Economic Development Strategic Plan 2012-2014

March 2012

City of St. Cloud Economic Development Authority
400 2nd St. S.
St. Cloud, MN 56301
320.650.3111
www.ci.stcloud.mn.us

St. Cloud Economic Development Authority

2012-2014 Economic Development Strategic Plan

Introduction

In early November 2011 the City of St. Cloud Economic Development Authority (EDA) and invited guests met over a period of a day and a half to build consensus on a Mission, Vision and Goals. The workshop was assisted by Economic Development and Community Development staff, and professional facilitation by Brimeyer Fursman Group. The workshop aimed to get a variety of economic development partners on the same page about economic development priorities for the community, identify resources and roles that can compliment and strengthen the efficient and effective delivery of economic development services by the City of St. Cloud.

Background

The St. Cloud EDA was established November 2010 and an Economic Development Director hired in June 2011 to facilitate the retention, expansion and recruitment of businesses in the City of St. Cloud. During the organizational process it was anticipated that a strategic plan would be conducted and a work plan developed for the newly created Economic Development Department.

The Strategic Planning Retreat included the EDA Board, staff and participation of representatives from various economic development partners –

Economic Development Authority
  Dave Gruenes, President
  Preston Euerle, Vice President
  Diana Lawson, Treasurer
  Alice Lenzmeier, Commissioner
  John Libert, Commissioner/City Council
  Tohow Siyad, Commissioner (not present)
Cathy Mehelich, Economic Development Director
Tammy Campion, Senior Planner/Economic Development
Matt Glaesman, Community Development Director
Dave Kleis, Mayor

Greater St. Cloud Development Corporation	John Kramer, CEO
St. Cloud Area Chamber of Commerce	Gail Ivers, Executive Vice President
St. Cloud Downtown Council	Pegg Gustafson, Executive Director
St. Cloud Opportunities	Tony Goddard, Executive Director
Real Estate Community	Shelia DeVine, Warnert Commercial

Process Overview

The Strategic Planning Retreat included a Trends Analysis presentation by Cameron Macht, Regional Analyst, MN Department of Employment & Economic Development and discussion of current demographic and economic conditions of the St. Cloud area. The narrative report is provided as an addendum to the Strategic Plan. The group conducted an exercise to identify Strengths, Weaknesses, Opportunities and Challenges. A Mission, Vision and Short Term Strategies were established to serve as the framework for the creation of a formal Strategic Plan and Work Plan developed by EDA and staff.

St. Cloud Economic Development Authority

2012-2014 Economic Development Strategic Plan

Mission: **Creating Opportunities for Business Success**

Vision: The St. Cloud EDA strengthens the City of St. Cloud as the economic heart of the central Minnesota region and provides a return on investment to citizens by increasing job opportunities and tax base through proactive collaboration, business-friendly customer service and leveraged investments.

3 Strategic Goals:

I. Promote the City of St. Cloud as the Economic Heart of the Region through Proactive Business Retention, Expansion and Recruitment Efforts

II. Foster an Environment that Supports Business Growth through Enhanced Development Process and Partnerships

III. Facilitate Opportunities for Business Growth and Development through Enhanced Tools for Economic Development

Overall Measures of Success:

- New commercial/industrial tax base (value/square footage)
- Jobs created and retained
- Leveraged public/private investment
- Unemployment rate in St. Cloud

Strategic Goals, Action Strategies and Measures:

I. Promote the City of St. Cloud as the Economic Heart of the Region

Create an innovative, proactive and collaborative business retention and attraction program in order to help our existing businesses stay, grow and thrive and to secure new business investment in St. Cloud.

Action Strategy:

Retain and expand existing businesses.

- Collaborate and coordinate with partners Greater St. Cloud Development Corporation and St. Cloud Chamber of Commerce to develop and implement a proactive business retention and expansion program (e.g. survey tool, database, etc.) to identify, anticipate and respond to needs of existing businesses
- Meet with key employers in the City regularly to become aware of and adapt to the changing needs of the business community and strengthen City-business relationships

Action Strategy:

Develop a proactive marketing campaign to attract new business investment.

- Develop and nurture relationships with targeted sectors to generate prospective leads:
  - Financial institutions
  - Site selection and real estate professionals
  - Developers and end-users of commercial and industrial property
  - Medical and higher education community
- Create and implement a solid results-oriented marketing strategy that incorporates traditional, electronic and social media and other original and distinct tactics.
  - Collaborate with Greater St. Cloud Development Corporation to implement a regional marketing approach
  - Explore opportunity for a coordinated brand/marketing campaign highlighting City of St. Cloud's quality of life, retail and entertainment opportunities in cooperation with public and private partners
- Attend trade shows, host events and utilize press releases to announce positive development activity to build and increase awareness of City of St. Cloud in collaboration with other entities.

Measures:

- Number of meetings with existing businesses
- Business reinvestment (building permit activity)
- Changes in employment levels among existing businesses
- Completion and implementation of a marketing strategy and materials
- Web page hits and online requests for information submitted and responded
- Trade shows attended or events sponsored to promote City of St. Cloud
- Number of site selection visits hosted or attended and proposals offered
- Customer feedback surveys

II. Foster an Environment that Supports Business Growth

Create a shared vision and unified approach to economic development in order to better serve existing businesses and new business opportunities in St. Cloud.

Action Strategy:

Assess and enhance the development process.

- Provide personalized support and service to ease the development process for existing and prospective business owners and developers.
- Engage with city departments on business needs to understand and ensure buy-in on role in development process and internal communications
- Examine the development approval process at the City and develop recommendations to streamline the process.
- Conduct a competitive analysis to promote strengths and identify issues influencing St. Cloud's competitiveness with other communities (e.g. cost of doing business)

Action Strategy:

Foster relationships and partnerships with public and private interests to positively affect development.

- Collaborate with Greater St. Cloud Development Corporation to implement a regional economic development strategy for business retention, expansion and recruitment.
- Convene with partner entities to establish roles in the business recruitment process (external), including College, University and Workforce Center.
- Engage and network regularly with Chamber of Commerce, Downtown Council and other entities that serve small businesses to assist business needs and facilitate development opportunities.

Measures:

- Number of businesses assisted and types of requests
- Business starts and building permit activity
- Customer feedback surveys
- Completion of value-stream mapping of development process and recommendations
- Completion of competitive analysis and recommendations

III. Facilitate Opportunities for Business Growth and Development

Create efficient and effective delivery of economic development resources and tools to accommodate changing business needs, assure overall competitiveness, and produce measurable results.

Action Strategy:

Assess and improve site readiness for development.

- Develop a strategy for the sale and development of EDA properties in conjunction with partners St. Cloud Opportunities, East Central Energy and Stearns Electric Association.
- Monitor the quality, availability and capacity of telecommunications infrastructure to assure business needs are met.
- Make full use of databases such as *www.mnprospector.com* to aide in the occupancy of available commercial and industrial space and recruitment of businesses.
- Utilize the City's website more fully to aide in communicating available site opportunities.
- Continue to support the St. Cloud Regional Airport as a major business amenity and efforts to secure commercial air service
- Develop relationships with key sectors to communicate resources available and facilitate business opportunities:
    - Commercial lenders and accounting firms
    - Site selector and real estate professionals

Action Strategy:

Develop and enhance data resources and financing tools to be competitive for a variety of economic development projects

- Develop policies for the use of economic development financing tools, including Tax Increment Financing, Tax Abatement, Business Subsidy Policy, etc.
- Evaluate and monitor opportunities to utilize new economic development tools and leverage outside resources (regional, state, federal)
- Create and maintain data tools and resources to provide customized responses to business requests for information about the City and facilitate appropriate referrals to economic development partners (e.g. Colleges & University, SBDC, Workforce Center)

Measures:

- Number of commercial/industrial sites privately listed
- Acres sold, square footage developed and market value in EDA Business Parks
- Meetings with Business Park Partners, telecommunication and electrical providers
- Number of site inquiries, site selection visits attended or hosted, proposals offered
- Number of meetings with brokerage and development community
- Number and type of inquiries received, including applications for assistance
- New financing assistance programs developed
- Project assisted through use of new software tools (e.g. Community Analyst)
- Leveraged public/private investment on projects assisted

ADDENDUM:

St. Cloud Area Demographic & Economic Profile: 2011
Minnesota Department of Employment & Economic Development

St. Cloud Area Demographic & Economic Profile: 2011

Population

After gaining 6,735 net new residents from 2000 to 2010, St. Cloud jumped into the top 10 largest cities in the state of Minnesota, finishing the decade in 8th place. With 65,842 people, St. Cloud ranks behind just Minneapolis, St. Paul, Rochester, Duluth, Bloomington, Brooklyn Park, and Plymouth, and just ahead of Eagan, Woodbury, Maple Grove, Coon Rapids, and Eden Prairie. At the 2000 Census, the city of St. Cloud was 11th largest overall with 59,107 people, but the city's 11.4 percent growth this decade made it the 4th fastest growing large city in the state.

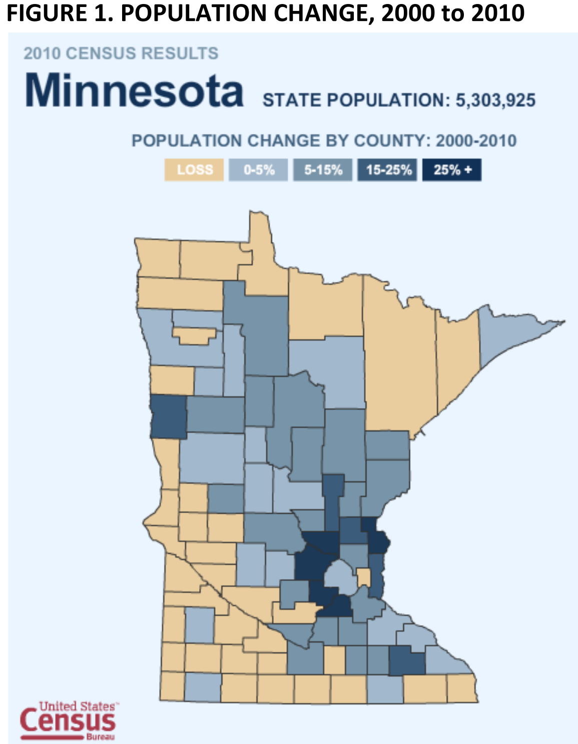
TABLE 1. POPULATION CHANGE, 2000 to 2010			2000 to 2010	
Geography	2000	2010	Change	Percent
City of St. Cloud	59,107	65,842	+6,735	+11.4%
Benton Co.	34,226	38,451	+4,225	+12.3%
Sherburne Co.	64,417	88,499	+24,082	+37.4%
Stearns Co.	133,166	150,642	+17,476	+13.1%
St. Cloud Area	***231,809***	***277,592***	***+45,783***	***+19.8%***
Minnesota	4,919,479	5,303,925	+384,433	+7.8%
				Source: U.S. Census Bureau

One unique aspect of St. Cloud is that it spans three counties, all of which are also among the largest and fastest growing in the state. The biggest portion of the city of St. Cloud is located in Stearns County, which with 150,642 people is the 7th largest county (out of 87) in the state. The second part was in Benton County, which is the 25th largest county, with 38,451 people. Stearns and Benton were the 15th and 16th fastest growing counties in the state this decade. The smallest part of the city is in Sherburne County, which was the 2nd fastest growing county in the state from 2000 to 2010, and the 12th largest overall, with 88,499 people. The three counties in the St. Cloud region were growing nearly three times faster than the state of Minnesota as a whole, where the population increased 7.8 percent from 2000 to 2010. The St. Cloud area grew 19.8 percent, gaining nearly 46,000 new residents. (See Table 1 and Figure 1.)

Another unique aspect of St. Cloud is the proximity of several large cities and townships directly surrounding it. Rochester had 106,769 people in 2010, making it larger than St. Cloud by about 40,000 people. However, when the surrounding cities of Sartell (15,876 people), Sauk Rapids (12,773 people), Waite Park (6,716 people), and St. Joseph (6,534 people) are added in, St. Cloud has a combined population of 107,741 people.

After St. Cloud and the cities included above, the next largest cities in the three-county region include Elk River, Big Lake, and Zimmerman. Many cities in the region were among the fastest growing cities in the entire state, led by Rockville, Clear Lake, Clearwater, Zimmerman, Rice, Big Lake, and Sartell; all of which grew more than 50 percent. The region also has several large and fast-growing townships, including Big Lake, Baldwin, Livonia, and Becker, all of which had more than 4,500 people. In sum, there were 99 cities and townships in the three county region, of which more than three-fourths enjoyed population growth.

FIGURE 1. POPULATION CHANGE, 2000 to 2010



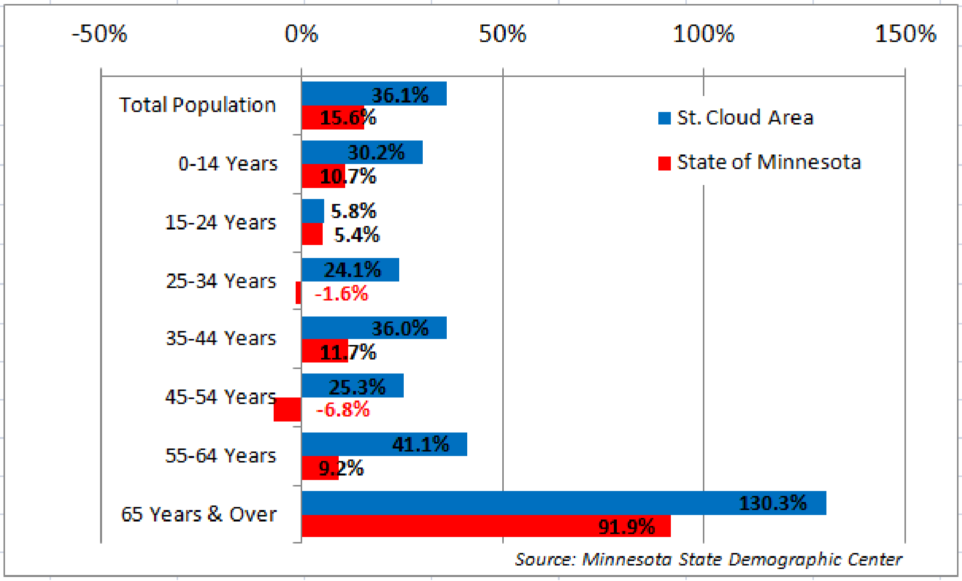
The population in the St. Cloud area was slightly younger than the rest of the state, partly as a result of the recent population growth. There are more than 58,500 children aged 0 to 14 years in the three-county region, making it the largest age group and accounting for more than one in every five people in the area. The next largest age group was between 15 and 24 years of age, with just under 47,000 people, or 16.8 percent of the population. Much of that was due to the large number of college students in Stearns County, where nearly one-fifth of the population was 15 to 24 years of age. That was 6 percent higher than the concentration of 15 to 24 year olds statewide. About two-fifths (41.1%) of the region's population was in their prime working years, from 25 to 54 years of age, right in line with the state of Minnesota. Likewise, the St. Cloud area had a much smaller percentage of its population in the older age groups, with just 21 percent of the population aged 55 years and over. In comparison, about 25 percent of Minnesota's population was 55 years and over, including 12.9 percent that were senior citizens. (See Table 2.)

TABLE 2. POPULATION BY AGE GROUP, 2010						
	St. Cloud 3-County Area		Benton County	Sherburne County	Stearns County	State of Minnesota
	Number	Percent	Percent	Percent	Percent	Percent
Total Population	**277,592**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
0-14 Years	58,554	21.1%	20.9%	24.4%	19.2%	20.0%
15-24 Years	46,722	16.8%	14.5%	13.3%	19.5%	13.6%
25-34 Years	38,182	13.8%	15.7%	14.0%	13.1%	13.5%
35-44 Years	36,213	13.0%	12.9%	15.7%	11.5%	12.8%
45-54 Years	39,575	14.3%	13.8%	15.1%	13.9%	15.2%
55-64 Years	28,253	10.2%	10.3%	9.4%	10.6%	11.9%
65 Years & Over	30,093	10.8%	11.9%	8.3%	12.1%	12.9%
Source: U.S. Census Bureau Population Estimates Program						

The St. Cloud area is less diverse than the state and nation, including about 94.5 percent of the population that is white. However, all three counties have seen significant changes in most race and origin categories this decade, including rapid growth in Black or African American residents and persons of Hispanic or Latino origin. The number of Hispanic people in the St. Cloud area more than doubled (+137.9%) from 2000 to 2010, and the number of Black or African Americans increased almost 250 percent. Still, through 2010, only 2.4 percent of residents were of Hispanic origin (6,763 people), 3.2 percent were Black or African American (8,981 people); 2.1 percent were Asian (5,745 people), and 2.3 percent were of some other race.

Projections from the Minnesota State Demographic Center predict that St. Cloud's population will continue growing quickly over time, perhaps ending 2030 with about 35 percent more people than in 2010. At that rate of growth, the three county region could have more than 400,000 people! However, those projections may be a bit too optimistic, as a recent residential slowdown has likely pulled growth trends back. The St. Cloud area was expected to outpace the state in total population growth, as well as in each age group. Again, the region is expected to keep a slightly younger population than the state, with a 30.2 percent growth rate for children aged 0 to 14 years; as compared to 10.7 percent statewide. On the other end of the age spectrum, the fastest growing age group in the region is expected to be 65 years and over, as the Baby Boom generation moves through the population pyramid. In 2010, just over 10 percent of the region's population was 65 years and over; by 2030, as much as 17 percent of the population might be senior citizens. In comparison, about 20.6 percent of the state's population is expected to be 65 years and over by 2030. Only eight cities and 17 townships were expected to see population declines between 2010 and 2030, with the remaining three-fourths of cities and townships seeing continued growth. (See Figure 2.)

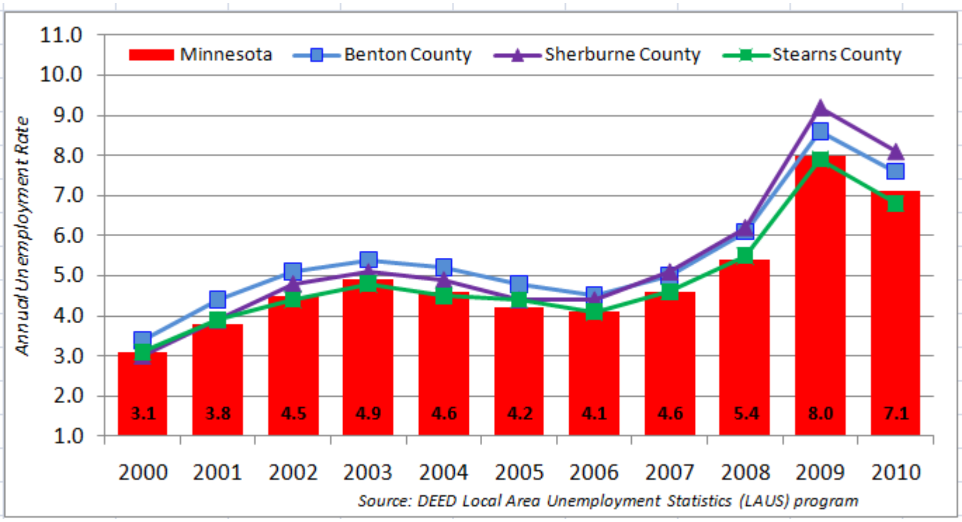
FIGURE 2. POPULATION PROJECTIONS, 2010 to 2030



Labor Force Availability and Unemployment Rates

Since the St. Cloud area's population has been growing, the labor force has been growing as well. There were about 136,600 available workers in the region's labor force in 2000, with an unemployment rate of just 3.1 percent. By 2010, there were 160,000 available workers, a jump of more than 23,000 additional workers. From 2000 to 2010, the St. Cloud area's labor force expanded 17.1 percent, as compared to a 5.7 percent expansion in the state of Minnesota. However, the number of unemployed workers also jumped following the recession in 2007, leading to an unemployment rate of 7.3 percent in 2010, as compared to 7.1 percent statewide. The St. Cloud area's unemployment rate has hovered just above the state rate for most of the decade. (See Figure 3.)

FIGURE 3. UNEMPLOYMENT RATES, 2000 to 2010



Through the first eight months of 2011, the St. Cloud area's unemployment rate dropped just below the state rate. Benton County's rate was lowest in August, at 6.3 percent, followed by Stearns at 6.6 percent, the state at 6.7 percent, and Sherburne at 6.9 percent. The region's average unemployment rate for the first eight months of the year was 7.3 percent, slightly above the state's 7.0 percent average.

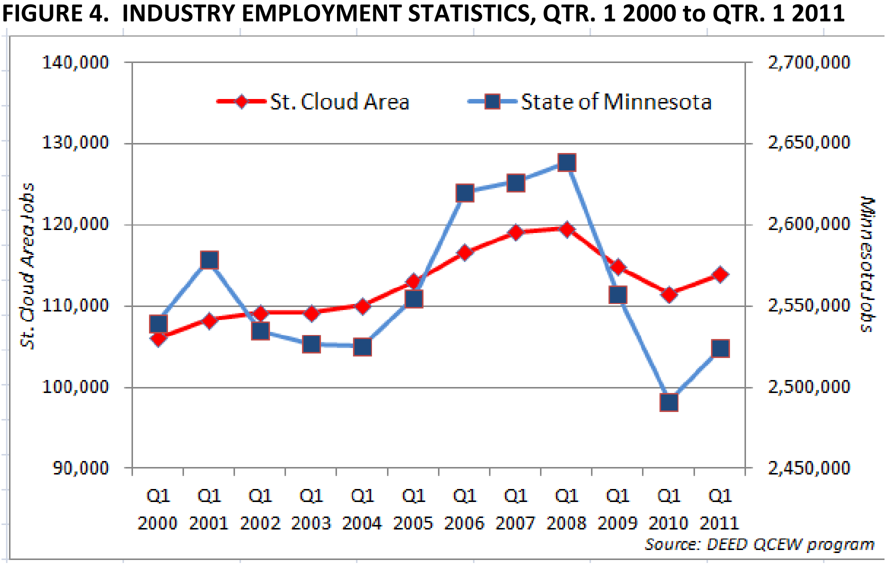
Again, the State Demographic Center is projecting steady growth in the region's labor force over the next two decades, expanding more than 25 percent from 2010 to 2030. Much like population, the fastest growing age group is expected to be 65 years and over, due to increasing life expectancies and higher labor force participation rates for older workers. From 2010 to 2030, the number of senior citizens in the labor force is projected to nearly triple in the three county region, from 5,080 workers to 13,730 workers. Seniors currently make up less than 3 percent of the labor force, but may comprise 6 percent by 2030. The St. Cloud area is also expected to gain workers in the 45 to 64 year old age group, despite the loss of many Baby Boomers. The slowest growing age group is expected to be 16 to 24 years of age, meaning the entry-level workforce will be tighter. However, the region is projected to outpace the state in all age groups, especially in the younger age groups, due to the on-going population growth. (See Table 3.)

TABLE 3: LABOR FORCE PROJECTIONS, 2010 to 2030				
Labor Force Type	2010 Estimate	2020 Estimate	2030 Estimate	2010-2030 Percent Change
Total labor force	**177,080**	**205,810**	**224,680**	**26.9%**
16-24 years	33,770	32,340	37,270	10.4%
25-44 years	82,450	97,150	98,850	19.9%
45-64 years	55,790	66,390	74,850	34.2%
65 years & over	5,080	9,920	13,730	170.3%
Source: Minnesota State Demographic Center				

Industry Employment

Through the first quarter of 2011, there were 7,146 business establishments supplying 113,918 covered jobs in the three county region according to DEED's Quarterly Census of Employment & Wages (QCEW) program. That was an increase of 7,912 covered jobs from the first quarter of 2000 to the first of 2011, a 7.5 percent increase over the decade. In comparison, the state of Minnesota's economy lost about 15,400 covered jobs from the first quarter of 2000 to the first quarter of 2011, a -0.6 percent decline. However, both the St. Cloud area and the state have been hurt by recent job losses, including a -4.4 percent decline from the first quarter of 2007 to the first quarter of 2011. The St. Cloud area peaked with 119,575 covered jobs in the first quarter of 2008; the state of Minnesota also peaked in the first quarter of 2008 with 2,638,356 covered jobs. (See Figure 4.)

FIGURE 4. INDUSTRY EMPLOYMENT STATISTICS, QTR. 1 2000 to QTR. 1 2011



Like many other areas of the state and nation, the St. Cloud area economy struggled with job loss following the Great Recession. Looking at annual data, area businesses cut almost 7,000 covered jobs from 2007 to 2010, with severe losses in construction, manufacturing, wholesale trade, finance and insurance, accommodation and food services, real estate, rental and leasing, and administrative and waste services, among other industries.

Of the 20 major industries, half saw job declines during the recession, ranging from a 1 percent decline in other services to a 17.5 percent drop in construction employment. In contrast, six other industries held their own during the recession, with the most encouraging job growth occurring in health care and social assistance. After gaining 1,235 jobs from 2007 to 2010, health care and social assistance now accounted for 17.5 percent of total employment in the region. After losing nearly 3,300 jobs, manufacturing now supplied 15.0 percent of covered jobs. Retail trade provided 13.5 percent of total jobs in the region, despite suffering an -8.0 percent decline in the last three years. (See Table 5.)

TABLE 5: INDUSTRY EMPLOYMENT STATISTICS, 2007 to 2010

	2010 Annual Data				2007-2010 Data		
Industry	**Number of Firms**	**Number of Jobs**	**Percent of Total Jobs**	**Avg. Annual Wage**	**Numeric Change in Jobs**	**Percent Change in Jobs**	**Percent Change in Wages**
Total, All Industries	**7,080**	**115,178**	**100.0%**	**$36,477**	**-6,897**	**-5.6%**	**6.6%**
Agriculture, Forestry & Fish/Hunt	90	906	0.8%	$22,859	140	18.3%	14.1%
Mining	9	111	0.1%	$50,943	-6	-5.1%	2.3%
Construction	1,107	5,483	4.8%	$51,513	-1,165	-17.5%	15.9%
Manufacturing	501	17,254	15.0%	$43,513	-3,263	-15.9%	4.5%
Utilities	19	993	0.9%	$82,994	ND	ND	ND
Wholesale Trade	326	4,559	4.0%	$40,276	-805	-15.0%	-7.4%
Retail Trade	949	15,553	13.5%	$22,796	-1,346	-8.0%	7.7%
Transportation & Warehousing	329	4,707	4.1%	$34,237	ND	ND	ND
Information *(2007 & 2010 data)*	111	1,741	1.5%	$31,578	ND	ND	ND
Finance & Insurance	389	3,538	3.1%	$47,477	-450	-11.3%	1.6%
Real Estate, Rental & Leasing	256	1,150	1.0%	$23,868	-138	-10.7%	9.2%
Professional & Technical Services	434	2,897	2.5%	$41,015	-261	-8.3%	10.1%
Management of Companies	36	973	0.8%	$75,153	271	38.6%	47.8%
Administrative and Waste Services	302	5,300	4.6%	$25,765	ND	ND	ND
Educational Services	155	10,716	9.3%	$40,344	492	4.8%	2.6%
Health Care & Social Assistance	568	20,179	17.5%	$42,902	1,235	6.5%	5.0%
Arts, Entertainment, & Recreation	144	1,402	1.2%	$11,336	12	0.9%	-1.4%
Accommodation & Food Services	520	8,932	7.8%	$11,453	-1,140	-11.3%	9.5%
Other Services, Ex. Public Admin.	631	3,454	3.0%	$20,813	-20	-0.6%	6.2%
Public Administration	177	4,692	4.1%	$46,466	127	2.8%	36.5%
Source: DEED, Quarterly Census of Employment & Wages (QCEW)							

As noted, the manufacturing industry sliced 3,263 jobs from 2007 to 2010, a 15.9 percent decline. In comparison, the state of Minnesota lost about 50,000 manufacturing jobs during that time, a -14.5 percent drop. However, the trend reversed in the last year, with regional manufacturers adding 239 manufacturing jobs from the first quarter of 2010 to the first quarter of 2011, a small 1.4 percent gain. Statewide, manufacturing employment rose 3.0 percent in the last year. Another positive sign for the recovery emerged in the administrative and waste services industry – which typically provides staffing services to the manufacturing industry – where local firms added 204 net new covered jobs in the last year, a steady 4.2 percent increase.

The largest sector in the region was food manufacturing, with 55 firms and 2,818 jobs; followed closely by fabricated metal product manufacturing with 2,576 jobs at 115 firms. The St. Cloud region had high location quotients and distinguishing industries in printing and related support activities with 38 firms and 1,755 jobs; furniture and related product manufacturing (which includes kitchen cabinet manufacturing) with 1,348 jobs at 58 firms; and nonmetallic mineral product manufacturing (which includes granite, other stone, and concrete products) with 35 firms and 1,284 jobs. Other smaller sectors include transportation equipment manufacturing (14 firms and 1,132 jobs); machinery manufacturing (50 firms and 821 jobs), plastics and rubber product manufacturing (23 firms and 752 jobs), and miscellaneous manufacturing (44 firms and 697 jobs). Despite the declines, manufacturing is still more concentrated in the St. Cloud area than it is in the state and the nation, and with a competitive advantage in several manufacturing specialties, the region is well positioned for a recovery.

The largest industry in the region is now health care and social assistance, with 20,179 covered jobs at 568 firms. The largest number of those jobs are located in Stearns County, which had 14,279 health care and social assistance jobs at 379 establishments, comprising just over 70 percent of total health care and social assistance employment in the region. The largest sector in the region was the ambulatory health care services sector – which includes offices of physicians, home health care services, and outpatient care centers – with 306 establishments and 6,219 jobs. Again, about 70 percent of those jobs were in Stearns County. The next largest sectors were nursing and residential care facilities, followed by hospitals and the social assistance sector – which includes individual and family services and child day care. Health care and social assistance gained 1,235 net new jobs from 2007 to 2010, a strong 6.5 percent rise.

The St. Cloud region also has a high concentration of retail trade jobs, accounting for 13.5 percent of total jobs in the region. There were 949 establishments providing 15,553 jobs in 2010, after losing 1,346 jobs since 2007, an -8.0 percent decline. Stearns County is again home to about 70 percent of the industry's jobs in the region. The largest retail sectors were food and beverage stores (109 stores and 3,146 jobs), general merchandise stores (44 stores and 2,942 jobs), motor vehicle and parts dealers (157 stores and 2,185 jobs), and building materials and garden supply stores (99 stores and 1,702 jobs).

Other large industries in the St. Cloud region include educational services, which had 10,716 jobs at 155 institutions, and added 492 jobs over the last three years, thanks in part to stimulus funding and increasing enrollments at the region's colleges and universities. Accommodation and food services provided 8,932 jobs at 520 establishments, after dropping 1,140 jobs from 2007 to 2010 as consumers cut back on spending. The hard-hit construction industry started seeing declines in 2006, and cut back 1,165 jobs from 2007 to 2010, a -17.5 percent decline. Construction now has 5,483 jobs at 1,107 firms, accounting for 4.8 percent of county employment but 15.6 percent of business establishments.

Additional important industries in the three county region include: administrative and waste services (5,300 jobs at 302 firms); public administration (4,692 jobs at 177 establishments); transportation and warehousing (4,707 jobs at 329 firms); wholesale trade (4,559 jobs at 326 firms); other services (3,454 jobs at 631 firms); finance and insurance (3,538 jobs at 389 firms); and professional and technical services (2,897 jobs at 434 firms). The St. Cloud area also had smaller concentrations of arts, entertainment, and recreation (1,402 jobs at 144 firms); real estate, rental and leasing (1,150 jobs at 256 firms); management of companies and enterprises (973 jobs at 36 firms); and agriculture, forestry, fishing, and hunting (906 jobs at 90 firms).

The St. Cloud area also 993 jobs at 19 employers in the utilities industry, giving it one of the highest location quotients in the state – meaning employment in utilities is much more concentrated in the three-county region than other areas of the state. Utilities also was the highest paying industry in the region, averaging nearly $83,000 per year through the second quarter of 2010. That was nearly $50,000 higher than the average annual wage for the total of all industries, which was $36,477.

Self-Employment

In addition to the covered employment detailed above, the St. Cloud area is also home to a large number of self-employed establishments without payroll subject to federal income tax, also known as "nonemployers." The three-county region had 17,675 nonemployer establishments in 2009, with the highest number of self-employed businesses found in construction (most notably in specialty trade contractors); other services (including personal services like beauty salons, automotive repair and maintenance, and social organizations); retail trade (including car dealers, nonstore retailers, and miscellaneous store retailers); professional and technical services (including accounting, legal, and consulting services); health care and social assistance (primarily in child day care services); and real estate, rental, and leasing. Prior to the recession, all three counties had seen rapid growth in the number of self-employed businesses, jumping 18.4 percent from 2002 to 2008. But from 2008 to 2009, the region lost 1,215 nonemployers, a -6.4 percent decline. These businesses accounted for over $593.5 million in sales receipts in 2009, with the highest amounts occurring in real estate, construction, and transportation. (See Table 6.)

TABLE 6. NONEMPLOYER STATISTICS, 2008-2009			
Industry	**Number of Nonemployers**	**Sales Receipts**	**Change 2008-2009**
Total, All Industries	**17,675**	**$593,571,000**	**-6.4%**
Agriculture, Forestry, Fish/Hunt	226	$5,636,000	-5.4%
Construction	2,490	$116,970,000	-12.8%
Manufacturing	419	$13,790,000	-3.0%
Utilities	8	$149,000	ND
Wholesale Trade	312	$18,146,000	-12.8%
Retail Trade	2,018	$54,485,000	-8.5%
Transportation & Warehousing	967	$69,647,000	-3.2%
Information	201	$4,935,000	-3.4%
Finance & Insurance	541	$26,744,000	-7.5%
Real Estate, Rental & Leasing	1,401	$93,030,000	-20.6%
Professional, Scientific, & Technical Svcs.	1,959	$45,227,000	2.6%
Administrative Support & Waste Mgmt.	1,311	$23,209,000	-1.0%
Educational Services	439	$3,697,000	1.6%
Health Care & Social Assistance	1,895	$42,969,000	-2.9%
Arts, Entertainment, & Recreation	921	$13,075,000	-4.1%
Accommodation & Food Services	161	$7,176,000	-9.0%
Other Services	2,391	$53,828,000	-3.0%
Source: U.S. Census Bureau, 2008-2009 Nonemployer Statistics			

Farming and Agriculture

The three county region also has a significant farming and agriculture economy, led by Stearns County, which ranked first in the state of Minnesota for the total value of agricultural products sold in 2007. Stearns County is home to 3,368 farms, which produced $519 million in market value of agricultural products sold in 2007, according to the 2007 Census of Agriculture.

Stearns County ranked first in the state in milk and other dairy products from cows, corn for silage, oats for grain, and forage; ranked second in broilers and other meat-type chickens and poultry and eggs; and third in cattle and calves, turkeys, and layers. Benton County is home to 919 farms, which produced $113.9 million in market value of agricultural products sold in 2007, which was 51st in the state. Benton County ranked third in the state for broilers and other meat-type chickens, fifth in corn for silage, and in the top ten for in milk and other dairy products and pullets for laying flock replacement. Sherburne County has 549 farms producing $64 million in market value of products sold, ranking first in cut Christmas trees, first in pheasants, and second in vegetables, melons, potatoes, and sweet potatoes.

Income and Earnings

Median household incomes varied widely across the St. Cloud area. At $71,728, Sherburne County's income was the fourth highest in the state, and more than $16,000 higher than the state median household income ($55,621) after rising nearly 21 percent so far this decade. Benton County's income rose 14.3 percent, and now had the 24th highest median household income (MHI) in the state in 2009, at $49,671. Incomes were similar in Stearns County, though Stearns County saw a slower increase in median household incomes from 2000 to 2009 than Benton County. (See Table 7.)

TABLE 7. MEDIAN HOUSEHOLD INCOME, 2009

County	2009	2000	2000-2009 $ Change	2000-2009 % Change
Benton County	$49,671	$43,442	$6,229	14.3%
Sherburne County	$71,728	$59,386	$12,342	20.8%
Stearns County	$48,383	$44,764	$3,619	8.1%
State of Minnesota	$55,621	$49,170	$6,451	13.1%
Source: U.S. Census Bureau, Small Area Income and Poverty Estimates				

Approximately one-fourth (23.5%) of households in Benton County were earning less than $25,000 in 2009, which was similar to Stearns County (23.2%) but higher than the state of Minnesota (20.0%) and Sherburne County (12.3%). In contrast, more than one-fourth (25.8%) of households in Sherburne County were earning $100,000 or more in 2009; and another 20.7% were earning $75,000 to $99,999. About one-fourth of households in both Benton and Stearns County earned between $25,000 and $49,999. About 15.5 percent of households earned between $75,000 and $99,999, and the remaining 11.8 percent were making more than $100,000 per year. As compared to 14.7 and 15.3 percent in Stearns County, respectively.

Occupations of St. Cloud Metro Area Workers

The two largest occupation groups in the St. Cloud MSA – which includes Benton and Stearns County – are office and administrative support occupations and production occupations. Significant numbers of individuals are also employed in sales and related occupations; food preparation and serving occupations; transportation and material moving occupations; health care practitioners and technical occupations; education, training, and library occupations; installation, maintenance, and repair occupations; construction and extraction occupations; healthcare support occupations; management occupations; and business and financial operations occupations. The highest-paying jobs are typically found in management; legal occupations; healthcare practitioners and technical occupations; computer and mathematical occupations; architecture and engineering occupations; life, physical, and social science occupations; and business and financial operations occupations, which require higher levels of education and experience. The lowest paying jobs are concentrated in food preparation and serving, retail sales, building and grounds cleaning, health care support, and personal care; all of which typically require less education and short-term on-the-job training. (See Table 8.)

TABLE 8. ESTIMATED EMPLOYMENT & WAGES, 4th QTR. 2010

	St. Cloud MSA		State of Minnesota	
SOC Occupational Title	**Median Hourly Wage**	**Estimated Employ ment**	**Median Hourly Wage**	**Estimated Employ ment**
Total, All Occupations	$15.53	95,430	$17.56	2,627,640
Office & Administrative Support Occupations	$14.40	15,210	$15.98	413,060
Production Occupations	$15.36	11,110	$15.90	211,780
Sales & Related Occupations	$10.61	10,900	$12.44	265,150
Food Preparation & Serving Related Occupations	$9.42	8,510	$9.35	215,650
Transportation & Material Moving Occupations	$14.66	6,910	$14.70	160,150
Healthcare Practitioners & Technical Occupations	$30.81	6,130	$30.87	154,810
Education, Training, & Library Occupations	$22.03	5,660	$20.78	155,730
Installation, Maintenance, & Repair Occupations	$18.44	3,980	$20.73	90,010
Construction & Extraction Occupations	$21.12	3,800	$24.18	89,580
Healthcare Support Occupations	$12.00	3,650	$12.73	94,660
Management Occupations	$36.13	3,520	$45.65	137,620
Business & Financial Operations Occupations	$23.57	3,470	$27.24	152,970
Building & Grounds Cleaning & Maintenance Occupations	$11.76	2,840	$11.94	78,670
Personal Care & Service Occupations	$11.99	2,810	$11.22	91,080
Community & Social Services Occupations	$17.97	1,570	$18.42	49,650
Computer & Mathematical Occupations	$27.59	1,210	$36.09	82,290
Arts, Design, Entertainment, Sports, & Media Occupations	$20.30	1,160	$21.01	38,630
Protective Service Occupations	$20.21	970	$18.08	45,410
Architecture & Engineering Occupations	$26.75	820	$31.52	48,660
Legal Occupations	$31.68	620	$37.26	17,720
Life, Physical, & Social Science Occupations	$25.67	450	$29.90	29,300
Farming, Fishing, & Forestry Occupations	$16.42	150	$12.34	5,040
Source: DEED, Occupational Employment Statistics (OES), 4th Quarter 2010				

The gap in pay between the St. Cloud MSA and the state of Minnesota is about $2 per hour. Over the course of a full work year (2,080 hours), that adds up to a $4,160 wage gap. The pay gaps are even larger for the higher skilled, higher paying occupations like management, computer, and architecture, where annual wage gaps can equal $15,000 to $20,000. The pay gaps are smaller for lower paying jobs. The gap is even larger between the St. Cloud MSA and the Twin Cities MSA, which can be a challenge for local employers trying to fill higher skilled jobs.

Workforce Demographics

As noted above, the St. Cloud region has a slightly younger population and workforce than the rest of the state. Nearly one in five workers in the three-county region (18.5%) was between 14 and 24 years of age, as compared to about one in every seven workers statewide (14.9%). About two-thirds of the county's workforce was between 25 and 54 years of age, often considered the prime working years. The St. Cloud area also had a slightly lower percentage of 55 to 64 year old workers, representing the baby boomers who will be nearing retirement age in the next 5 to 10 years. The percentage of the region's workforce that had already reached retirement age was nearly identical to the state's. The St. Cloud area also tended to have slightly lower turnover rates than the state workforce, at 7.9 percent overall, and as low as 5.0 percent in the 45 to 54 year old age group and 5.2 percent in the 55 to 64 year old age group. Turnover rates were highest in the youngest age groups, especially from 14 to 24 years of age. (See Table 9.)

TABLE 9. WORKFORCE DEMOGRAPHICS, 2010

	St. Cloud Region			State of Minnesota		
	Workforce	Percent	Turnover Rate	Workforce	Percent	Turnover Rate
Total Workforce	**112,378**	**100.0%**	**7.9%**	**2,544,360**	**100.0%**	**8.6%**
14-24 Years	20,827	18.5%	16.3%	378,283	14.9%	17.5%
25-34 Years	24,669	22.0%	8.2%	561,663	22.1%	9.5%
35-44 Years	22,862	20.3%	6.1%	535,015	21.0%	7.1%
45-54 Years	25,223	22.4%	5.0%	609,014	23.9%	6.0%
55-64 Years	14,778	13.2%	5.2%	365,913	14.4%	6.1%
65 Years & Over	4,015	3.6%	8.9%	94,470	3.7%	9.4%
Source: DEED Local Employment Dynamics (LED) program						

School Enrollment and Educational Attainment

The St. Cloud area boasts one of the largest student populations in the state, with more than 81,000 people enrolled in school ranging from nursery school to graduate school. The three county region was home to more than 25,000 undergraduate college students, easily the largest concentration of college students outside the Twin Cities metro area; as well as almost 2,900 graduate or professional school students. There were also just over 15,000 students in high school; over 13,600 students in middle school (grade 5 to 8); and 15,820 students in first through fourth grade. Another 8,265 children were enrolled in nursery or preschool programs and kindergarten.

One-fifth (20.0%) of the adult population in the three-county region had earned either a bachelor's degree or graduate or professional degree in 2009, which was lower than educational attainment in the rest of the state. With more than 10 percent of adults who had earned associate's degrees, the region had a competitive advantage as compared to the state and nation. The region also had a much higher concentration of people who have attended some college, but had not earned a degree. In contrast, the St. Cloud area had more people with a high school diploma or less, accounting for 39.3 percent of the population. (See Table 10.)

TABLE 10. EDUCATIONAL ATTAINMENT, 2007 to 2009				
	St. Cloud Area		State of	United
	Number	Percent	Minnesota	States
Less than H.S. diploma	17,944	8.7%	9.1%	15.3%
High school diploma/GED	62,813	30.6%	28.0%	29.3%
Some college, no degree	62,115	30.2%	24.8%	23.0%
Associate's degree	21,503	10.5%	9.2%	7.1%
Bachelor's degree	28,979	14.1%	19.9%	16.4%
Graduate or professional degree	12,163	5.9%	8.9%	9.0%
Source: U.S. Census Bureau American Community Survey, 2007 to 2009				

Published by:
Cameron Macht
Regional Analyst, Central & Southwest Minnesota
Minnesota Department of Employment & Economic Development
www.positivelyminnesota.com
October 22, 2011
320-441-6567 | cameron.macht@state.mn.us