

January 2012 Economic Dashboard Released

The January edition of the St. Croix Valley Economic Dashboard has been released by the Center for Economic Research (CER) at UW-River Falls and St. Croix Economic Development Corporation (SCEDC). The dashboard is a snapshot of the economic condition of the labor, consumer and housing markets in the three county St. Croix Valley (Polk, St. Croix, and Pierce). It presents the latest available data in one convenient package (note: most regional data is available with a one or two month delay). The Dashboard can be viewed on the CER's website at www.uwrf.edu/cer.

Dr. Logan Kelly, director of the CER, conducts research for the Dashboard and offered his observations:

State and National Indicators

"Nationally, the economy grew at a seasonally adjusted annually rate of 1.8 percent during the third quarter of 2011, up 0.48 percentage points from the previous quarter. Nonfarm payroll employment rose by 200,000 in December, and the unemployment rate, at 8.5 percent, continued to trend down. Job gains occurred in transportation and warehousing, retail trade, manufacturing, health care, and mining. The public sector, though, continued its downward trend, losing 12,000 jobs in December."

"Wisconsin's unemployment rate was down slightly to 7.3 percent in November, which was lead by a 0.3 percent increase in employment and a very minor decrease in labor force, according to the Bureau of Labor Statistics (BLS) survey of households. However, the BLS survey of employers finds that Wisconsin lost 14,600 jobs. It is not uncommon for these two surveys to conflict slightly because they are measuring different aspects of the economy. The household survey focuses on people living in the state, thus for calculating the unemployment rate, we use household survey data. The employer survey focuses on people working in the state, thus we use employer survey data to calculate job creation."

"The Philadelphia Fed's Coincident Index of economic activity indicated the state economy contracted at a seasonally adjusted annual rate of 1.56 percent. The Philadelphia Fed's Leading Index is predicting a positive 0.29 percent growth rate over the next year. Although a 0.29 percent increase is quite small, it is an improvement over the negative growth rates that had been predicted over the last few months. The Coincident and Leading indices peaked in March 2011 and January 2011, respectively."

Upper Midwest Indicators

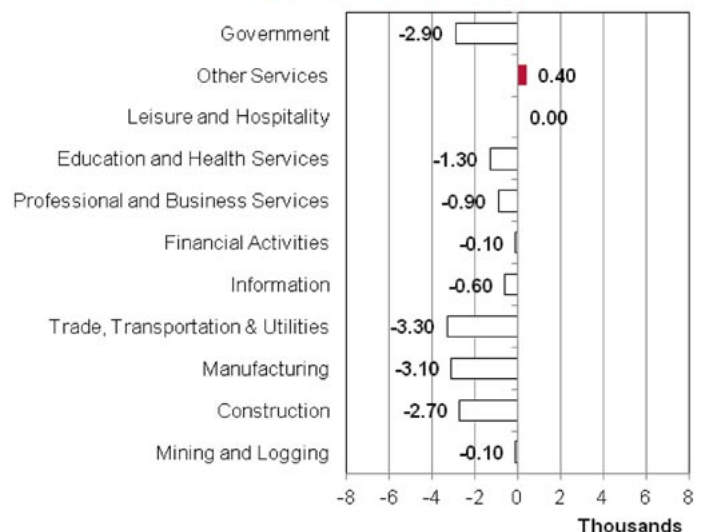
Indicators	Release Date	Wisconsin		Iowa		Illinois		Michigan		Minnesota	
		Current	Last Year	Current	Last Year	Current	Last Year	Current	Last Year	Current	Last Year
Leading Indicator ¹	Nov '11	0.29	1.38 ↓	1.56	0.92 ↑	2.13	1.76 ↑	10.66	2.57 ↑	0.39	1.43 ↓
Coincident Indicator ¹	Nov '11	-1.56%	-3.70% ↓	2.69%	1.07% ↑	4.96%	1.25% ↑	26.81%	21.72% ↑	-3.44%	-5.52% ↓
Average Weekly Mang. Hours ²	Nov '11	41.3	0.3 ↑	41.6	-0.70 ↓	41.2	1.40 ↑	44	-0.30 ↓	39.7	-2.00 ↓

Labor Market:

"The Wisconsin economy lost 14,600 jobs (net) in November, and has gained only 4,500 jobs over the last year. Job losses occurred in nearly all sectors, with the exception of Other Services. The public sector lost an additional 2,900 jobs, manufacturing lost 3,100 jobs, trade, transportation & utilities lost 3,300 jobs, and health and education services sector lost 1,300 jobs. Overall, the private sector lost 11,700 jobs."

"Conditions in the regional labor market are faring better than the state average. The regional unemployment rate held steady in November at 5.5 percent, lower than the state average of 7.3 percent and comparable to the Minneapolis-St. Paul-Bloomington MN-WI Metropolitan Statistical Area (MSA) unemployment rate of 5.1 percent. The St. Croix Valley's relative economic strength, as compared to the rest of the state, appears to be driven by close proximity to the Twin Cities."

Job Creation by Sector



Housing:

"The Case-Shiller Home Price index for Minneapolis, Chicago, and nationally all decreased for the month of October, continuing a downward trend they have maintained for the past three months. Median home prices decreased and number of homes sold increased slightly in the region. The number of homes sold was 12.4 percent higher than one year ago. Median home price is 10.1 percent lower than one year ago. The housing market looks to continue its winter slumber as the weather gets colder."

Local Observations

"Total employment for November 2011 in the St. Croix Valley is a bright spot," said William Rubin, executive director of St. Croix EDC. "Pierce and St. Croix counties are up 2.1 percent from November 2010, while total employment in Polk is up 0.1 percent. Dr. Kelly noted the region's relative low unemployment rate of 5.5 percent in November, led by Pierce's 4.7 percent rate and St. Croix's 4.9 percent. The rate for St. Croix is down 1.4 percent from November 2010. While sales tax distributions in December increased 6.5 percent for St. Croix County compared to one year ago, they were down 13.5 percent for Polk and down 2.5 percent for Pierce for the same time period. From November 2011 to December 2011, sales tax distributions declined 29.2 percent in Polk and 15.2 percent in St. Croix. Pierce reported a 3.0 percent increase from November to December."

Notes

Wisconsin's St. Croix Valley is comprised of St. Croix, Polk, and Pierce counties. All three counties are located along the Wisconsin-Minnesota border. Two of the three counties, St. Croix and Pierce, are included in the Minneapolis-St. Paul-Bloomington MN-WI metropolitan area, a 13-county region with of population of 3.25 million residents.

For additional information on the January edition of the St. Croix Valley Economic Dashboard, contact Dr. Logan Kelly at cer@uwrf.edu or (715) 425-4993 or William Rubin at bill@stcroixedc.com or (715) 381-4383.