Small Business Data By Region in Minnesota

In my last column, I reported data for small businesses in Minnesota and I promised that I would break that data down by region in the state. These data are found in the new Economic and Business Conditions Reports. The first in a series of Minnesota regional economic and business conditions reports was released recently, developed by the St. Cloud State University School of Public Affairs Research Institute, in partnership with the Office of the Minnesota Secretary of State.

Key findings for each region are listed below.

**Twin Cities**
There were 10,406 new business filings in the seven-county metro area in the first quarter of 2014 — representing a 0.7 percent increase from one year ago.

Employment increased by 1.4 percent over the year ending March 2014. The regional unemployment rate was 4.7 percent in March, an improvement on its 5.1 percent reading one year ago. Job vacancies continue to rise — there is now nearly one vacancy for every two people unemployed in the metro area.

Based on an index built with five leading indicators, Twin Cities business conditions are expected to improve over the next four-to-six months. Despite poor winter weather, the value of residential building permits expanded in the metro, further lifting the outlook for the regional economy.

**Central**
There were 1,450 new business filings in the 2014 first quarter — representing a 0.3 percent decline from one year ago.

Employment grew at a 1.8 percent seasonally adjusted annual rate in the 2014 first quarter. Nearly 7,000 more residents of Central Minnesota are employed than one year ago. The seasonally adjusted regional unemployment rate finished at 5.4 percent, its lowest rate since February 2008.

Based on an index built with five leading indicators, Central Minnesota business conditions are expected to improve over the next four-to-six months.

**Northeast**
There were 539 new business filings in the first quarter of 2014 — representing an 8.5 percent improvement from 2013.
Employment grew at a 0.8 percent rate over the 2014 first quarter. More than 1,000 additional residents are now employed compared to one year ago, about equal to the growth of the labor force. There are nearly two job vacancies for every five unemployed people in the region.

Based on an index built with five leading indicators, Northeast Minnesota business conditions are expected to improve over the next four-to-six months.

**Northwest**
There were 1,024 new business filings in the 2014 first quarter — representing a 5.5 percent decline from one year ago.

Employment increased by 1.9 percent over the year ending March 2014. More than 5,000 more residents are now employed compared to one year ago. The regional unemployment rate was 6.9 percent in March, an improvement on its 7.2 percent reading one year ago. Job vacancies have increased over the last three years— there is now nearly one vacancy for every two people unemployed in this region.

Based on an index built with five leading indicators, Northwest Minnesota business conditions are expected to slow over the next four-to-six months.

**Southeast**
There were 847 new business filings in the 2014 first quarter — representing a 1.5 percent decline from one year ago.

Employment increased by 1 percent over the year ending March 2014. Nearly 2,700 more residents are now employed than one year ago. Job vacancies continue to rise as a share of unemployed persons — there is now nearly one vacancy for every two people unemployed in this region.

Based on an index built with five leading indicators, Southeast Minnesota business conditions are expected to remain strong over the next four-to-six months.

**Southwest**
There were 660 new business filings in the 2014 first quarter — representing a 6.8 percent increase from 2013.

Employment increased by 1.5 percent over the year ending March 2014. More than 3,000 more Southwestern Minnesotans are now employed than one year ago. The regional unemployment rate was 5.4 percent in March, an improvement on its 5.6 percent reading one year ago. There is more than one vacancy for every two people unemployed in this region.
Based on an index built with four leading indicators, Southwest Minnesota business conditions are expected to improve over the next four-to-six months.

**Minnesota Statewide Business Filings**
The Office of the Secretary of State reports there were 58,260 new Minnesota businesses filed in 2013, the third-highest annual filings total on record, following 2009 (63,338) and 2012 (60,827).

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