

# 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) 2007 population estimates, the Minneapolis-St. Paul MSA (Metropolitan Statistical Area) ranks 16th in population in the United States with a population of 3,211,584.

## INCOME

According to 2007 AGS estimates, the Twin Cities' median household income of \$67,181 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 work force, excellent transportation services, a diverse economic base and available capital. 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. In 2006, the state ranked first among states in the percentage of the population aged 25 years or older that have a high school diploma or equivalency (93%). Minnesota has the eighth-highest percentage of people with college degrees or higher (33.5%), according to the U.S. Bureau of the Census (2006), and the U.S. Chamber of Commerce's 2007 State-by-State Report Card places Minnesota second nationwide in academic effectiveness. The top three degree fields of all bachelor's degrees awarded in Minnesota are: Business Management (5,489), Education (3,306), and Social Sciences (2,805).

*(Source: Minnesota Department of Employment and Economic Development)*

## HOUSING PRICES

Median housing prices in the Twin Cities plummeted to \$199,900 in the first quarter of 2008 from \$222,500 in first-quarter 2007, which is still very affordable in comparison to metropolitan areas such as San Francisco and its median home price of \$777,300.

*(Source: National Association of Realtors)*

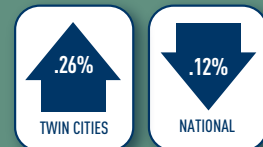
## ECONOMIC OUTLOOK

- Minnesotans' personal incomes will grow by 4.6% on average over the next 18 months, although unemployment will increase by 1.1% state-wide during that same time period, according to the mid-year survey of regional business conditions conducted by the Federal Reserve Bank of Minneapolis (Minneapolis Fed) and the Minnesota Department of Employment and Economic Development (DEED). The Minneapolis Fed sees a 5.6% unemployment rate for Minnesota in the fourth quarter of 2008, just slightly higher than the 5.3% state unemployment number in June. The Twin Cities, as noted above, was below the state average in June at 5.1%.
- Economic activity throughout the Ninth District Federal Reserve Region was flat throughout the first half of the year. Profits were neither up nor down on average for professional services firms, and demand for commercial real estate space across the district was essentially flat as well. States with strong natural resource bases, such as Montana and North Dakota, are expected to see more employment growth during the next year. More industrialized states such as Minnesota will likely see flat to slightly lower economy activity, according to the Fed.
- Most companies in the Fed survey expect to see higher input costs during the next year; 40% expect to increase their selling prices.
- Ninth District wage growth, at 2.5%, will outpace a 2.2% increase in prices over the next year, according to the Fed survey.
- Something to cheer about this coming holiday season: the Fed sees housing bottoming in Minnesota by the end of the year, boosted by a 3.8% increase in new housing authorizations through year's end.
- Metro Transit expects to provide more than 80 million rides in 2008 through its network of 113 bus routes plus the Hiawatha Light Rail line. That's up from 77 million riders in 2007.
- Minneapolis ranks as the 19<sup>th</sup> most livable city in the world and is benefiting from an American "rust belt revival," according to London-based *Monocle* magazine as reported locally in *City Pages*.
- The Twin Cities area is in select company: *Site Selection* magazine ranked the Twin Cities as the fifth-most productive metropolitan area for new and expanded corporate facilities in its 2007 Governor's Cup count of new and expanded facilities. Minnesota took 15<sup>th</sup> place among the states as well. "Minnesota consistently places high in national rankings of business performance and quality of life," said Dan McElroy, commissioner of the Minnesota Department of Employment and Economic Development. "These rankings validate our state's competitiveness in targeting and landing new business opportunities, which in turn expand our economy."
- Boost for metro bioscience: the University of Minnesota obtained \$292 million in funding approval to launch its planned bioscience park in the East Gateway District of the Minneapolis campus. The funding will pay for four new research buildings, all set to open by 2013; the initiative will create jobs for about 120 researchers and 500 support personnel. The average wage in bioscience is \$26,000 higher than the average private sector wage in the U.S., according to the BioBusiness Alliance of Minnesota.
- Young and savvy: The median age for people in the Twin Cities market was 34.2 years in 2006, one year younger than the national median, according to Property and Portfolio Research of Boston. The firm attributes the area's youthfulness to the abundance of colleges and universities located in the area; it also notes that employment opportunities are good, since the metro area boasts 18 Fortune 500 company headquarters.

## TWIN CITIES JOB GROWTH

June 2007 - June 2008

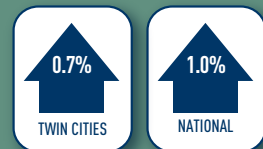
(Not Seasonally Adjusted)



## TWIN CITIES UNEMPLOYMENT

June 2007 - June 2008

(Not Seasonally Adjusted)



## JOBS

- Twin Cities employers added 4,800 jobs during the 12 months ending in June, a 0.3% gain. Employment numbers are firming up in both the metro area and state-wide. The state has seen job growth in three of the past four months and has added 1,900 jobs during the first half of the year. In contrast, the U.S. lost 438,000 jobs during that period.
- The state unemployment rate declined to 5.3% in June, down from 5.4% in May, on a seasonally adjusted basis. The June unemployment rate for the Twin Cities was 5.1% (on a non-seasonally adjusted basis). Nationally, the unemployment rate was 5.5% in June.
- Minnesota June job growth was powered by an increase of 1,300 manufacturing jobs. International sales growth of Minnesota's manufactured exports rose by nearly 10% during the first five months of 2008, according to preliminary data from the U.S. Department of Commerce.