

STATE OF THE ECONOMY

By Noel LaBine, Wright County Economic Development Partnership

Although the markets are upset about the sovereign bank debt crisis in Europe and there is a lower consumer confidence index, we should not ignore the good news that has come our way during this past month. For instance, reports from the State Department of Employment and Economic Development (DEED) reported that Minnesota unemployment recently dropped to 7%. “Between May 2009 and May 2010, Minnesota’s unemployment picture improved more than any other state, dropping from 8.4 percent to 7 percent in the one-year span.” (Minneapolis/ St. Paul Business Journal, June 25, 2010, p. 8).

Better yet, according to Minneapolis Federal Reserve economists Toby Madden and Rob Grunewald, “Minnesota’s unemployment rate should decline to 6.8 percent in the fourth quarter of 2010.” Moreover, “the agricultural and financial and service sectors offered optimism across much of the central bank’s Ninth District, which includes Minnesota. . . Overall, the region is seeing an uptick in the number of temporary hires and in the number of factory hours worked. Both gave hope that an increase in permanent hires should not be far behind, (Rob) Grunewald said. As a result, the district expects to see moderate employment growth with relatively level unemployment. Wage income is expected to grow 1.9 percent for Minnesota service firms and 3.6 percent for all sectors by the fourth quarter. In Minnesota, we expect a 1.8 percent gain in employment by the end of 2010. That is a moderate pace of growth and going to be a 1.4 percent gain in 2011. . . It won’t be a flood but certainly more than a trickle.” (Star Tribune, June 17, 2010, p. D1-D2).

Around Wright County there also have been several instances of positive news. The city of Montrose received a letter dated June 3rd stating that a \$427,000 grant from DEED has been offered to them for a new 35 acre industrial park. A local utility company is expected to build there soon.

While attending a meeting of businesses in Maple Lake, there were several businesses that reported an uptick in activity. For instance, Jeff Rivers of PACE Industries said shipments were up 12 to 15% since mid-December, but no long term commitments. What is driving their upswing is Lowe’s and Home Depot are stocking up with more cheaply made power tools.

Two manufacturers have held open houses this past month: T.O. Plastics in Otsego and Sil-Pro in Delano. Both of these companies are expanding and working to attract more business through their doors. See the articles about these companies in this issue.

Meanwhile, while you are enjoying the summer why not take some time to enjoy the beautiful countryside around Wright County. Besides seeing a bumper crop growing, you are sure to see other signs of economic well-being.