.25
16	Rhode Island	7.15	33	Kentucky	-1.71	50	Mississippi	-18.59
17	Montana	6.91	34	North Carolina	-2.19			

Notes: The medical care component (one of eight expenditure categories) of the Consumer Price Index (CPI) listed in the graph represents all urban consumers, not seasonally adjusted. The CPI-U measures the average change in the prices urban consumers pay for a fixed market basket of goods and services.

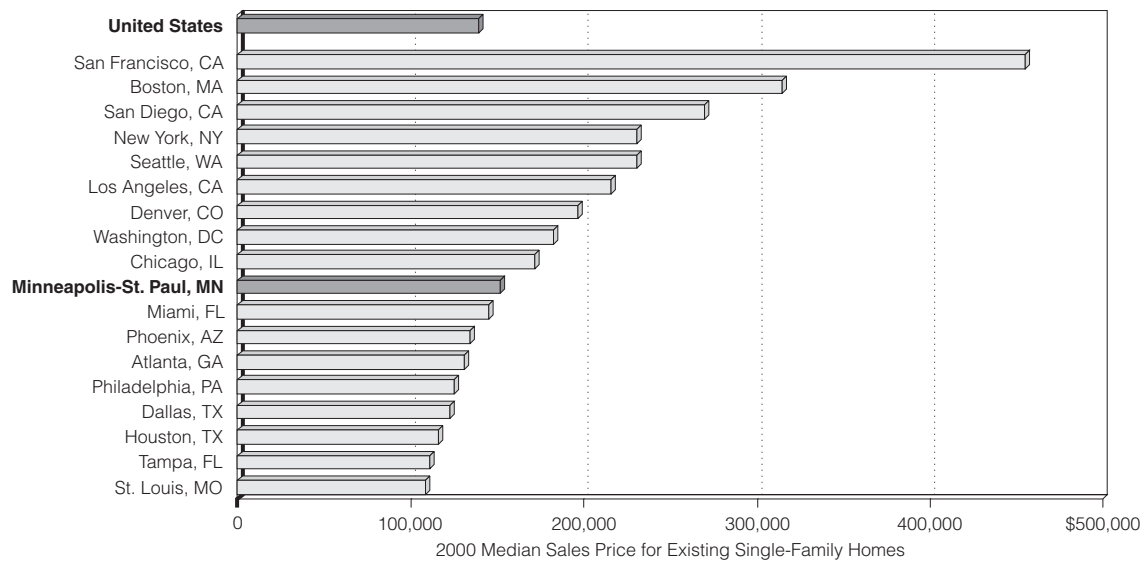
In the table, a ranking of 1 indicates the healthiest state whereas a ranking of 50 indicates the least healthy state. Health scores are based on 21 factors including infant mortality rates and beds in community hospitals per 100,000 inhabitants.

Sources: U.S. Department of Labor, Bureau of Labor Statistics (<http://stats.bls.gov/cpi/home.htm>, accessed December 2001). Results of the 2002 Healthiest State Award, Morgan Quitno Press (<http://www.morganquitno.com/>, accessed May 2002).

- Of the 25 cities for which data was available in the medical care cost component of the Consumer Price Index (CPI-U), Minneapolis-St. Paul had the 9th lowest percent increase between 1990 and 2000.
- Between 1997 and 2002, Minnesota ranked among the three healthiest states in the country, according to Morgan Quitno Press. In 2002, Minnesota was the second healthiest state nationwide.

Median Sales Price for Existing Single-Family Homes in the Largest U.S. Metropolitan Areas, 2000

The median home price in the Minneapolis-St. Paul area ranks near the middle for large U.S. metropolitan areas.



Metropolitan Area	Median Price		Percent Change 1998 to 2000	Metropolitan Area	Median Price		Percent Change 1998 to 2000
	1998	2000			1998	2000	
United States	\$128,400	\$139,000	8.3%	New York, NY	188,100	230,200	22.4
Atlanta, GA	115,400	131,200	13.7	Philadelphia, PA	129,700	125,200	-3.5
Boston, MA	258,400	314,200	21.6	Phoenix, AZ	120,200	134,400	11.8
Chicago, IL	166,800	171,800	3.0	San Diego, CA	207,100	269,400	30.1
Dallas, TX	111,000	122,500	10.4	San Francisco, CA	321,700	454,600	41.3
Denver, CO	152,200	196,800	29.3	Seattle, WA	175,300	230,100	31.3
Houston, TX	97,500	116,100	19.1	St. Louis, MO	101,700	108,400	6.6
Los Angeles, CA	192,600	215,900	12.1	Tampa, FL	89,300	110,800	24.1
Miami, FL	121,500	144,600	19.0	Washington, DC	172,100	182,600	6.1
Minneapolis-St. Paul, MN	128,000	151,400	18.3				

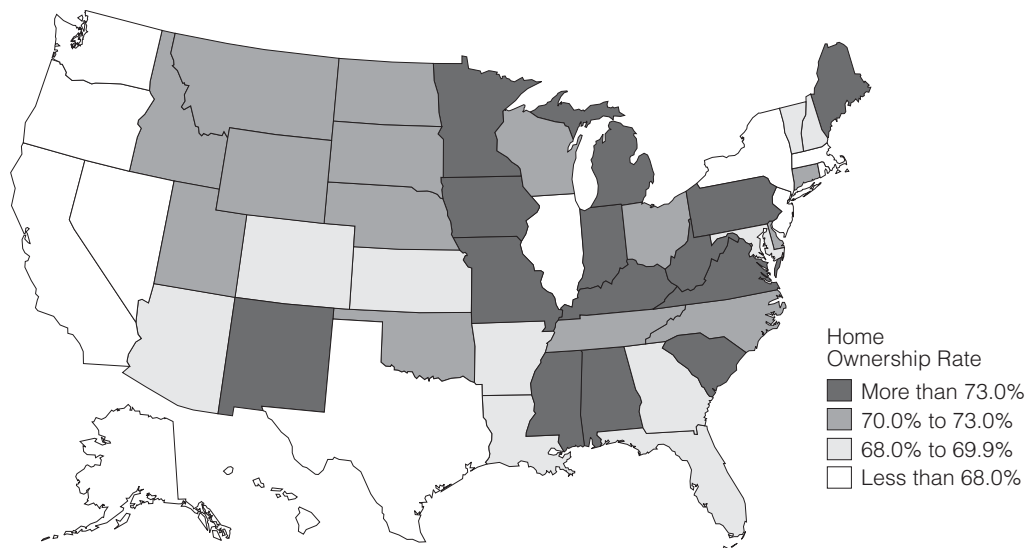
Note: In some instances, the median price from the National Association of Realtors may be based on the largest primary metropolitan statistical area (PMSA) within a given consolidated metropolitan statistical area (CMSA); areas without home sales data for 2000 are excluded from the figure.

Source: National Association of Realtors (<http://realtor.org/research.nsf/>, accessed December 2001).

- The median price for an existing single-family home in Minneapolis-St. Paul was \$151,400 in 2000, ninth lowest among 18 areas with home sales data for 2000.
- The median home price in Minneapolis-St. Paul in 2000 was significantly lower than in the major urban centers of the East and West Coasts, as well as in large metropolitan areas of the mid-continent region, including Chicago and Denver.
- Due to the region's hot economy, the median price of an existing single-family home in the Twin Cities increased 18.3 percent between 1998 and 2000, compared with an increase of 8.3 percent for the country.
- In 2000, the median sales price for existing homes in Greater Minnesota's large metropolitan areas ranged from a low of \$76,050 in Duluth to a high of \$121,500 in Rochester, according to the Minnesota Department of Revenue.

Home Ownership Rates, 2000

Minnesota has one of the highest home ownership rates in the country.



U.S. Rank	State	Home Ownership Rate	Percent Change 1995-2000	U.S. Rank	State	Home Ownership Rate	Percent Change 1995-2000	U.S. Rank	State	Home Ownership Rate	Percent Change 1995-2000
	United States	67.4%	4.2%	17	Delaware	72.0%	0.4%	34	Vermont	68.7%	-2.4%
1	Michigan	77.2	6.9	18	Wisconsin	71.8	6.4	35	Florida	68.4	2.7
2	South Carolina	76.5	7.3	19	Ohio	71.3	5.0	36	Colorado	68.3	5.7
3	Maine	76.5	-0.3	20	South Dakota	71.2	5.5	37	Louisiana	68.1	4.3
4	Minnesota	76.1	3.8	21	North Carolina	71.1	1.4	38	Arizona	68.0	8.1
5	West Virginia	75.9	3.8	22	Wyoming	71.0	2.9	39	Illinois	67.9	2.3
6	Iowa	75.2	5.3	23	Tennessee	70.9	5.8	40	Alaska	66.4	9.0
7	Mississippi	75.2	5.8	24	North Dakota	70.7	5.1	41	New Jersey	66.2	2.0
8	Indiana	74.9	5.5	25	Idaho	70.5	-2.1	42	Oregon	65.3	3.3
9	Pennsylvania	74.7	4.5	26	Montana	70.2	2.2	43	Nevada	64.0	9.2
10	Missouri	74.2	6.9	27	Nebraska	70.2	4.6	44	Texas	63.8	3.9
11	Virginia	73.9	8.5	28	Connecticut	70.0	2.6	45	Washington	63.6	3.2
12	New Mexico	73.7	10.0	29	Maryland	69.9	6.2	46	Rhode Island	61.5	6.2
13	Kentucky	73.4	3.1	30	Georgia	69.8	4.8	47	Massachusetts	59.9	-0.5
14	Alabama	73.2	4.4	31	Kansas	69.3	2.7	48	California	57.1	3.1
15	Oklahoma	72.7	4.2	32	New Hampshire	69.2	4.8	49	Hawaii	55.2	10.0
16	Utah	72.7	1.7	33	Arkansas	68.9	2.5	50	New York	53.4	1.3

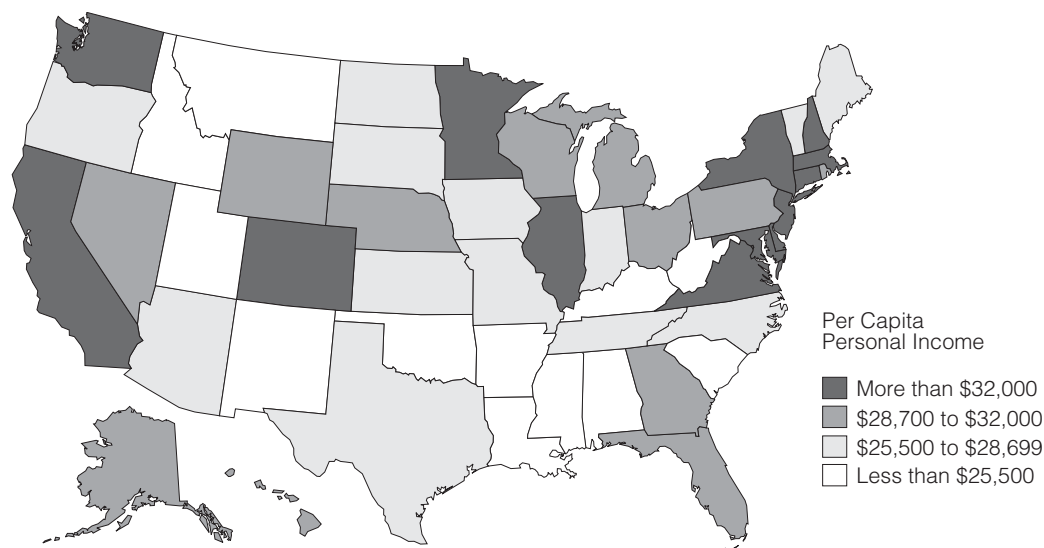
Notes: Home ownership rate is the proportion of households that are owners with respect to the total number of households. Rankings were based on home ownership rates and percent change for those instances of ties among states.

Source: *Housing Vacancies and Home Ownership*, Annual Statistics, 2000, U.S. Department of Commerce, Bureau of the Census (<http://www.census.gov/hhes/www/housing/hvs/annual00/ann00t13.html>, accessed November 2001).

- The healthy home ownership rate in Minnesota is indicative of the strong economy and growing household income. With a home ownership rate of more than 76 percent, Minnesota ranked fourth in the United States in 2000, a significant improvement from 22nd in 1990.
- With 73.1 percent of households owning homes, Minneapolis-St. Paul ranked 11th among the largest 75 metropolitan areas for home ownership.
- Many state agencies and local non-profit organizations help low- to moderate-income Minnesotans address their housing needs and increase their home ownership rate.

Personal Income, 2001

Minnesota's per capita personal income ranked 9th in the nation in 2001.



States and Regions	Total Personal Income 2000 (millions)	Real Average Annual Growth 1990-2000	Real Percent Change 1999-2000	Per Capita Personal Income 2000	Percent of U.S. Per Capita Personal Income 2000	Real Percent Change 1999-2000	U.S. Rank 2000
United States	\$8,678,255	2.8%	1.4%	\$30,472	100.0%	-0.6%	-
Plains		2.7	1.1	29,313	96.2	0.1	-
Iowa	79,893	2.1	0.4	27,331	89.7	-0.1	34
Kansas	76,973	2.3	1.2	28,565	93.7	0.7	29
Minnesota	164,589	3.4	1.5	33,101	108.6	-0.2	9
Missouri	158,906	2.5	1.2	28,226	92.6	-0.2	30
Nebraska	49,489	2.5	1.3	28,886	94.8	1.0	24
North Dakota	16,434	2.1	0.3	25,902	85.0	0.6	38
South Dakota	20,174	2.7	-0.4	26,664	87.5	0.2	37
Great Lakes		2.4	0.6	30,103	98.8	-0.9	-
Illinois	412,200	2.6	1.0	33,023	108.4	-0.6	10
Indiana	169,885	2.6	0.8	27,783	91.2	-0.9	32
Michigan	297,609	2.3	-0.2	29,788	97.8	-2.0	19
Ohio	327,745	1.8	0.3	28,816	94.6	-0.8	25
Wisconsin	158,116	2.8	1.8	29,270	96.1	-0.2	21

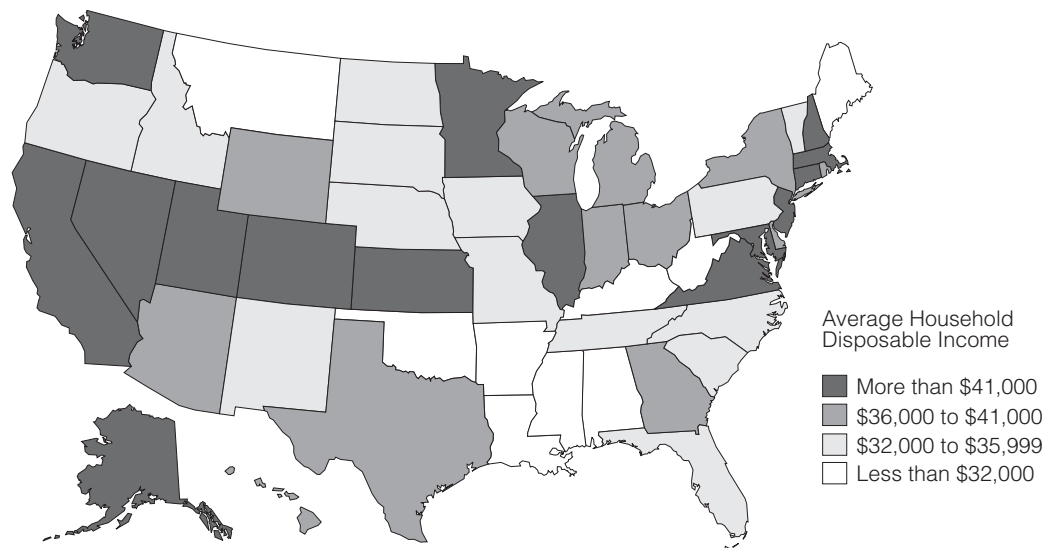
Notes: Personal income is the gross income received by persons from all sources less their personal contributions to social security insurance. Per capita personal income represents total personal income divided by total population for a given state.

Source: U.S. Department of Commerce, Bureau of Economic Analysis (<http://www.bea.doc.gov/bea/regional/spi/>, accessed January 2003).

- With a per capita personal income of \$33,101, Minnesota ranked first among all Midwest states in 2001. Nationally, Minnesota ranked 9th in 2001, up from 17th in 1991. Per capita personal income in the state exceeded the national average by 8.6 percent in 2001.
- Total personal income in Minnesota increased by an annual average inflation-adjusted rate of 3.4 percent between 1991 and 2001. This increase was larger than the national average and ranked first among states in the Midwest.
- According to the U.S. Census Bureau, Minnesota also ranked highly in terms of median household income, ranking first among Midwest states and fourth nationally in 2001. Minnesota's median household income of \$52,681 far exceeded the U.S. median household income of \$42,228.

Disposable Income, 2001

Minnesota's median disposable income was higher than the United States' median in 2001.



20 Largest U.S. Metropolitan Areas	Median Household Disposable Income	Rank*	Average Household Disposable Income	Rank*
Atlanta, GA	46,170	10	58,568	11
Boston-Worcester-Lawrence-Lowell-Brockton, MA-NH	48,305	6	60,199	8
Chicago-Gary-Kenosha, IL-IN-WI	47,864	7	61,368	6
Cleveland-Akron, OH	37,991	18	46,800	19
Dallas-Fort Worth, TX	47,746	8	61,621	5
Denver-Boulder-Greeley, CO	49,109	5	60,467	7
Detroit-Ann Arbor-Flint, MI	43,327	13	54,400	13
Houston-Galveston-Brazoria, TX	45,482	11	59,344	10
Los Angeles-Riverside-Orange County, CA	42,348	15	54,029	15
Miami-Fort Lauderdale, FL	35,624	20	48,243	18
Minneapolis-St. Paul, MN-WI	49,330	4	59,769	9
New York-No. New Jersey-Long Island, NY-NJ-CT-PA	46,496	9	62,247	4
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	43,292	14	54,957	12
Phoenix-Mesa, AZ	41,120	17	50,702	17
San Diego, CA	44,146	12	54,075	14
San Francisco-Oakland-San Jose, CA	57,130	1	69,945	1
Seattle-Tacoma-Bremerton, WA	50,750	2	63,288	2
St. Louis, MO-IL	41,558	16	51,492	16
Tampa-St. Petersburg-Clearwater, FL	35,747	19	46,281	20
Washington-Baltimore, DC-MD-VA-WV	50,390	3	62,540	3

* Rankings for this table are based on the 20 largest metropolitan areas only.

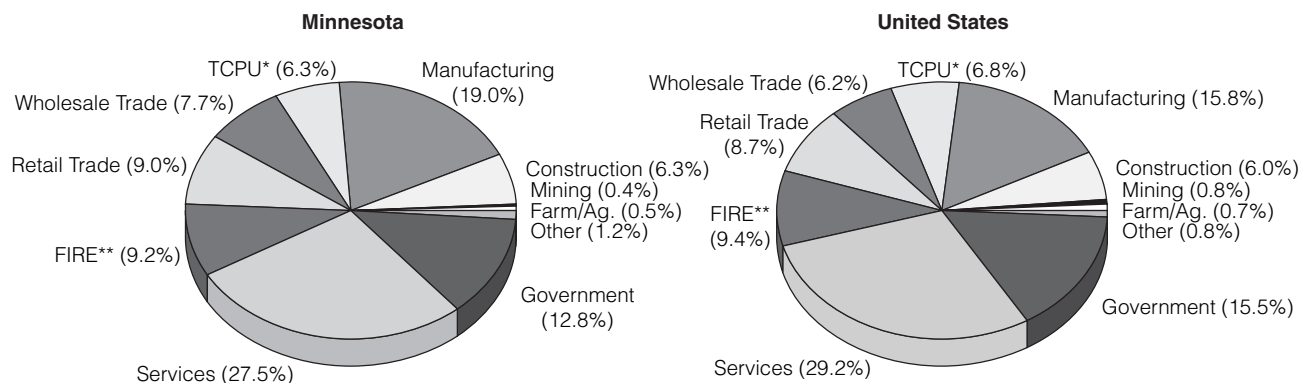
Notes: Disposable income is equal to personal income less personal tax and other non-tax payments to government such as fines, fees and penalties. Per capita disposable income represents disposable income divided by total population for a given state.

Source: *Sales and Marketing Management*, September 2002, Bill Communications.

- Minnesota's median household disposable income of \$42,245 ranked 12th in the nation and exceeded the U.S. median of \$38,365.
- The median disposable income in the Minneapolis-St. Paul metro area (\$49,330) ranked fourth among the 20 largest U.S. metropolitan areas.
- According to the Bureau of Economic Analysis, Minnesota's per capita disposable income of \$27,998 ranked 10th nationally in 2001. Minnesota ranked second among all Midwest states, trailing Illinois by only \$1. The national average was \$25,939.
- Between 1991 and 2001, Minnesota's per capita disposable income increased nearly 58 percent, ranking third in growth nationwide and first among Midwest states. The national growth rate was 47.3 percent.

Earned Income by Sector and Industry, 2000

Service and manufacturing industries contributed nearly half of Minnesota's total earned income.



SIC Code Industry	Minnesota Earned Income			United States Earned Income		
	2000 (millions)	Distribution in 2000	Average Annual Growth 1990-2000	2000 (millions)	Distribution in 2000	Average Annual Growth 1990-2000
80 Health services	\$9,547	8.2%	6.7%	\$460,321	7.6%	5.4%
73 Business services	8,620	7.4	12.8	464,265	7.6	11.3
17 Special trade contractors	4,993	4.3	7.6	236,973	3.9	6.3
35 Industrial machinery and equipment	4,247	3.6	3.0	127,538	2.1	4.7
87 Engineering and management services	3,292	2.8	8.5	242,666	4.0	7.4
63 Insurance carriers	2,670	2.3	7.9	88,845	1.5	5.4
60-61 Depository and nondepository institutions	2,465	2.1	7.6	135,368	2.2	5.9
27 Printing and publishing	2,465	2.1	5.0	73,075	1.2	3.7
62 Security and commodity brokers	2,420	2.1	15.4	142,708	2.3	15.0
38 Instruments and related products	2,367	2.0	6.5	53,716	0.9	3.0
20 Food and kindred products	2,280	1.9	3.8	66,130	1.1	3.4
58 Eating and drinking places	2,142	1.8	5.8	123,285	2.0	5.7
26 Paper and allied products	2,070	1.8	2.1	33,247	0.5	2.5
45 Transportation by air	1,884	1.6	5.2	60,028	1.0	5.9
59 Miscellaneous retail	1,841	1.6	6.2	93,092	1.5	5.6
Total from Minnesota's 15 Largest Industries	53,304	45.6	7.0	2,401,257	39.5	6.8
Total Earned Income from All Industries	\$116,918	100.0%	6.2%	\$6,079,886	100.0%	5.7%

* TCPU = Transportation, Communications and Public Utilities

** FIRE = Finance, Insurance and Real Estate

Notes: Earned income is the portion of personal income derived from wages and salary employment proprietorship.

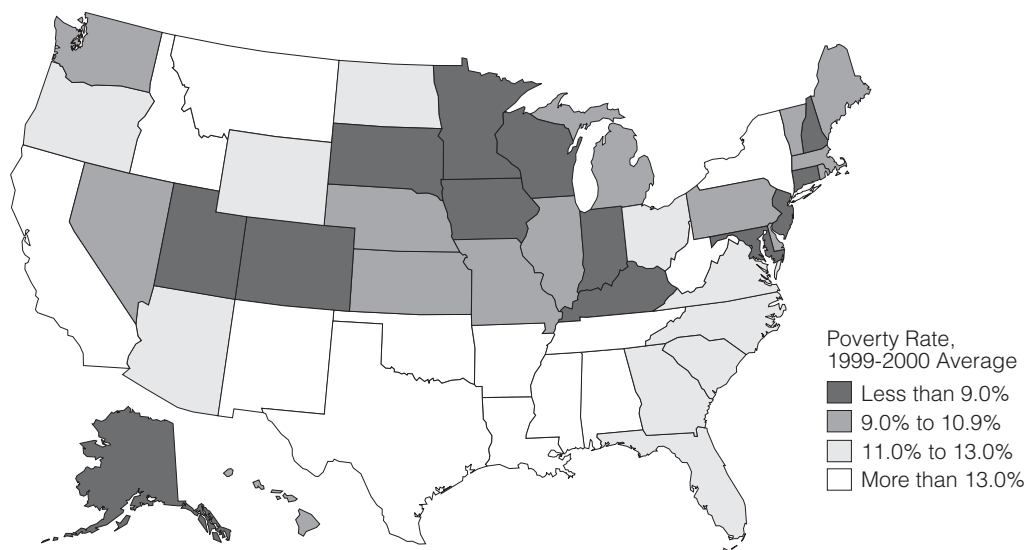
The Bureau of Economic Analysis groups depository and nondepository institutions into one category when reporting earned income by industry.

Source: U.S. Department of Commerce, Bureau of Economic Analysis (<http://www.bea.doc.gov/bea/regional/spi/>, accessed October 2001).

- In 2000, the services sector contributed the most to Minnesota's total earned income generating more than \$32 billion. Earnings from services represented 27.5 percent of Minnesota's total earned income and 29.2 percent of the nation's total earned income.
- Manufacturing ranked as Minnesota's second-largest contributor to earned income, representing over \$22 billion in 2000. Manufacturing generated 19.0 percent of total earned income in the state, more than three percentage points higher than the U.S. average of 15.8 percent.
- In 2000, the 15 largest two-digit SIC code industries in Minnesota accounted for more than 45 percent of the state's total earned income. The two largest industries were health services (8.2 percent of total earned income) and business services (7.4 percent of total earned income).
- Minnesota industries that experienced large average annual earned income growth rates between 1990 and 2000 include business services, and security and commodity brokers.

Poverty Rates, 1999-2000

Minnesota has one of the lowest poverty rates in the country.



Rank	State	Percent	Rank	State	Percent	Rank	State	Percent
1	New Hampshire	6.3	18	Washington	9.6	35	Arizona	12.0
2	Minnesota	6.6	19	Missouri	9.7	36	Georgia	12.1
3	Connecticut	6.7	19	Nevada	9.7	37	North Carolina	12.9
4	Iowa	7.3	21	Nebraska	9.8	38	California	13.3
5	Maryland	7.4	22	Michigan	9.9	38	Tennessee	13.3
6	Indiana	7.6	23	Vermont	10.2	40	Idaho	13.5
6	Utah	7.6	24	Hawaii	10.3	41	New York	13.8
8	Alaska	7.8	25	Illinois	10.8	42	Oklahoma	14.0
8	Virginia	7.8	25	Kansas	10.8	43	Mississippi	14.5
10	New Jersey	7.9	27	Massachusetts	10.9	44	Alabama	14.6
11	Colorado	8.1	28	South Carolina	11.0	45	West Virginia	14.8
12	South Dakota	8.6	29	Ohio	11.1	46	Texas	14.9
13	Wisconsin	8.9	30	Wyoming	11.2	47	Montana	15.8
14	Pennsylvania	9.2	31	Florida	11.5	48	Arkansas	16.4
14	Rhode Island	9.2	31	North Dakota	11.5	49	Louisiana	18.3
16	Delaware	9.5	33	Oregon	11.6	50	New Mexico	18.7
16	Maine	9.5	34	Kentucky	11.9			

Notes: The U.S. Bureau of the Census recommends a two-year moving average (1999-2000) to compare changes in poverty rates at the state level. Averaging poverty rates over several years improves the estimates' reliability.

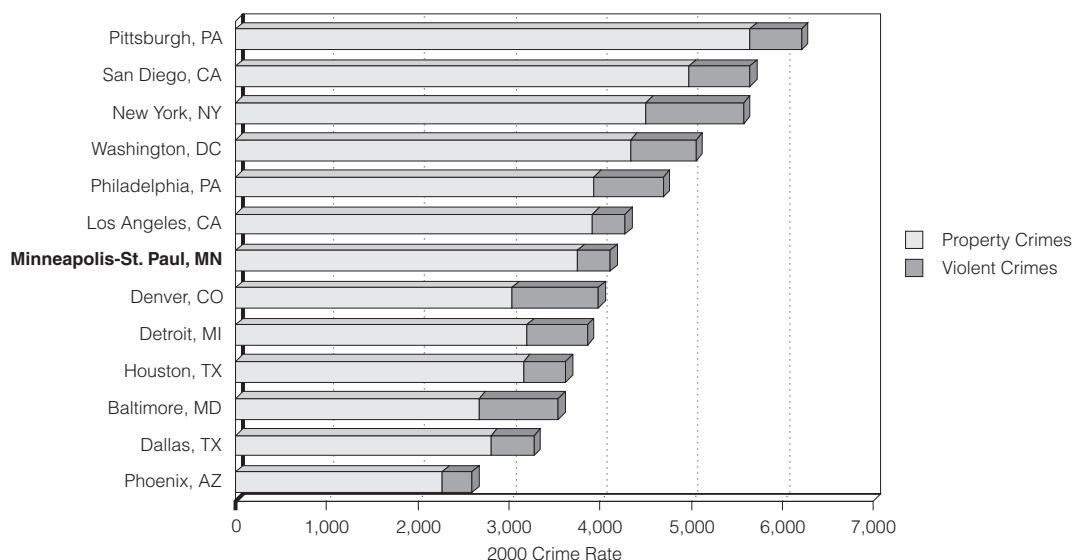
The U.S. Bureau of the Census uses income thresholds that vary by family size and composition to define poverty levels. These thresholds do not vary geographically, but they are updated for inflation every year using the Consumer Price Index (CPI-U).

Source: *Poverty Statistics 2000*, U.S. Department of Commerce, Bureau of the Census (<http://www.census.gov/hhes/www/poverty.html>, accessed January 2002).

- Between 1999 and 2000, 6.6 percent of the state's population lived in poverty, compared to 11.5 percent nationally. Minnesota's poverty rate was second lowest among all states.
- In 1998 (the most recent data available), 13 percent of children in Minnesota lived in poverty compared to the national average of 20 percent. Minnesota had the second lowest percentage of children living in poverty among all states.
- The Minnesota Family Investment Program (MFIP) aims to reduce the number of people on welfare and to help families move out of poverty. In 2000, over 60 percent of all MFIP participants (21,161 people) lived in the Minneapolis-St. Paul metropolitan area.
- Between 1998 and 2000, individual MFIP county caseloads decreased 17.3 percent.

Crime Rates by Type, 2000

Minnesota's violent crime rate was significantly lower than the national rate in 2000.



Crimes Per 100,000 Population

	Minnesota	Midwest	United States
Total Crimes	3,488	3,945	4,124
Violent Crimes	281	428	506
Murder	3	5	6
Rape	46	44	32
Robbery	76	127	145
Aggravated Assault	157	261	324
Property Crimes	3,208	3,517	3,618
Burglary	531	664	728
Larceny and Theft	2,404	2,475	2,475
Motor Vehicle Theft	273	378	414

Note: The crime rate is the number of crimes per 100,000 population.

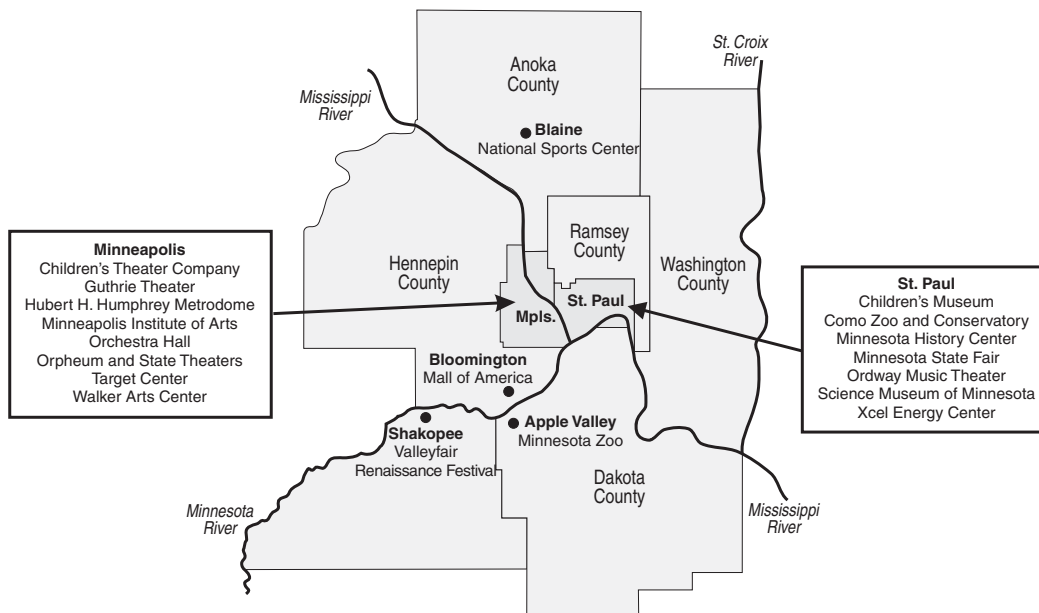
Source: *Crime in the United States 2000, Uniform Crime Reports, 2001*, U.S. Federal Bureau of Investigation (<http://www.fbi.gov/ucr/00cius.htm>, accessed October 2001).
Crime in the United States 1999, Uniform Crime Reports, 2000 (<http://www.fbi.gov/ucr/99cius.htm>, accessed October 2001).

- Nearly 70 percent of all crimes reported in Minnesota in 2000 were larceny and theft in which no use of force or violence occurred.
- Minnesota's violent crime rate of 281 crimes per 100,000 residents is 55 percent lower than the U.S. average rate of 506. Only 8.0 percent of all crimes committed in Minnesota were violent in nature, less than the national average of 12.3 percent.
- According to the U.S. Department of Justice's *Prisoners in 2000*, Minnesota had an incarceration rate (number of prisoners per 100,000 residents) of 128, the lowest among all states in the country and 73 percent lower than the national rate of 478.

Top Twin Cities Attractions and Art Scores for the Top Ranking Metropolitan Areas in the United States and Canada, 2000

The Twin Cities is one of the highest ranked areas in the country for its variety of arts and entertainment opportunities.

Top Entertainment Attractions in the Twin Cities, by Estimated Number of Visitors



Rank	Metropolitan Area	Art Score	Rank	Metropolitan Area	Art Score	Rank	Metropolitan Area	Art Score
1	New York, NY	100.00	13	Newark, NJ	96.61	25	Dallas, TX	93.21
2	Washington, DC-MD-VA-WV	99.72	14	Oakland, CA	96.32	26	Milwaukee-Waukesha, WI	92.92
3	Los Angeles-Long Beach, CA	99.44	15	Indianapolis, IN	96.04	27	Columbus, OH	92.64
4	Chicago, IL	99.16	16	Vancouver, BC	95.76	28	Salt Lake City-Ogden, UT	92.36
5	Toronto, ON	98.87	17	Baltimore, MD	95.47	29	Riverside-San Bernardino, CA	92.07
6	Boston, MA-NH	98.59	18	Detroit, MI	95.19	30	Seattle-Bellevue-Everett, WA	91.79
7	Philadelphia, PA-NJ	98.31	19	St. Louis, MO-IL	94.91	31	Portland-Vancouver, OR-WA	91.51
8	Minneapolis-St. Paul, MN-WI	98.02	20	Atlanta, GA	94.62	32	San Diego, CA	91.22
9	Denver, CO	97.74	21	San Jose, CA	94.34	33	Pittsburgh, PA	90.94
10	San Francisco, CA	97.46	22	Cincinnati, OH-KY-IN	94.06	34	Middlesex-Somerset-Hunterdon, NJ	90.66
11	Cleveland-Lorain-Elyria, OH	97.17	23	Hartford, CT	93.77	35	Honolulu, HI	90.37
12	Montreal, PQ	96.89	24	Buffalo-Niagara Falls, NY	93.49	36	Bergen-Passaic, NJ	90.09

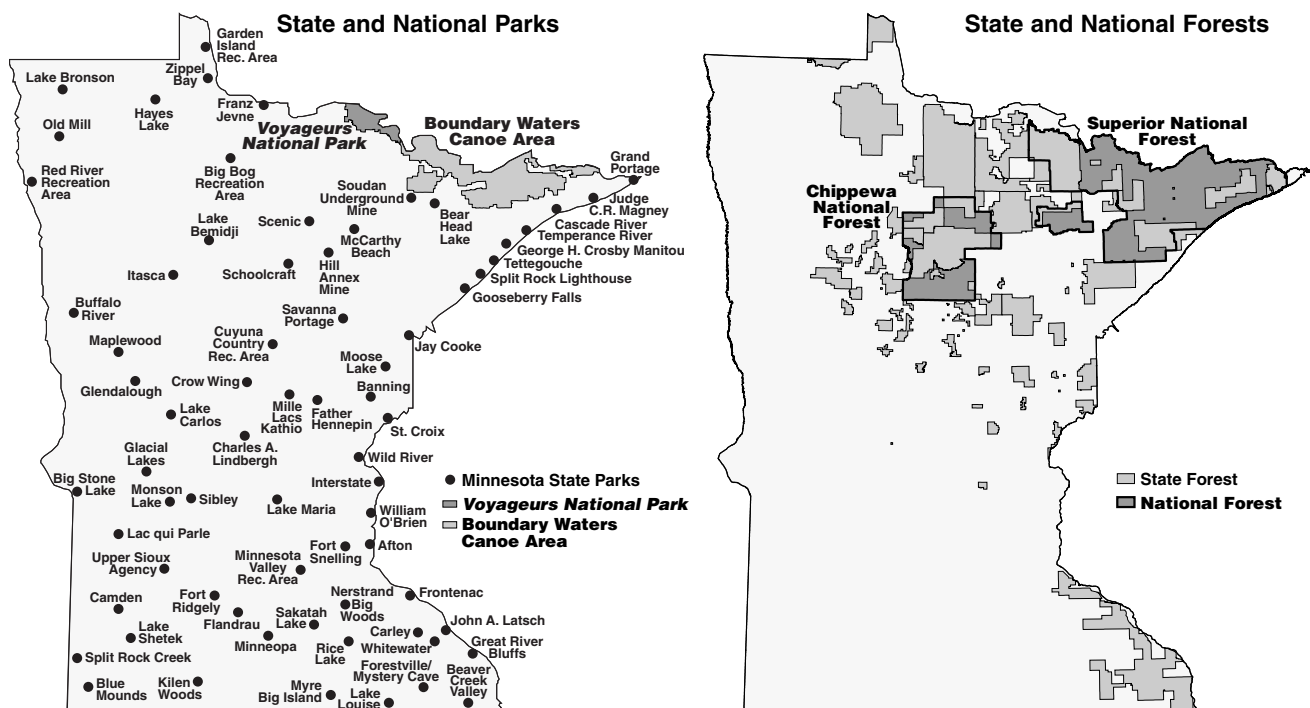
Note: Eight amenities were used to derive a metro area's score for the arts: (1) number of art museums, (2) annual museum attendance, (3) per capita museum attendance, (4) annual ballet performances, (5) touring artist bookings, (6) opera performances, (7) professional theater performances and (8) symphony performances.

Sources: 2000 Minnesota Travel and Tourism Passport, Minnesota Department of Trade and Economic Development, Office of Tourism. Places Rated Almanac, Millenium Edition, IDG Worldwide, Inc.

- Of the 354 metropolitan areas in the United States and Canada evaluated by *Places Rated Almanac*, the Twin Cities area ranked eighth highest in the arts in 2000, up from 13th in 1996. In the Midwest, the Twin Cities had the second highest art score after Chicago.
- The Twin Cities offer many cultural experiences, including the Minnesota Orchestra, the St. Paul Chamber Orchestra, the Minnesota Opera, the Guthrie Theater, the Ordway Music Theater, the Minneapolis Institute of Arts, the Minnesota Museum of Art, the Frederick R. Weisman Art Museum and dozens more professional and community theaters, dance troupes, museums and musical organizations.
- Family entertainment includes the Minnesota Zoo, Como Zoo and Conservatory, the Bell Museum of Natural History, the Children's Museum, the Children's Theater Company, the Science Museum of Minnesota, the Minnesota History Center, Camp Snoopy in the Mall of America and Valleyfair.
- Minnesota is home to a variety of sporting events and sports teams including five major league professional teams: the Lynx and Timberwolves (women's and men's basketball), the Twins (baseball), the Vikings (football) and the Wild (hockey). The University of Minnesota Gophers compete within the "Big Ten" in a variety of sports including basketball, hockey, football and soccer.

Minnesota Recreational Resources, 2001

Minnesota offers extensive outdoor recreational opportunities.



Note: Some National Forest boundaries overlap with State Forest boundaries.

Sources: Minnesota State and National Parks, Minnesota Department of Natural Resources, State Parks (http://www.dnr.state.mn.us/parks_and_recreation/state_parks/parkazmap.html, accessed November 2001). Minnesota State and National Forests, Minnesota Department of Natural Resources (http://www.dnr.state.mn.us/forestry/state_forest/forestmap.html, accessed November 2001).

- Minnesota has 124 state parks and forests, one national park, two national forests, nearly 12,000 lakes of 10 acres or larger, and numerous scenic river areas that provide abundant opportunities for outdoor activities.
- Minnesota's 66 state parks cover 244,000 acres that include 6,381 picnic sites, 4,378 campsites, 1,255 miles of trails and 360 archaeological sites. In 2000, approximately 8.5 million people visited Minnesota's park system.
- With 4.7 acres of state parkland per 100 residents, Minnesota ranks eighth in the country and second in the Midwest.
- Minnesota's 58 state forests comprise nearly 4 million acres and approximately 2,000 miles of forest roads.
- The Voyageurs National Park on the Canadian border — the only national park in Minnesota — is a wilderness area consisting of 219,000 acres of woodland and four large lake areas for public use.
- The Boundary Waters Canoe Area Wilderness (BWCAW) offers 1,500 miles of canoe routes and nearly 2,200 designated campsites. The BWCAW is part of the Superior National Forest, Minnesota's largest national forest.
- Minnesota's designated wild and scenic recreation areas include segments of the Mississippi River, Kettle River, Rum River, North Fork and Crow River, Minnesota River and Cannon River.

Glossary

Business Establishment - A single business location that is either independently owned or a branch/subsidiary of a larger company. A single firm may consist of several establishments.

Consolidated Metropolitan Statistical Area (CMSA) - Metropolitan areas are defined as CMSAs by the U.S. Census Bureau if they have populations of one million or more, are comprised of separate component areas and local opinion indicates there is support for the component areas. As of June 1998, there were 18 CMSAs in the United States.

Employed - All civilians who did any work as paid employees or in their own business during the survey week, or who worked 15 hours or more as unpaid workers in an enterprise operated by a family member. Persons temporarily absent from a job because of illness, bad weather, a strike, or for personal reasons are also counted as employed whether they were paid by their employer or were seeking other jobs.

Full-Time Employment - Persons who worked 35 hours or more in the survey week.

Great Lakes Region - Consist of Illinois, Indiana, Michigan, Ohio and Wisconsin.

Gross State Product (GSP) - The market value of final goods and services attributable to labor and property located in a state on a given year. GSP is also calculated from the total value added of all areas in the state's economy. It is the state counterpart of the nation's gross domestic product (GDP).

High-Tech Industries - High-tech industry definitions often vary by the organization creating the definition. DTED's definition is very inclusive and considers industries characterized by large spending on research and development, high percentage of scientists and engineers in the labor force and strong dependence on proprietary intellectual capital. Please refer to page 3.1 for Minnesota's high tech industries by SIC codes.

Labor Force - All civilians that are classified as employed or unemployed according to the official definitions, which are included in this glossary.

Labor Force Participation Rate - The ratio of the civilian labor force to the civilian noninstitutional population over 16 years of age, calculated by dividing the labor force by the noninstitutional population.

Location Quotient - Location quotients measure a state's or region's employment concentration or specialization in an industry. The measure is derived by dividing an industry's share of state employment by the industry's share of national employment. If the state's share of employment in a specific industry is larger than the national average for that industry, then this industry would have a location quotient greater than one. For example, a location quotient of 1.5 means that the state's share of employment in that particular industry is 50 percent greater than the national average.

Mean - The sum of a set of numbers divided by the number of numbers in the set. It is also known as the arithmetic or simple average.

Median - The middle value of a set of numbers arranged in order of magnitude with an equal number of values lying above and below the median value. It is also known as the 50th percentile.

Metropolitan Statistical Area (MSA) - MSAs are defined by the U.S. Census Bureau as cities with 50,000 or more inhabitants or a Census-Bureau defined urbanized area (of at least 50,000 inhabitants) and a total metropolitan population of at least 100,000. MSAs are defined in terms of counties that contain the city and any adjacent counties that have at least 50 percent of their population in the urbanized area. As of June 1998, there were 256 MSAs in the United States.

Midwest Region - Consist of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

NAICS Codes - The North American Industry Classification System (NAICS) was developed in 1997 to provide common study definitions for North American countries (Canada, Mexico and the U.S.). Organizations working with economic data are gradually implementing NAICS codes. For more information on the transition between SIC and NAICS codes, see the U.S. Bureau of the Census website (www.census.gov).

Plains Region - Consist of Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota.

Productivity - A measure that relates units of input used to produce a given unit of output. Output factors usually include value of shipments or value added, and inputs include number of production workers, the number of production worker hours and wages. *Compare Minnesota* measures productivity by the value added per production worker hour.

Region - A principal statistical unit of geography used in *Compare Minnesota* and adapted from the U.S. Department of Commerce definition. The 12-state Midwest region, one of four regions in the United States, consists of the five-state Great Lakes and seven-state Plains subregions. Minnesota is in the Midwest region and the Plains subregion.

SIC Codes - The federal government numeric cataloging system known as the Standard Industrial Classification (SIC). The system is used to classify business establishments by the type of activity in which they are engaged. The SIC codes are intended to cover the entire field of economic activity. The North American Industry Classification system (NAICS) is gradually replacing the SIC Code system.

Unemployed - All civilians who did not work during the survey week, but made specific efforts to find a job in the four weeks prior to the survey, and were available for work during the survey week (except for temporary illness). Persons waiting to be recalled to a job from which they had been laid off, or waiting to report to a new job within 30 days, need not be looking for work to be classified as unemployed.

Unemployment Rate - The percentage of the civilian labor force that is unemployed, calculated by dividing the number of unemployed by the civilian labor force.

Value Added - This measure of manufacturing activity is equivalent to the difference between sales and purchases of inputs used in the production process, including the cost of materials, supplies, containers, fuel, purchased electricity and contract work. Value added avoids the duplication that can occur in the value of shipments measurement, which results from the use of products of some industries as inputs by others. Value added is considered to be the best measure available for comparing the relative economic importance of manufacturing among industries and geographic areas. It is also used as a productivity measure.

Value of Shipments - The net selling values (exclusive of freight and taxes) of all products shipped, as well as all miscellaneous receipts such as installation and repair. This measure often includes large amounts of duplication since the products of some industries are used as inputs by others.

Wages and Salaries - The monetary remuneration of employees, including the compensation of corporate officers; commissions, tips and bonuses; and receipts in-kind, which represent income to the recipients.

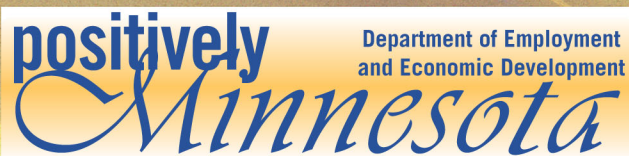
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