

Quick Facts

Minneapolis • St. Paul



LOCATION

The "Twin Cities" of Minneapolis and St. Paul form the core of a metropolitan region encompassing 6,046 square miles and consisting of 13 counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington, Isanti, Chisago, Sherburne and Wright in Minnesota, as well as Pierce and St. Croix counties in Wisconsin.

Money magazine rated Plymouth, Minnesota the top city in its 2008 list of the "100 Best Places to Live in America." Other Twin Cities metro communities included in the ranking were Eagan (17th), Apple Valley (24th), Lakeville (26th), Eden Prairie (40th), Maple Grove (41st), Burnsville (43rd) and Blaine (93rd).

POPULATION

According to AGS' (Applied Geographic Solutions) 2008 population estimates, the Minneapolis-St. Paul MSA (Metropolitan Statistical Area) ranks 16th in population in the United States with a population of 3,240,886.

INCOME

According to 2008 AGS estimates, the Twin Cities' median household income of \$69,279 is ranked fourth among the top 50 most populous MSAs.

The Bureau of Labor Statistics ranks the Twin Cities third-richest among the 24 metro areas it selected for comparison in a recent study and first in spending on entertainment and home furnishings.

BUSINESS STRENGTHS

Major business strengths in the Twin Cities include a highly educated workforce, excellent transportation services, a diverse economic base and available capital. The metro area is home to 18 Fortune 500 companies representing a broad spectrum of industries. The Minneapolis/St. Paul MSA employment base does not rely on any single industry, which allows it to weather recessions and economic downturns in specific industries.

Marketwatch, the Dow Jones-owned online business information service, rated the Twin Cities as tops among large metropolitan areas in the nation for business opportunities. Among factors in the Twin Cities' favor: ranking second-highest in the concentration of both Fortune 1000 and S&P 500 companies in the nation and sixth in the nation in its concentration of Forbes 400 private companies, as well as a highly educated workforce well-prepared for the workplace by the University of Minnesota and other local higher education institutions.

EDUCATION

Minnesota has a highly educated workforce. Nearly 91% of adults have at least a high school diploma, which is the highest percentage in the nation. More than 30% have a college degree, ranking Minnesota seventh nationally in adult educational attainment, according to the Education Research Center. The U.S. Chamber of Commerce's 2007 State-by-State Report Card places Minnesota second nationwide in academic effectiveness.

(Source: Minnesota Department of Employment and Economic Development and www.metroMSP.org)

HOUSING PRICES

Median housing prices in the Twin Cities dropped to \$205,100 in the third quarter of 2008 from \$229,600 in third-quarter 2007, which is still very affordable in comparison to metropolitan areas such as San Francisco and its median home price of \$615,700.

(Source: National Association of Realtors)

JOBS

- Twin Cities employers cut 22,000 jobs in the first 11 months of 2008, a decline of 1.2%. Overall, the state lost 30,000 jobs during that time, pushing the unemployment rate up to 6.4%—just below the 6.7% U.S. average. Minnesota has not seen this level of unemployment since 1984.
- Job seekers will have another rough year in 2009. Minnesota could see an additional 60,000 job losses or more in 2009, according to Scott Anderson, a senior economist with Wells Fargo. He projects state unemployment to top 7% by January.¹
- Manufacturing activity contracted in 2008, according to the State of Minnesota. The Twin Cities lost 4.4% of its manufacturing jobs between November 2007 and November 2008. A similar decline is in store for 2009, according to the results of a state-wide survey of manufacturers conducted by the Minnesota Department of Employment and Economic Development (DEED) and the Federal Reserve Bank of Minneapolis. Most manufacturers foresee business investment, corporate profits, consumer spending and economic growth all contracting in 2009, while a majority also predict a rise in inflation.
- Health services, education and financial services all eked out positive employment gains in the first 11 months of 2008. But Twin Cities service providing industries as a whole recorded a 0.3% decline in job growth in November. Retail trade jobs fell by 3.5% in November in the Twin Cities.

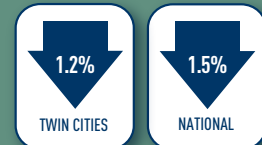
ECONOMIC CLIMATE

- *Marketwatch* named the Twin Cities as the best metro area for business in 2008, citing the region for its large and small business strength, population and job growth. The Twin Cities also earned *Marketwatch's* top billing in 2007.
- Twin Cities housing sales were nearly evenly divided between those that are lender-mediated and those that follow a traditional sales pattern (i.e., excluding foreclosures and short sales). Lender mediated sales accounted for 47.3% of closed sales in November 2008 at a median price of \$130,588 per sale (a drop of \$5,000 in just one month and a 20.7% decline in one year). The median price for traditional home sales was \$225,420 in November, a 2% decline over one year, according to the Minneapolis Area Association of Realtors (MAAR).
- Home buyers still had a lot to choose from in December, when the MAAR projected there were 12.06 homes on the market per buyer. But that's a 16.1% decrease from 14.38 homes per buyer in December 2007.
- Business property owners in Minnesota can expect an 8% increase in property taxes payable in 2009 compared with a 3% increase in residential taxes, according to the National Association of Industrial and Office Properties-Minnesota Chapter (NAIOP-MN). Efforts to shift more of the state tax burden onto the commercial/industrial property sector will be made at the state legislature in 2009.
- Requiring landlords to pay higher taxes will further stress the overall business economy, says NAIOP-MN, putting more companies, non-profit organizations and other real estate space users under increased financial pressure. The timing for tax increases couldn't be worse, argues NAIOP-MN, since so many companies are already under extreme financial pressure due to the contracting economy and the credit crunch.
- Business properties make up 12.96% of state-wide market value, but account for 30.57% of collected state property taxes, according to NAIOP-MN.

TWIN CITIES JOB GROWTH

Nov 2007 - Nov 2008

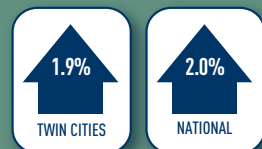
(Not Seasonally Adjusted)



TWIN CITIES UNEMPLOYMENT

Nov 2007 - Nov 2008

(Not Seasonally Adjusted)



¹ State Loses 10,500 more jobs, unemployment at 6.4%," *St. Paul Pioneer Press*, 12/19/2008