

# 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 ESRI<sup>1</sup> 2008 population estimates, the Minneapolis-St. Paul CBSA (Core-Based Statistical Area) ranks 16th in population in the United States with a population of 3,318,028.

## INCOME

According to 2008 ESRI estimates, the Twin Cities' median household income of \$69,279 is ranked 12<sup>th</sup> among the top 50 most populous CBSAs.

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 19 Fortune 500 companies representing a broad spectrum of industries. The Minneapolis/St. Paul area's employment base does not rely on any single industry, which allows it to weather recessions and economic downturns in specific industries.

For the past two years, *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. In 2008, *Bizjournals* ranked the Twin Cities region one of the "ten smartest metros" in America.

(Source: Minnesota Department of Employment and Economic Development and [www.metroMSP.org](http://www.metroMSP.org))

## HOUSING PRICES

Median housing prices in the Twin Cities dropped to \$174,100 in the first quarter of 2009 from \$199,900 in first-quarter 2008, which is still very affordable in comparison to metropolitan areas such as San Francisco and its median home price of \$402,000.

(Source: National Association of Realtors)

<sup>1</sup> Environmental Research Systems Institute

## JOBS

- The May unemployment rate in the Twin Cities was 8.2%, up from 8.1% in April, according to the Bureau of Labor Statistics' seasonally adjusted report. In February, the Twin Cities unemployment rate matched that of the U.S. at 8%. Since then, unemployment in the Twin Cities has tended to flatten, even as the national unemployment rate continues to climb—up to 9.4% in May. Global Insight is projecting a 10.2% unemployment rate for the U.S. in 2010.
- Through May 2009, the Twin Cities employment market had contracted by 59,915 jobs year-over-year, a decline of 3.4% (nationally the rate is 3.8%). The pace of job loss has slowed, and that may be a reason for some cautious optimism. "It's not yet clear if we have reached a turning point in our economic recovery, but there are some optimistic signs," said Dan McElroy, commissioner, Minnesota Department of Employment and Economic Development, in announcing the May employment numbers.
- Overall, Minnesota lost just 1,600 jobs in May 2009, the lowest such total since August 2008. Hardest hit, in terms of May job losses, was the transportation and utilities sector, down 7,000 jobs statewide. Manufacturing jobs were down by 2,000 statewide; professional and business services were also down, although only by 300 jobs.
- On the positive side, the construction and specialty trades sector added jobs—900 in all—for the first time in two years. The leisure and hospitality sector grew by 7,100 jobs, and the government sector added 800 new jobs. The financial sector added 200 jobs and the education and health services area added 100 jobs.

## ECONOMIC CLIMATE

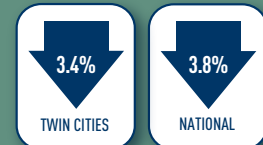
- The Minneapolis Area Association of Realtors (MAAR) reports some signs of improvement in the Twin Cities housing market, including a steady increase in sales activity. Buyers of lender-mediated homes are responsible for most of the new sales activity, however. Traditional home sales (non-lender-mediated) were down 17.8% compared with the previous year. Sales of newly constructed homes were down 21.5%. The majority of the sales were in the lower price ranges. The average sale price of a lender-mediated home in April was \$122,000.
- As of June, the Twin Cities market had a 7.6-month supply of homes for sale, versus a 10.4-month supply one year earlier. Working off the supply of distressed properties in the Twin Cities will likely take another 18-24 months, according to MAAR.
- The Twin Cities is still the top metro spot in the country for employment in the med-tech industries, according to Santa Monica, CA-based The Miliken Institute. Overall, the Twin Cities ranks ninth as a center for the life sciences industries, with significant strengths in medical devices and therapeutics.
- Banks have not seen much good news as yet. Minnesota banks pulled in profits of just \$101.4 million in the first quarter of the year, compared with \$292.3 million one year previously. Most troublesome to the FDIC is the number of smaller banks—with assets under \$1 billion—that are under financial pressure, often because of their loan exposure to the housing industry. About one out of every three smaller banks in the Twin Cities—out of a total of 118—lost money in the first quarter.

*(Source: Minneapolis Star Tribune, May 29, 2009)*

## JOB GROWTH

**May 2008 - May 2009**

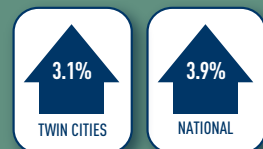
*(Not Seasonally Adjusted)*



## UNEMPLOYMENT

**May 2008 - May 2009**

*(Not Seasonally Adjusted)*



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