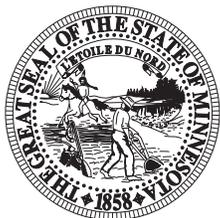




Northwest Minnesota Economic and Business Conditions Report Fourth Quarter 2018

This issue is part of a series for the six planning areas of Minnesota –
The Northwest Minnesota Planning Area consists of 26 counties:
Becker; Beltrami; Cass; Clay; Clearwater; Crow Wing; Douglas; Grant; Hubbard; Kittson;
Lake of the Woods; Mahnomon; Marshall; Morrison; Norman; Otter Tail; Pennington; Polk;
Pope; Red Lake; Roseau; Stevens; Todd; Traverse; Wadena; and Wilkin.



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EXECUTIVE SUMMARY

Slower economic growth is expected in the Northwest Minnesota planning area over the next several months according to the predictions of the St. Cloud State University Northwest Minnesota Index of Leading Economic Indicators (LEI). Only one of the five index components increased in the most recent quarter as the LEI fell by 3.65 points. The decline in the leading index was largely caused by a reduction in the number of residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks. Higher regional initial jobless claims and weakening in a national consumer sentiment index also weighed on the future Northwest Minnesota economic outlook. A rise in the Rural Mainstreet Index (which signals a more robust macroeconomic environment for rural America) was the only index component with a positive value in the fourth quarter.

There were 1,039 new business filings with the Office of the Minnesota Secretary of State in Northwest Minnesota in the fourth quarter of 2018 — representing a 0.6 percent increase over one year ago. With 86 filings, there were 13.1 percent fewer new filings for business incorporation in the fourth quarter compared to the same period last year. New LLC filings in Northwest Minnesota were up 8.4 percent from one year earlier—rising to 593. New assumed name filings totaled 327 in the fourth quarter—0.3 percent fewer filings than the same period in 2017. There were 33 new filings for Northwest Minnesota non-profit in the fourth quarter—twenty-six fewer filings than one year ago.

Sixty percent of new business filers in the Northwest Minnesota planning area completed the voluntary Minnesota Business Snapshot (MBS) survey in the fourth quarter. Results of this voluntary survey indicate that 5.5 percent of new filers come from communities of color. Approximately 7.1 percent of new filers in Northwest Minnesota are veterans. About 2.7 percent of new filers come from the disability community and only 2.1 percent of new filings in Northwest Minnesota are made by the immigrant community. Forty-two percent of new business filings in Northwest Minnesota in the fourth quarter were initiated by women. MBS results also show that most new business filers in Northwest Minnesota have between 0 and \$10,000 in annual gross revenues (although 65 new filers have revenues in excess of \$50,000). The most popular industries for new businesses in Northwest Minnesota are construction, retail trade, real estate/rental/leasing, professional/scientific/technical, and other services. Employment levels at most new firms are between 0 and 5 workers, and 48 percent of those starting a new business consider this a part-time activity.

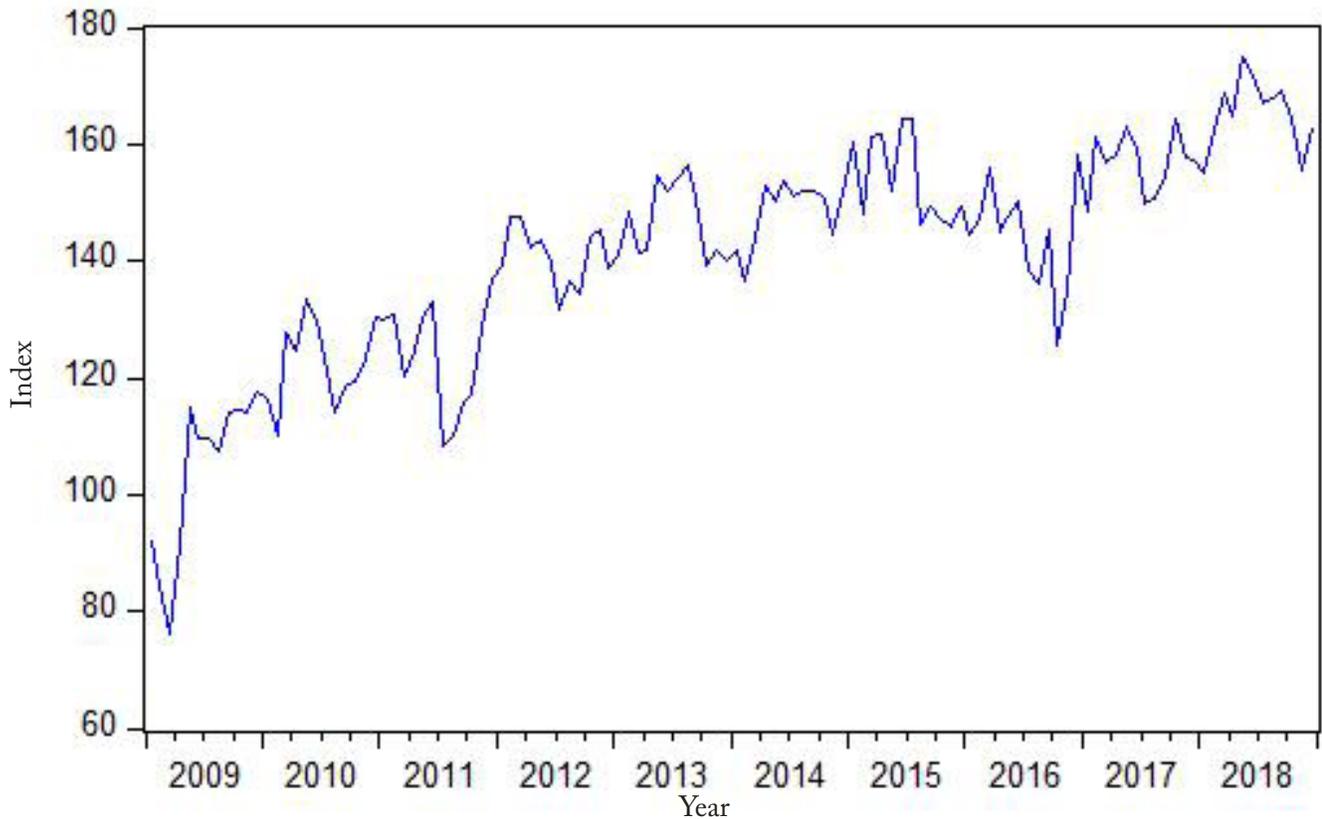
Employment of Northwest Minnesota residents increased by 0.9 percent over the year ending December 2018. The regional unemployment rate was 4.7 percent in December, which was somewhat lower than the 5 percent rate observed one year ago. Initial claims for unemployment insurance in December 2018 were 3.4 percent higher than one year earlier and the Northwest Minnesota labor force increased by 0.5 percent. The average weekly wage in the Northwest Minnesota planning area was 3.8 percent higher than one year earlier. Northwest Minnesota's total bankruptcies were 2.9 percent higher than one year ago.

Economic performance in the Fargo/Moorhead Metropolitan Statistical Area (MSA) was mostly favorable in the past quarter. This MSA tallied a small increase in overall employment (as well as job gains in the manufacturing sector), increased average hourly earnings, a rise in the value of residential building permits, a lower relative cost of living, fewer initial jobless claims, higher average weekly work hours, and a lower unemployment rate. The only negative indicators in Fargo/Moorhead were a decrease in the MSA labor force and a drop in employment in the key mining/logging/construction sector. Economic activity in the Grand Forks/East Grand Forks MSA was mixed in the fourth quarter. Declining overall employment (and unchanged employment in the key manufacturing and mining/logging/construction sectors) and a falling labor force weighed on the area economic outlook. An increase in average hourly earnings, a rise in average weekly work hours, a lower unemployment rate, an increase in the value of residential building permits, fewer regional initial jobless claims, and a lower relative cost of living in the metro area helped lift the Grand Forks/East Grand Forks economic outlook.

NORTHWEST MINNESOTA LEADING ECONOMIC INDICATORS INDEX

The SCSU Northwest Minnesota Leading Economic Indicators (LEI) index is designed to predict performance of the regional economy with a four-to-six month lead time. After a small decline in the third quarter of 2018, the Northwest Minnesota LEI fell by 3.65 points in the fourth quarter. The index still stands 3.8 percent above its level of the fourth quarter of 2017. As shown in the accompanying graph, after rising since the end of 2016, the LEI declined throughout much of 2018. Note that each of Minnesota's six planning areas experienced declining leading economic indexes in the fourth quarter of 2018 as employers struggle to find additional workers to contribute to continued growth.

SCSU Northwest Minnesota Leading Economic Indicators Index
(December 1999=100)



Components of SCSU Northwest Minnesota Leading Economic Indicators Index

Component of Index	Contribution to LEI, 4th quarter 2018	Contribution to LEI, 3rd quarter 2018
Rural Mainstreet Index	1.40	-2.58
Northwest Minnesota initial claims for unemployment insurance	-0.23	0.51
Northwest Minnesota new filings of incorporation and LLCs	-0.58	0.25
Fargo-Moorhead + Grand Forks-EGF MSA residential building permits	-3.47	-0.61
Consumer Sentiment, University of Michigan	-0.77	0.81
TOTAL CHANGE	-3.65	-1.61

The Rural Mainstreet Index from Creighton University uses survey data from rural bankers and business leaders in towns averaging a population of 1,300 in 10 Midwestern states. This series is used as a proxy for economic activity in the rural areas of Northwest Minnesota. As can be seen in the accompanying table, this rural index was the only indicator making a positive impact on this quarter's LEI. A smaller number of residential building permits in Fargo/Moorhead and Grand Forks/East Grand Forks at the end of 2018 served as a drag on this quarter's leading index, as did higher initial jobless claims. Because Northwest Minnesota exports many recreational vehicles, consumer sentiment is included as a proxy for demand in that industry. The University of Michigan's Consumer Sentiment Index registered a negative reading this quarter.

**SCSU Northwest Minnesota
Leading Economic Indicators Index**

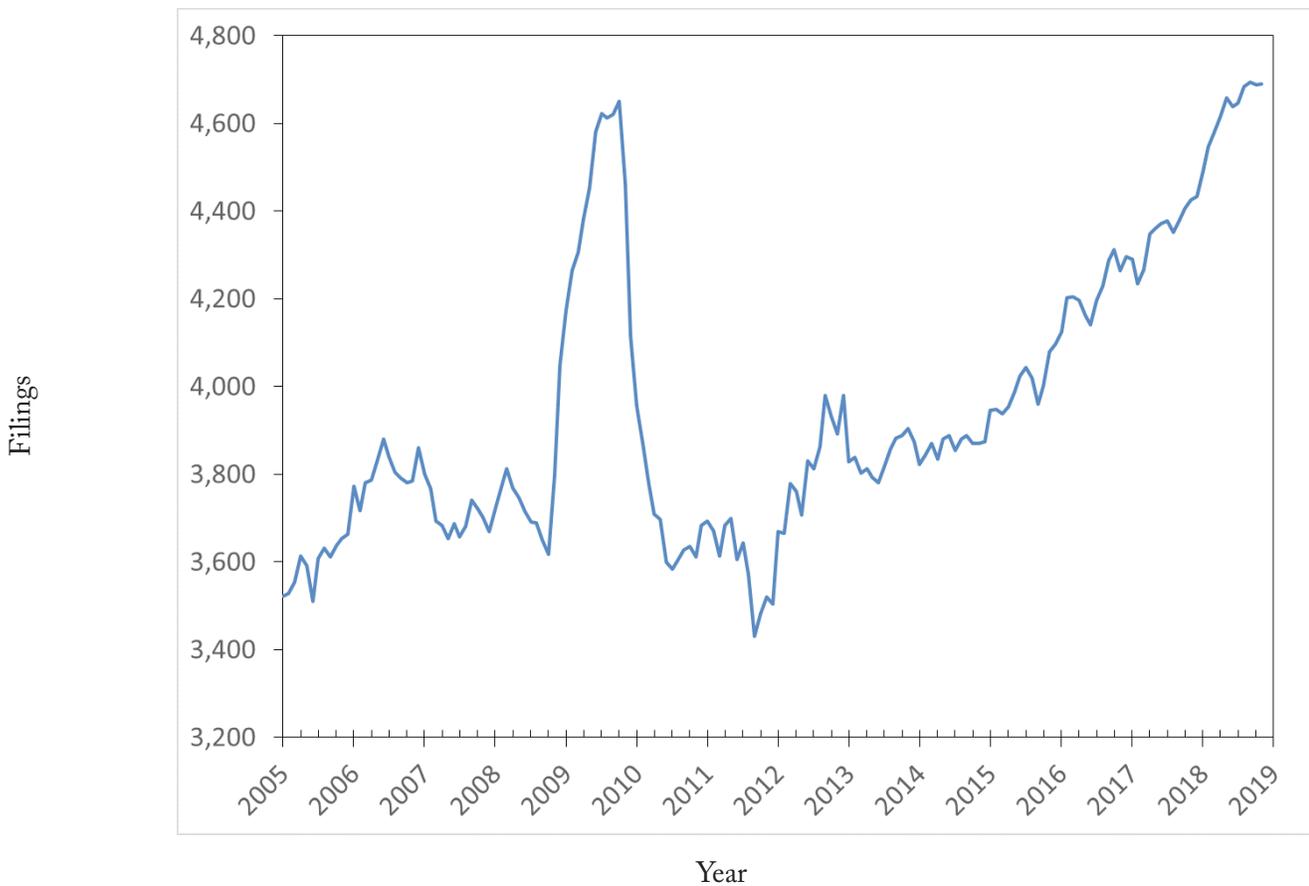
	2018	2017	Percentage change
Rural Mainstreet Index, Creighton University, December	52.8	45.4	16.3%
Northwest Minnesota initial claims for unemployment insurance, December	3,908	3,781	3.4%
Northwest Minnesota new filings of incorporation and LLCs, Fourth Quarter	679	646	5.1%
Fargo-Moorhead and Grand Forks-EGF MSA single-family building permits, December	14	14	0.0%
Consumer Sentiment, University of Michigan, December	98.3	95.9	2.5%
Northwest Minnesota Leading Economic Indicators Index December (December 1999 = 100)	163.1	157.1	3.8%

NORTHWEST MINNESOTA BUSINESS FILINGS

The 12-month moving total of new business filings in this region leveled out in the fourth quarter as total new filings rose by a small 0.6% compared to the same period last year. The abrupt increase in new filings in the middle of 2008 is largely a result of increased new LLC filings. This outlier (resembling a shark fin) is related to considerably higher filings in the construction industry and appears to be a one-time only transitory event seen in the data in all regions of Minnesota.

Note: The graphs in this section show the 12-month moving total for the various new business filings in Northwest Minnesota that are registered with the Office of the Minnesota Secretary of State. This adjustment removes seasonal patterns from the data.

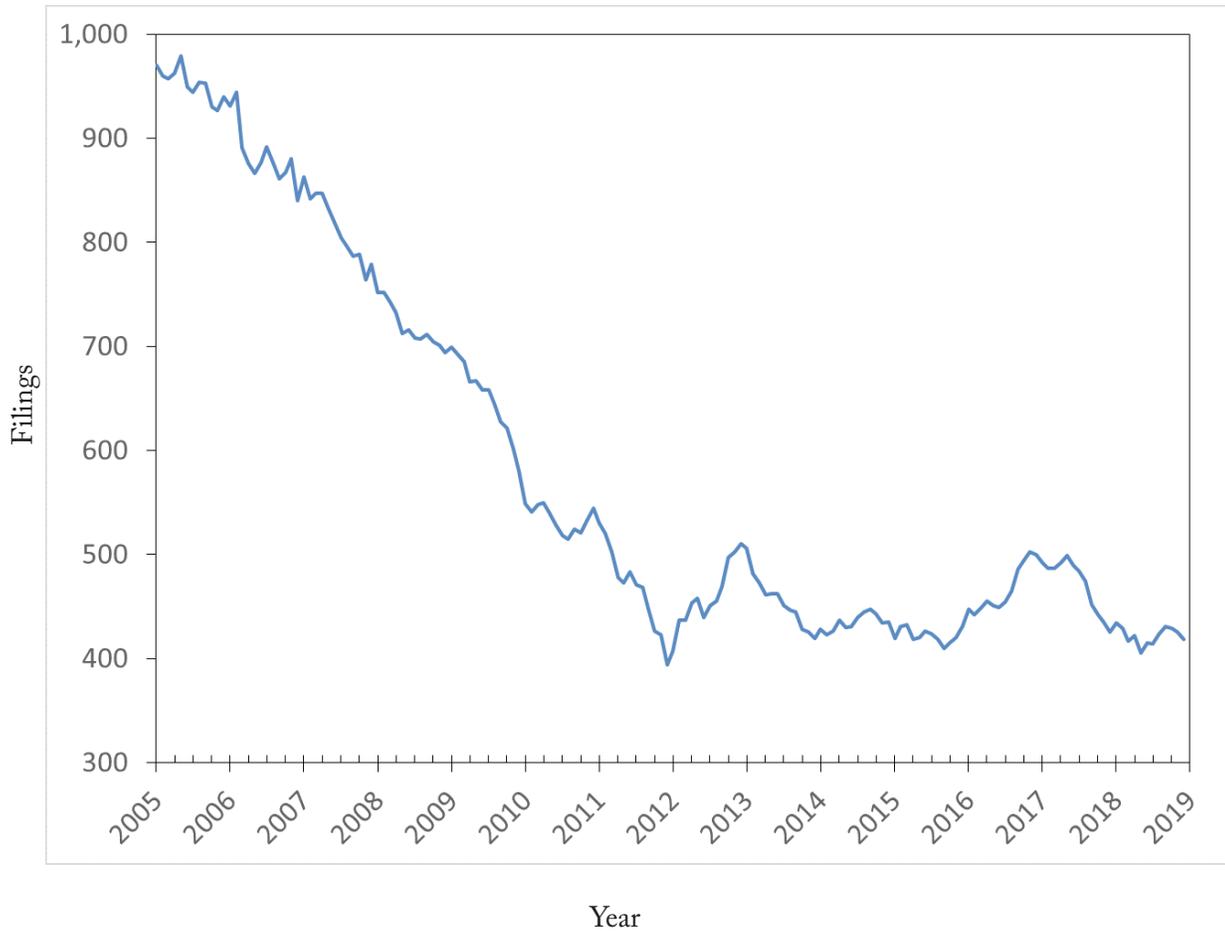
Total New Business Filings—Northwest Minnesota Planning Area
(12-month moving total)



Quarter	IV: 2017	I: 2018	II: 2018	III: 2018	IV: 2018	2018 Quarter IV: Percent change from prior year
Northwest Minnesota Total New Business Filings	1,033	1,315	1,327	1,010	1,039	0.6%

New business incorporations trended downward in Northwest Minnesota from 2005 through 2011, but the 12-month moving total of this series has leveled out since that time. As can be seen in the accompanying table, fourth quarter 2018 new incorporations fell by 13.1 percent compared to the same period in 2017.

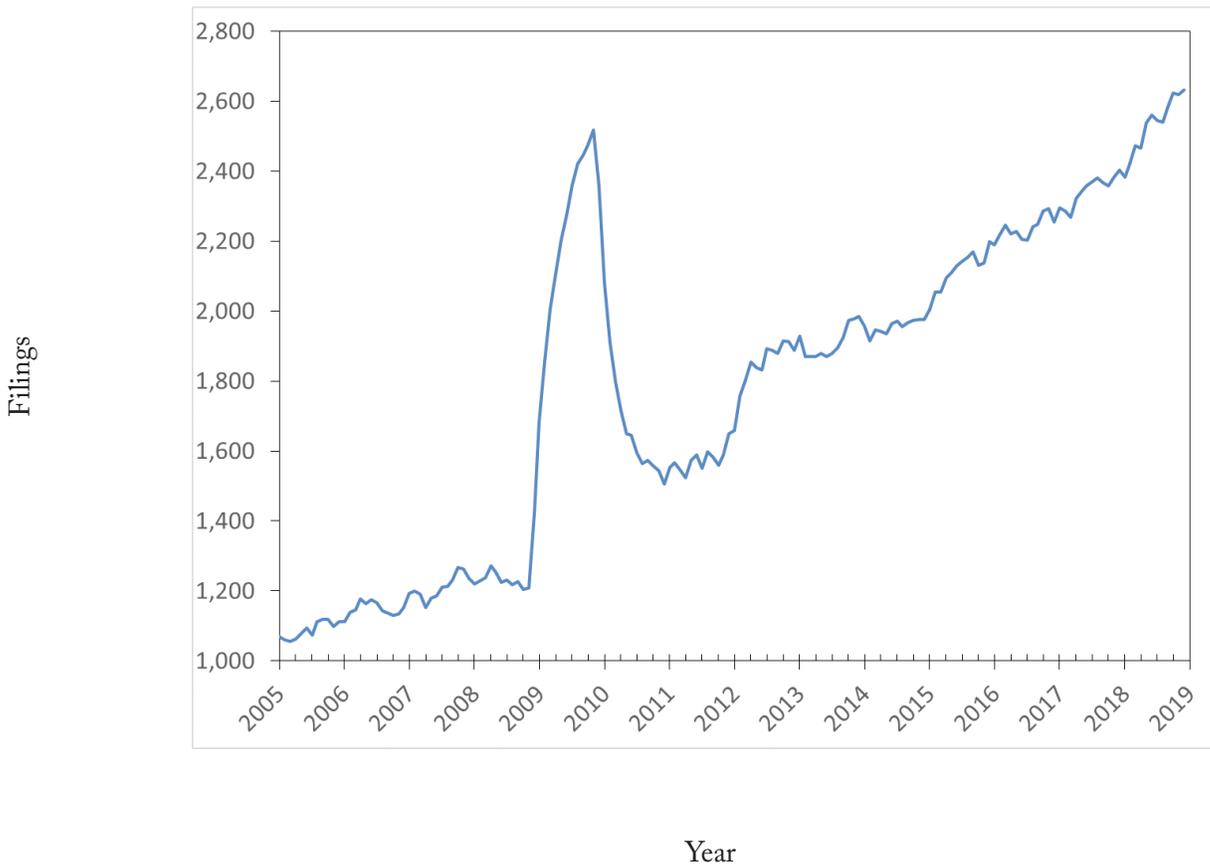
New Incorporations—Northwest Minnesota Planning Area (12-month moving total)



Quarter	IV: 2017	I: 2018	II: 2018	III: 2018	IV: 2018	2018 Quarter IV: Percent change from prior year
Northwest Minnesota New Business Incorporations	99	113	119	100	86	-13.1%

There has been a move in Northwest Minnesota (and the rest of the state) away from the traditional incorporation form of business organization towards the LLC. While new business incorporations remain an important indicator of new business formation in Northwest Minnesota, LLCs are increasingly useful in evaluating regional economic performance. As seen below, there has been a considerable upward trend in LLCs in Northwest Minnesota. With the exception of the outlier period in 2008–2009, new LLC formation has shown a fairly steady rate of growth over the last eleven years. This strong trend continued in the fourth quarter of 2018 as LLC filings rose 8.4 percent compared to the same period in 2017.

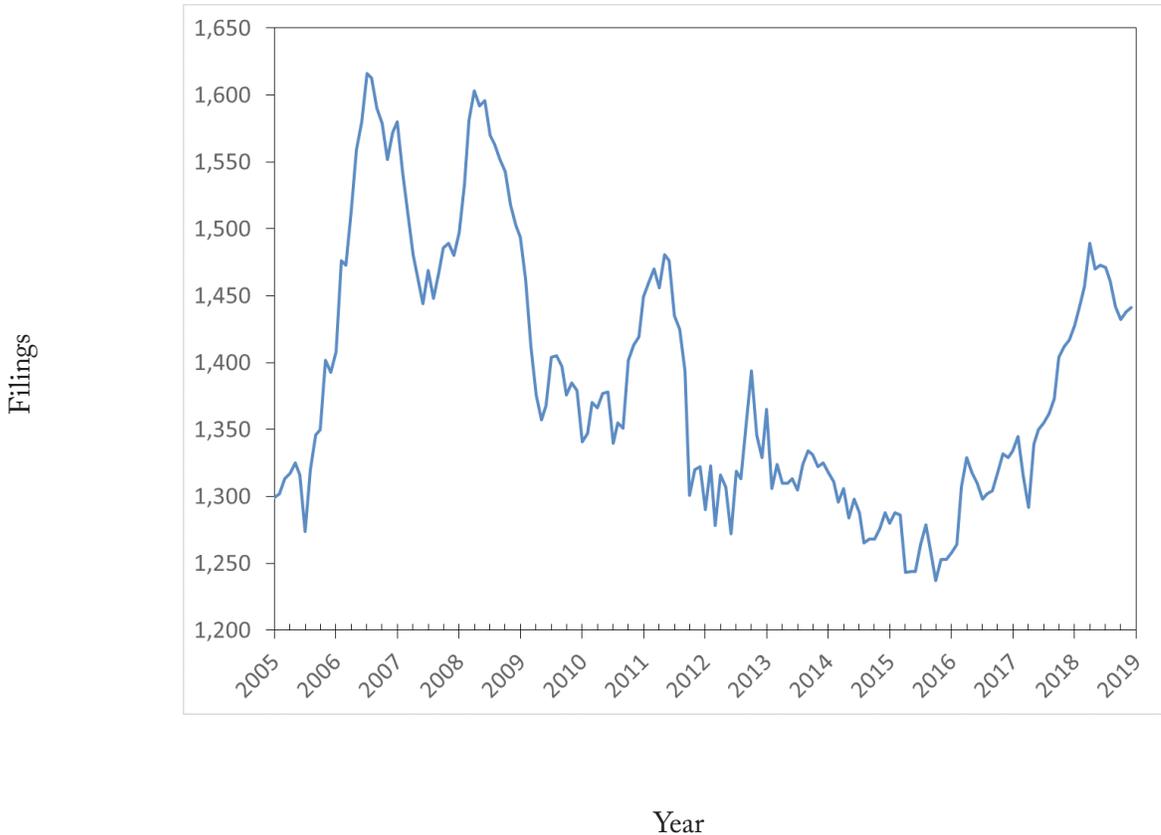
New Limited Liability Companies—Northwest Minnesota Planning Area (12-month moving total)



Quarter	IV: 2017	I: 2018	II: 2018	III: 2018	IV: 2018	2018 Quarter IV: Percent change from prior year
Northwest Minnesota New Limited Liability Companies	547	721	754	565	593	8.4%

Assumed names, which include sole proprietors or organizations that do not have limited liability, fell by 0.3 percent compared to the same period last year. The 12-month moving total suggests this series bottomed out at the end of 2015 and increased through 2017. However, there appears to have been fewer assumed names registered in Northwest Minnesota in 2018.

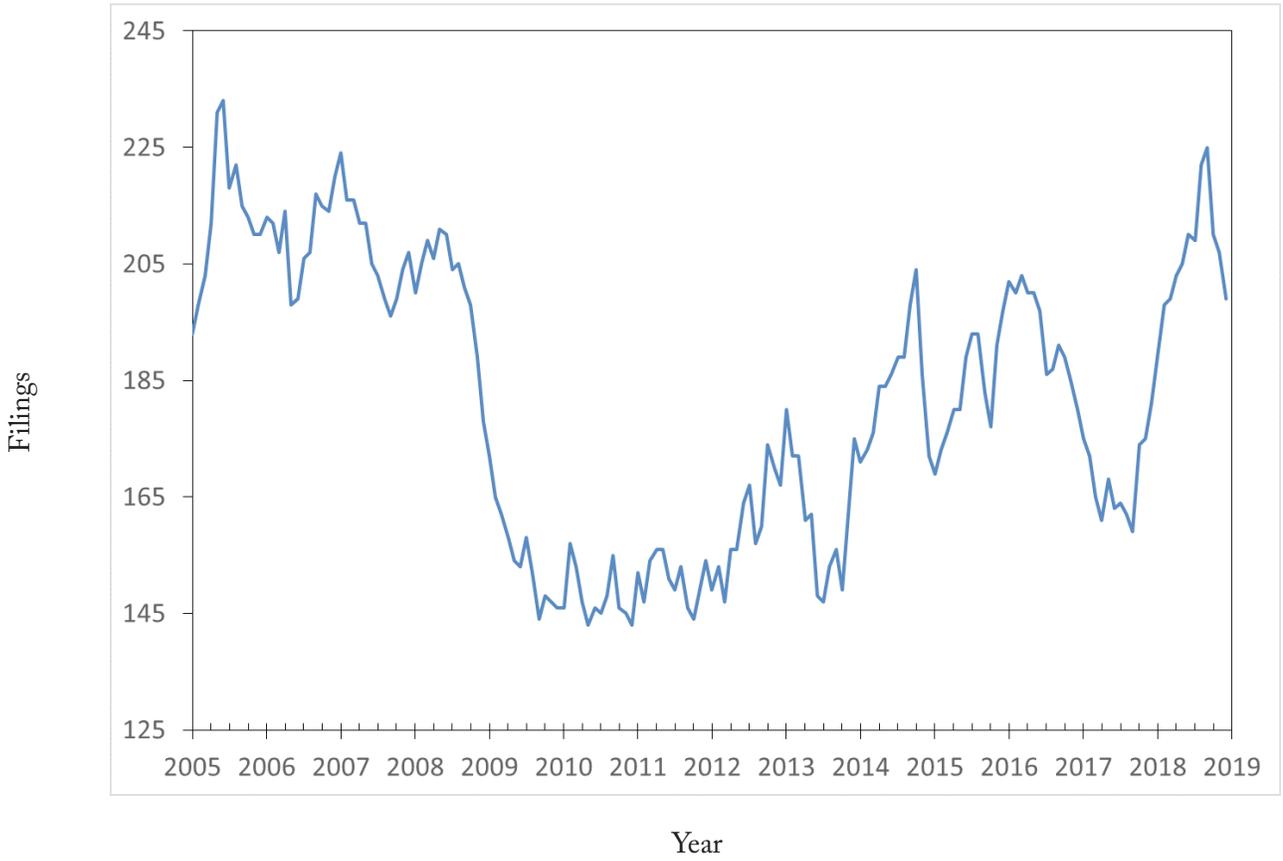
New Assumed Names—Northwest Minnesota Planning Area (12-month moving total)



Quarter	IV: 2017	I: 2018	II: 2018	III: 2018	IV: 2018	2018 Quarter IV: Percent change from prior year
Northwest Minnesota New Assumed Names	328	423	397	294	327	-0.3%

The number of new non-profits in the Northwest Minnesota planning area totaled 33 in the fourth quarter. This was 26 fewer filings (a 44.1 percent decrease) than one year earlier.

New Non-Profits—Northwest Minnesota Planning Area (12-month moving total)



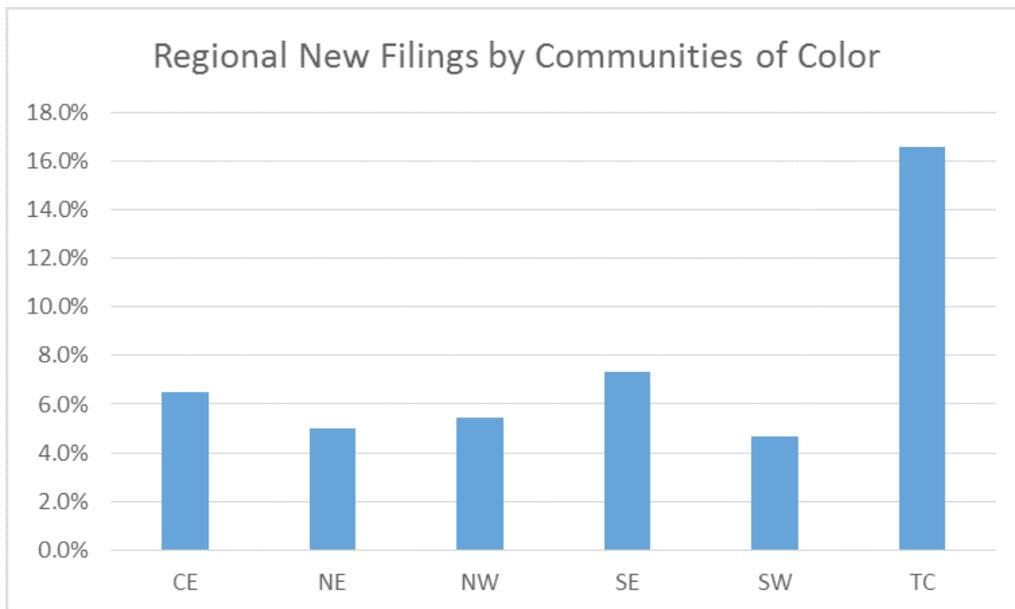
Quarter	IV: 2017	I: 2018	II: 2018	III: 2018	IV: 2018	2018 Quarter IV: Percent change from prior year
Northwest Minnesota New Non-Profits	59	58	57	51	33	-44.1%

MINNESOTA BUSINESS SNAPSHOT SURVEY RESULTS

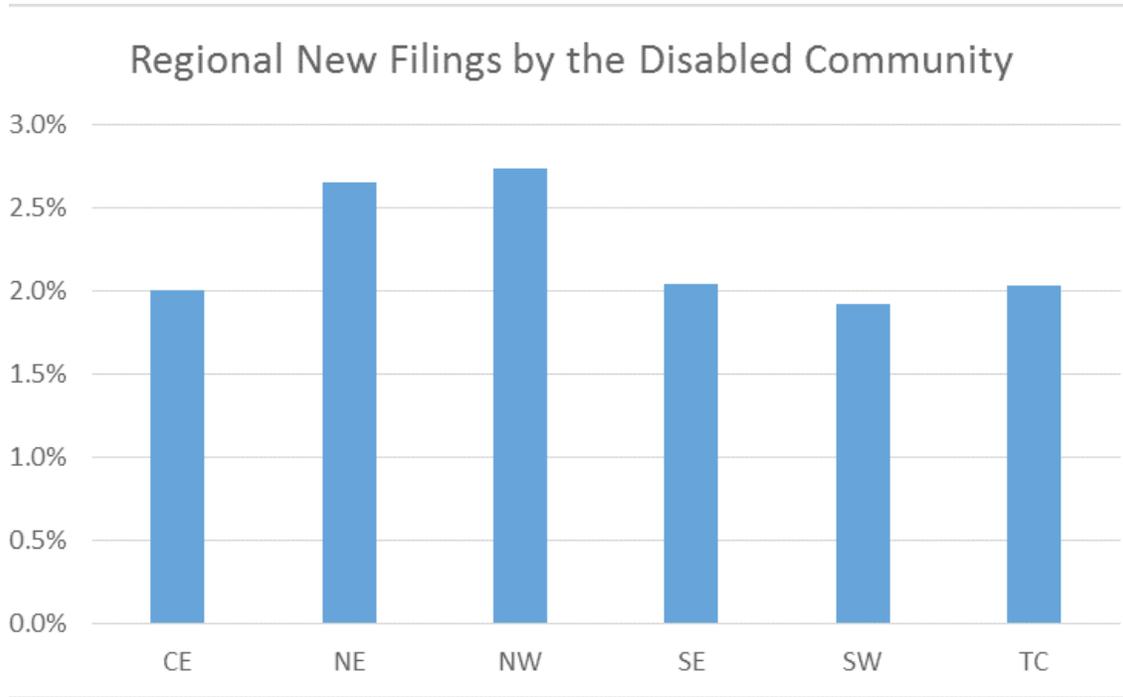
In Fall 2016, the Office of the Minnesota Secretary of State initiated a short voluntary survey (known as Minnesota Business Snapshot) for both new and continuing business filers. Questions found in the survey address basic questions related to the background of business filers, industry classification, employment levels and annual revenue of the filer, and whether the business is a full- or part-time activity for the filing entity. While a comprehensive analysis of this promising new data set is beyond the scope of this regional economic and business conditions report, the survey results do provide useful additional background information to complement the business filing data.

To match up the Minnesota Business Snapshot (MBS) information with the data analyzed in this report, only surveys accompanying new filings in the fourth quarter of 2018 are analyzed. For the entire State of Minnesota, the overall response rate for this voluntary survey is approximately 59 percent. This yields thousands of self-reported records in this emerging data set. For Northwest Minnesota, about 60 percent of new business filers completed at least some portion of the MBS survey. The results are reported in this section.

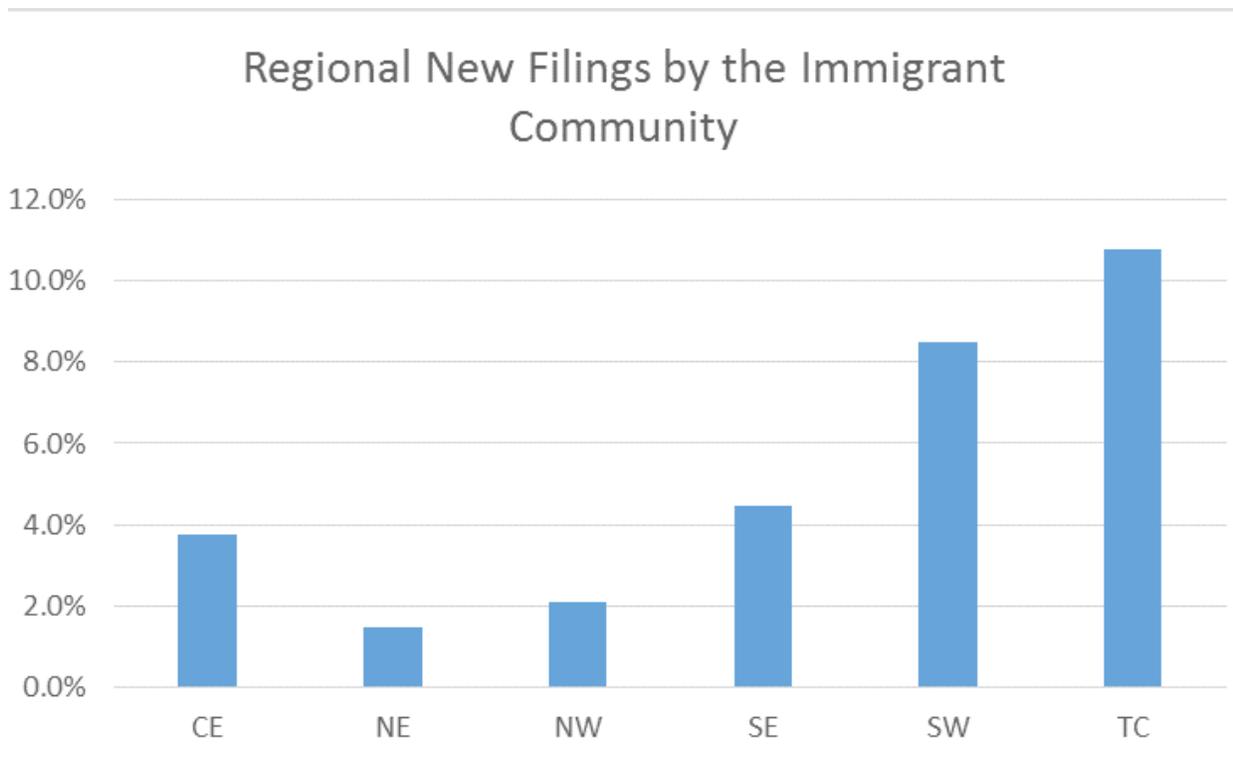
About 5.5 percent of those new filers completing the MBS from the Northwest Minnesota planning area report being from a community of color. This is a considerably higher percentage than the second quarter when less than 4 percent of Northwest new filings came from a community of color, which, at the time was the lowest percentage of Minnesota's six planning areas.



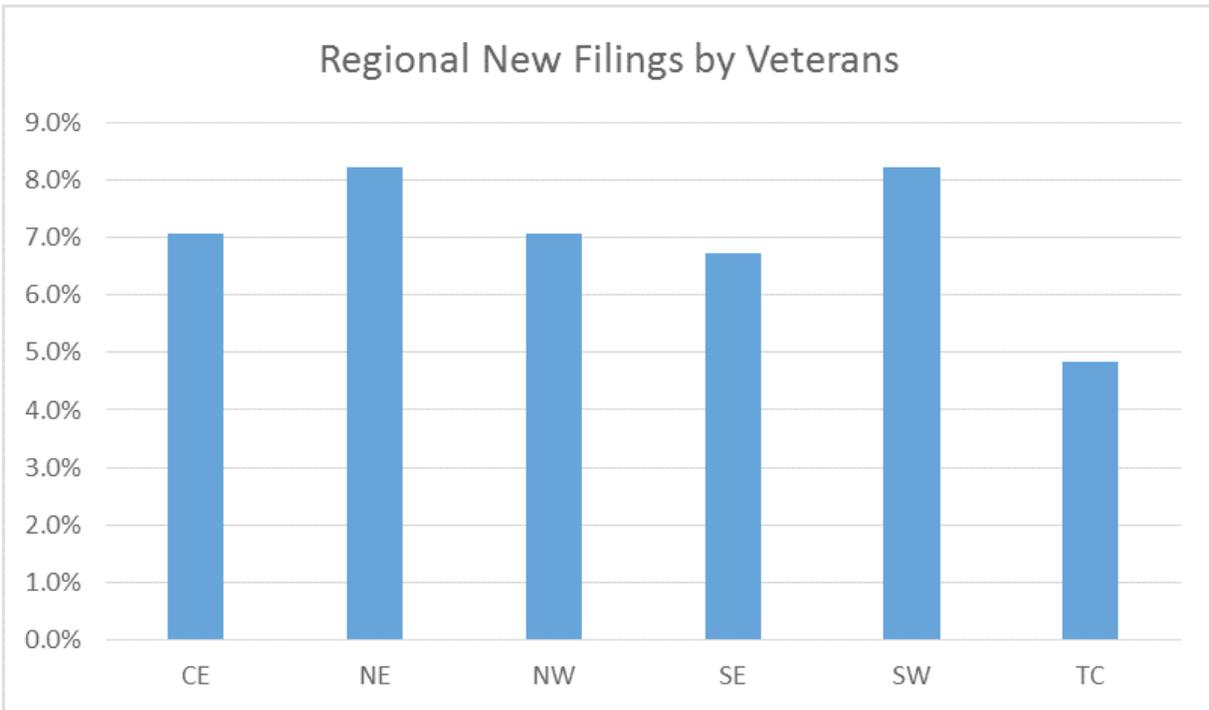
A small percentage of Northwest Minnesota’s new filers—approximately 2.7 percent—are from the disability community.



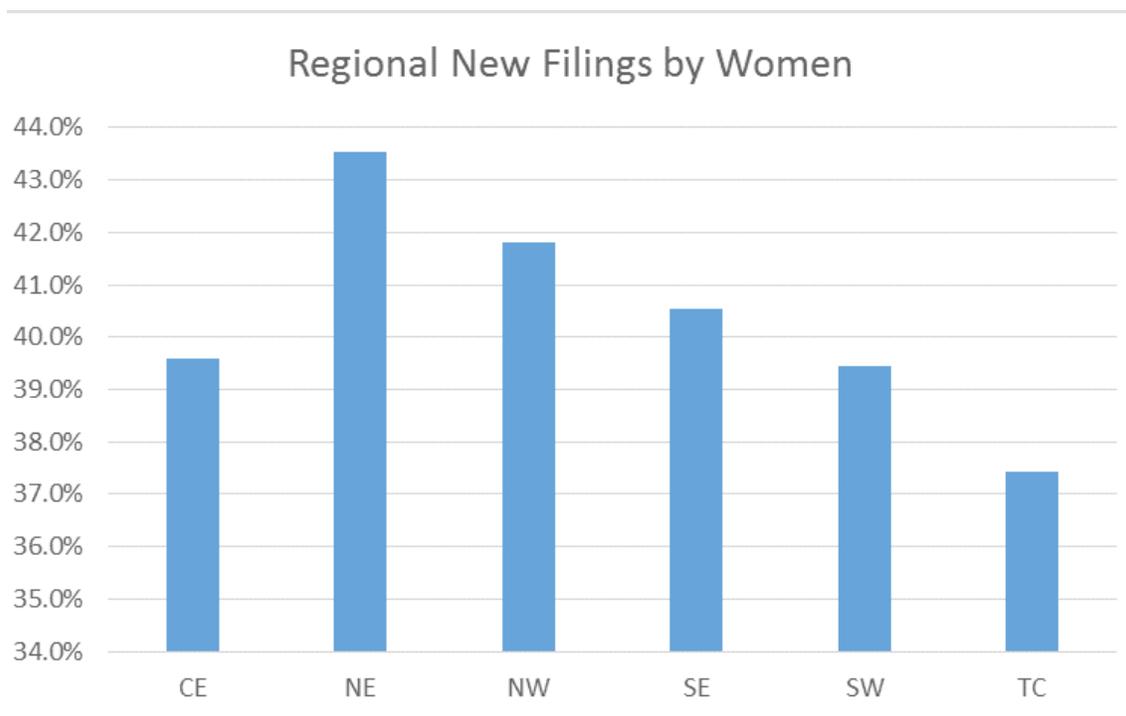
Only 2.1 percent of new business filings in Northwest Minnesota came from the immigrant community in the fourth quarter. In the third quarter of 2018, only 1.1 percent of Northwest Minnesota’s new business filers indicated they were from the immigrant community, so the fourth quarter tally represents an increase in the share of immigrant new business filers in this region.



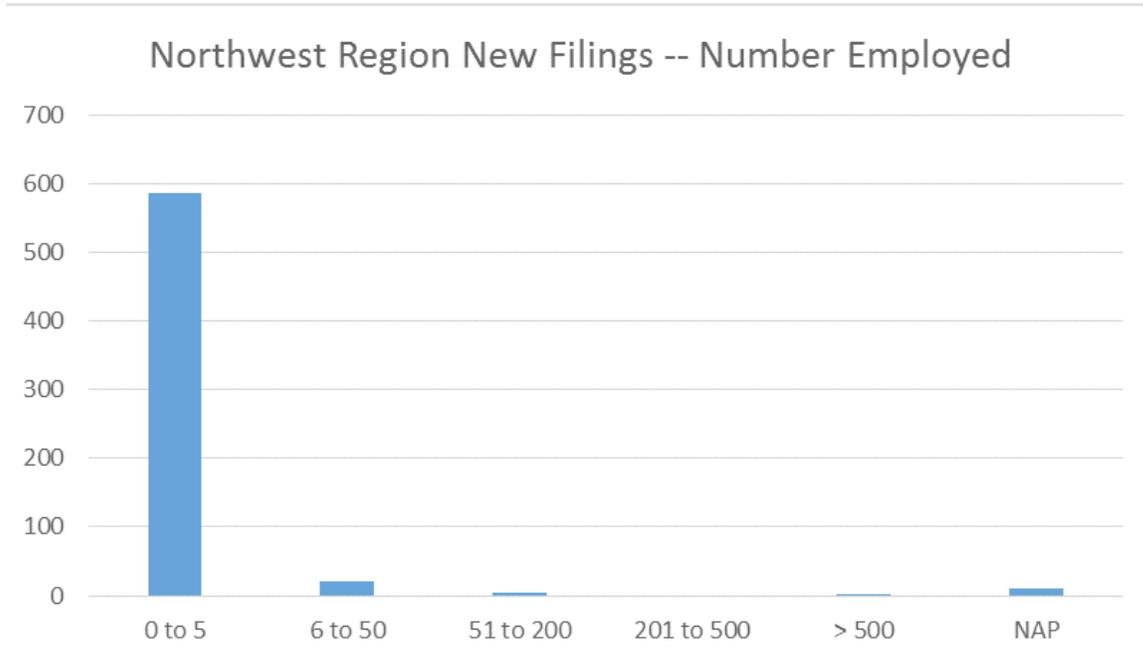
7.1 percent of new filings in Northwest Minnesota came from military veterans.



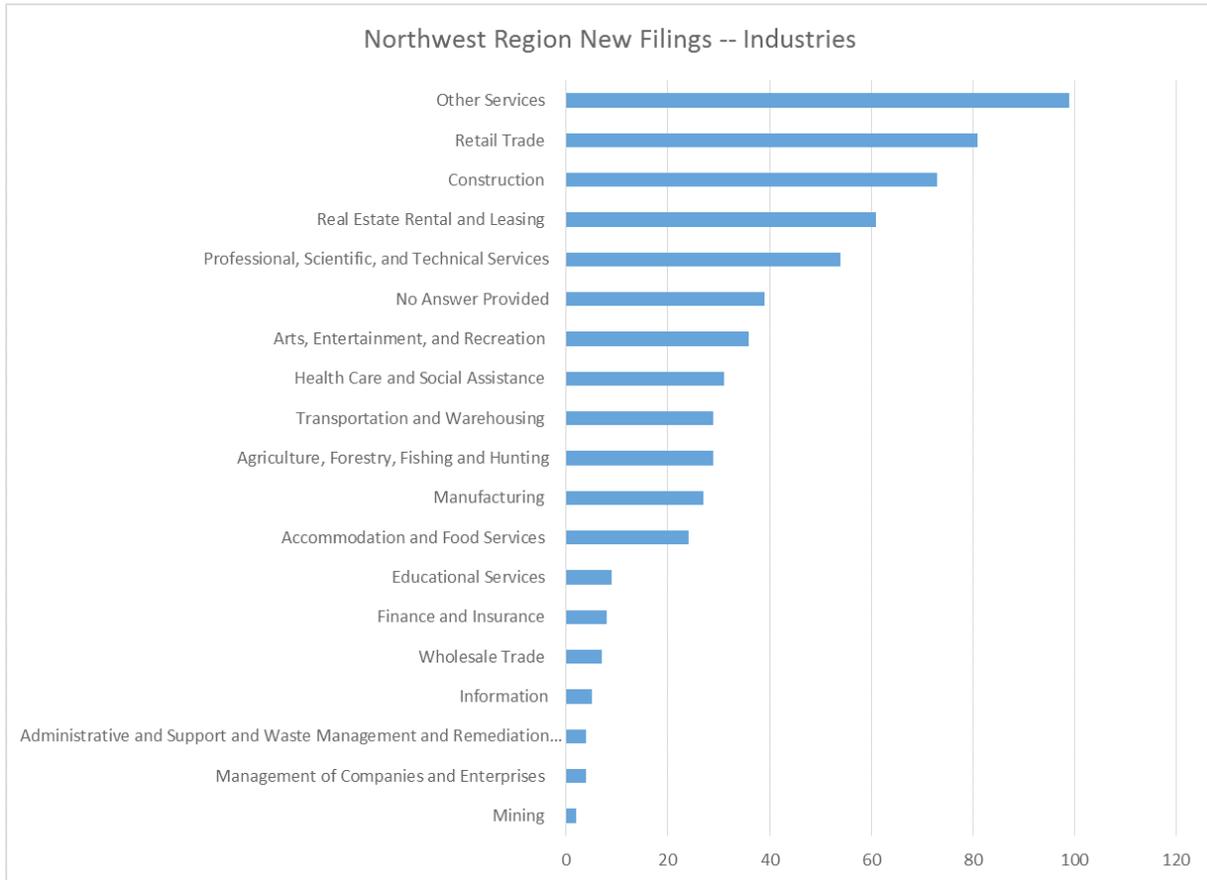
Woman owners represented nearly 42 percent of the new business filings in Northwest Minnesota in the fourth quarter of 2018. This is the second highest percentage of new filers among Minnesota's six planning areas.



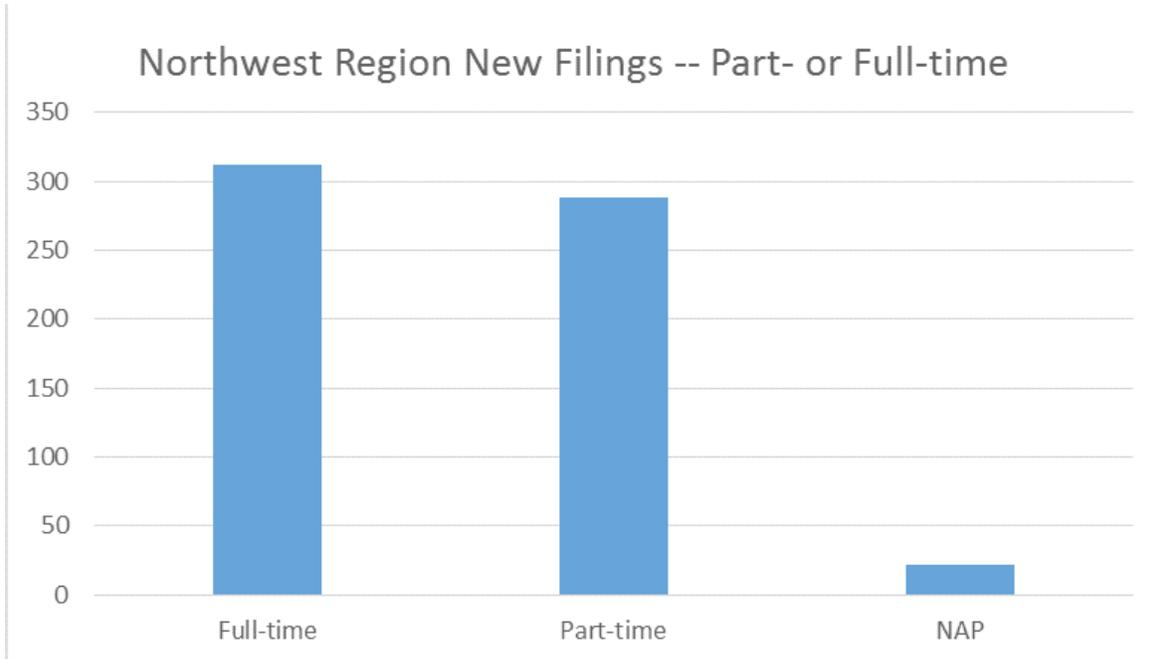
While not all of those participating in the survey completed all portions of the Minnesota Business Snapshot (those not responding to a particular question are represented in this section by “NAP”—no answer provided), 611 responses were tallied to a question asking the new business filer to indicate the range of employment at the business. As expected, most new businesses start small—employment at most companies submitting a new filing ranges from 0-5 employees.



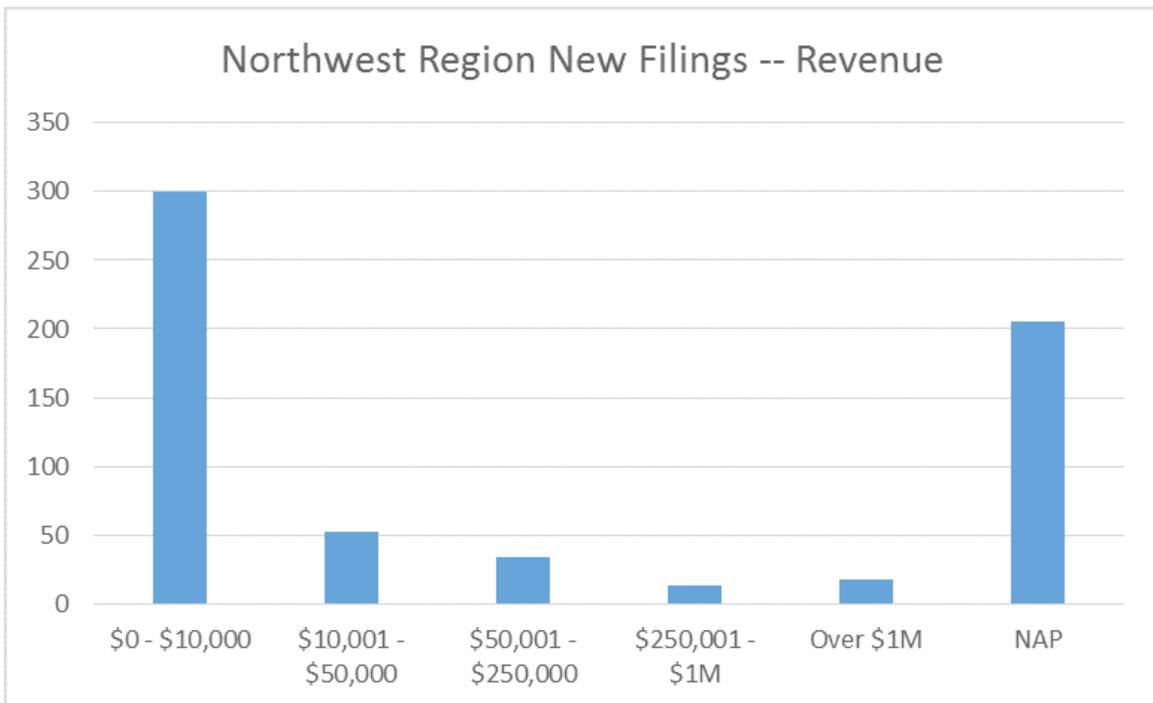
Using the North American Industry Classification System (NAICS), businesses submitting new filings were asked to identify the industry in which their company was operating. While a range of industries were reported, retail trade, construction, real estate/rental/leasing, professional/scientific/technical and “other services” lead the way. Since businesses are often unsure of their industrial classification, the “other services” category is likely to represent a “catch-all” category for service-related businesses who were unable to specify their industry. Thirty-nine new firms did not provide an answer to this survey item (see “NAP”).



48 percent of those new business filers who answered the MBS question about full- or part-time status consider their business a part-time venture.



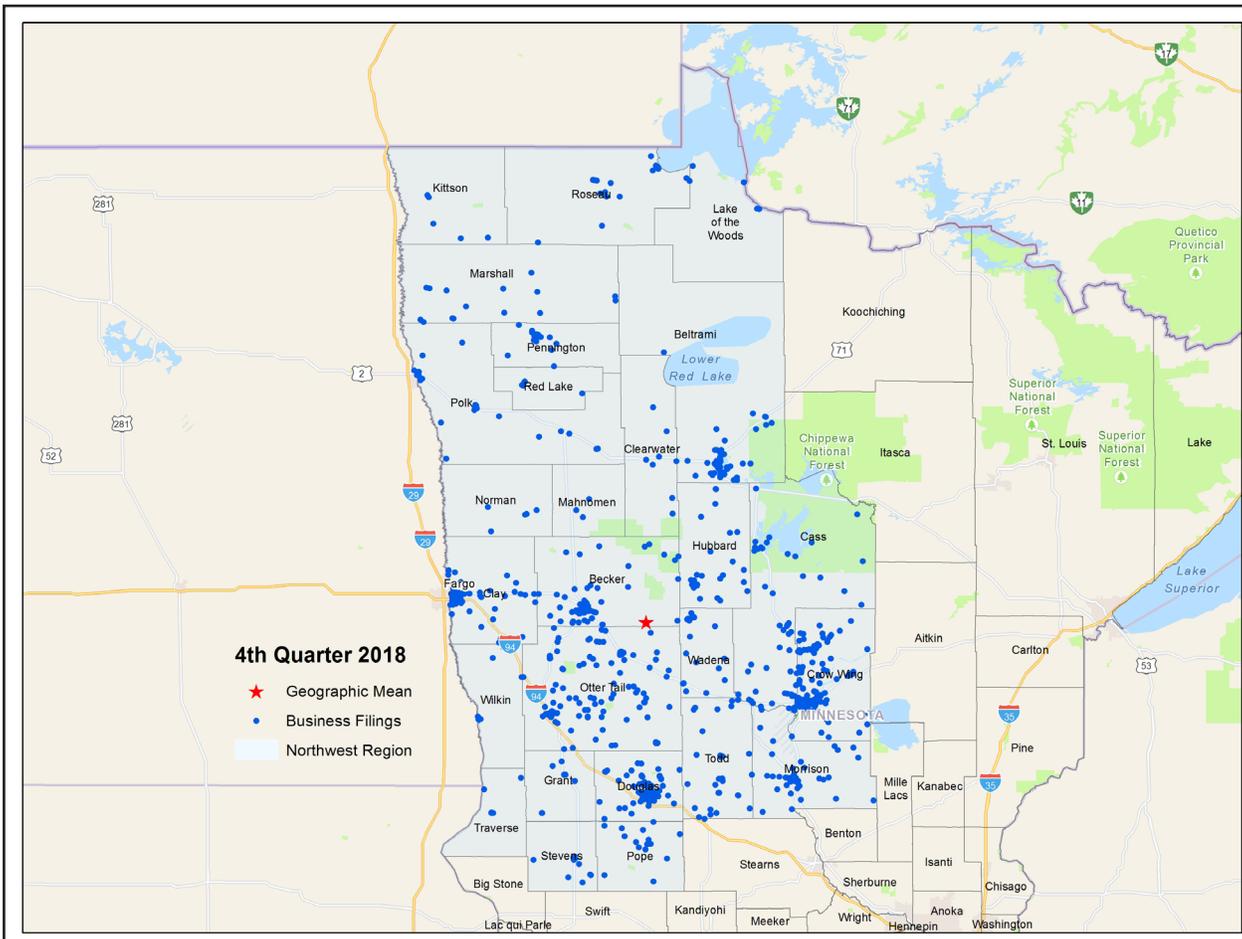
205 new business filers in Northwest Minnesota did not provide an answer to the MBS item that asked them to report the company's revenue. Of those businesses that answered the question, the largest share report revenues of less than \$10,000. 65 new firms report revenues in excess of \$50,000.



MAPS

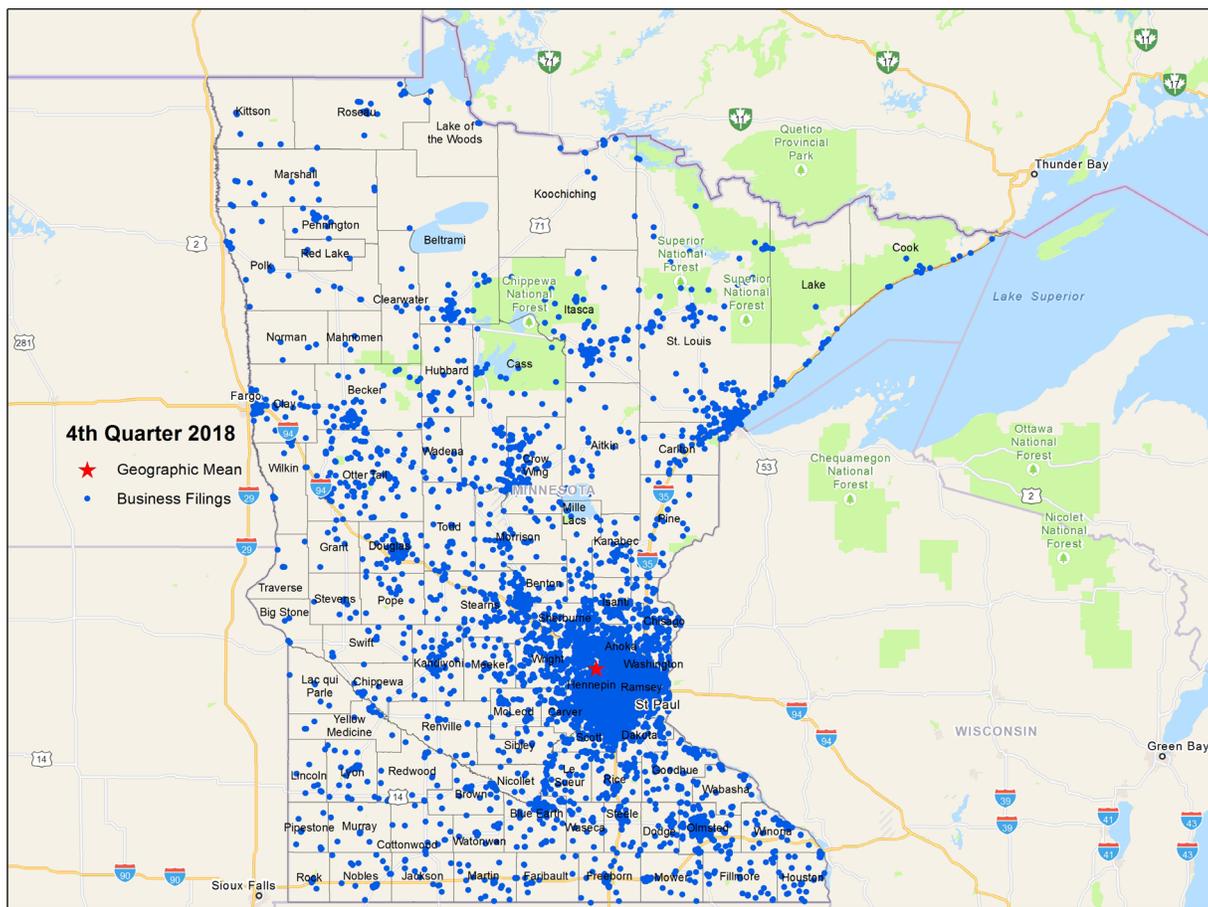
The first map shown below is a visual representation of new business formation around the Northwest Minnesota planning area in the fourth quarter of 2018. As has typically been the case, the densest areas of new business formation are in the Alexandria, Brainerd, Bemidji, and Detroit Lakes areas. Fergus Falls and Moorhead also showed considerable new business filing activity in the fourth quarter. The map demonstrates that most of the new business formation in this region occurs in the southern half of the planning area. Well-traveled roadways are also a predictor of new business formation in Northwest Minnesota.

Northwest Minnesota Planning Area--New Business Formation--Quarter 4: 2018



The second map shows new business filings for the state as a whole. This visual aid demonstrates the considerable extent to which the Twin Cities metro area dominates new business formation in the state. The map shows how the Twin Cities metro stretches along roadways into the Southeast, Southwest and Central planning areas. The map demonstrates the importance of cities and roadways in encouraging economic development. St. Cloud now appears to be integrated into the Twin Cities metro as the I-94/US-10 corridor continues to be a magnet for new business formation. There is also considerable new business formation in the southern part of the state, particularly in Rochester and between the Twin Cities and Mankato. The importance of Interstates 90, 94, and 35 as well as US-10 and MN 61 (along the North Shore) in new business filings is also easily seen in this map.

Minnesota--New Business Formation--Quarter 4: 2018

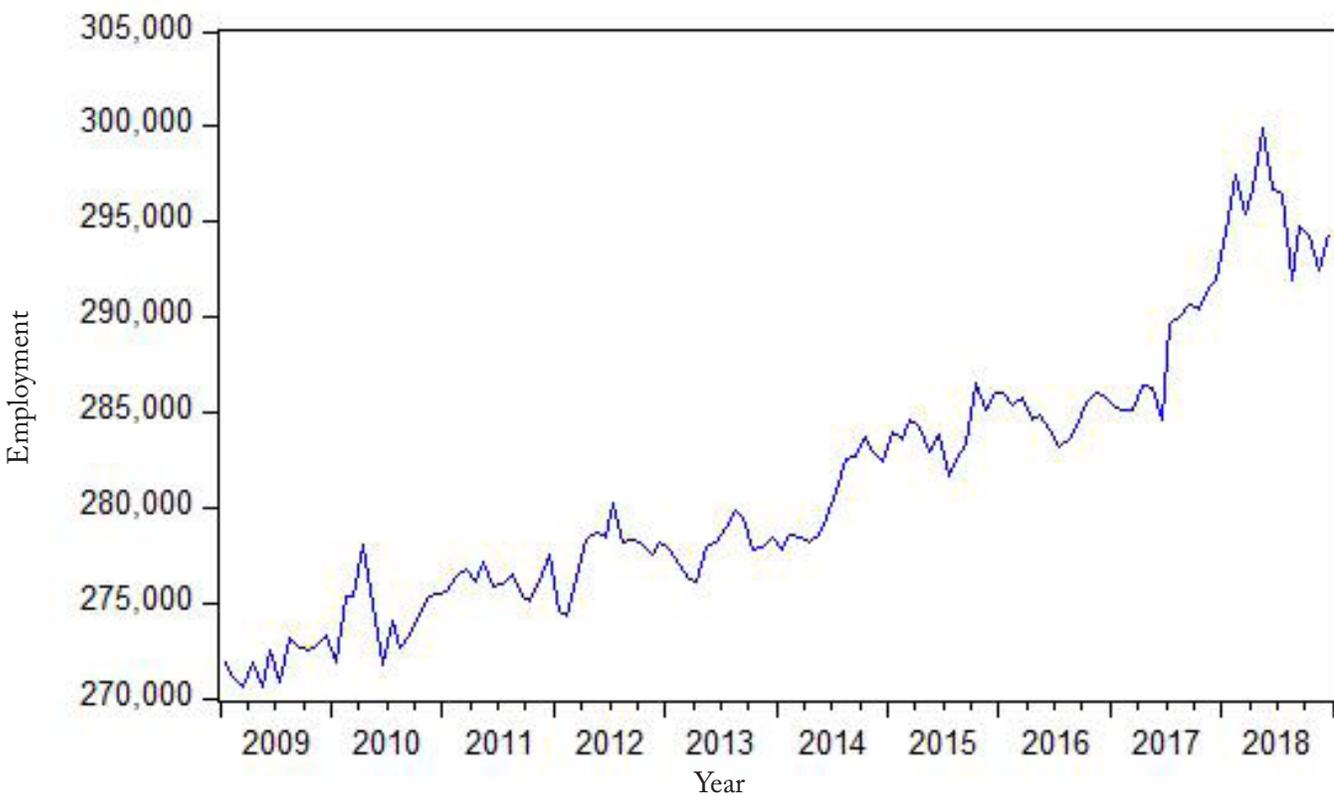


NORTHWEST MINNESOTA LABOR MARKET CONDITIONS

Employment in the Northwest Minnesota planning area rose by 0.9 percent over the year ending December 2018. As can be seen in the accompanying graph, the 12-month moving average of total employment in the Northwest Minnesota planning area flattened out in 2018.

Note: seasonally adjusted labor market data are typically not available to evaluate regional economic performance so some series have been created to illustrate seasonal patterns of the regional labor market. Graphs of these indicators are found in this section of the report. Tabular data are not seasonally adjusted.

Employment—Northwest Minnesota Planning Area
(12-month moving average)



Month	December 2017	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
Employment (Not seasonally adjusted)	289,391	302,449	295,100	295,833	297,443	293,001	291,872

After bottoming out in the third quarter of 2014, the seasonally adjusted unemployment rate in the region had leveled out until 2016 at which time it once again started to decline. However, the region’s seasonally adjusted unemployment rate started to rise in the final months of 2018. The non-seasonally adjusted unemployment rate is now 4.7% (which is somewhat lower than the 5 percent rate tallied in December 2017, but is still the highest of Minnesota’s six planning areas).

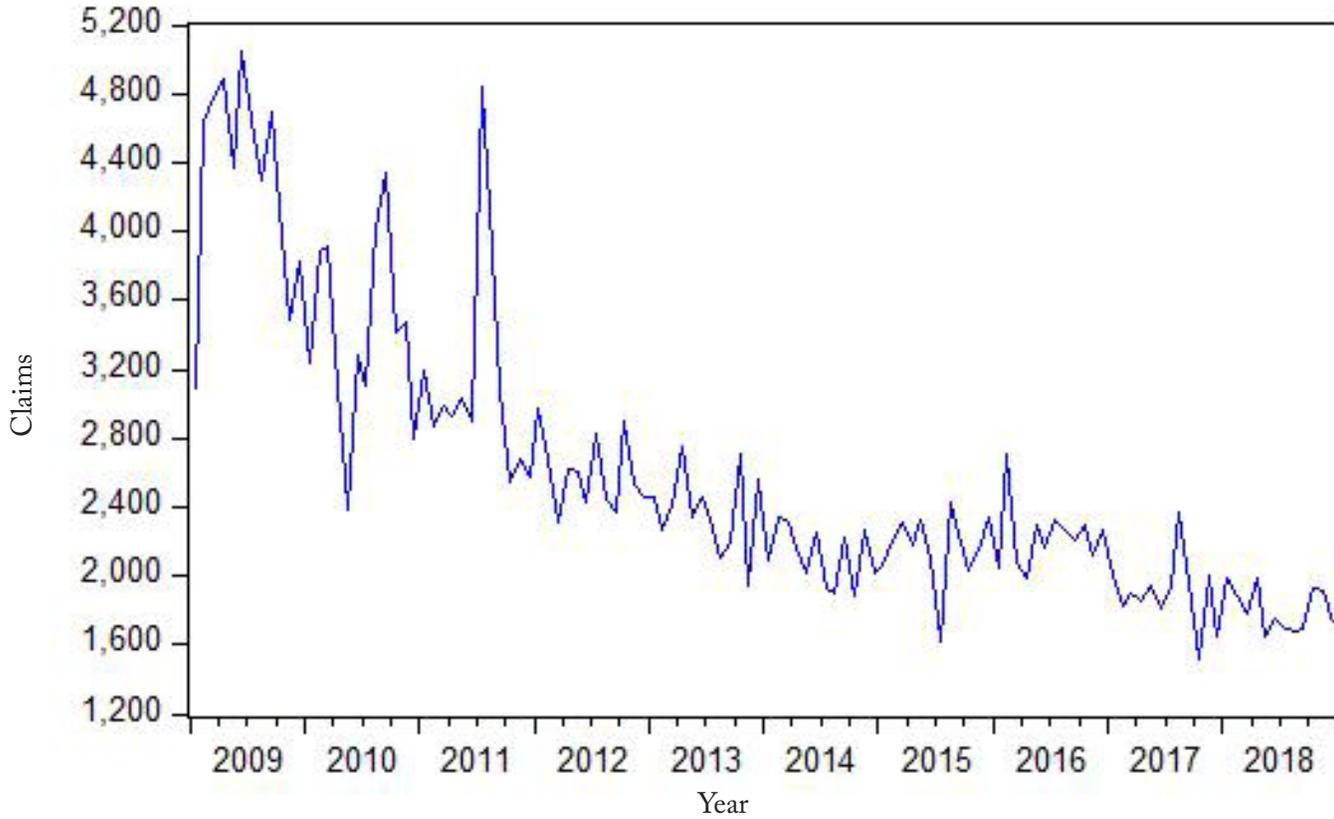
Unemployment Rate, seasonally adjusted—Northwest Minnesota Planning Area



Month	December 2017	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
Unemployment Rate (Not seasonally adjusted)	5.0%	3.1%	2.8%	2.4%	2.4%	3.0%	4.7%

New claims for December 2018 unemployment insurance were 3.4 percent higher than one year earlier. Seasonally adjusted jobless claims have now leveled out over the past several quarters in Northwest Minnesota.

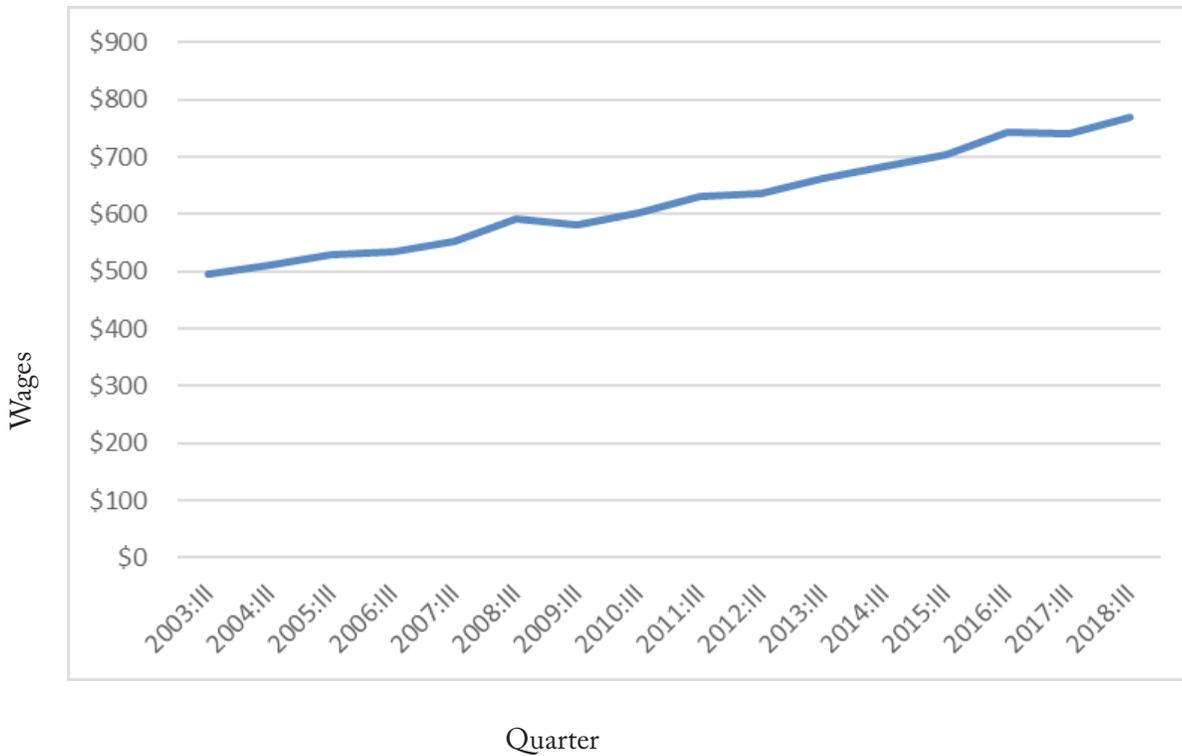
**Total Initial Claims for Unemployment Insurance, Seasonally Adjusted—
Northwest Minnesota Planning Area**



Period	December 2017	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
Initial claims (Not seasonally adjusted)	3,781	1,214	768	791	1,713	4,802	3,908

With continuing labor shortages being reported across the state, it is no surprise that there is upward pressure on wages. At \$768, the average weekly wage in Northwest Minnesota in the third quarter of 2018 was 3.8 percent above its level of one year earlier. Wages are increasing throughout Minnesota. Note that the average weekly wage in Northwest Minnesota is the lowest of Minnesota’s six planning areas.

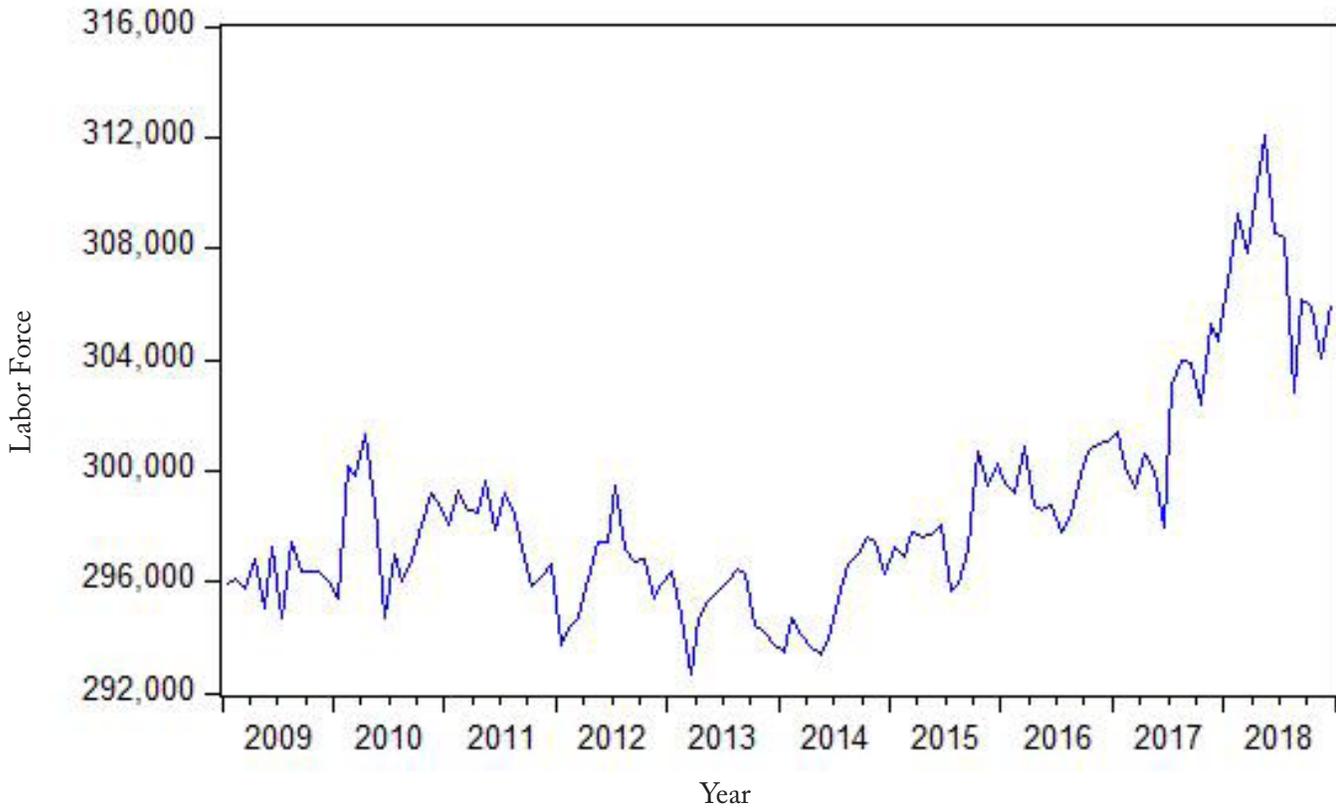
Average Weekly Wages---Northwest Minnesota Planning Area



Quarter	2013:III	2014:III	2015:III	2016:III	2017:III	2018:III
Average Weekly Wages	\$661	\$682	\$703	\$744	\$740	\$768

The Northwest Minnesota labor force rose by a modest 0.5 percent over the year ending December 2018. The seasonally adjusted labor force (shown in the figure below) appears to have declined in 2018.

Labor Force—Northwest Minnesota Planning Area (12-month moving average)

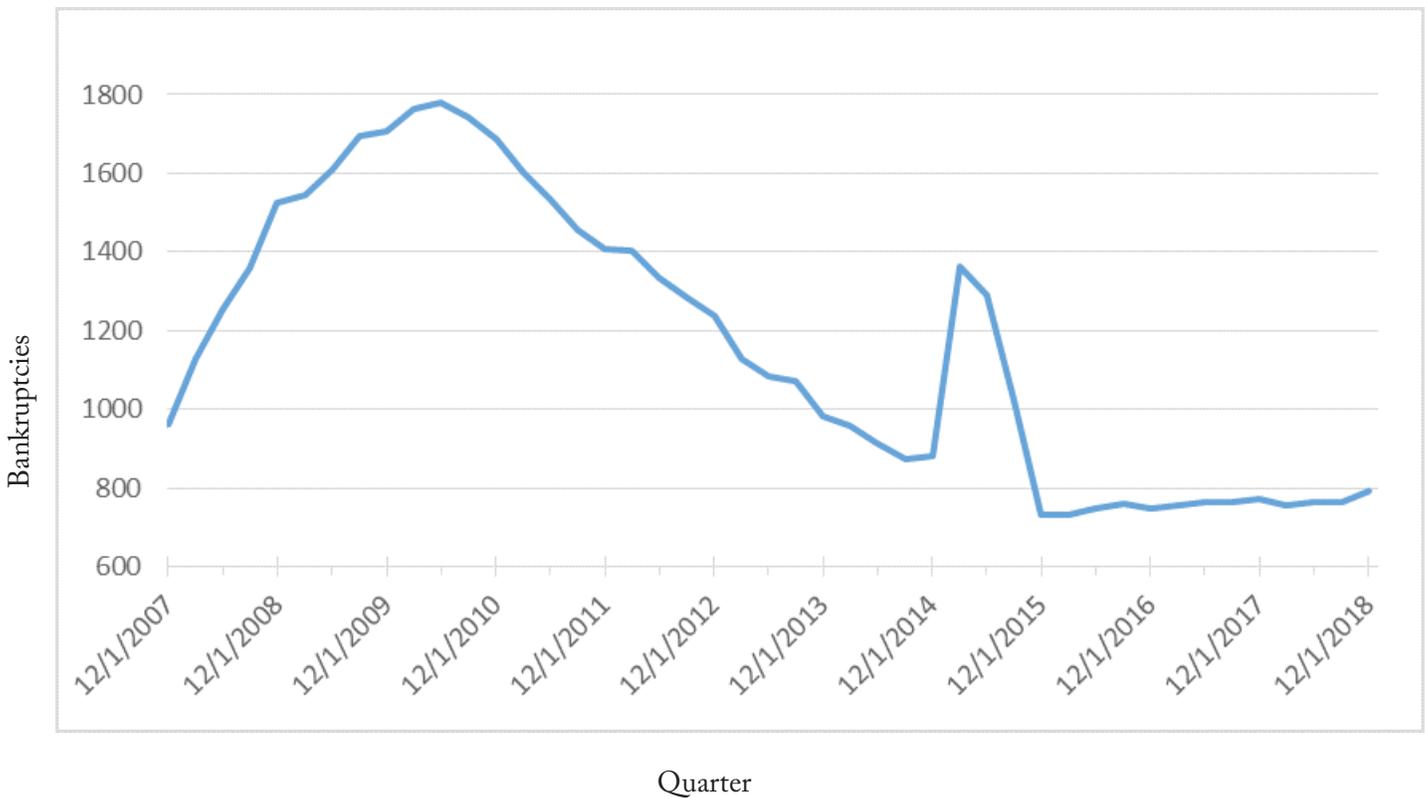


Year (December)	2013	2014	2015	2016	2017	2018
Labor Force (not seasonally adjusted)	292,272	295,191	299,544	300,767	304,758	306,190

NORTHWEST MINNESOTA BANKRUPTCIES

The figure below shows the 12-month moving total for Northwest Minnesota bankruptcies since the second quarter of 2007 (shortly before the beginning of the Great Recession). As can be seen in the figure, this moving total increased through the second quarter of 2010, and then declined steadily until the end of 2015. However, the series began to rise in the first quarter of 2015. A closer inspection of the Northwest Minnesota bankruptcy data suggests a disproportionately large number of bankruptcies came from Polk, Becker, and Clay counties at the beginning of 2015. This is the only one of Minnesota’s six planning areas to see a rise in this series at that time, so we took a closer look at the bankruptcy data set received from the US Bankruptcy Courts. The jump in bankruptcies in these three counties is in non-business bankruptcy filings (for example, personal bankruptcies). Since these three counties are close to the North Dakota border, one might imagine that an abrupt increase in non-business bankruptcies in the first quarter of 2015 would be seen in North Dakota’s Clay and Grand Forks counties, but bankruptcy filings in these counties did not jump like they did in the three Minnesota counties. These data points may simply have been an aberration. This interpretation seems to be confirmed by recent data readings. Bankruptcies in Northwest Minnesota rose by 2.9 percent over the last twelve months.

Northwest Minnesota Bankruptcies (12-month moving total)



Year (Fourth Quarter)	2013	2014	2015	2016	2017	2018
Annual Bankruptcies (not seasonally adjusted)	982	880	734	747	771	793

ECONOMIC INDICATORS

Fargo-Moorhead MSA Indicators	Period Covered	Current Period	Prior Year	Annual Percent Change	Long-Term Average (since 1999, unless noted)
Employment	December 2018 (m)	142,800	142,600	0.1% ↑	1.7%
Manufacturing Employment	December 2018 (m)	10,300	10,000	3.0% ↑	1.5%
Mining, Logging, Construction Employment	December 2018 (m)	8,000	8,100	-1.2% ↓	1.9%
Average Weekly Work Hours-- Private Sector	December 2018 (m)	34.2	33.9	0.9% ↑	33.1 (since 2007)
Average Earnings Per Hour--Private Sector	December 2018 (m)	\$25.41	\$25.07	1.4% ↑	2.7% (since 2007)
Unemployment Rate	December 2018 (m)	2.3%	2.5%	NA ↓	2.9%
Labor Force	December 2018 (m)	135,310	136,104	-0.6% ↓	1.4%
Initial Jobless Claims	February 2019 (m)	361	456	-20.8% ↓	NA
Fargo-Moorhead Residential Building Permit Valuation	December 2018 (m)	9,527	3,559	167.7% ↑	NA
Fargo-Moorhead Cost of Living	Annual 2018	99.2	100	-0.8% ↓	NA

**Grand Forks-
East Grand Forks
MSA Indicators**

	Period Covered	Current Period	Prior Year	Annual Percent Change	Long-Term Average (since 1999, unless noted)
Employment	December 2018 (m)	56,200	57,000	-1.4% ↓	0.6%
Manufacturing Employment	December 2018 (m)	4,400	4,400	0% ↔	0.9%
Mining, Logging, Construction Employment	December 2018 (m)	2,600	2,600	0% ↔	-0.4%
Average Weekly Work Hours--Private Sector	December 2018 (m)	32.7	32.3	1.2% ↑	31.9 (since 2007)
Average Earnings Per Hour--Private Sector	December 2018 (m)	\$23.14	\$22.39	3.3% ↑	2.2% (since 2007)
Unemployment Rate	December 2018 (m)	2.5%	2.8%	NA ↓	3.4%
Labor Force	December 2018 (m)	54,187	55,387	-2.2% ↓	0.2%
Initial Jobless Claims	February 2019 (m)	140	151	-7.3% ↓	NA
Grand Forks-East Grand Forks Residential Building Permit Valuation	December 2018 (m)	2,051	373	449.9% ↑	NA
Grand Forks-East Grand Forks Cost of Living	Annual 2018	96	98.2	-2.2% ↓	NA

(m) represents a monthly series

The Bureau of Labor Statistics identifies two MSAs in Northwest Minnesota—each of which crosses the North Dakota/Minnesota border. While North Dakota business filing data are not incorporated into this report, a variety of economic measures can be analyzed. The data in the table show a small employment gain in the Fargo/Moorhead area (including large job gains in the manufacturing sector), higher average hourly earnings, a large increase in year-over-year residential building permit valuations in the MSA, a decline in initial jobless claims, a fall in the area's relative cost of living, a lower unemployment rate, and a rise in average weekly work hours. Fargo/Moorhead did experience a decline in its work force and lower employment in the key mining/logging/construction sector.

Grand Forks/East Grand Forks MSA economic activity was mixed in the fourth quarter. The MSA experienced lower overall employment (and unchanged employment in its manufacturing and mining/logging/construction sectors) and a smaller work force. However, the area did enjoy longer average weekly work hours, higher average hourly earnings, lower initial jobless claims, a decline in its relative cost of living, and a lower area unemployment rate. The value of residential building permits also rose in the Grand Forks/East Grand Forks area.

STATE AND NATIONAL INDICATORS

MINNESOTA Indicators	Dec 2018	Sep 2018	Dec 2017	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA	2,961,100	2,958,100	2,942,800	0.1%	0.6%
Average weekly hours worked, private sector	34.1	34.4	33.9	-0.9%	0.6%
Unemployment rate, seasonally adjusted	2.9%	2.8%	3.1%	NA	NA
Earnings per hour, private sector	\$29.82	\$29.38	\$28.67	1.5%	4.0%
Philadelphia Fed Coincident Indicator, MN	138.54	137.84	133.48	0.5%	3.8%
Philadelphia Fed Leading Indicator, MN	0.70	1.88	1.08	-62.8%	-35.2%
Minnesota Business Conditions Index	55.5	60.0	56.8	-7.5%	-2.3%
Price of milk received by farmers (cwt)	\$16.30	\$17.50	\$17.10	-6.9%	-4.7%
Enplanements, MSP airport, thousands	1,456.4	1,533.7	1,471.6	-5.0%	-1.0%
NATIONAL Indicators	Dec 2018	Sep 2018	Dec 2017	Change from one quarter ago	Annual Change
Nonfarm payroll employment, SA, thousands	150,275	149,575	147,596	0.5%	1.8%
Industrial production, index, SA	109.9	109.1	105.8	0.7%	3.9%
Real retail sales, SA, millions (\$)	199,183	201,083	199,766	-0.9%	-0.3%
Real personal income less transfers, billions	13,753.9	13,533.7	13,338.5	1.6%	3.1%
Real personal consumption expenditures, bill.	13,014.5	12,965.9	12,735.6	0.4%	2.2%
Unemployment rate, SA	3.9%	3.7%	4.1%	NA	NA
New building permits, thousands of units	95.4	99.4	94.8	-4.0%	0.6%
Standard and Poor's 500 stock price index	2,567.3	2,901.5	2,664.3	-11.5%	-3.6%
Oil, price per barrel in Cushing, OK	\$49.52	\$70.23	\$57.88	-29.5%	-14.4%

Economic performance found in the State and National Indicators table are mixed. For the state as a whole, there was growth in employment and improved earnings over the past year (as well as in the fourth quarter). Minnesota's seasonally adjusted unemployment rate was lower than one year ago, but inched up in the fourth quarter. Only one of the three state indicators series reported in the table were improved over the past twelve months. Milk prices fell and enplanements at the Minneapolis-St. Paul airport are lower than one year ago.

The national economic indicators found in the table are also mixed. While employment, income, industrial production and consumer spending are all improved, other measures suggest slowing national economic growth. For example, the seasonally adjusted national unemployment rate was higher in December than three months earlier and end-of-the-year stock prices were lower (although they have rebounded in the first quarter of 2019). Retail sales weakened, building permits were sluggish and oil prices were also lower.

The Northwest Minnesota Quarterly Economic and Business Conditions Report is a collaboration between the Office of the Minnesota Secretary of State and the School of Public Affairs Research Institute (SOPARI) of St. Cloud State University. All calculations and text are the result of work by SOPARI, which is solely responsible for errors and omissions herein.

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