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Greater MSP Region Sees Strong Economic Performance in Many Indicators but Lags Peer Regions in Several Critical Areas

Based on the five-year results of the MSP Economic Indicators Dashboard, a regional goal-setting effort will enable the region to succeed in the new economy

MINNEAPOLIS—(June 24, 2019)—At today’s GREATER MSP partnership meeting, regional business and community leaders presented an in-depth analysis of the region’s economic performance. While the Greater MSP region continues to excel in livability factors like crime and cost-burdened households, it’s lagging in growth indicators such as business formation and racial inclusiveness.

“The data tells us there’s much we are getting right. But it also tells a cautionary story about where we are falling behind,” said Tim Welsh, GREATER MSP board chair and Vice Chairman, Consumer and Business Banking, U.S. Bancorp. “Strong communities are built on strong economies. We’ve reached a point where we need reinvention and bold action in critical areas.”

The MSP Regional Indicators Dashboard tracks performance and presents results in comparison to Atlanta; Austin, Texas; Boston; Charlotte, N.C.; Chicago; Dallas-Ft. Worth; Denver; Pittsburgh; Portland, Ore.; San Francisco and Seattle. It is released annually by the GREATER MSP partnership. To identify the following critical insights, five years of dashboard results were studied, including 56 annual indicators informed by 6,000 data points.

- **RACIAL INCLUSION:** During the five-year period, the gap between whites and people of color in the workforce narrowed from 13% to 8.6%, marking the most forward-moving progress of any of the 12 regions. But even with that improvement, the Greater MSP region ranks eleventh. **Key takeaway:** We need to focus and disrupt in this vital area necessary for the region’s long-term economic growth.

- **WORKFORCE STRENGTH:** This region has the best overall rate of labor force participation and the highest level of foreign-born workforce participation. The Greater MSP region also ranks first in women working (77.3%), outpacing the closest peer city, Boston (73%), with Dallas-Ft. Worth having the lowest rate (66.1%). **Key takeaway:** These are major competitive advantages for the Greater MSP region. We need to tell this story to a broader audience outside this area.
• **INNOVATION:** Minnesota started far fewer companies (9,336), ranking last in all but one Dashboard year, and lagging behind the closest peer city, Portland (11,008). However, once the businesses are started, the story is very different. Companies in this region have one of the highest five-year survival rates at 55%, putting Minnesota second among peers. **Key takeaway:** To sustain a diverse economy in the future, we must generate more start-up activity.

• **TALENT:** In the past two years, net migration of Millennial talent to the Greater MSP region has increased 265%, moving the region from the bottom to the middle of the pack on this key growth metric. And in 2017 alone, more than 93,000 people of all ages moved to the area. **Key takeaway:** Though the numbers looks impressive, we still need to increase in-migration to keep up with area business’s needs for highly-trained talent.

• **AFFORDABILITY:** As we improve Millennial migration we expect to see pressure on other areas, including affordability, which has rapidly emerged as a key issue for the region. The annual increase in median apartment rent has nearly doubled in five years, from 3% to 5.7%, dropping Greater MSP from the most affordable to ninth. **Key takeaway:** Building more housing at all price points, not just the luxury level, needs to begin immediately.

“It’s time to reinvent our region so we succeed in the new economy that’s just around the corner,” said Peter Frosch, CEO of GREATER MSP. “This year, leaders working together through the GREATER MSP Partnership will set regional goals that will position us to win the future.”

Get access to more information, including:

- The full 2019 Regional Indicators Dashboard
- The presentation, including charts of Greater MSP’s objective and relative performance
- A three-minute video summarizing results of the 2019 Dashboard
- Frosch’s comments about a process that will lead to the creation of regional goals

*About the Regional Economic Indicators Dashboard*
Since 2014, GREATER MSP gathered and published metrics that track our region’s performance on critical economic, environmental and social outcomes relative to 11 peer regions. The annual Regional Indicators Dashboard measures year-over-year change in areas that matter most for our region’s continued long-term success and market competitiveness. It’s created each year in partnership with the African-American Leadership Forum, The McKnight Foundation, Saint Paul Area Chamber of Commerce, Metropolitan State University, Saint Paul & Minnesota Foundations, Itasca Project, Metropolitan Council, University of Minnesota, Medical Alley Association, Minnesota Business Partnership, Minneapolis Regional Chamber, ULI Minnesota Regional Council of Mayors, Generation NEXT, Grow North, Center for Economic Inclusion, Metropolitan Airport Commission, and Minnesota Chamber of Commerce.

*About GREATER MSP*
GREATER MSP is the economic development partnership for the 16-county Minneapolis Saint Paul region. Over 200 leading businesses, universities, cities, counties, philanthropies and others are working together to accelerate the competitiveness of the 16-county regional economy and drive inclusive economic growth through job creation, capital investment and the execution of strategic initiatives.