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Minnesota

Ten good reasons
for Wisconsin
businesses to locate
here.



Contact:
Minnesota Department of
Trade and Economic Development
Office of Business Development
500 Metro Square
121 7th Place East
St. Paul, Minnesota, 55101-2146
612/297-1291
1-800-657-3858

Ten Good Reasons for Wisconsin Businesses to Locate in Minnesota

1. Minnesota has competitive labor costs.

Median Hourly Earnings for Manufacturing Occupations

Metropolitan Area	General Maintenance	Maintenance Electrician	Tool/Die Maker	Shipping & Receiving Clerk
Milwaukee	\$11.35	\$17.40	\$16.90	\$ 9.59
Madison	9.00	13.15	NA	11.75
Green Bay	9.70	14.98	NA	NA
Mpls. - St. Paul	12.25	18.20	18.41	12.35
St. Cloud	10.08	NA	NA	NA
Duluth	10.95	14.00	NA	9.68

Median Hourly Earnings for Office Occupations

Metropolitan Area	Computer Programmer	Computer Systems Analyst	Computer Operator	Accounting Clerk	Secretary
Milwaukee	\$13.80	\$17.71	\$ 9.40	\$7.58	\$ 9.93
Madison	13.80	16.12	9.95	8.15	NA
Green Bay	NA	NA	NA	NA	8.70
Mpls. - St. Paul	14.45	20.47	10.12	8.70	10.20
St. Cloud	7.98	NA	NA	7.98	NA
Duluth	NA	19.88	8.85	8.00	7.60

Note: Surveys include non-manufacturing establishments. All office occupations are level II.
Source: Area Wage Surveys and Occupational Compensation Surveys, 1991 and 1992, Bureau of Labor Statistics, U.S. Department of Labor.

- Minnesota's 1990 average wages were significantly lower than Wisconsin's in many industries:
 - Medical instruments and supplies (SIC code 384), 7% lower
 - Transportation equipment (SIC code 37), 26% lower
 - Chemicals and allied products (SIC code 28), 11% lower
 - Book Publishing (SIC code 2731), 14% lower
- On a value - added per production hour worked basis, Minnesota's workers were 15 percent more productive than Wisconsin's in 1990.

2. Minnesota's workers' compensation costs may be lower.

1993 Base Rates (per \$100 in payroll)

Class Code	Class Description	Wisconsin	Minnesota
3372	Metal Plating	\$9.42	\$9.09
3574	Computer Manufacturing	1.67	0.83
3681	Electronic Components	5.01	3.05
3685	Medical/Scientific Instruments	2.92	2.78
8810	Office Occupations	0.33	0.36

Note: Rates current as of March 10, 1993.
Source: Minnesota Department of Commerce. (Median rates for all Minnesota Carriers used.)
Wisconsin Compensation Rating Bureau.

- Minnesota reduced workers' compensation premiums by 16 percent in 1992.
- Wisconsin's average rate doubled between 1978 and 1989 according to John Burton's Workers' Compensation Monitor. In contrast, Minnesota's average rate increased 36 percent.

3. Minnesotans have a quality, low-cost health care system.

Health Care Costs

Metropolitan Area	Percent of U.S. Average (1990)	Percent of U.S. Average (1991)
Milwaukee	94%	88%
Madison	83	NA
Mpls - St. Paul	82	85

Note: Surveys only examined data from commercial health insurers and did not include the impacts of HMO's, Medicare or Medicaid.
Source: Medical Costs by Geographical Area, Milliman & Robertson, Inc.

- Minnesota is the nation's leader in health maintenance organizations (HMO). A 1992 study by Foster Higgins benefits consulting firm found that HMO's provide care at 15 percent less cost per employee.
- Minnesota is a world leader in health care and is home to the Mayo Clinic, University of Minnesota and numerous drug and alcohol treatment centers.

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4. Minnesota has a strong and growing corporate community.

Fortune, Forbes and
Business Week Lists

State	Number of Fortune 500 Firms 1991	Number of Forbes 400 Firms 1991	Number of Business Week "Hot Growth" Firms 1990-1992
Wisconsin	17	9	4
Minnesota	33	10	18

Source: Fortune, April 20 and June 2, 1992. (Fortune lists the nation's 500 largest industrial corporations and 500 largest service corporations.)
Forbes, December 7, 1992. (Forbes lists the nation's 400 largest privately-owned corporations.)
Business Week, May issues, 1990 - 1992. (Business Week lists the nation's 100 best small corporations.)

- Minnesota ranks fourth in the number of Fortune 500 companies per capita indicating a very concentrated corporate presence.
- Minnesota's entrepreneurship is a vast resource - many of Minnesota's Fortune companies (e.g. 3M, Honeywell, Medtronic) were spawned by Minnesota entrepreneurs.

5. Minnesota has a world class transportation system.

1990 Major Airport
Traffic Summary

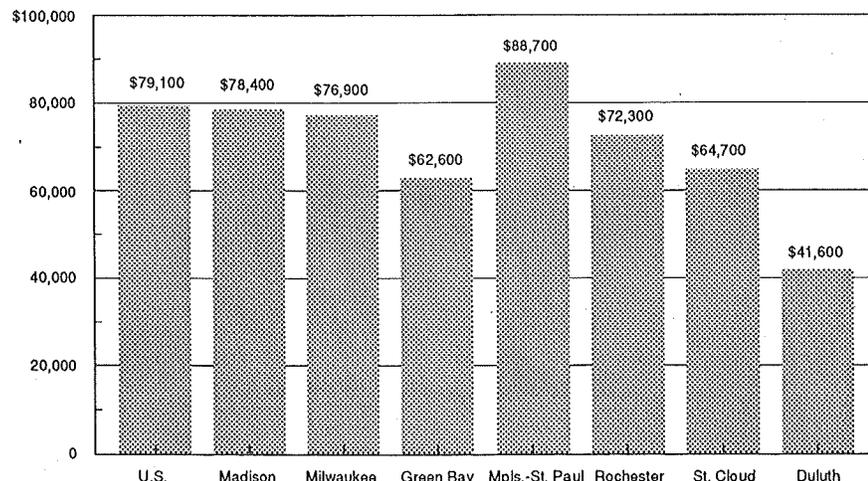
	Revenue Pasengers Enplaned	Revenue Freight Enplaned (tons)	Aircraft Departures	December 1992	
				On-time Arrivals	On-time Departures
General Mitchell Field (Milwaukee)	1,915,390	11,748	39,724	81.8%	90.5%
Truax Field (Madison)	425,563	4,045	8,926	79.7	89.9
Minneapolis - St. Paul International	8,837,228	68,045	114,872	78.6	83.2
Duluth International	111,651	249	2,492	88.2	92.0
Rochester Municipal	142,052	55	2,931	74.8	85.6

Source: Airport Activity Statistics, 1991, U.S. Federal Aviation Administration.
Air Travel Consumer Report, December 1992, U.S. Department of Transportation.

- In 1991, flight arrivals and departures at the Minneapolis - St. Paul International airport were on time about 85 percent and 88 percent of the time, respectively — one of the best performances among major hub airports.
- Minnesota's state and local per capita highway expenditures in 1990 were more than 36 percent larger than Wisconsin's.
- In a 1988 Texas A & M study, Minneapolis - St. Paul was ranked as the 19th least congested metropolitan area among the 20 largest metropolitan areas.

6. Minnesota's residents have competitive housing costs.

1990 Median
Home Price



Source: 1990 Census of Population, Bureau of the Census, U.S. Department of Commerce.

- Minnesota has affordable housing throughout the state.

Ten Good Reasons for Wisconsin Businesses to Locate in Minnesota

7. Minnesota businesses often have lower taxes.

1993 Tax Rates

	Wisconsin	Minnesota
Corporate Income Tax		
Tax Rate	7.9%	9.8%
Apportionment (Sales/Payroll/Property)	50/25/25	70/15/15
Sales Tax		
State Rate	5.0%	6.5%
Local Rate	.5%	-
State and Local Rate	5.5%	6.5%
Effective Sales/Use Tax on Capital Equipment ¹	0.0%	0.0%
Property Tax		
State Residential Avg. Tax Rate ²	2.03%	1.00%
State Ranking of Residential Tax Rate	6th	26th
Personal Income Tax (Joint)		
Lowest Bracket	\$0 - 10,000 - 4.9%	\$0 - 20,960 - 6%
Highest Bracket	+ 20,000 - 6.93%	+ 83,301 - 8.5%
Total State and Local Taxes³		
Per Capita	\$2,226	\$2,348
State Ranking/Per Capita Taxes (1991)	13th	8th
Percentage of Personal Income	12.8%	12.7%
State Ranking (1991)	6th	8th
Unemployment Insurance Tax⁴		
New Employer Rate (non-construction)	3.05% - 3.25% ⁵	2.0%
Minimum Rate	.02% - .05% ⁵	.6%
Maximum Rate	9.75%	9.1%
Average Rate (1992)	2.0%	1.5%
Taxable Wage Base	\$10,500	\$14,300
New Employer Cost per Employee	\$368 - \$341	\$286

1 Capital equipment for new or expanding manufacturing facilities.

2 Average effective property tax rate, existing family homes (FHA insured), 1987.

3 Includes all state and local tax revenue.

4 Includes all surcharges and add-ons.

5 Higher rate applies to businesses with payrolls exceeding \$400,000.

Note: Tax rates are current as of March 15, 1993.

Sources: 1992 All States Tax Handbook, Maxwell Macmillan.

Minnesota Taxpayers Association.

Significant Features of Fiscal Federalism, Advisory Commission on Intergovernmental Relations.

City, county and states agencies from the respective states.

- Minnesota's apportionment formula is very favorable for business with a high percentage of sales outside the state.
- Minnesota's property tax applies only to real property (land and buildings) while Wisconsin levies a tax on both real and many types of personal property.

8. Minnesota has a comparable technical and managerial labor supply.

1990 Selected Occupational Labor Supply (thousands)

State	Civilian Labor Supply	Executives and Managers	Technicians	Precision Production	Machine Operators
Wisconsin	2,577	263	79	290	256
Minnesota	2,420	300	86	250	138

Source: Geographic Profile of Employment and Unemployment, 1991, Bureau of Labor Statistics, U.S. Department of Labor.

- Minnesota's supply of executives and managers is 14 percent larger than Wisconsin's.
- Due to Minnesota's diverse economy, Minnesota's workers are trained in a variety of industries.

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9. Minnesotans enjoy a competitive cost of living.

1991 Cost of Living Comparison	Metropolitan Area	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc.
	Milwaukee ¹	103	99	123	98	105	102	93
	Green Bay	96	95	98	91	104	92	96
	Eau Claire	96	99	93	87	98	95	97
	Mpls- St. Paul	101	92	109	96	106	107	97
	Rochester	100	97	99	100	105	97	101
	St. Cloud	98	99	83	104	107	98	103

¹ Because 1991 data was not available for Milwaukee, index data for 1990 is used.

Note: 100 = average for 300 U.S. urban areas.

Source: *Cost of Living Comparison*, first through fourth quarter, 1991, American Chamber of Commerce Researchers Association.

- Of the 28 largest metropolitan areas in the U.S. which responded to the Cost Of Living Index survey, Minneapolis - St. Paul's cost of living ranked as the fourth lowest while Milwaukee's was the ninth lowest.

10. Minnesota businesses have lower energy costs.

1992 Average Monthly Industrial Electric Bills

Metropolitan Area	Utility	150 kW		500 kW		1,000 kW	
		30 MWh	60 MWh	100 MWh	200 MWh	200 MWh	400 MWh
Milwaukee	Wisconsin Electric Power	\$2,212	\$3,056	\$6,670	\$9,114	\$12,864	\$17,753
Madison	Madison Gas & Electric	2,086	3,292	7,228	10,608	14,406	21,165
Green Bay	Wisconsin Public Service	1,826	2,912	6,183	9,769	13,307	18,416
Minneapolis - St. Paul	Northern States Power	1,838	2,647	6,067	8,760	12,116	17,504
Duluth	Minnesota Power	1,935	3,025	6,187	9,523	12,371	18,914
St. Cloud	Northern States Power	1,838	2,647	6,067	8,760	12,116	17,504

Note: kW = Billing Demand, MWh = Consumption

Source: Northern States Power. (Based on Edison Electric Institute typical residential, commercial and industrial bills weighted January and July, 1992.)

1992 Average Monthly Industrial Gas Bills

Metropolitan Area	Utility	Therms per Month			
		1,000	10,000	50,000	100,000 ¹
Milwaukee	Wisconsin Gas	\$517	\$4,714	\$23,361	\$37,671
Madison	Madison Gas & Electric	483	4,764	23,792	34,140
Green Bay	Wisconsin Public Service	371	3,645	17,879	26,907
Minneapolis	Minnegasco	458	4,565	22,887	25,857
St. Paul	Northern States Power	419	3,509	20,232	32,527
Duluth	Duluth Dept. of Water & Gas	488	4,799	23,971	43,985
St. Cloud	Northern States Power	419	3,509	20,232	32,527

¹ Interruptible service.

Note: Displayed rates include taxes and surcharges and are four quarter averages wherever possible. Actual prices vary month to month.

Source: *Bill Comparison Report*, 1991 fourth quarter through 1992 third quarter, American Gas Association.

- Minnesota's 1991 average natural gas price for industrial usage was 25 percent lower than Wisconsin's, according to the American Gas Association.