



**BREAKFAST**  
October 27, 2015

• PRESENTED BY •

**National Bank**  
of Commerce



Member FDIC

• WITH THE HELP OF •



# ECONOMIC TRENDS IMPACTING THE 15-COUNTY REGION

UMD

UNIVERSITY OF MINNESOTA DULUTH

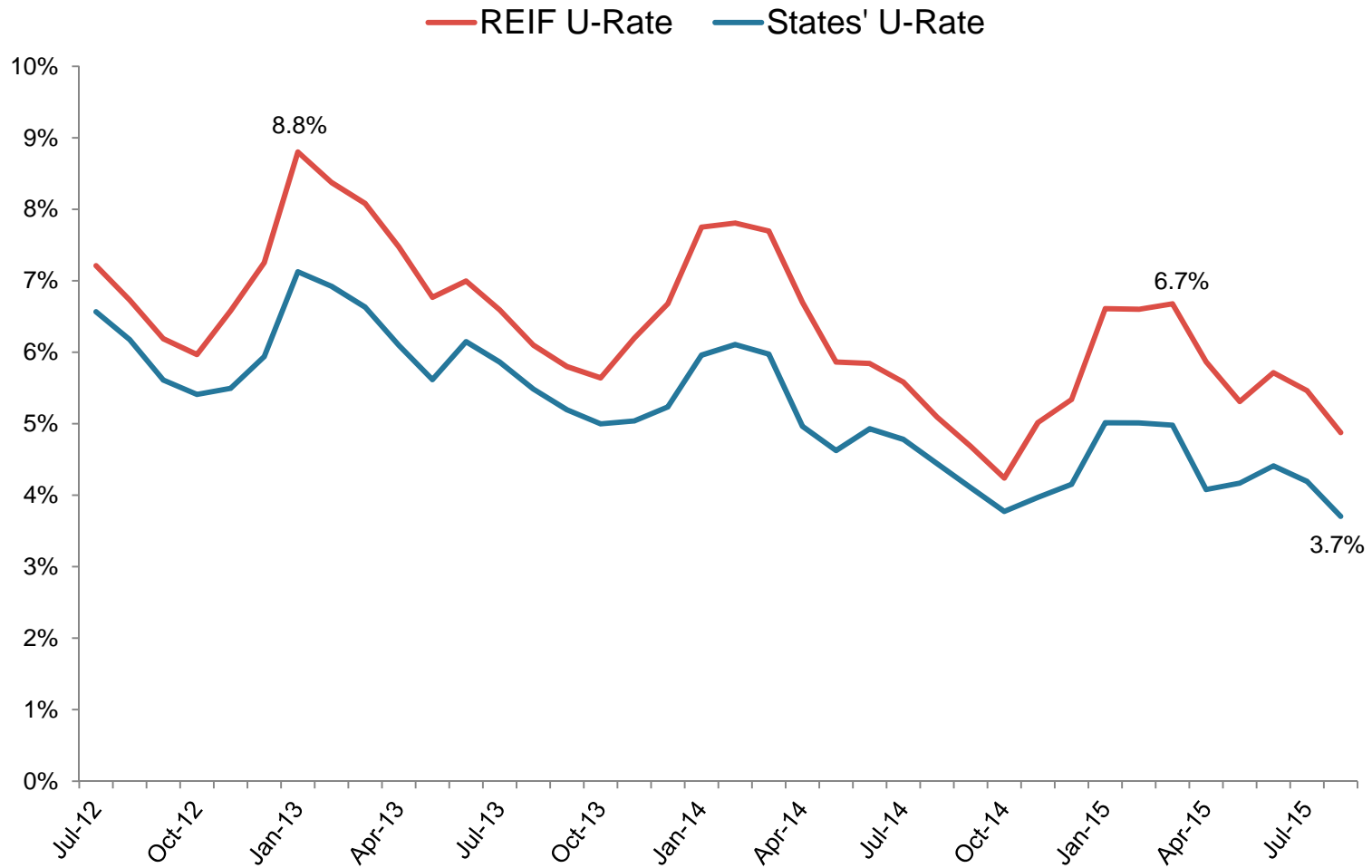
**Driven to Discover™**

**Travis Eisenbacher**

Bureau of Business and Economic Research  
Labovitz School of Business and Economics, UMD

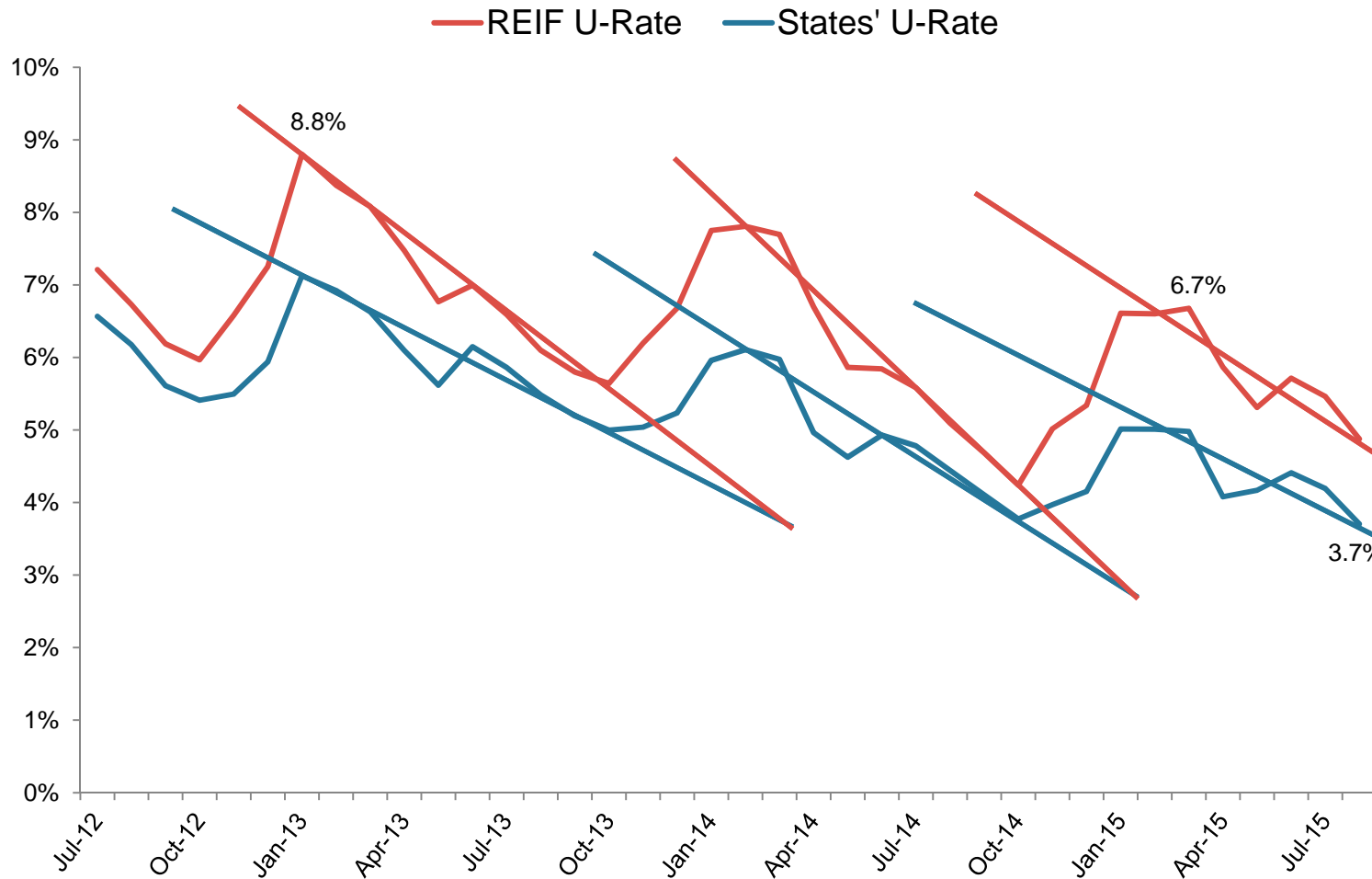


# UNEMPLOYMENT RATE



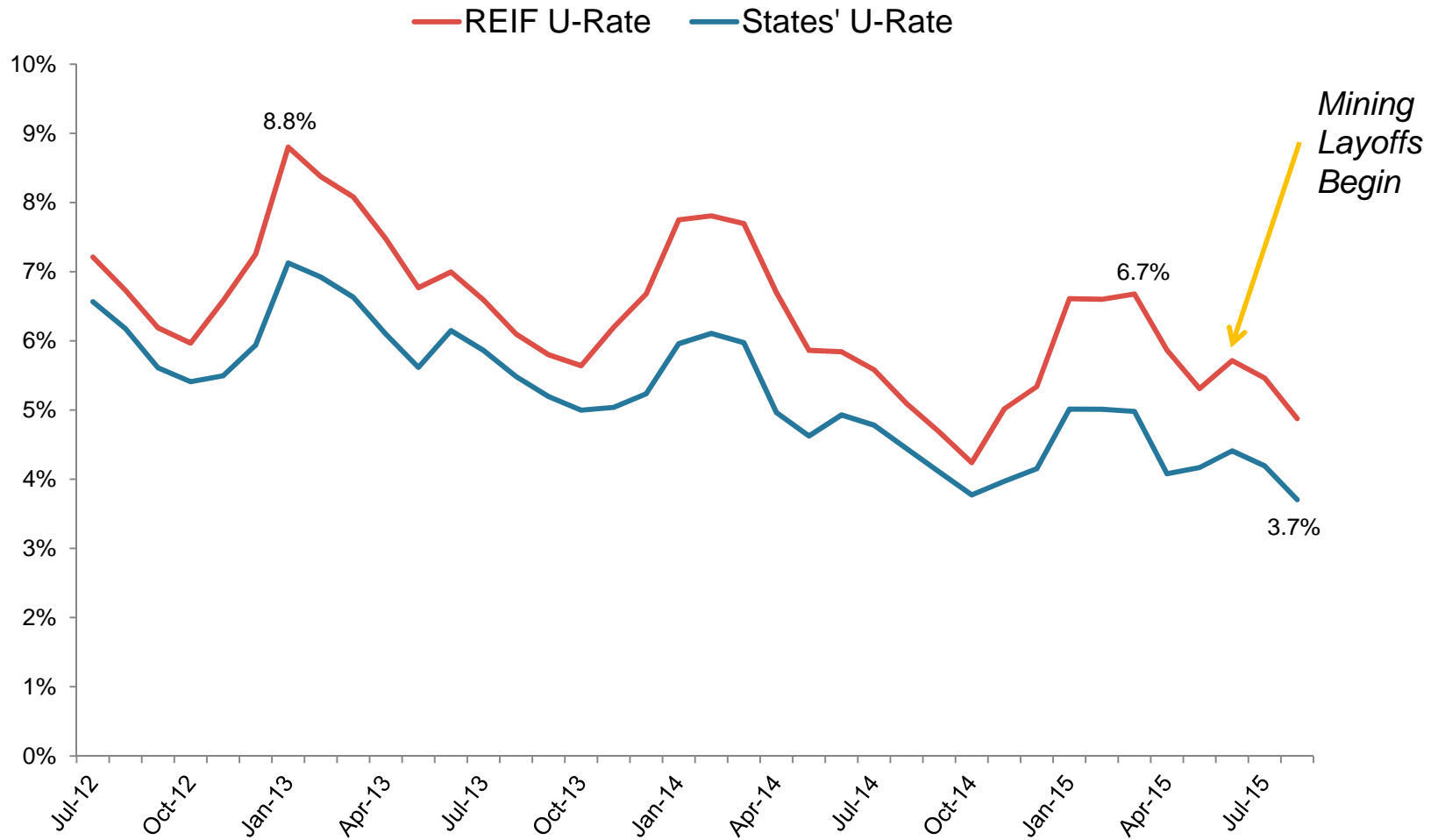
Source: LAUS, 2015

# UNEMPLOYMENT RATE



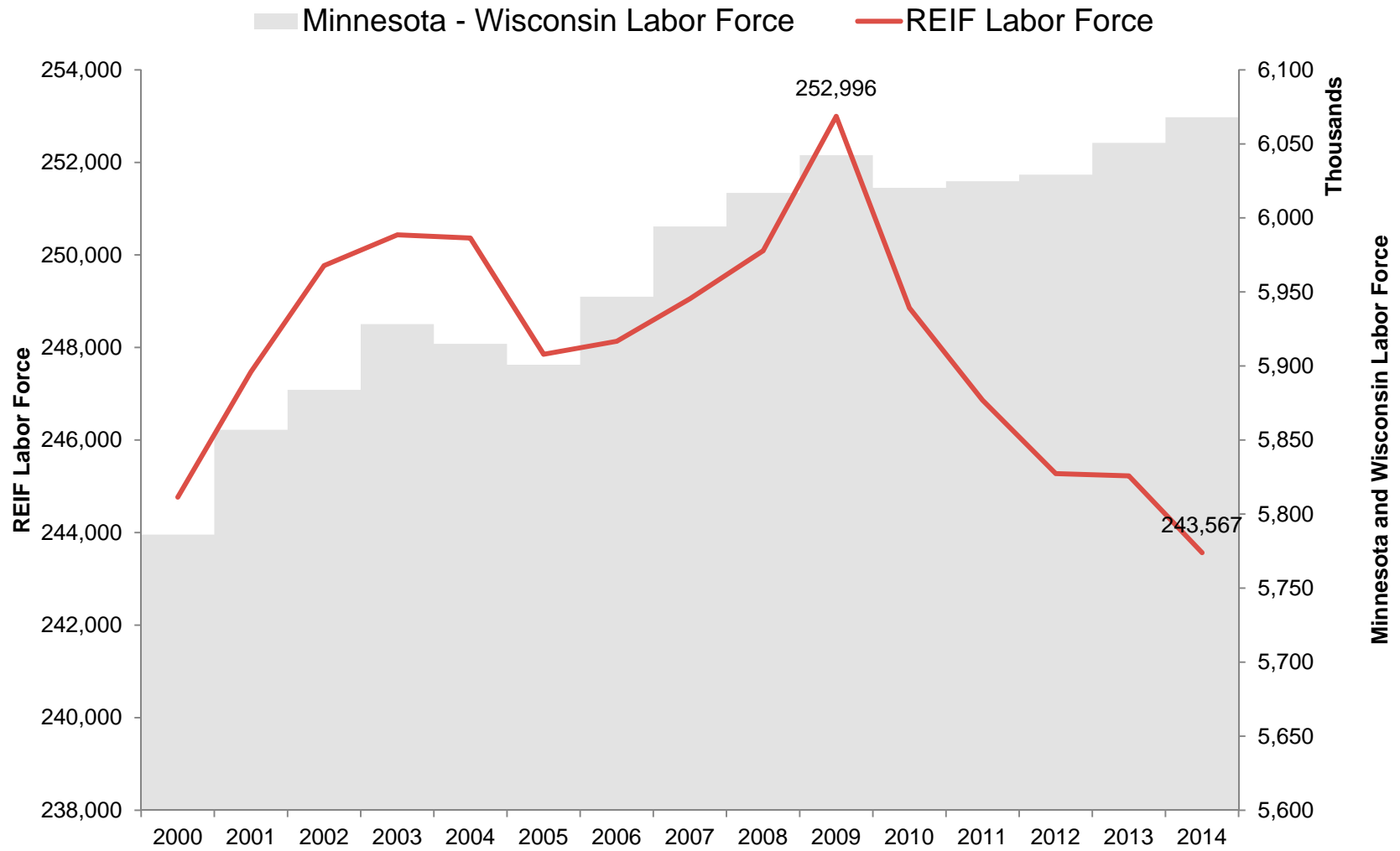
Source: LAUS, 2015

# UNEMPLOYMENT RATE



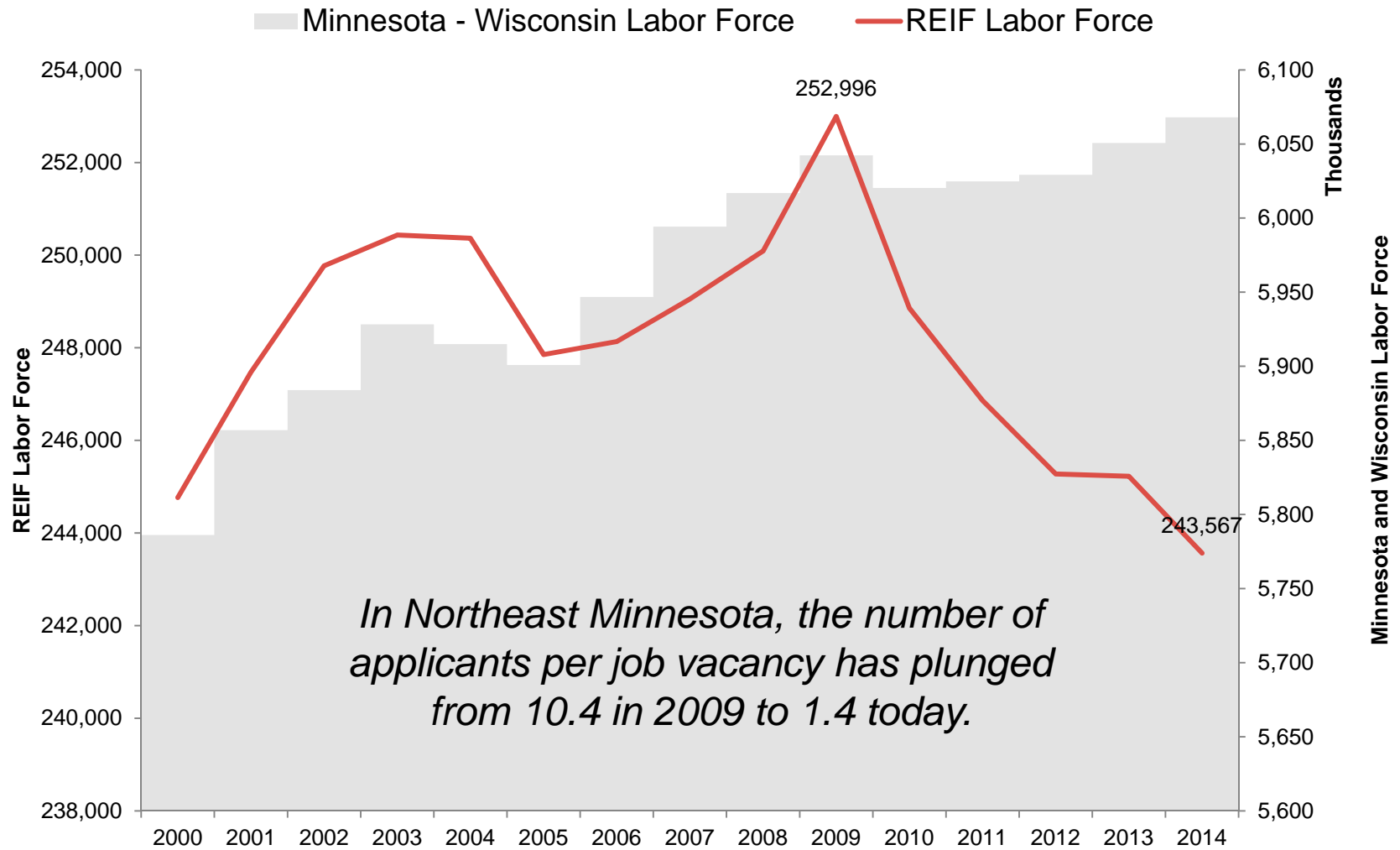
Source: LAUS, 2015

# LABOR FORCE



Source: LAUS, graph adapted from DEED's 2015 Regional Profile

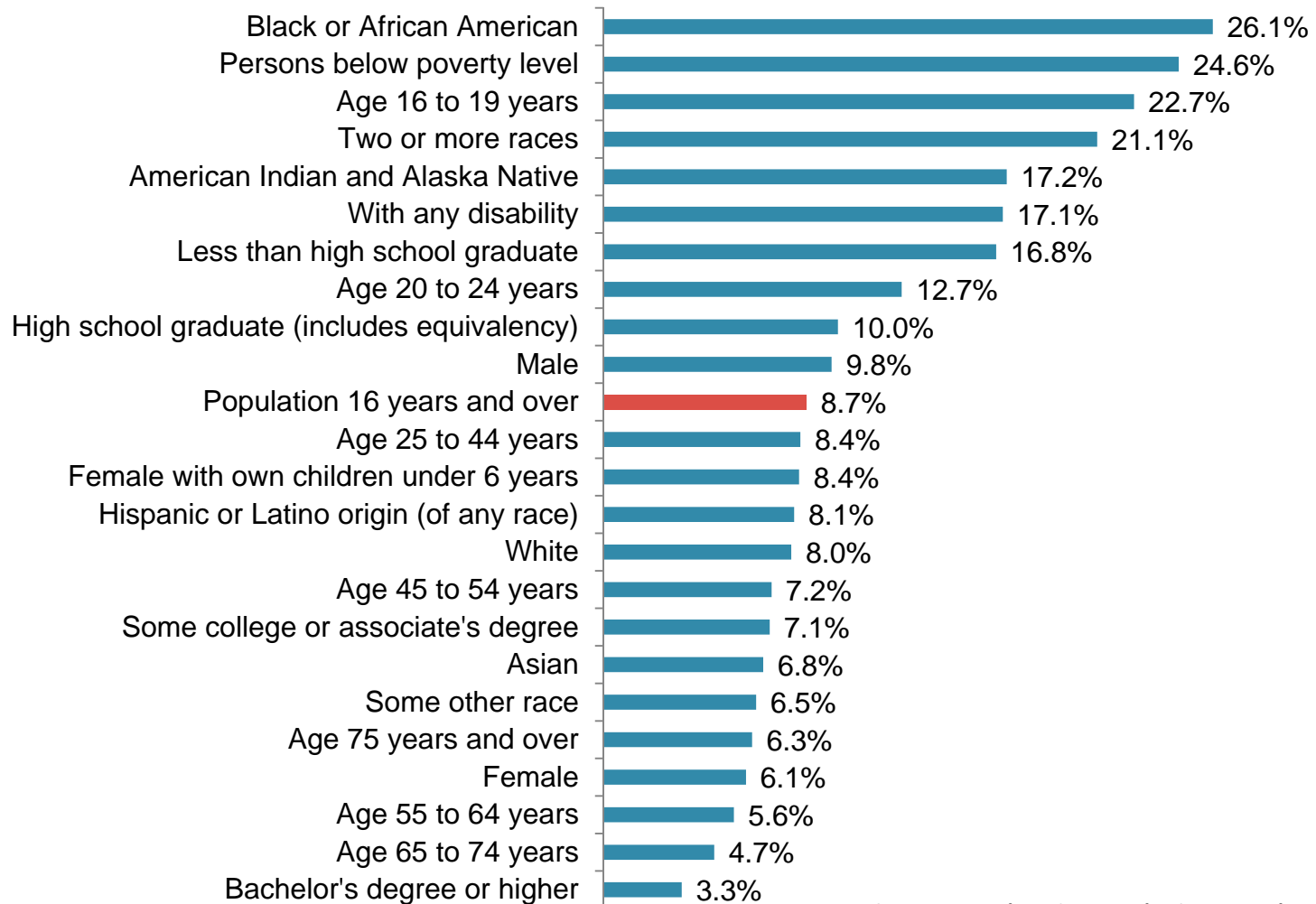
# LABOR FORCE



Source: LAUS, graph adapted from DEED's 2015 Regional Profile



# UNEMPLOYMENT RATE BY DEMOGRAPHIC



Source: American Community Survey Estimates 2009-2013

# REGIONAL LOCATION QUOTIENT

## Higher than Average Employment

Natural Resources and Mining  
(2.92)

Leisure and Hospitality  
(1.37)

Education/Health Services  
(1.34)

## Lower than Average Employment

Professional/Business Services  
(0.51)

Manufacturing  
(0.57)

Information  
(0.62)

Source: Bureau of Labor Statistics Location Quotient Calculator, 2014

# OCCUPATIONS IN DEMAND

Healthcare



Construction and Extraction



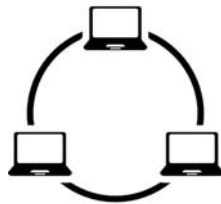
Office and Administrative  
Support



Installation, Maintenance, and  
Repair



Computer and Mathematical



Production



Source: MN DEED Occupations in Demand (OID); Northwest Wisconsin Skills Gap Analysis;  
Northwest Workforce Development Area Long Term Occupations Projections, 2012-2022

# CONCLUSIONS

- Mining is very important.
- Regional labor force is declining.
- Opportunity to expand employment.
- Many highly demanded occupations require no higher education.

# CONSUMER CONFIDENCE INDICATORS



**Brian Honness**

University of Wisconsin-Superior



# CONSUMER CONFIDENCE INDICATORS

- **INDEX OF CONSUMER SENTIMENT (ICS)**

Consumer outlook on personal finances, business conditions and consumption spending

- **INDEX OF CURRENT CONDITIONS (ICC)**

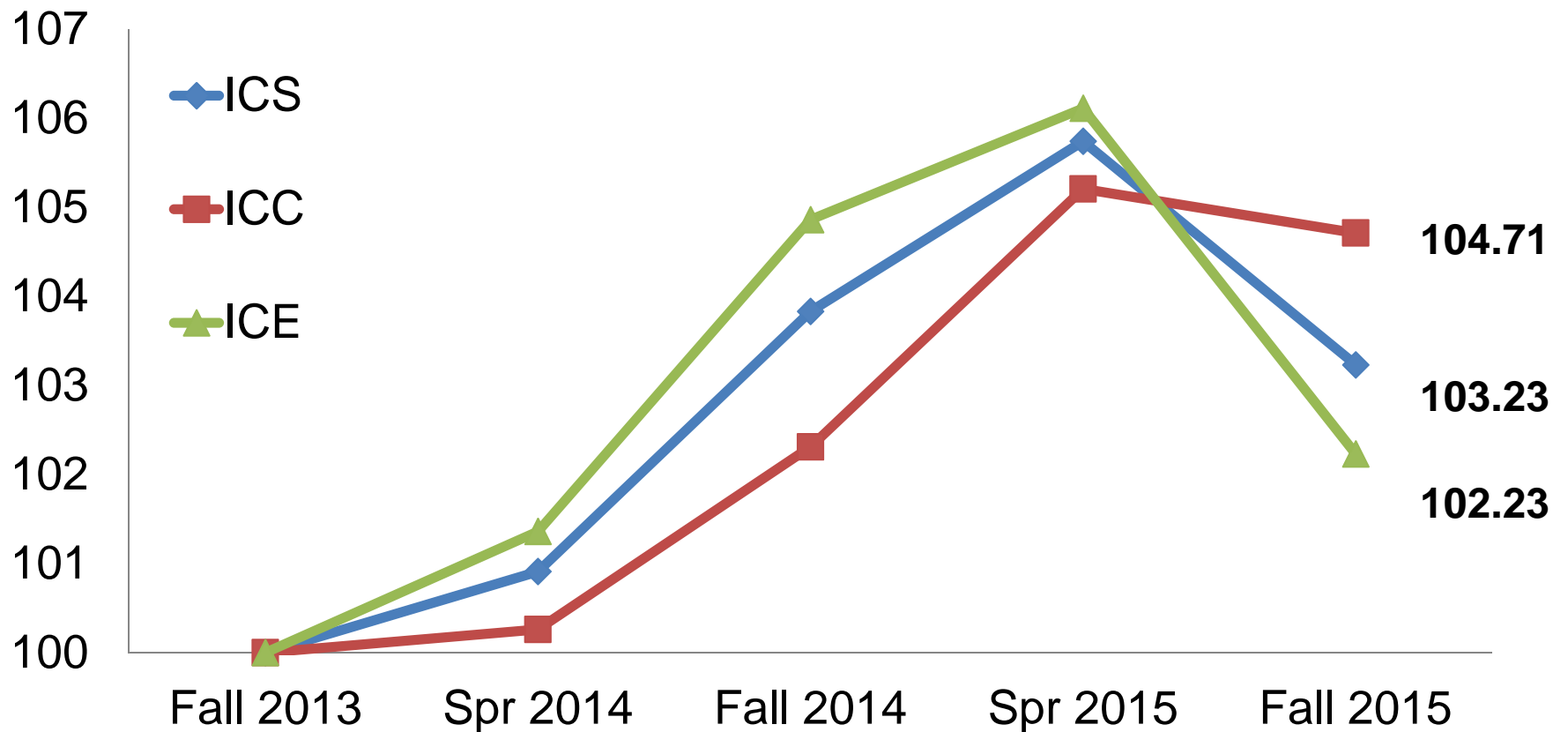
Gauges current state of the economy

- **INDEX OF CONSUMER EXPECTATIONS (ICE)**

Projects future economic and financial conditions

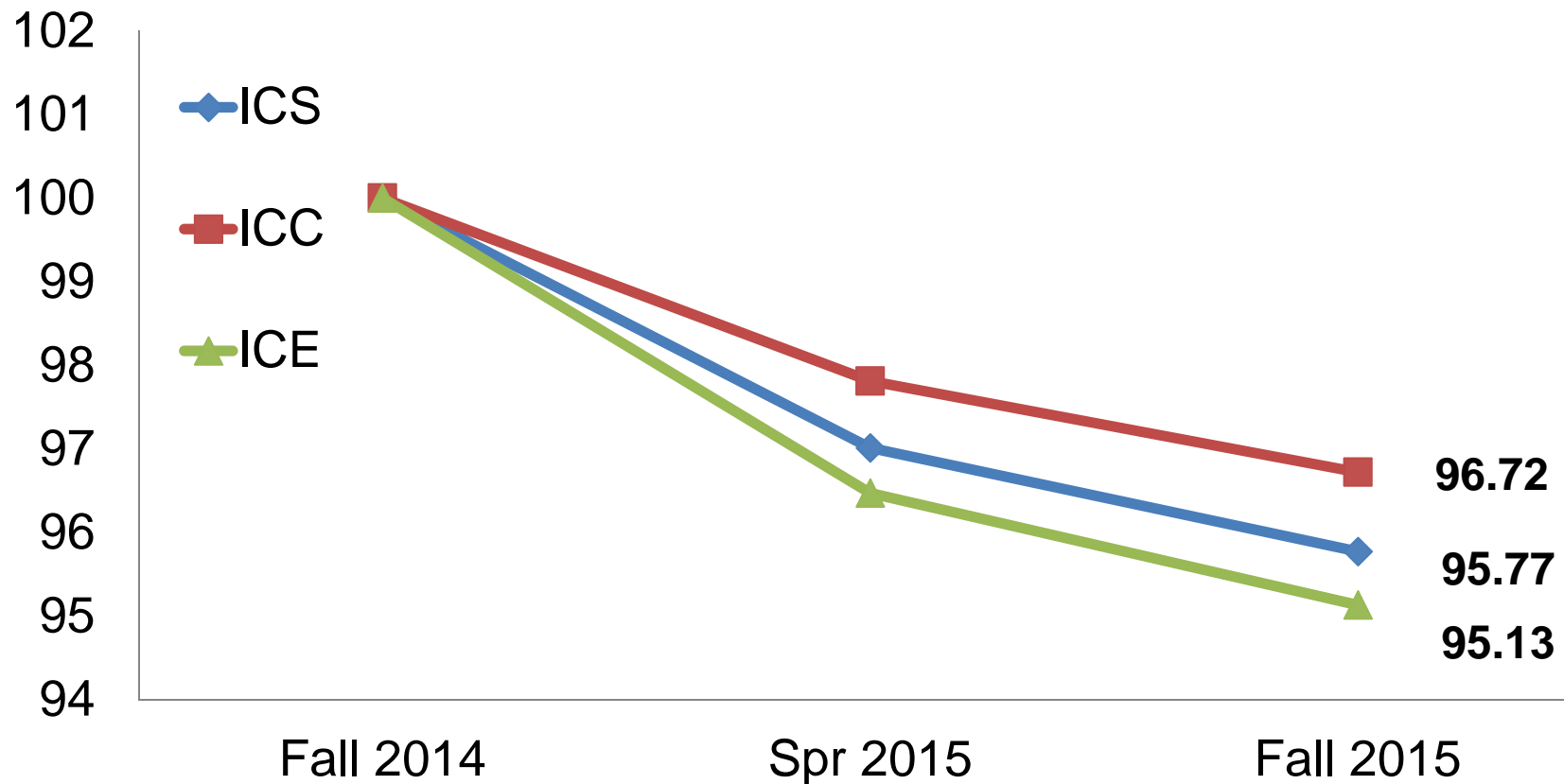
# CONSUMER CONFIDENCE INDICATORS

PUBLIC SURVEY (RANDOM SAMPLE)



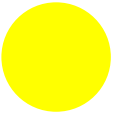
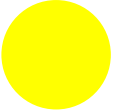
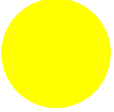
# CONSUMER CONFIDENCE INDICATORS

**SURVEY of REIF PARTICIPANTS (NON-RANDOM SAMPLE)**





# CONSUMER CONFIDENCE INDICATORS

Indicator	Public Survey (Random)	REIF Survey (Non-Random)
ICS 	Weakening short-term economic outlook	Weakening short-term economic outlook
ICC 	Economy is slowing down	Economy is slowing down
ICE 	Expectations of future economic slowdown	Expectations of future economic slowdown

# REGIONAL EQUITY INDEX



**Donald Simmons**

University of Wisconsin-Superior



# REGIONAL EQUITY INDEX

## Methodology

- Equally weighted index
- 12 companies with significant employment in the region

Allele

Cliffs Natural Resources

Polymet

Ascena Retail Group

Enbridge Energy Partners

Sappi Limited

Calumet

Ikonic

UnitedHealth Group

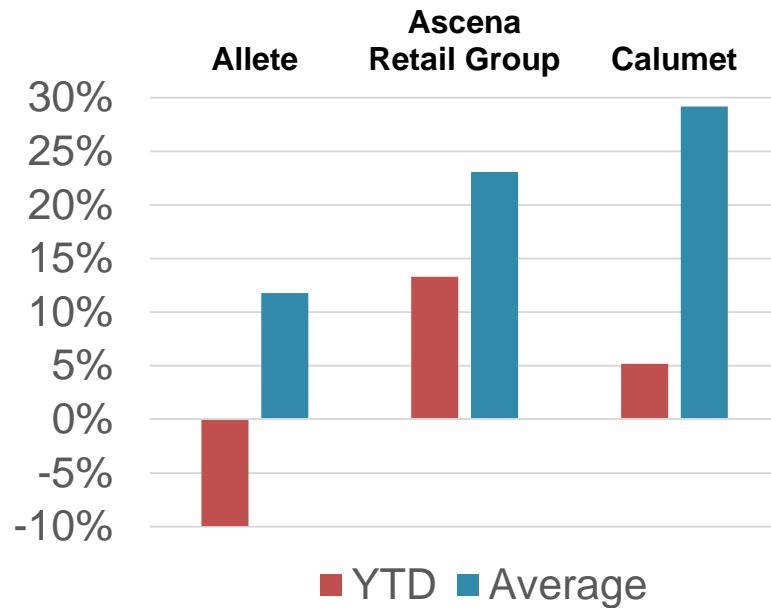
Canadian National  
Railway

Louisiana-Pacific

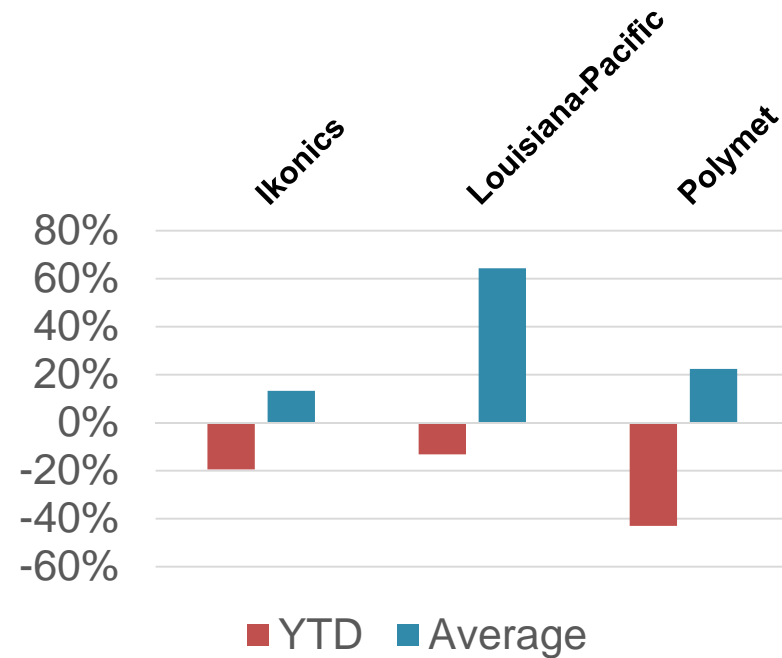
US Steel

# REGIONAL EQUITY INDEX

## YTD Returns vs. Previous Performance

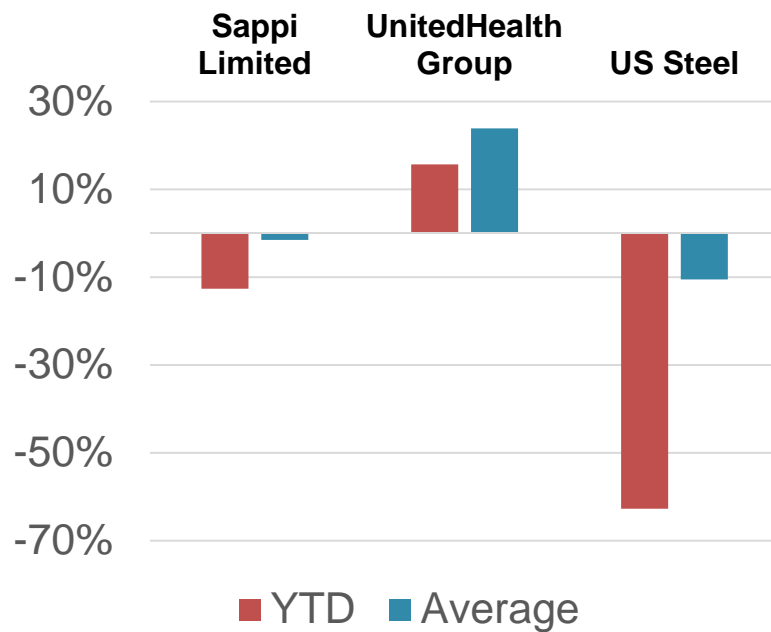


## YTD Returns vs. Previous Performance

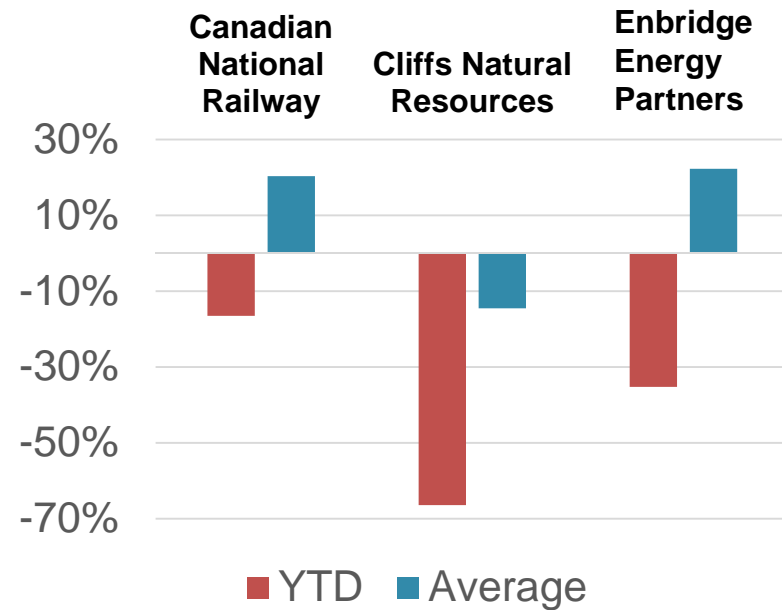


# REGIONAL EQUITY INDEX

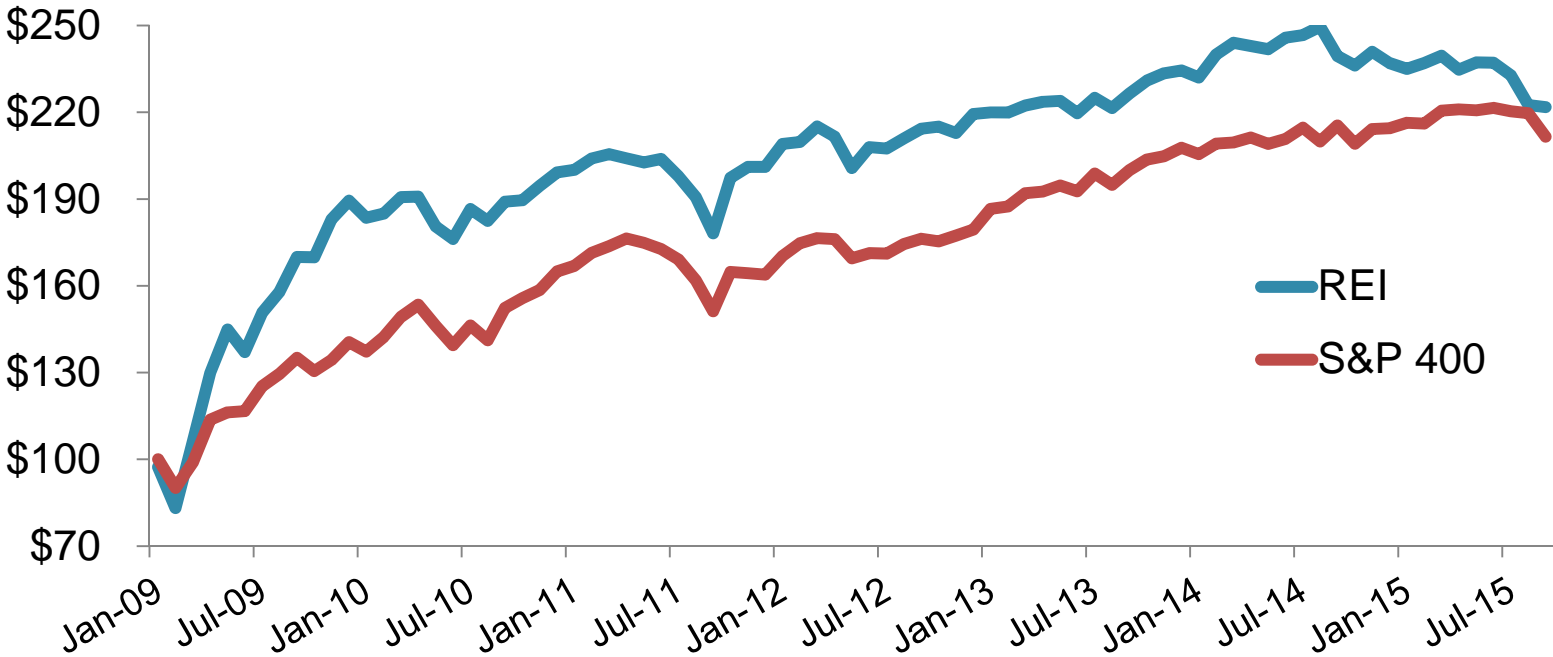
## YTD Returns vs. Previous Performance



## YTD Returns vs. Previous Performance



# REI VS S&P 400 INDEX



# SUMMARY OF FINDINGS

Performance Indicator	Major Findings
REI vs S&P 400 Value Line®	REI underperformed compared to the benchmark <ul style="list-style-type: none"><li>• REI: Average to below-average expected price performance over the next 6-12 months</li><li>• Average to above-average risk</li><li>• Average to below-average expected price change over the next 3-6 months</li></ul>
Morningstar®	Average short interest ratio of 6.68
<b>Overall implications</b>	<b>Expectations of continued economic slowdown and underperformance</b>

# BUSINESS CONFIDENCE INDICATORS



The College of  
*St. Scholastica*

**Cassidy Jayne**

The School of Business and Technology, Economics Department  
The College of St. Scholastica





# GENERAL BUSINESS CONFIDENCE

## Last 6 Months

- Company Outlook
  - 55% experienced an overall improvement
  - 17% saw their outlook worsen
- General Activity
  - 47% experienced a moderate improvement

## Next 6 Months

- Company Outlook
  - 42% anticipate no change
  - 41% expect a moderate improvement
- General Activity
  - 41% anticipate no change
  - 39% expect a moderate improvement

# SPECIFIC CONFIDENCE INDICATORS

## Last 6 Months

- Sales Revenue
  - 52% saw moderate increases
  - 18% experienced an overall decrease
- Profits
  - 39% saw moderate increases
  - 18% experienced an overall decrease

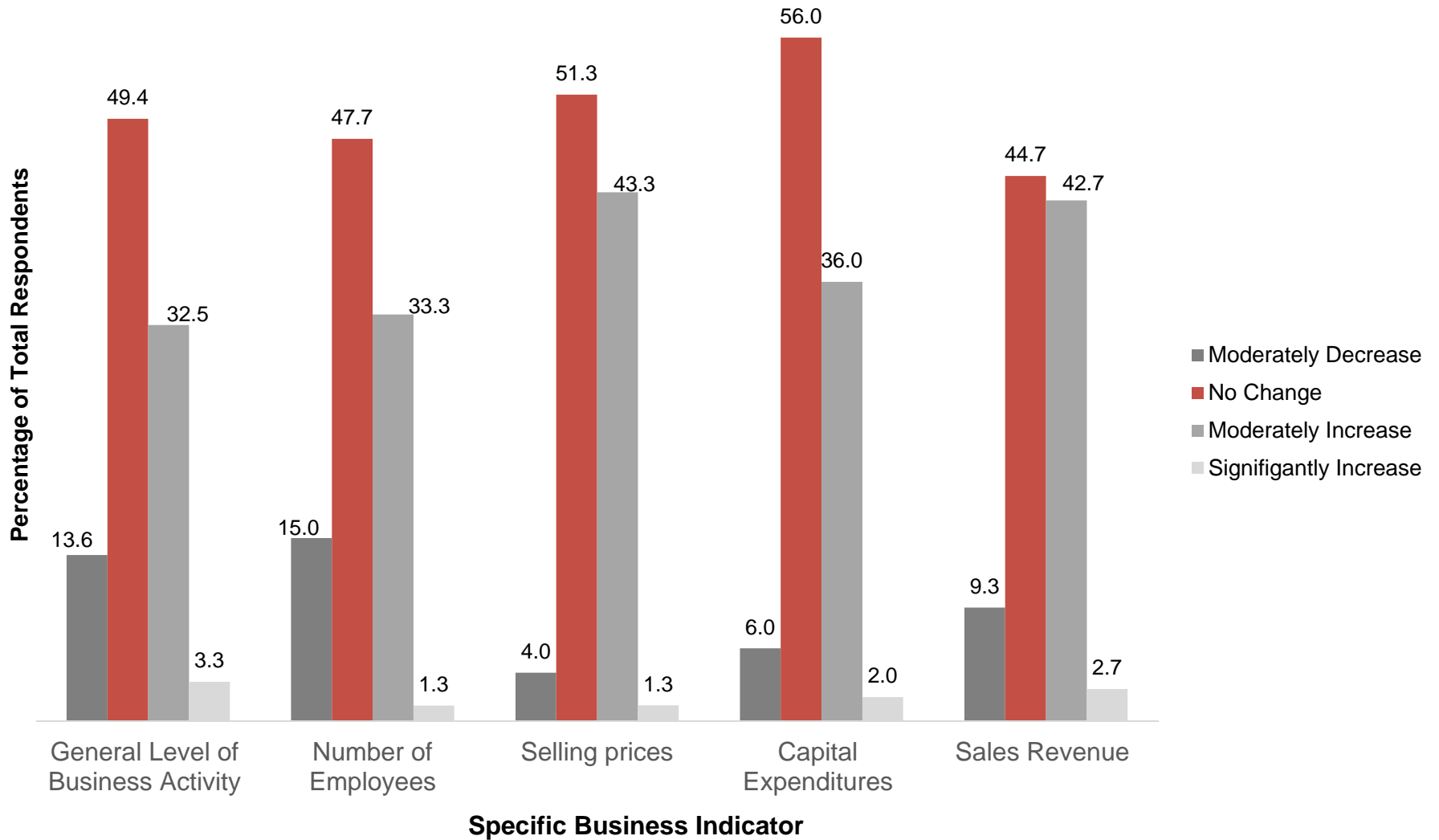
## Next 6 Months

- Sales Revenue
  - 47% anticipate moderate increases
  - 38% anticipate no change
- Number of Employees
  - 22% anticipate a moderate increase
  - 8% expect a moderate decrease

# FACTORS LIMITING BUSINESS ACTIVITY

Competition in Own Sector	36%
Demand	34%
Cost of Labor	26%
Gov't Policy	19%
<b><i>Shortage of Skilled Labor</i></b>	<b>18%</b>
Weather Activity	13%

# THE IMPACT OF SKILLED LABOR



**TEXT YOUR QUESTIONS**  
**at any time during this presentation to**

**218.721.8318**

# ANDREA CHARTIER

**Career Counselor**  
**The College of St. Scholastica**



Andrea assists and supports college students as they explore and pursue their Career paths. Previously, Andrea was responsible for building and developing community resources for jobs and internships through TwinPortsConnex and the NORTHFORCE initiative.

# TRENT JANEZICH

**Executive Director, Advanced Minnesota for the  
Northeast Higher Education District (NHED)**



Previously, Trent served as the director of Arrowhead University Consortium for NHED, where he launched and implemented the Iron Range Engineering program.

# MARI KAY-NABOZNY

**Chief Executive Officer, Northwest Wisconsin  
Workforce Investment Board, Inc. (NWWIB)**



Mari oversees and carries out the Federal Workforce Innovation and Opportunity Act in 10 Northwest Wisconsin counties.



# Skills Gap Defined As:

*"A skills gap is a state of the labor market characterized by a significant misalignment of the occupational competencies, including knowledge, skills, and abilities (KSAs), required by employers and those actually held by workers."*

Source: NWWIB 2015 Skills Gap Study

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# RESOURCES

## National Bank of Commerce

[nbcbanking.com](http://nbcbanking.com)

## The College of St. Scholastica

Robert Hoffman, Ph.D.  
Assistant Professor of Economics  
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## University of Minnesota Duluth

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Zamira S. Simkins, Ph.D.  
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# BREAKOUT SESSION – Room 205

## Judy Aspling

Judy is a human resources professional with Charter NEX films. She has been with the plastic film manufacturer since it was a small start-up in 1998. In 2006, Judy moved into human resources, where she continues today.



## Laura Sieger

Laura is associate vice president of communications & engagement at maurices. She develops strategic corporate communications for internal and external audiences, leads cross-functional teams and manages charitable and community relations activities.



# SAVE THE DATE

## THE NEXT REGIONAL ECONOMIC INDICATORS FORUM

Tuesday, March 29, 2016

DECC Harbor Side Ballroom

Special Topic – Cyber Security

