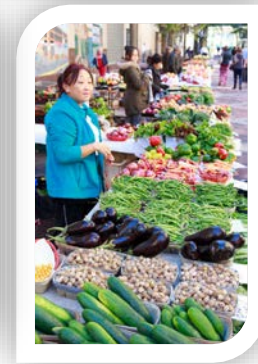
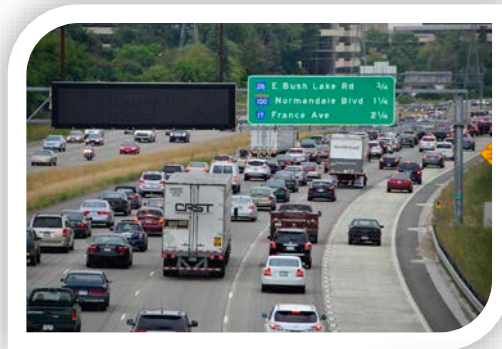


REGIONAL ECONOMIC FRAMEWORK

FINAL DRAFT



GREATER MSP
Minneapolis Saint Paul Regional Economic Development Partnership



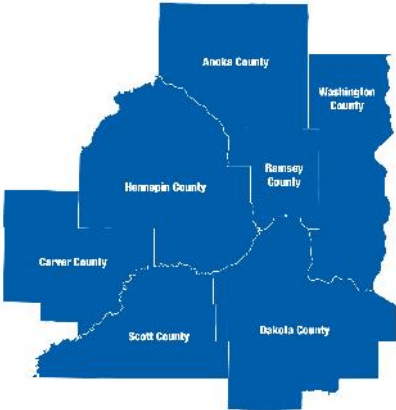
**METROPOLITAN
COUNCIL**

August 2020

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

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Executive Summary

The Regional Economic Framework was developed to support the economic well-being of the Minneapolis-St. Paul region and its businesses, communities, and residents. The Framework represents a partnership between the Metropolitan Council, the Center for Economic Inclusion, and the Minneapolis-St. Paul Economic Development Partnership (GREATER MSP).

The partners developed the Framework as a “Comprehensive Economic Development Strategy (CEDS) equivalent alternative.” This refers to a body of work that the U.S. Economic Development Administration (EDA) requires for entities in the region to qualify for EDA grants including the Economic Adjustment Assistance Program and the Public Works Program.

As a result of the COVID-19 pandemic, the partners expedited the development of the Framework so that eligible entities in the region could apply for EDA programs, including an additional appropriation as a result of the federal CARES Act. The Framework includes an overview of the region’s approach to responding to the specific economic challenges presented by the pandemic.

The nine Strategic Priorities in the Framework are based on the work of GREATER MSP’s regional ambitions, the development of which involved engagement over years involving numerous stakeholders. The Metropolitan Council and the Center for Economic Inclusion contributed expertise related to the regional economy, regional planning and policies, and workforce development. In particular, the Framework explicitly addresses our region’s significant racial disparities. They include:

- Regional Brand and Image
- Racial Inclusion
- Workforce and Skills
- Job Growth
- Talent Migration and Retention
- Startups and Innovation
- New Climate Economy
- Transportation and Mobility
- Affordability

Each Strategic Priority considers an analysis of the region’s strengths, weaknesses, opportunities, and threats. Each Strategic Priority explains why the issue matters, input that the region has received from stakeholders, project or program examples, action steps, and implementation partners.

Because the EDA requires that a regional governmental entity adopt the CEDS equivalent alternative, the Metropolitan Council has adopted the framework. The Framework is an articulation of the Prosperity outcome and economic competitiveness themes identified in *Thrive MSP 2040* and its policy plans. It does not replace these policies or actions identified in these plans. The three partner organizations are committed to continued work together to help advance implementation of the Strategic Priorities. The Framework does not dictate the actions of any organization in the region. It does, however, identify numerous organizations in the region, including cities, counties, and community-based organizations, whose collaboration will be critical to address our region’s greatest opportunities and challenges.

Unprecedented Regional Challenges

Developing this Regional Economic Framework began before the COVID-19 pandemic and recession in early 2020 as a collaboration between the Metropolitan Council and the Minneapolis Saint Paul Economic Development Partnership (GREATER MSP). When it became clear that the pandemic would have severe economic impacts, both organizations agreed to accelerate the process.

The [Center for Economic Inclusion](#) has previously been involved with GREATER MSP's work on regional economic issues. The organization elevated the need for an intentional and inclusive planning and design process, to achieve a racially and economically equitable region. The Center wanted to ensure that the economic disparities faced by BIPOC communities (Black, indigenous, and people of color) and the leadership of BIPOC-led organizations were fully integrated. As a result, Center for Economic Inclusion became a third party in the collaboration.

The killing of George Floyd by Minneapolis police officers in May 2020 created a new challenge for developing this document. The region's economy is ordinarily resilient during economic challenges as a result of its economic diversity and institutional safety-nets. This resiliency is not shared, however, by members of our community whose jobs are vulnerable to layoffs and furloughs, and who experience racism and other forms of discrimination. Minnesota's [racial disparities](#) are some of the worst in the nation. This reality is both an economic problem and a moral one. Attempts to address these issues in the past have had limited success. We are committed to meaningful actions that change this.

Regional Economic Framework Overview

The Regional Economic Framework (Framework) was developed to serve as an alternative Comprehensive Economic Development Strategy (CEDS) as defined by the U.S. Economic Development Administration (EDA). The EDA requires a CEDS, or a CEDS equivalent alternative, as a prerequisite to access [federal funding opportunities](#). The EDA will not formally approve the Framework, but it will be reviewed by EDA to determine eligibility for any future funding applications it receives from our region.

Any eligible entity in the region can use this document to meet the regional economic planning prerequisite for EDA funding applications. This Framework addresses the EDA content guidelines that are required of a CEDS. Applications must articulate how their proposed projects or programs support the strategies of the Framework. In the case of our region, those strategies are grounded in addressing our region's greatest challenges around racial economic disparities. Additional criteria and economic priorities are set by EDA for their funding programs. Typically, our region does not qualify for many EDA programs given its general economic health. Ordinarily, the EDA funds programs that address areas of economic distress (see Figure 6 on page 18). However, the entire region is eligible for CARES Act Recovery Assistance as a result of the federal disaster declaration related to COVID-19.

Geography of the Framework

As shown in Figure 1 on page 3, the Minneapolis-Saint Paul Metropolitan Statistical Area (MSA) includes a 15-county region. This 15-county area is the same as the geography represented by GREATER MSP.

Within the 15-county MSA are the core seven counties, where the [Metropolitan Council](#) provides regional planning, policy-making, and essential regional services. None of this core seven-county area is currently covered by a CEDS or CEDS equivalent alternative, but Framework provides such

coverage.¹ All eight counties outside of the Metropolitan Council's jurisdiction are covered by existing CEDS or CEDS equivalent alternatives.²

Partnership and Authority of the Framework

The Metropolitan Council has developed the Framework in partnership with GREATER MSP and CEI to inform economic development planning, investments and priority setting. The Framework reflects work of GREATER MSP, Center for Economic Inclusion and hundreds of partners in identifying strategic priorities and [Regional Ambitions](#) as well as regional policies and programs. These are informed by a set of [Regional Indicators](#) that track change on critical economic, environmental, and social outcomes. The indicators compare our region to a set of 11 peer regions. Additional insights come from a companion set of indicators called [Indicators of an Inclusive Economy](#). These indicators disaggregate key measures by race, place, and income level.

The region has a history of regional comprehensive planning, economic development, and community development. This includes collaboration among the public, private, and non-profit sectors. Many issues addressed in this Framework are well understood; and many of the strategies and evaluation measures have already been established. This Framework incorporates and summarizes them. In some cases, the Framework highlights issues that the region is newly addressing (for example, a regional climate action plan). In other cases, the Framework elevates areas that we have known are regional challenges but where focused action and accountability have been insufficient (e.g. racial equity).

None of the three organizations are EDA-designated Economic Development Districts, but each has programs and services that can support the Framework. The Metropolitan Council is not assuming additional authority or responsibilities as an economic development district or outside of those enabled by Minnesota statute. By adopting the Framework, the Metropolitan Council is acting in a regional

Figure 1 – Minneapolis-St. Paul MSA



¹ Hennepin County adopted a CEDS in 2012, but these documents must be updated at least every five years to ensure eligibility for EDA funding.

² These include the CEDS of the [East Central Regional Development Commission](#) (MN), the [South Central Regional Development Commission](#) (MN), the [Mississippi River Regional Planning Commission](#) (WI), and the [West Central Wisconsin Regional Planning Commission](#). It also includes a CEDS Alternative from a collaboration between Sherburne, Wright, Benton, and Stearns counties.

convening role. All parties in the region have a role to play in the implementation of the Framework, ensuring the economic progress of the region, and addressing longstanding issues of racial economic inequity. By reviewing and adopting the Framework, the Council acknowledges that the document reflects and supports [Thrive MSP 2040](#) and its regional system and policy plans. The Framework is a further articulation of the Prosperity outcome and economic competitiveness themes identified in Thrive and its policy plans, and does not replace the policies or actions identified therein.

The goals, priorities, and strategies of the Framework are not intended to direct plans or actions of local governments, economic or community development authorities, or non-profit organizations. All three partner organizations are committed, however, to promoting the Framework in ways that emphasize programs or projects that have explicit goals to address longstanding racial disparities and help vulnerable BIPOC business owners, workers, and learners adapt and recover from the COVID-19 pandemic.

Organization of the Framework

The Framework follows EDA's guidelines for developing a comprehensive economic development strategy (CEDS) equivalent alternative. It includes a background and analysis of the region's economy, including factors that influence the economy. That analysis was informed by an inventory of the region's strengths, weaknesses, opportunities, and threats (otherwise known as a SWOT analysis, which is included as Appendix A: Regional Assessment of Strengths, Weaknesses, Opportunities, and Threats). Based on this understanding, the Framework includes a Strategic Action Plan and Evaluation Framework. These are concrete measures that organizations in the region will take to address the region's economic issues, and how we will measure our success. They are not, however, the only measures that the region can and will take.

Regional Background

Our region's characteristics and history explain much of how we got to where we are today, and where we may be headed. Some may know this history, but others may be less familiar with it. The following information helps explain why our region is the way it is, and what challenges and opportunities lie before us.

Environment and Natural Resources

The economic and social history of the Minneapolis-Saint Paul region is rooted in land, water, and other natural resources. Dakota, Ojibwe, and other Indigenous peoples lived and flourished in the region with its ample access to natural resources. European-American farmers moving westward found Minnesota to have the best farmland in the nation. The first European-American settlements of the Minnesota Territory capitalized on riverways and served as trade centers connecting farms and forests to distant markets. The importance of rivers in facilitating trade continues to the present.

The manufacturing base of Minneapolis developed using the pre-electric power source of St. Anthony Falls on the Mississippi River. With good rail connections to the wheat fields of the upper Midwest, and with innovations in industrial processing and a large influx of immigrants, the Mill District of Minneapolis (including General Mills and Pillsbury Mills) became the world's leading flour-milling center in the 1890s. Stillwater, located on the St. Croix River, became a hub for receiving and milling the lumber harvested and sent downriver from northern timberlands.

Today, the region also invests in conserving and protecting the environment. The Metropolitan Council protects the rivers and water system through its planning and environmental monitoring and through operation of a nation-leading set of wastewater treatment plants. Through this stewardship, the Council ensures that the water flowing downriver, leaving Minnesota, is just as clean as the water coming from

the Mississippi River's headwaters. Clean water resources benefit households and water-using industries, as well water-recreation-related tourism.

Transportation Infrastructure and Services

The region is a key road, rail, and air hub for the Upper Midwest. The region is home to a major international airport, and the average commute time prior to COVID-19 was 25 minutes, the fourth lowest among the 30 largest metropolitan areas. As a metropolitan planning organization, the Metropolitan Council conducts a continuing, cooperative, and comprehensive ("3C") planning process. The region is [exploring the travel behavior impacts](#) of COVID-19 as a result of workplace shutdowns, social distancing measures, and greater rates of remote working, and is considering the potential long-term implications for transit, ridesharing, levels of congestion, and funding.

Additional information about the region's transportation systems and planning process can be found in *Strategic Priority: Transportation and Mobility, Table 6 – Regional Planning and Infrastructure, Appendix B: Metropolitan Governance, and Appendix C: Regional Transportation System Overview.*

Livability and Quality of Life

The region has numerous cultural, recreational, and entertainment offerings. The region ranks in the top 10 in the [Creative Vitality Index](#), a ranking of the 35 largest regions in terms of its arts, culture, and employment in creative occupations. The region has more theater companies per capita than any other region except New York City. For example, Minneapolis is home to the Guthrie Theatre; and Saint Paul is home to Penumbra Theatre, one of only three professional African American theaters in the nation to offer a full season of performances.

Sports, fitness, and outdoor recreation are highly valued in the region. Minneapolis and Saint Paul have the 1st and 3rd best park systems, respectively, in the U.S., according to 2020 rankings by The Trust for Public Land. Minneapolis and Saint Paul were ranked as the 3rd and 7th fittest cities in the U.S. according to the American Fitness Index. The region is home to six professional sports teams and is only one of four metro areas to have all six major sports leagues (MLB, NFL, NBA, NHL, WNBA, and MLS).

In addition, the Metropolitan Council is a funder and coordinator of a [regionwide system](#) of urban and suburban trails, parks, and natural reserves. From public opinion polling, the Metropolitan Council and the University of Minnesota regularly find that the region's residents consider its lakes, rivers, parks, and outdoor recreational areas to be its best assets. On the other hand, a 2014 study of regional park use by BIPOC communities revealed barriers to park and trail visitation. The Council has been addressing these issues through such measures as an [Equity Toolkit](#) and [Parks Ambassador Program](#).

The region has a relatively low cost of living. Most recently, it was 89% of the average of the nation's 30 major metropolitan areas. In the fourth quarter of 2019, the region had a median apartment rent of \$1,271 and a median home sale price of \$274,500. Additional information about the region's affordability, and risks to affordability and quality of life for BIPOC communities, can be found in *Table 10 - Equitable Development and Strategic Priority: Affordability.*

In 2020, the Knight Foundation and Urban Institute completed a [Community Ties](#) study, investigating what ties people to the places they live. The study found that connection and time spent in downtowns and other major destinations are a significant indicator of attachment. The study also found that quality of life matters more to BIPOC communities than it does to the mainstream white population, though may be harder to come by. In our region, BIPOC residents report lower access to certain amenities, such as high-quality schools and public safety services that they trust, even though schools and public safety are more important to them than the average resident.

Education

The region has always valued educational preparation as a foundation of its prosperity. Evidence includes K-12 educational outcomes as well as above-average levels of postsecondary education. At last survey, 44 percent of adult residents in the metropolitan statistical area have a bachelor's degree or advanced graduate degree. Unfortunately, according to a [2019 study](#) by the Federal Reserve, Minnesota also has one of the worst racial educational achievement gaps.

The region is home to the University of Minnesota, a land-grant research institution that is internationally known for its expertise in agriculture, engineering, and medical processes and devices. The first successful open-heart surgery in the nation occurred in Minnesota, followed by the first pacemaker, the first bone marrow transplant, and the first implantable drug infusion pump.

Demographic and Socioeconomic Characteristics

The region's population grew rapidly in the middle and late 19th century, and often at the expense and displacement of the area's Native American population. Economic opportunities, good farmland and natural resources attracted transplants from the East, as well as immigrants from Germany, Scandinavia, and other parts of Europe. For most of the 20th century, the region's population growth was mainly self-generated, and mainly white. Growing families and retention of the Minnesota-born population were the major source of population growth.

Over the late 20th century, and into the 21st century, the region's population has been changing and diversifying. Four notable demographic and socioeconomic dynamics are described below.

Increasing Diversity Through Migration

Population growth in the region has been largely "self-generated, natural growth" (births minus deaths), consistently accounting for two-thirds or more of growth. Still, in recent decades the region has become a gateway and destination for new immigrants. In the late 1970s and 1980s, Hmong and Vietnamese refugees resettled here and established sizable communities. In the 1990s, Somali refugees began arriving, eventually making Minneapolis a global center of the Somali diaspora. Non-refugee, "economic immigrants" from other countries have also come to the region, attracted by economic opportunities and quality of life. Despite challenges, the growing and thriving presence of Hmong, Vietnamese, Latinx, and East African communities can be seen and felt in government, civic, and commercial life.

Domestic migration, meanwhile, has ebbed and flowed with the economic conditions of the region. In an average year, 90,000-100,000 people leave the region while another 90,000-100,000 arrive from other parts of the nation. In this sense, the region "breaks even" in its interaction with the rest of the nation. Still, domestic migration has been an accelerator of growing racial and ethnic diversity. People arriving now look less like the Twin Cities of 50 years ago and more like the rest of the nation.

There are now nearly one million people of color living in the region, accounting for 26.8% of the total population. The region's Asian, Black, and Latinx populations doubled in size between 2000 and 2019. More than half of the region's Asian, Black, and Latinx residents were not here before 2000. Among the region's youngest residents, under 15 years old, BIPOC children now outnumber white, non-Latinx children. By 2030, they will represent most of the new entrants into the workforce.

Disparities Threaten the Region's Economy

The region's racial inequities continue to persist at rates that are constraining our growth, prosperity, resiliency, and competitiveness. The Brookings Institution's [Metro Monitor 2020](#) demonstrates that the region lags its peers in most dimensions of inclusive economic growth. As the region is becoming more diverse, the racial wage gap is widening. In 2018, there was a 37% gap between the median wage of

the white, non-Latinx population (\$47,900) and the population of color (\$30,200). In 2017, the gap was 33.3%. BIPOC communities and recent immigrants are also underrepresented as business owners³. The region has also performed poorly at attracting and retaining people of color who are more highly educated, a dynamic that reinforces disparities. ([Make It. MSP's 2019 BE MSP Insights Report](#)).

Prompted by calls for change initiated by BIPOC communities and organizations, civic leadership and public institutions are engaged in identifying, reforming, or replacing policies and practices that generate or reinforce inequitable experiences and outcomes. These disparities are perpetuated by the racist structures that have been built in both the public and private sectors, further calling attention to the policies and practices that are currently in place. Partnerships with BIPOC communities are necessary to identify and implement new and different approaches in order to make lasting progress in closing the gaps and eliminating these disparities. This work is reflected in multiple strategies including:

- *Strategic Priority: Racial Inclusion*
- *Strategic Priority: Regional Brand & Image*
- *Strategic Priority: Talent Migration*
- *Strategic Priority: Workforce & Skills*

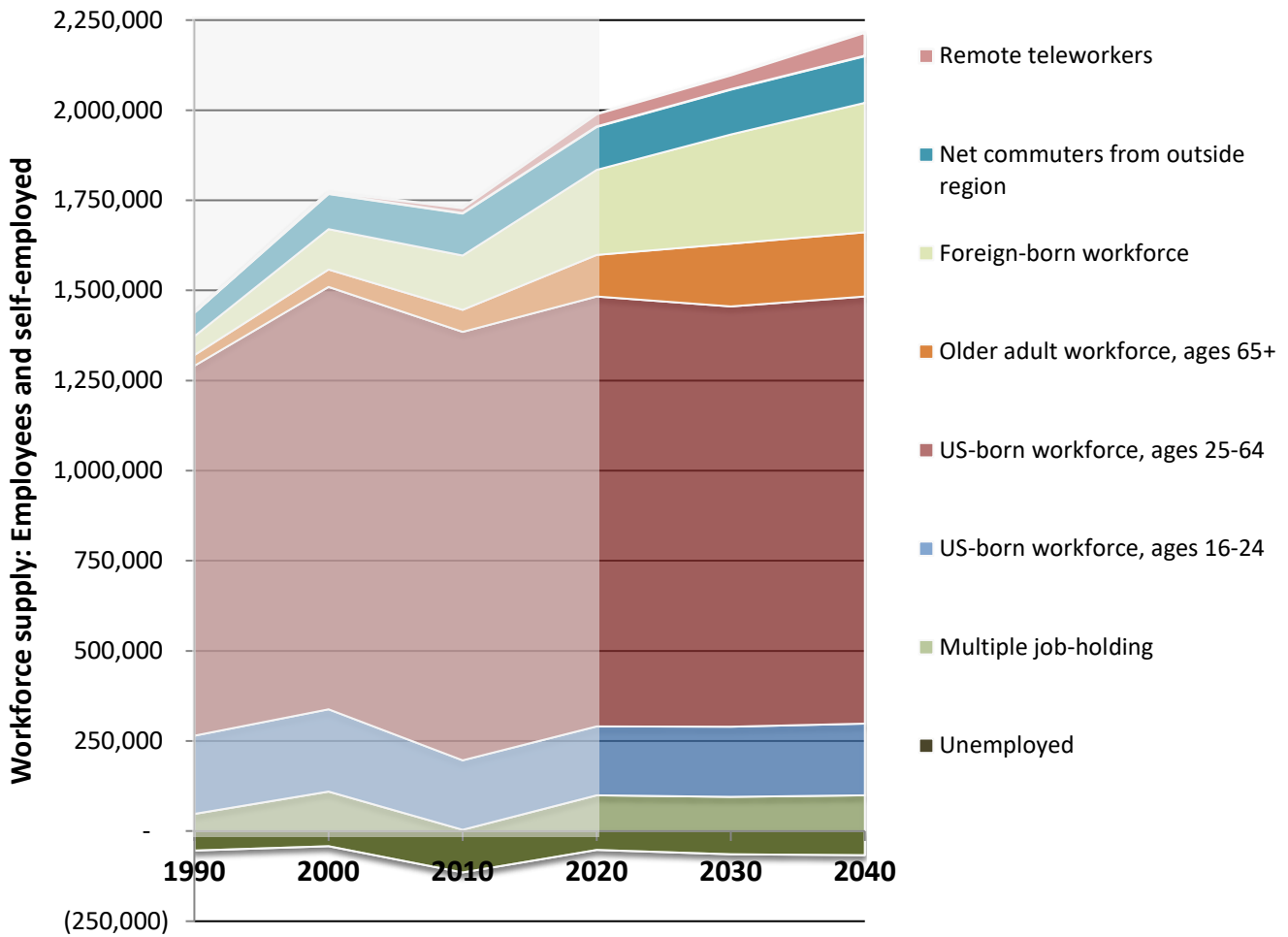
Challenges of an Aging Workforce

The region is also experiencing a generational change. The Baby Boom Generation, born after World War II, has dominated America's economy, politics, and culture. As their workforce participation peaked in the 1990s, Baby Boomers were the majority of the workforce. They vastly outnumbered the Silent Generation (born 1928 to 1945) and Generation X (born 1965 to 1980) in the workplace. Today, Baby Boomers have aged into their 60s and 70s. Most will retire during 2011-2030. Although Millennials (1981–1996) are as numerous as Baby Boomers, it means that any growth in the overall workforce will have to come from other factors.

The aging wave poses two major new challenges for the region, and for the nation generally. The first is the region's health and social services systems' preparedness for an unprecedented doubling of the post-retirement senior population. The second relates to the challenges of workforce supply, workforce development, retooling workforce skills, and career ladder succession that are further exacerbated by racial inequities.

³ The most recent information from the Minnesota Secretary of State is that self-identified immigrants are 8.2% of new business owners, but 13.0% of the adult population is foreign born. BIPOC communities are 16.6% of new business owners in the region, but 23.1% of the adult population.

Figure 2 - Workforce Supply: Source of Next 200,000 Workers



Source: Metropolitan Council, Regional forecast to 2040 (published 2019)

Workforce Shortages Threaten Competitiveness

Slower population and workforce growth are impeding the region’s economic potential. During 2018 and 2019, the 15-county region was the only major U.S. metropolitan area to have a job openings rate consistently above 5%. In 2019, the region saw annual job growth of 0.6%, ranking last among peer regions. For the latest 5-year period, the region’s job growth was 8.8%, placing us 10th out of 12.⁴

The Metropolitan Council projects that employment during 2020-2040 could expand by as many as 200,000 jobs and workers. The U.S.-born working age population (under age 65) reached its peak prior to 2010 and is not forecasted to grow in the future. To realize the region’s potential, additional labor force will need to come from continued international immigration, increased domestic migration, extended careers, and delayed retirements.

⁴ [Job Openings and Labor Turnover Survey](#)

The region faces challenges related to various strategies to increase workforce supply. The region already has a high labor force participation rate of 71.6%, the highest among peer regions. The region also has difficulty attracting more highly educated and experienced workers of color, who also leave the region at a higher rate than their white counterparts. The Black unemployment rate, which is consistently higher than the white unemployment rate, means that there is an opportunity to address workforce supply through enfranchising more of the local workforce.⁵ Institutions and corporations need to address systemic racism in order to address unemployment disparities of BIPOC communities as well as high attrition rates, underemployment, and migration from the region.

The Metropolitan Council has concluded that there is very little potential in expanding the workforce through long-distance commuting. The region's commuter shed already captures much of the workforce of surrounding counties. In 2010, 159,000 long-distance commuters, 10% of all workers at that point, were driving into the seven-county core region to work. Still, remote working could play an increased role in meeting workforce needs, particularly as COVID-19 forced many employers to embrace telework and virtual work platforms.

Economy Overview: Slowing Growth Before Pandemic

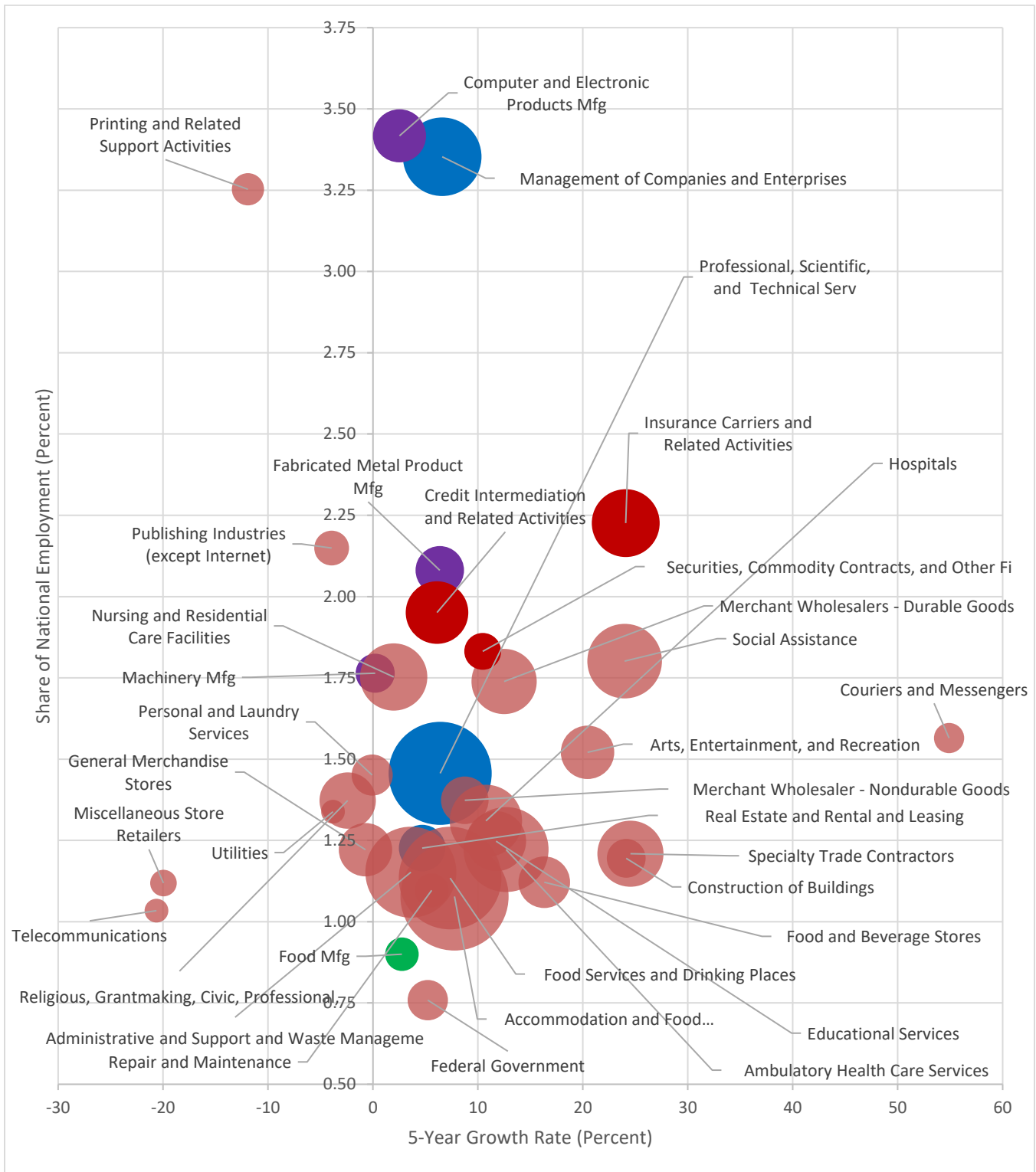
Prior to the economic shutdown and job losses in spring 2020, job growth had been steady ranging between 1.5 and 2.0% per year. At the end of 2019, the region had an estimated 1.92 million jobs. The core of the region includes seven counties in Minnesota that are under the jurisdiction of the Metropolitan Council (See Figure 1). This core area accounts for 86% of the MSA's population and 92% of the employment. *Table 2 in Appendix A: Regional Assessment of Strengths, Weaknesses, Opportunities, and Threats* includes summary details regarding the state of the regional economy.

The Minneapolis-St. Paul metropolitan statistical area is the economic and financial center of the Upper Midwest. There are no other comparably sized metropolitan areas within 300 miles. In 2018, the region's gross metro product (GMP) reached \$264 billion, or 1.3% of national GDP. Likewise, the region has 1.3% of the nation's total employment. The region has a skilled workforce with a complete mix of professions. It has 15 Fortune 500 company headquarters, a major research university, and an international airport.

The mix of industries in the region is diversified, which contributes to the region's economic resilience. As shown in *Figure 3 - Industries by National Market Share and Growth During 2014-2019*, several industries are highly concentrated in the region that have market shares of 1.8% to 3.4% of the nation. The most notable and growing regional industry clusters include insurance carriers, credit intermediation, management of companies and enterprises, fabricated metal products manufacturing, and computer and electronic products manufacturing.

⁵ [Racial Disparities in Employment Outcomes After College, MN DEED](#)

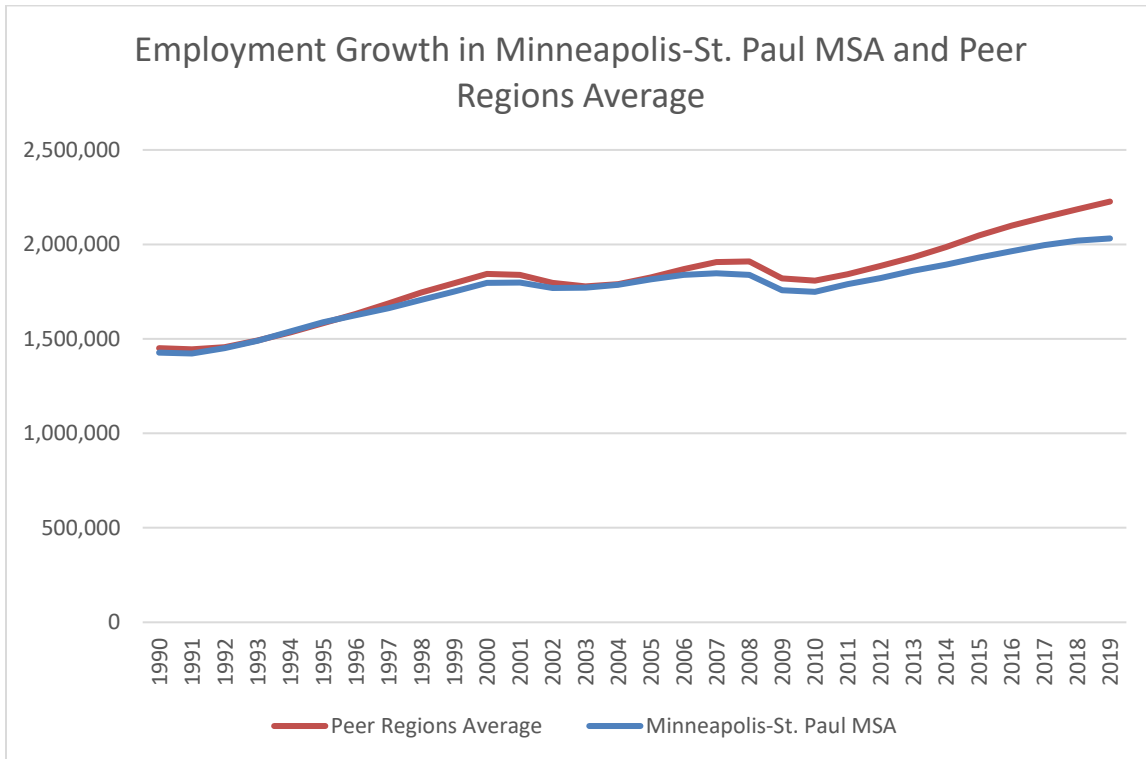
Figure 3 - Industries by National Market Share and Growth During 2014-2019



Source: US Bureau of Labor Statistics, Current Employment Statistics.

As shown in Figure 4, the regional economy grew throughout the past decade. Gains were broad-based; and services and good-producing industries shared in those gains. Total employment grew at annual rates of 1.7% to 2.3% each year from 2011 to 2017. Growth did slow as the region reached a condition of full employment and workforce shortages in 2018 and 2019. Employment growth of the metro area slipped to 0.6% in 2019.

Figure 4 – Job Growth in Minneapolis-Saint Paul MSA vs. Peer Average 1990-2019



Source: US Bureau of Labor Statistics, Current Employment Statistics.

Regional Industry Clusters and Sectors of Strength

Industry clusters are groups of companies and specialties that may have supply-chain linkages, that compete in the job market for specialized talent, and that may benefit from an economic ecosystem of industry-specific knowledge, advances, and innovations. The industry clusters that thrive here have successfully accessed and connected with national and global markets. The following sections describe the region’s “Sectors of Strength,” the industry clusters that define the regional economy and are areas of focus for strategic growth.

Financial Services and Insurance

The Financial Services and Insurance sector is made up of firms providing services such as banking, financial investment, lending, payment systems, and insurance. The sector is concentrated in the Minneapolis-Saint Paul region and is a sector of strength because of the continued growth and investment of nationally leading firms in the sector and concentration of talent with skills demanded by this sector. The sector accounts for \$34.9 billion in economic output in the region, with the second highest gross metropolitan produce (GMP) by sector in Minneapolis-St. Paul, after manufacturing.

Total employment in the sector is over 124,000, with employment growing 11.2% over the last five years.⁶ Key occupations in the sector include customer service representatives, insurance sales agents, securities, commodities, and financial services sales agents, financial managers, and insurance claims and policy processing clerks.

The largest employers in Financial Services and Insurance in the region include Wells Fargo, UnitedHealth Group, U.S. Bank, Ameriprise Financial, Blue Cross and Blue Shield of Minnesota, Travelers, Securian Financial, TCF Financial, Prime Therapeutics, Allianz Life, and Thrivent. Minneapolis is also home to the Ninth District of the Federal Reserve Bank.

The sector experiencing continued growth, particularly in financial technology. Leading financial and insurance companies in the region have gone through digital transformations with new digital service offerings. Meanwhile, startups have grown substantially in the “fintech” field, where computer technology supports and advances banking and financial services. The Minnesota Fintech Collective is a group of individuals representing local offices of corporations in finance, insurance, and regulation in partnership with local startups, accelerators, and members of the region’s entrepreneurial community. Firms such as Sezzle, Apruve, ClickSWITCH, Branch, and Upsie, have raised more than \$120 million since 2018.

Challenges that will hinder continued growth of the region’s Financial Services and Insurance sector are predominately related to the availability of talent with skills and competencies demanded by employers in the changing economy. The sector’s workforce is predominately white (84.8%), followed by Asian (6.4%), Black (4.3%), and Latinx (2.8%). For the sector to see continued growth it is important that employers revise hiring practices and increase diversity, equity, and inclusion efforts.

Headquarters and Business Services

The Headquarters and Business Services sector encompasses firms that have central operations responsible for managing of business activities, including executive offices (headquarters) located in the region (headquarters), and the business service providers that support those headquarters. The sector is concentrated in the Minneapolis-St. Paul region and is strong because of the significant concentration of headquarters operations that developed in the region and the highly skilled managerial talent pool that has grown to support these operations. The headquarters sector accounts for \$13.7 billion in economic output in the region.

Total employment in headquarters operations is over 78,000, with employment growing 11.1% over the last five years.⁷ Key occupations in the sector include customer service representatives, general and operations managers, accountants and auditors, business operations specialists, and computer systems analysts.

The region is home to the headquarters of 15 Fortune 500 companies, the most per capita for a major metropolitan area. These companies represent a diverse set of industries, including banking and finance (U.S. Bancorp, Thrivent, Ameriprise Financial), transportation/logistics (C.H. Robinson), retail (Target, Best Buy), and food (General Mills, Land O’Lakes, CHS). The region is also home to the headquarters of three of the largest private companies in the U.S.: Cargill (#1), Mortensen Construction (#98), and Andersen Corporation (#186). The region is also the U.S. headquarters location of several

⁶ Source: Emsi, 2014-2019, MSA, NAICS 52

⁷ Source: Emsi, 2014-2019, MSA, NAICS 52

international companies, including Medtronic, Pearson, Thompson Reuters, Pentair, Coloplast, BAE Systems, and Uponor.

Figure 5 – Regional Fortune 500 Companies

Company	Industry	Rank	Annual Revenue (millions)
UnitedHealth Group	Health Care	7	\$242,155
Target	Retail	37	\$78,112
Best Buy	Retail	75	\$43,638
3M	Health Care/ Consumer Goods	103	\$32,136
CHS	Food/Ag	105	\$31,901
U.S. Bancorp	Banking/Finance	113	\$27,325
General Mills	Food/Ag	192	\$16,865
C.H. Robinson Worldwide	Transportation and Logistics	208	\$15,310
Ecolab	Water/Chemicals	213	\$14,906
Land O'Lakes	Food/Ag	232	\$13,888
Ameriprise Financial	Banking/Finance	245	\$13,103
Xcel Energy	Energy	276	\$11,529
Thrivent Financial	Insurance	368	\$8,612
Polaris	Transportation Manufacturing	442	\$6,863
Securian Financial Group	Insurance	455	\$6,601

Source: Fortune Magazine, 2020

The region’s headquarters economy has grown and flourished because of the strong professional and managerial talent pool (Shaver, 2018). The Minneapolis-Saint Paul region stands out as supportive of families with dual careers, which supports our competitiveness as a headquarters location. Among the 30 major metro areas in the U.S., the region ranks first for the highest percentage of dual income married households with college degrees.

Continued growth of the Headquarters and Business Services sector is mainly challenged by the finite supply of talent, skills, and competencies that employers demand. The sector’s workforce is predominately white (84.2%), followed by Asian (5.9%), Black (4.6%), and Latinx (3.6%). For the sector to see continued growth it is important that employers revise hiring practices and increase diversity, equity, and inclusion efforts.

Continued innovation in the region will lead to the creation and growth of even more headquarters operations. Regional support for startups and innovation should include financial and social capital for new ventures, particularly for women, people of color, people with disabilities, LGBTQ+ communities, and other underrepresented groups.

Advanced Manufacturing and Technology

The Advanced Manufacturing and Technology sector encompasses innovation and technology operations in the region, including research and development, precision manufacturing, energy and

renewables, and data centers. The sector is strong due to the region's innovation assets, an established concentration of skilled talent, and the growth of technology-driven companies, products and services across industries. Manufacturing alone accounts for \$37.7 billion in economic output in the region, the highest GMP by sector in the region.

Total employment in manufacturing alone is 204,000, with employment growing 5.2% over the last five years.⁸ Key occupations in manufacturing include assemblers and fabricators, machinists, electromechanical assemblers, industrial engineers, and supervisors of production workers. There are 140,000 employed in technology occupations across all industries, including information technology (IT), engineering, repair, technician, and assembly positions.

Large manufacturing employers in the region include 3M, Medtronic, Boston Scientific, Cargill, Anderson Corporation, Ecolab, Emerson, Honeywell, Polaris, and Donaldson. Large technology companies, those with the highest employment in information technology and engineering functions, include Seagate Technology, SPS Commerce, Amazon, Oracle, Entrust Datacard, and Cognizant. Companies across industries employ technology talent and are engaged in research and development and innovation. In fact, Minnesota ranks 11th nationally in research and development spending by private sector entities.⁹

The technology workforce in the region has grown 11% over the last five years and demand is consistently high for workers with technology skills. Racial diversity is low in technology occupations in the region. The technology workforce is predominately white (76.6%) compared to 64.7% nationally. The next largest groups in tech include Asian (16%), Black (3.4%), and Latinx (2.3%). For the sector to see continued growth it is important that employers revise hiring practices and increase diversity, equity, and inclusion efforts.

In addition to the increasing demand for tech talent, another challenge that will hinder continued growth of the Advanced Manufacturing and Technology sector in the region is supply chain resiliency. The COVID-19 pandemic has forced manufacturers in the region to reevaluate their dependency on foreign-based suppliers, particularly suppliers in China. Production facility closures, delays in shipping times, and trade policy uncertainty, all contributed to disruptions in manufacturing. For the manufacturing sector to see continued growth it will be critical to build more resilient supply chains with stronger regional linkages for critical components.

Health and Life Sciences

The Health and Life Sciences sector consists of product development, device manufacturing, digital services, and care delivery activities. The region is part of Medical Alley, recently branded as "The Global Epicenter of Health Innovation and Care." The sector is concentrated in the Minneapolis-St. Paul region and is strong because of significant innovative capacities that have grown with the cluster, particularly the founding location of device-maker Medtronic, proximity to the Mayo Clinic, and home of the largest health insurance provider in the world, UnitedHealth Group.

⁸ Source: Emsi, 2014-2019, MSA, NAICS 31-33

⁹ Source: National Science Foundation Business R&D and Innovation Survey (2016 data, published in 2019), <https://www.nsf.gov/statistics/srvyindustry/#tabs-1>

The manufacturing of electromedical and other medical devices continues to grow with a clustering of device manufacturers, including Medtronic founded here in 1949. The manufacturing of medical devices has developed around Medtronic's presence and a highly skilled workforce in electromechanical assembly. There are over 8,000 electromechanical assembly workers in the region, twice the national average concentration. As the sector has grown, there has been increased focus on technology capabilities and expanded linkages in the region. For example, Best Buy Health is now a leading digital health and home health provider. Future growth in the sector will come from innovation in digital health and telemedicine. The region is home to high-growth digital health startups, such as Bind, Bright Health, and LifeSprk.

Challenges that will hinder continued growth of the region's Health and Life Science sector relate to the availability of tech talent to support the growing digital health sector. For manufacturers (medical device and pharmaceuticals), a new concern is the resiliency of the supply chain. Having a better understanding of supply chain gaps will be important to improving its resiliency. Building a more resilient regional supply chain also means building stronger networks with women and minority owned companies.

Food and Water

The Food and Water sector encompasses the firms engaged in the research, innovation, production, and delivery of food and water in the region with a focus on sustaining our natural resources. The sector is concentrated in the Minneapolis-St. Paul region and is strong because of major corporate headquarters of food producers and retailers, the strength of Minnesota's agriculture, and the research and development partnership with the University of Minnesota.

Major employers in the Food and Water sector in the region include General Mills, Land O'Lakes, Cargill, CHS Inc., Ecolab, and Caribou Coffee. The region is home to six of the 30 world's largest food and agriculture companies. Many of these global companies were founded in the region, and the region is now a destination for food-related entrepreneurs and startups. Start-up accelerator Techstars recognized this innovation-friendly culture by selecting the region as the base for its [Farm to Fork Accelerator](#). The program, with the support of Cargill and Ecolab, is focused on funding the tech/digital side of the food/agriculture supply chain.

Challenges that will hinder continued growth of the region's Food and Water sector are related to the availability of talent that employers demand in a changing economy. The region is home to a concentration of food scientists and technologists, food science technicians, and biological engineers who are important to innovation. Food supply chains are a concern as disruptions have occurred during the COVID-19 pandemic. In addition to the potential impacts of climate change, COVID-19 has illuminated a need for additional study of food systems to ensure resiliency of the supply chain.

Mixed Effectiveness of Workforce Development

The region has well-developed systems to support workforce development. Most training opportunities are coordinated with the needs of industry and employers. The region's primary challenges relate to labor shortages and racial disparities in training/educational outcomes. This significantly impacts our ability to grow the regional economy in an inclusive way, sharing the benefits of increased prosperity.

In recent years there have been, and continue to be, efforts to centralize collaboration across the regional workforce development systems. This approach must focus on facilitating regional strategies, aligned action, and shared accountability needed for accelerated and inclusive growth. Academic institutions, workforce development agencies, government, and civic organizations will align work and investments to achieve the region's economic and regional workforce equity goals. More detail about

the workforce development system can be found in *Table 3 and Appendix D: Workforce Development System*.

Workforce Disparities

There are significant disparities in the regional workforce associated with race, ethnicity, disability, age, and place. These disparities exist not only in employment and wages but can also be seen in rates of completion of workforce development programs. According to the [Workforce System Race and Class Disparities in Minnesota report](#) published by DEED in July 2015, BIPOC trainees and workers have program attrition rates that are far too high. For example, white participants in the adult workforce development programs had the highest completion rates of 42%; while Asian participants had the lowest completion rates of only 14%. The report also highlights disparities in the type of credential attained. Nearly 50% of white participants attained an associate degree or higher, whereas less than 25% of BIPOC participants attained this credential.

Despite implementation of work-based learning programs, providing equitable access to these opportunities continues to be a challenge for academic institutions in the region. Many low-income students may not have time to participate in these experiences because of other commitments (for example, caring for loved ones, working). It underscores a need for academic institutions and training partners to undertake initiatives that include experiential learning, partnerships with employers on earn-and-learn models, and partnerships with workforce organizations to support ongoing skill building once in the workforce.

Efforts by employers to create inclusive, welcoming environments are falling short. There are unconscious and conscious biases built into policies, practices, and investments. National data¹⁰ shows while two-thirds of leaders believe that they are creating an inclusive, empowering environment, only one-third of employees believe this. Similarly, while 20% of employees report feeling excluded, employers estimate that only 2% of feel excluded. If the gap in perceptions and experience of inclusion was closed by just 50%, U.S. corporations would increase profits by \$1.05 trillion. To achieve this, employers must identify and replace talent, procurement, investment, and philanthropic policies, practices, and behaviors that reinforce racial biases.

Addressing Workforce Disparities

Government agencies, workforce development boards, academic institutions, and community-based organizations across the region already implement strategies to reduce workforce disparities. These efforts present an opportunity to expand this work through greater coordination and collaboration, and intentional focus on systemic barriers and reforms. Examples of such commitments and efforts include those of the Department of Employment and Economic Development (DEED), which is currently developing a [system-wide approach](#) to addressing racial employment disparities, and the [Equity 2030 Plan](#) of Minnesota State Colleges and Universities.

Additionally, DEED published a [Workforce System Disparities Report](#) that discusses current and potential future work to address workforce disparities in Minnesota. Reducing disparities in education, skills training, and employment is one of the Governor's Workforce Development Board's goals. DEED also created a [dashboard](#) to track regional and statewide progress toward achieving goals to reduce workforce disparities. This information provides transparency, promotes accountability, and guides further strategy development. There is an understanding of the problem, strategies have been

¹⁰ [Accenture Getting to Equal 2020](#)

identified; and goals have been set. The opportunity and imperative largely lies in further identifying and advancing policies, system reforms, and aligned investments that advance regional equity goals.

Career Pathways

Despite efforts to develop strong public-private partnerships to support workforce development, gaps in training and career pathways for the region's leading industries still exist. For instance, some career pathways in the healthcare industry lack "stackable" education or training opportunities. Pathways that allow for incremental, combinable certificates and credentials can require less time and money than traditional credential pathways. They can enable a person to enter and exit education and work, as needed, and allow a person to accumulate qualifications that support career advancement. This is particularly useful in pathways to occupations that are high-wage and in high-demand, such as registered nurses.

In addition, entry-level and technical occupations in the manufacturing industry lack clear pathways for high school graduates and dual education and training models that prepare a person to fill expected vacancies and labor shortages. Minnesota's traditional training model is program-rich and results-poor when it comes to ensuring that pathways lead to family-sustaining wages, particularly for BIPOC households.

Workforce and Talent Shortages

In the years prior to the COVID-19 pandemic, the region experienced an extremely tight labor market. The [Job Opportunities and Labor Turnover Survey](#) (JOLTS) of the U.S. Bureau of Labor Statistics measured 90,000 to 112,000 job vacancies in the 15-county MSA in every month from August 2017 to November 2019. These numbers were double the number of unemployed persons during the same time. These are the highest job vacancy levels measured in the 20 years of the JOLTS time-series.

Workforce shortages at this level – double the number of unemployed – depresses the potential for business expansions in the region. This includes firms that might otherwise consider relocating or expanding here. Minnesota DEED tracks jobs created from business openings and expansions. Job growth peaked in 2016 then leveled off in 2017, 2018, and 2019.

Existing racial disparities involving education, training, and wages also pose a threat to the regional workforce, exacerbating labor shortages. Current forecasts predict working-age populations of color will double between 2020 and 2040. Failure to address disparities could result in persistent and growing inequities.

Planning for Regional Resilience

The Metropolitan Council plans for the future of the region in partnership with 181 communities and seven counties. The Council provides cost-effective transit and wastewater services, plans for effective transportation in the region, assists low-income households to find affordable housing, and supports communities as they plan for growth. Its mission is to foster efficient and economic growth for a prosperous metropolitan region.^{11 12}

The Council develops, in cooperation with local communities, a metropolitan development guide — a set of policies and plans to guide the efficient growth of the region and support the region's economic

¹¹ [Metropolitan Council Facts](#)

¹² [Metropolitan Council Fact Sheets](#)

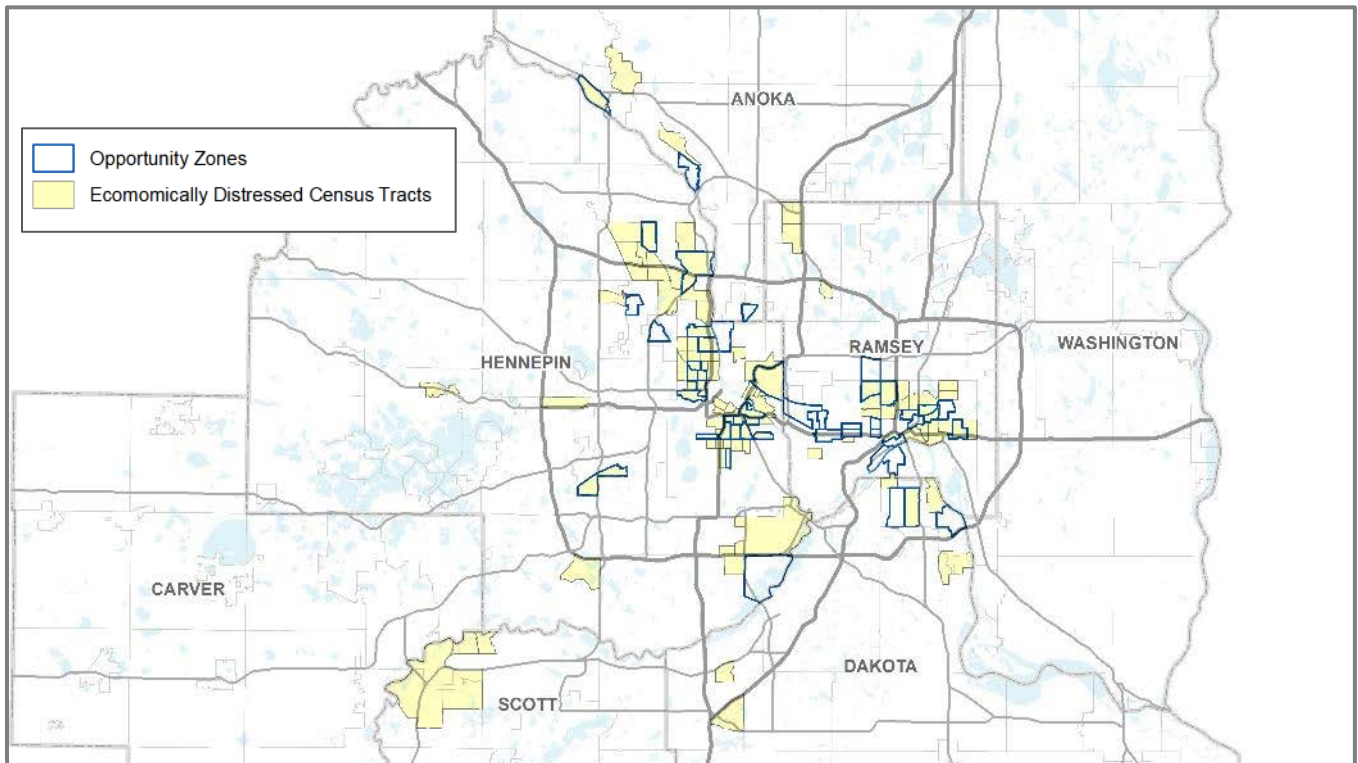
competitiveness. Four plans address transportation, water resources, regional parks and housing in the region. The current development guide is [Thrive MSP 2040](#). The desired outcomes of *Thrive* are stewardship, prosperity, equity, livability, and sustainability. The Council measures all its policies and services by these outcomes. Additional detail about the region’s characteristics regarding regional planning and infrastructure can be found in *Table 6 – Regional Planning and Infrastructure*.

Equitable Development

In 2014, the Metropolitan Council published [Choice, Place, and Opportunity: An Equity Assessment of the Twin Cities Region](#). This document contained an in-depth discussion of the region's race and poverty trends in the context of housing choice. BIPOC communities have lower incomes than whites on average, which constrains housing choice. The analysis considered the proximity of opportunities like jobs and high-performing schools, and concluded that inequitable access cannot be explained by income alone.

Since the publication of *Choice, Place, and Opportunity*, the Council has continued its analysis and discussion of poverty and income inequality. Most recently, Council researchers have been asking whether an emphasis on concentrated poverty fails to adequately address broader systems of inequality and historic root causes. These root causes include racially discriminatory practices that have created and perpetuated concentrated poverty, especially among the region's communities of color.¹³

Figure 6 - Opportunity Zones & Economically “Distressed” Census Tracts



¹³ Please review the presentation to the Council on [Place-Based Equity](#) (December 11, 2019).

Housing cost inflation over the past two decades has exacerbated racial wage disparities. Relative to population growth, most of our peer regions are building more housing. This decrease in housing affordability has impacted middle income (\$35,000 to \$75,000) households the most. During the most recent decade, new housing production in the seven-county core region averaged only 11,000 units annually, notably short of the 14,000 that would have been needed to keep pace with historical rates of household formation.

[Analysis by Metropolitan Council](#) finds that the housing production deficit during years 2008-2016 caused both a substantial drawdown in vacant stock and a slowdown in household formation. Consequently, some housing demand and consumption have been lost as young adults and low-income families have instead opted to “double-up”, or to live with family or friends, instead of establishing their own households.

The U.S. Economic Development Administration uses specific metrics to identify areas of “economic distress” for its programs. Figure 6 illustrates those parts of the region that are experiencing economic disparities compared to the rest of the region, consistent with those metrics. The map identifies census tracts with average unemployment rates that are at least one percentage point higher than the national average unemployment rate, or per capita income that is 80% or less of the national average. This map also indicates the geographic extent of federal [Opportunity Zones](#).¹⁴

This Framework recognizes that these areas *should not be understood only in these negative terms*. These are communities with families, small businesses, community organizations, and other assets. These communities understand the challenges and opportunities and should be at the forefront of addressing their needs. As further described in the [Council's continued analysis](#), the Framework acknowledges the harm that the initial focus has caused and how many of the region's residents this focus left out. The Framework builds on the understanding that more people living in poverty live outside of Areas of Concentrated Poverty than within them (71% versus 29%).

As part of its ongoing role at coordinating and convening planning discussions around regional systems and the regional economy, the Council will be partnering with GREATER MSP and Center for Economic Inclusion on developing an [Economic Value Atlas](#). This is a [project cosponsored by the Brookings Institution](#) and will involve developing tools to better articulate the region's economic values and how tools such as web maps and data dashboards can track results in terms of those values.

[Livable Communities Program / Brownfield Cleanup](#)

The [Livable Communities Program](#) invests in local economic revitalization and development of workforce housing. The program is a voluntary, incentive-based approach to help communities grow while addressing affordable and lifecycle housing needs. Programs that provide legal liability assurances, such as the Voluntary Investigation and Cleanup Program, have encouraged buyers, lenders and developers to identify potentially contaminated properties as candidates for cleanup and reuse. Because of these programs, many properties that would have remained untouched are instead redeveloped.

¹⁴ *Opportunity Zones* were nominated for that designation by the State of Minnesota and have been certified by the Secretary of the U.S. Treasury. This is a recent designation created by the Tax Cuts and Jobs Act of 2017. It encourages investments in lower income areas by allowing investors to defer capital gains taxes.

Minnesota has substantial regional cooperation and experience in brownfield redevelopment. State government has been aggressive in identifying and cleaning up contaminated sites since the early 1980s, soon after the federal Superfund law was passed. In addition to the technical guidance provided by the state Pollution Control Agency staff, Minnesota administers financial incentives to support redevelopment. The State of Minnesota, the Metropolitan Council, and Hennepin and Ramsey counties collectively award \$16 million in grants and loans per year for brownfield redevelopment, but these resources fund less than half of the requests received.

Climate Hazards and Planning

The state and region have undertaken planning and initiatives related to mitigating and adapting to change. The Metropolitan Council has conducted a [Climate Vulnerability Assessment](#) (CVA) as part of coordinated regional efforts to address, mitigate, and adapt to climate change. In addition, the Twin Cities [Greenhouse Gas Inventory](#) summarizes the sources of greenhouse gas emissions by jurisdiction and tracks how emissions are changing over time. A high-level summary SWOT analysis of climate hazards and planning is included in Table 9. This Framework also includes a SWOT analysis of the region's energy needs (*Table 7*), which sets the stage for the *Strategic Priority: New Climate Economy*.

The Minnesota State Climatology Office cites extreme precipitation as the most prevalent climate change-related hazard to date in Minnesota. This manifests as intense rainfall, causing local floods. While increases in the number and intensity of extreme heat days have not yet been observed in Minnesota, scientists expect extreme heat increases to occur in the current decade. The Metropolitan Council's CVA includes a [Heat Mapping Tool](#) that shows where this impact could be greatest. These events have disproportionate impacts on low income households that may not have access to air conditioning, may live in neighborhoods with less tree canopy, and may rely more on transit, walking, and bicycling. Warmer winters could also impact winter-related activities and tourism like skiing and ice fishing.

COVID-19 Pandemic

The COVID-19 pandemic presented an unprecedented challenge to the region in 2020. Following Governor Walz's declaration of a peacetime emergency and his series of executive orders, all non-essential businesses were closed. Those who could work from home began doing so. The impact of mandated closures and stay-at-home orders has been significant on the regional economy, particularly on service industries, small businesses, and BIPOC communities. Public and private sector partners, including community-based organizations, have moved quickly to provide relief to residents and businesses and address health care equipment and services challenges.

Economic Impact

In developing the Framework, the partners acknowledge that BIPOC communities have often been undercapitalized and disenfranchised, making their participation in the economy more vulnerable to shocks like COVID-19. Our region has failed to mitigate the disparate racial impacts of prior recessions, which have compounded disparities and/or eliminated progress at reducing them. New recovery efforts must address the underlying causes of racial gaps in income and wealth.

Early analysis of COVID-19 impacts shows significant reductions to consumer activities, sales, services, and overall economic output, accompanied by major layoffs and furloughs. The Metropolitan Council has conducted [analysis](#) of the industries and occupations with the greatest job losses, as well as how household incomes have been affected across different racial and ethnic groups. Council research staff have also explored the impact of CARES Act relief on households over time based on different business closure scenarios.

The impact of COVID-19 has had disproportionate impacts on low income people and BIPOC populations. Latinx, Black, and Native American people have experienced disproportionate levels of infection from COVID-19, exacerbating the economic hardships of the pandemic. To date, 42% of Native American workers, and 40% of African American workers have experienced unemployment. Significant numbers of BIPOC owned businesses have had disproportionate impacts from closures or reduced revenue.

Recovery Framework

The huge impacts of such an unprecedented and unpredictable pandemic have required many different types of responses. As such, no one organization or even collaboration can be responsible. Local and regional government agencies, chambers of commerce, faith-based organizations, community-based organizations, and community economic development organizations have all played significant leadership roles in supporting the needs of the region's businesses, workers, and families. Each will be necessary as we reimagine and co-create a resilient and inclusive economy for the future.

As part of the landscape of local governments and organizations already involved, the GREATER MSP Partnership and Center for Economic Inclusion will play leadership roles in the regional recovery effort. This role includes leading regional multi-sector efforts to help stabilize the economy, address the disparate economic impacts of COVID-19, and inspire economic regeneration and growth that results in equitable outcomes. Different organizations are more effective for different scales, such as direct technical assistance to individual businesses in a neighborhood, or the distribution of business loans to aid in recovery. All these efforts are integral to economic recovery in the region.

The Center for Economic Inclusion launched a 5-Point Inclusive Recovery Agenda in March of 2020 to guide racially equitable and responsive public and private sector investments, policies, and actions. The agenda applies seven principles from the Urban Institute's 2017 report [Inclusive Recovery in U.S. Cities](#), and includes principles that cities and regions have used for successful inclusive recovery.

To that end, the Framework encourages projects to incorporate these principles:

1. Adopt a shared vision early. Get buy-in from local stakeholders
2. Inspire and sustain bold leadership
3. Cross-sector partnerships: Residents, media, business leaders
4. Build voice and power in BIPOC communities
5. Leverage assets and intrinsic advantages: physical spaces and resident potential
6. Think and act regionally
7. Reframe inclusion as integral to growth.
8. Adopt inclusive policies and programs: education, housing, and fiscal policy

Through extensive convening of partners during the COVID-19 pandemic time period, it was found that there are many focus areas for our regional recovery effort, and they all connect to two central questions: How do we create good jobs in the economy that is emerging, and how do we do so in a way that results in more inclusive outcomes? Some of these efforts are already underway while others will take more time to develop.

There is consensus across regional partners that the regional economy should not return to what it had been prior to COVID-19. A new normal will emerge as the pandemic continues or subsides, and the region must work with a sense of urgency to reimagine an economy that is more inclusive and accessible to all.

Early Stages of Recovery

At the publication date of this document there were already many recovery efforts underway in the region, many focused on delivering relief to workers and small businesses impacted by the Governor's executive orders to close nonessential businesses. Examples of relief efforts are described here.

- Rapid-response communication
 - Daily situational update communications with Minnesota Department of Employment and Economic Development (MN DEED).
 - Government web site updates with resource information including customized information for entrepreneurs, newcomers, and talent recruiters.
- Relief funding
 - Relief funds distributed by local government, philanthropic organizations, and the State
- Listening Project
 - One-on-one conversations with 225 partners to understand issues, priorities, and challenges that will inform immediate as well as long-term economic recovery work.
- Convenings of teams and working groups
 - Weekly information sharing meetings among county economic development staff and economic development partners.
 - Regional briefings to leadership groups that include Regional Council of Mayors and county commissioners on the GREATER MSP Partnership Board of Directors.
 - Briefings by county economic developers to economic development staff groups at the city level.
 - Weekly calls with startups via the Forge North initiative to discuss challenges and opportunities to adapt.
- Data tracking, monitoring, and dissemination
 - Data analysis by Metropolitan Council, GREATER MSP, Center for Economic Inclusion, Real Time Talent, and others to analyze data on economic impacts, including those on low income and BIPOC communities, vulnerable industries, new business applications, private equity financing, commercial/industrial real estate market, and housing market.

- Business support campaigns
 - Business and trade associations, as well as owners and operators, from across the region formed a coalition to work on issues that are affecting operations and employees. Together, they are advocating for sensible policies and solutions that will support those that continue to do business, those that are having to adapt their business model, and those that have experienced mandatory closures.

Ongoing recovery efforts will focus on reopening businesses and restoring confidence in the economy and getting business back into an operating routine. The reimagination of the regional economy means preparing the region for a post-COVID-19 future that may include new emerging sectors of strength, new methods of education and training delivery, new kinds of jobs requiring reskilling, and improved resiliency in supply chains to prepare for future disruptions. A reimagined regional economy means focusing recovery strategies to support BIPOC communities that were disproportionately impacted by the COVID-19 pandemic.

Strategic Directions, Action Plan, and Evaluation Framework

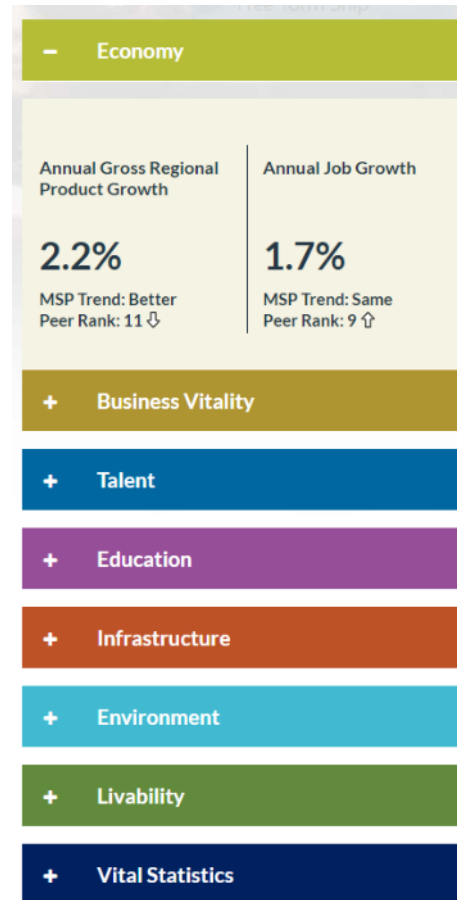
This section of the Framework presents regional priorities and action steps, the product of over 2,000 leaders from all sectors working together to track the performance of the economy and craft a bold vision for the region. The vision is for the region to lead the world in inclusive economic growth by welcoming all, empowering talent, and igniting innovation. The region's strategy consists of nine interconnected and interdependent strategic priorities. Improving in these nine areas is critical to our region's future.

Included in this Strategic Direction and Action Plan is a path forward for our region to build on the region's strengths and remedy its weaknesses. For each strategic priority there is a set of key actions to be taken to accelerate progress toward the regional vision and a representation of the lead organizations involved in its implementation.

Regional Indicators

We can focus on these nine strategic priorities because we have a mechanism to measure our economy's performance, track our progress, and identify where we need to improve to be more competitive. The [MSP Regional Indicators Dashboard](#) benchmarks how our region's economy is performing over time against a set of 11 peer regions. In 2019, a five-year trend analysis of the regional indicators was conducted, foundational to establishing this new regional strategy. The Center for Economic Inclusion has complemented this work with [Indicators of an Inclusive Regional Economy](#), providing a picture of economic inclusion in the region by disaggregating key measures by race, place, and income level.

Snapshot of the Regional Indicators Dashboard



Nine Strategic Priorities





Strategic Priority: Regional Brand & Image

Why It Matters

Our regional brand raises national and global awareness of our region's many unique strengths and aspirations, including how we are facing our challenges. Most recently, our image has become associated with police brutality and the civil unrest that followed. It is a crisis that compounds the negative experiences of the region by people of color.

Description

The region is not as familiar to the nation as some of its peers and competitors. Historically the Twin Cities region has projected an image of hard work, self-reliance, and “the Good Life.” Today though, the region is forced to confront its social failings, brought to the forefront by the killing of George Floyd by Minneapolis Police. This reckoning is taking place simultaneously with the distress of the COVID-19 pandemic and recession.

The region often tops national quality of life indices, but surveys consistently reveal that awareness of the region across the country remains low. Except for high-profile negative events, perceptions of the region lack detail. What people do know about the region is that it can be very cold in the winter. Some are aware of its sports teams, the Mall of America, or other signature landmarks. Some draw an association with the late musician Prince. Some business leaders are aware of one or more of the region's major corporations, like 3M or Target.

Compounding unfamiliarity with the region are inconsistent references to the region. People may refer to the region as the Twin Cities (which does not translate well into other languages), Minneapolis, Minneapolis-Saint Paul, and Greater MSP. The professional sports teams are all named “Minnesota”, though they all play in Minneapolis or Saint Paul. This is a challenge that peer regions such as Atlanta, Seattle, or Houston don't have.

Partner Input Highlights

- The GREATER MSP Partnership has conducted two national studies among hundreds of business site selectors and executives. These results were analyzed by the GREATER MSP Partner Advisory Council, a group that included dozens of local government staff and economic development partners across the region.
- Through the Make It. MSP. initiative, the GREATER MSP Partnership conducted a perception study of talent throughout the United States and analyzed results with dozens of employer and community partners, including the Make It. MSP. Enterprise Team of leading regional businesses.
- Thousands of local professionals, entrepreneurs, newcomers to the region, people of color, students, talent leaders, and other key audiences have provided detailed perceptions of the Greater MSP region via interviews, focus groups, and surveys. These results have been shared across multiple reports interpreted by hundreds of partners.
- Destination Marketing Organizations like Meet Minneapolis have conducted and shared national perception studies among travelers, travel media, and event planners. These results are shared with their members and regional partners.

Action Plan

Collaborate on the development and promotion of an authentic brand that responds to our region's unique strengths and aspirations, including how we are responding to challenges:

- Develop a regional brand based on external and internal assessments with key economic stakeholders and community leaders, including those that represent BIPOC communities.
- Rebuild our region's image by confronting our region's challenges and promoting our region's unique strengths.
- Execute marketing campaigns directed toward corporate site selectors and business executives, high-growth companies in sectors of strength, investors, talent, and visitors.
- Target corporate site selectors and business executives around the country and world through digital campaigns and in-person events like trade shows, conferences, and market visits.
- Through Make It. MSP., engage with key talent segments across the country that generate awareness among tech talent, workers in the food and agriculture industry, students, and others.
- Through Forge North target active investors and media in select markets across the country and world through digital campaigns and events.
- Support the work of Meet Minneapolis, Visit Saint Paul, Bloomington CVB, Explore Minnesota, Mall of America, and Metropolitan Airports Commission in engaging national media.

Action / Project Example

“Develop in MSP” campaign: Interviews with dozens of technologists as well as events in key markets around the U.S. shaped the design of the first phase of the Make It. MSP. initiative's “Develop in MSP” campaign, and effort to share the stories of tech professionals who relocated to the Greater MSP region. The video campaign, focusing on how the region's top attributes would help people develop their lives and careers, ran in targeted U.S. markets and reached more than one million people.

Implementation Partners

Key partners in advancing the region's brand include GREATER MSP, the State of Minnesota, Meet Minneapolis, Visit Saint Paul, Bloomington CVB, counties, cities, Medical Alley Association, the University of Minnesota, and globally connected businesses.

Implementation Framework / Measurements

- Awareness of the region among target national audiences (for example, business leaders, corporate site selectors, BIPOC professional organizations)
- Positive associations of the region among the same target audiences
- Impressions of content among key audiences
- Positive media mentions of the region



Strategic Priority: Racial Inclusion

Why It Matters

Racism, racial economic disparities, and economic injustice are significant and chronic challenges that our region must confront. BIPOC communities, regardless of income, are more vulnerable to economic shocks like the COVID-19 pandemic. Recent civil unrest as a result of the killing of George Floyd by the police has laid bare longstanding pain and frustration. The aftermath of the looting and damage to property and businesses has disproportionately impacted people of color and recent immigrants. Our vision is to take responsibility at all levels of society to confront systemic racism and wealth inequality.

Description

The region has one of the most economically diverse and resilient economies in the nation, yet many residents do not share in this prosperity nor are they shielded from economic downturns. The Brookings Institution [Metro Monitor](#) indicates that our region performs worse than our peers in most dimensions of inclusive economic growth. While the region has made progress in narrowing the racial employment gap, it is insignificant. Since the last economic recession and despite significant efforts, our region has only slightly narrowed the wage gap between white Minnesotans and Minnesotans of color.

Racial economic disparities not only tarnish our region's reputation; they exacerbate our region's problem with labor shortages for certain industries. The Black unemployment rate is consistently higher than the unemployment rate among whites, regardless of economic conditions. In an equitable future regional economy, the elimination of the unemployment gap will result in a larger supply of workers.

Research shows that a fair and just economy builds overall prosperity and social wellbeing. We know we must build an economy that works for everyone if we are to be a competitive region. We can create an economy that thrives for everyone, where we all participate as entrepreneurs, innovators, workers, and consumers.

Partner Input Highlights

- The Center of Economic Inclusion established the [Indicators for an Inclusive Regional Economy](#) as a companion to the Regional Indicators Dashboard. This was done with the support and involvement of the Metropolitan Policy Program at the Brookings Institution and Living Cities. The region's stakeholders can now monitor the impacts of actions and investments on racial employment, income, and wealth gaps.
- [Make It. MSP.](#) conducted surveys of more than 1,700 professionals of color to assess the region's issues regarding attracting and retaining professionals of color.

Action Plan

- Establish regional goals for closing racial income and wealth gaps.
- Establish goals for improving the experience of belonging and safety among BIPOC communities in the public realm (including, but not limited to workplaces, schools, parks, and shopping).
- Support employers in attracting employees of color and nurturing their professional development.
- Support regional employers in transforming their workplace cultures and community/business relationships, including recognizing and transforming the negative influence of unconscious bias.
- Support economic development institutions that nurture BIPOC economic enterprises and entrepreneurs.
- Identify and work to eliminate barriers and discriminatory practices in commercial leasing.

- Support educational reform that confronts systemic racial bias, supports learning environments tailored to the needs of communities of color, and address barriers to training and mentoring.

Action / Project Example

MSP Tech Inclusion Project. The Center for Economic Inclusion, cities of Minneapolis and St. Paul, Hennepin and Ramsey Counties, Minnesota Tech Association, GREATER MSP, and community-based organizations recently formed a partnership to increase racial inclusion and equity within the tech sector. This effort will better align and coordinate multi-sector outreach, training, financial capabilities, asset building, and economic development activities focused on BIPOC communities, to support workforce development and help create racially inclusive workplaces. Such support would include relationship building with BIPOC communities and new opportunities for paid work-based learning. The initiative will leverage Full Stack, Minnesota Technology Corridor, and other economic development efforts.

Implementation Partners

Actions will be led by the Center for Economic Inclusion and the Metropolitan Council in partnership with the Council's Equity Advisory Committee. Other partners involved in coordination of this work include the African American Leadership Forum, Coalition of Asian American Leaders, ACER, Tiwahe Foundation, Latino LEAD, Linking Leaders, the GREATER MSP Partnership, area chambers of commerce, workforce investment boards, private sector employers, cities, counties, and civic partners. The Center for Economic Inclusion will lead regional efforts to identify and mobilize solutions to build racial inclusion and institutionalize public and private sector practices that catalyze inclusive growth and close racial wealth gaps.

Implementation Framework / Measurements

- Workforce participation and unemployment rates, disaggregated by race
- Racial employment gap (between white, non-Latinx and population of color)
- Average annual per capita earnings, disaggregated by race
- Racial wage gap (between white, non-Latinx and population of color)
- Share of full-time workers earning less than 185% of federal poverty line, disaggregated by race
- Six-year graduation rates, disaggregated by race
- Wage change for participants obtaining degrees or credentials, disaggregated by race
- Per capita business ownership, disaggregated by race
- Number/percentage of companies whose hiring practices reflect racial and ethnic composition of the region
- Lending to small businesses in majority white versus majority people of color census tracts



Strategic Priority: Workforce & Skills

Why It Matters

The skills required for future jobs are changing, and the economy is facing labor shortages that are exacerbated by racial disparities in education and training. We must better prepare our workforce to become more resilient, adapting as the needs of the economy change.

Description

Talent is the one the region's greatest assets. It a testament to the strength of our educational institutions and long-standing investment in public K-12 education. The region leads our peer set in labor force participation and ranks high in postsecondary degree attainment.

Attainment gaps persist among BIPOC communities, however. Greater educational attainment correlates with increased earnings, lower unemployment, better health, and other social and economic benefits. Recent analysis shows that 68% of jobs paying family-sustaining wages require postsecondary education beyond high school. For the region and state to maintain economic growth and ensure continued prosperity, postsecondary credential and degree attainment must increase for people of color.

Today's economy demands a highly educated workforce. Individuals with a high school diploma or less are four times as likely to be in highly replaceable jobs that are vulnerable to automation.¹⁵ The COVID-19 health and economic crisis has put pressure on employers to automate processes and move to digital platforms. Racial disparities in educational achievement, degree attainment, and employment remain at high levels. We must ensure inclusive access to tools, resources, and opportunities for meaningful work. As the population becomes more diverse, the region needs to confront and reverse these disparities.

Partner Input Highlights

- The former Greater Metropolitan Workforce Council, a public and private sector coalition of leaders, established a committee to identify workforce and skills-related goals and indicators for the region and included participation from the Center for Economic Inclusion, GREATER MSP, Real Time Talent, the Minnesota Office of Higher Education, the Federal Reserve Bank of Minneapolis, non-profit workforce organizations, and private sector employers, with guidance from the Brookings Institution. While recently dissolved, strategies from this partnership are being integrated into a Regional Partnership anchored at the Center for Economic Inclusion in partnership with Met Council.
- A leadership focus group of 15 partners convened to discuss the strategic objective for workforce and skills, and establish goals and targets. Leaders on the focus group included public and private sector partners, including human resource executives, university presidents, professional associations, and civic leaders.
- The philanthropic community created the Minneapolis Saint Paul Regional Workforce Innovation Network as a workforce learning cohort and pooled \$12 million in philanthropic resources to increase outcomes of communities of color to achieve self-sustaining careers and wages.

¹⁵ McKinsey Global Institute's The future of work in America (2019)

Action Plan

- Support the acquisition of skills that are in high demand.
- Remove barriers and develop alternatives to obtaining workplace credentials or meeting minimum requirements, including those that may be barriers for BIPOC communities.
- Support professional development strategies that positively impact racial income gaps.
- Build on placed-based partnerships and commitments across higher education, business, and community organizations to develop, hire, and advance talent from the surrounding communities.
- Support increased access to digital and remote learning for BIPOC learners and workers.
- Strengthen employer commitment and investment to earn-and-learn models, employer conversion incentives, employer wage matching for targeted hires and retentions, and tuition assistance and supports.
- Eliminate barriers to higher education for BIPOC students including support for dual credit opportunities for high school students.
- Develop safety nets for vulnerable families to ensure their continued education and skill building to overcome personal or household challenges.
- Develop universal career navigation services to support informed decisions about employment and education pathways.
- Expand the MSP TechHire initiative through the MSP Tech Inclusion Project to pilot collaborative, multi-sector strategies designed to address systemic barriers to inclusion and wage growth in tech careers and automation-resilient fields, while mitigating barriers faced by people of color and indigenous populations seeking high-wage tech jobs.

Action / Project Example

MSP TechHire. In response to rapid growth of tech jobs, the cities of Minneapolis and Saint Paul have teamed with regional employers and training providers, including Prime Digital Academy, Creating IT Futures, and the Software Guild, to prepare students through accelerated training boot camps or online training to become service/help desk, desktop support, software developers, and user experience designers. Training includes soft skills as well as connections to employers. Since the program's first inception in 2015, MSP TechHire has graduated over 1,600 students and guided 1,322 graduates to full-time positions at 500 employer partners.

All Learning Counts is a system-wide effort of Minnesota State to incorporate experiential credits in its community and technical college system to better recognize life-learned experience and to support communities of color in attaining credentials and degrees.

The MN Reconnect program, launched in fall 2018, helps returning adults to finish their education through a variety of services, including grants to remove student financial holds, and improved campus services and mentoring. It was developed by the Minnesota Office of Higher Education in partnership with Minnesota State Colleges and Universities and with the financial and technical support from the Lumina Foundation and the State Higher Education Executive Officers Association. Inver Hills Community College is a participating college in the region.

Ramsey County partnered with the Center for Economic Inclusion to create an **Inclusion Innovation Fund** to deploy \$2 million in CARES Act funds alongside its \$13 million in workforce CARES grants. This fund is explicitly designed to support BIPOC-led institutions in creatively addressing racism in workforce development, and partners participate in a Racial Equity & Wealth Building Cohort led by the Center for Economic Inclusion to gain skills in advocacy, public-private partnerships, results-based accountability, and fostering shared accountability within the private sector.

Implementation Partners

Actions will be led by regional workforce leaders from both the public and private sectors, including the following:

- Al-Amuun
- Center for Economic Inclusion
- Cities
- Counties
- Employers
- GREATER MSP
- Institutions of higher education, including the University of Minnesota and Minnesota State Colleges and Universities
- Itasca Project
- McKnight Foundation
- Merrick
- Minneapolis Regional Chamber
- Minnesota Business Partnership
- Minnesota Department of Employment and Economic Development (DEED)
- Minnesota Technology Association
- Project for Pride in Living (PPL)
- Public and private sector training providers
- Real Time Talent
- Saint Paul Area Chamber
- Summit Academy OIC
- Ujaama Place
- Workforce investment boards

Implementation Framework / Measurements

- Post-secondary or alternative workplace credentials, disaggregated by race
- Labor force participation rate, disaggregated by race, gender, and country of origin
- Percent of jobs paying a family-sustaining wage
- Percent of full-time workers ages 16-64 earning family sustaining wage, disaggregated by race
- Annual growth of technology jobs



Strategic Priority: Job Growth

Why It Matters

The region is not creating jobs as fast as our peer regions. We must reinvent job growth efforts, respond to an evolving economy, and do so in a way that results in more equitable outcomes.

Description

The region enjoyed a substantial employment rebound after the Great Recession of 2007-2009, thanks to a diverse set of sectors of strength that have continued to grow. There has been steady growth across industries, particularly in health care, professional services, finance and insurance, manufacturing, and headquarters operations. But over the last three years, and especially in 2019, the rate of job growth has not kept pace with peer regions. Population and workforce growth have lagged economic potential. During 2018 and 2019, the 15-county region was the only major U.S. metropolitan area to consistently have a job openings rate above 5%.¹⁶ In 2019, the region saw annual job growth fall to 0.6%, ranking last among peer regions for job growth. For the latest five-year period, the region's job growth was 8.8%, placing us 10th out of 12 in our peer set. With the region's workforce at near-full-employment, larger employers have been reluctant to relocate to or expand in the MSP region.

While the regional economy is diversified, many communities within the region have a jobs-housing mismatch. This leads to long commutes that strain workers and public resources, and that make it difficult for employers to recruit workers. Many community leaders believe that a more diversified industry base would benefit their communities.

The COVID-19 pandemic and recession have created new job growth challenges with an unprecedented number of workers filing for unemployment insurance claims, unemployment climbing to 10.4% (May 2020), and many small businesses not expected to survive. According to McKinsey and Company, 38% of vulnerable jobs in the state may be in small companies with fewer than 100 employees, and these jobs may be hardest to recover in the long term. Industries with the lowest wages and the lowest educational attainment requirements may be hit hardest. These are also the industries with high concentrations of jobs filled by people of color that are particularly vulnerable, threatening to widen an already high racial employment gap. Industries with the highest share of jobs at risk are entertainment and recreation, accommodations, retail, manufacturing, and healthcare.

Jobs creation comes from the expansion and retention of existing businesses and the attraction of new businesses to the region. The GREATER MSP Partnership has been successful growing jobs, announcing the creation of over 26,000 jobs and \$3.6 billion in capital investment since 2011. Eighty percent of the 26,000 jobs have come from the expansion of existing businesses. The region has a strong foundation of partner collaboration to support businesses in the region. But economic evolution and transition are continuous, and the region is ready to reimagine strategies to grow jobs and to reexamine traditional business attraction, expansion, and retention strategies so they can work better in the future. We know our region has competitive assets that position us for exponential growth, but we also know that there are barriers that keep us from being fully effective in our job growth pursuits. Barriers can include the availability of sites and buildings, insufficient or outdated physical

¹⁶ [Job Openings and Labor Turnover Survey](#)

infrastructure, and policy gaps limiting business location success. Our objective is to create forward-thinking, smart strategies for future job growth.

Partner Input Highlights

- County economic development staff partners regularly organize convenings of city economic development staff to discuss project activity, project readiness, and barriers to competitiveness.
- A leadership focus group was convened to discuss the Job Growth strategic priority and establish goals and targets. Leaders on the focus group include public and private sector partners and GREATER MSP Partnership Board members, including EY, Minnesota Business Partnership, Avison Young, JLL, University of Minnesota, Xcel Energy, MN DEED, and Great River Energy.
- A GREATER MSP Partnership Board Task Force was formed to develop strategies to increase job growth in the region. This Business Investment 2.0 Task Force includes CEO-level private-sector members, county commissioners, and mayors representing Wells Fargo, Hubbard Broadcasting, EY, NGE Holdings, the City of Eagan, and Scott County.

Action Plan

- Develop and execute a job creation plan that will lead the region into the top five in our peer set for job growth.
- Form an executive leadership group to execute new job growth strategies, including examination of economic development policies, equitable job growth, site and infrastructure availability needs, affordability of commercial space, regional supply chains, and solutions to increase regional competitiveness (including the use of tax, regulatory, and incentives tools).
- Align existing groups of partners to work toward shared regional job growth strategies (e.g. East Team, North Metro Technology Corridor).
- Prioritize job growth efforts that focus on supporting high-growth companies that pay quality wages in the region's sectors of strength. For example, collaborate with the Medical Alley Association to grow and attract high-growth technology companies in the digital health sector.
- Build and support programs such as [Business 4 Business MSP](#) that support small businesses recovery, leveraging mentorship and support from larger companies in the region with a prioritized focus on BIPOC owned businesses.
- Support the development and expansion of city, county, and non-profit efforts related to business technical assistance, economic gardening, commercial land trusts, business district improvement, brownfield cleanup, and corridor/district planning.
- Develop supply chain resiliency strategies that identify supplier gaps in the region, position the region to prepare for increased reshoring of foreign-based suppliers, and create stronger regional supplier relationships between BIPOC owned businesses and large companies.
- Support land and infrastructure development, site certification, and brownfield redevelopment, in areas of the region that have competitive opportunities for industry diversification and job creation.
- Build a regional [Economic Value Atlas](#) (EVA) tool at the Metropolitan Council that will allow the region to better align economic development, regional planning, and infrastructure investments to support equitable and resilient job creation opportunities.

Action / Project Example

The region will develop an [Economic Value Atlas](#) (EVA) beginning in summer 2020. This will be co-led by the Metropolitan Council, Center for Economic Inclusion, and GREATER MSP in partnership with the Brookings Institute. The EVA is an opportunity to work collaboratively with stakeholders throughout

the region to develop shared values and demonstrate those value through a mapping platform. Users will be able to visualize areas of economic opportunity and infrastructure investment.

Implementation Partners

Partners in implementing job growth actions in the region include the Minnesota Department of Employment and Economic Development (DEED), GREATER MSP, Metropolitan Council, Regional Council of Mayors, counties and county development authorities, cities, tribal governments, utility providers, industry associations (such as the Medical Alley Association), and groups of partners like the East Team and North Metro Technology Corridor.

Implementation Framework / Measurements

- Annual job growth, disaggregated by sector
- Average wage, disaggregated by race
- Racial employment gap
- Percent of jobs paying a family sustaining wage
- Labor force participation rate, disaggregated by race



Strategic Priority: Talent Migration and Retention

Why It Matters

People are our region's greatest asset. We must work together to build a region that better attracts and embraces a diversity of people from around the nation and world, ensuring that they feel welcome and part of the community. That includes embracing those who are already here, have recently arrived, or have yet to come.

Description

In addition to nurturing the local workforce, attracting talent from elsewhere is an important strategy. Research from University of Minnesota Professor Myles Shaver revealed that the region emerged as a headquarters economy because of its ability to attract people with professional talent to the region, who could then move from firm to firm over time. Today, the region has one of the nation's highest overall retention rates among working-age adults. However, this reality is not the case for people of color. The *Community Ties* study by the Knight Foundation and Urban Institute found that BIPOC communities experience greater difficulty in finding what they want in the region, and report feeling less connected to the region as a result. A high-level summary SWOT analysis is included in *Table 5*.

Net worker migration to the region has been positive in recent years, coinciding with the launch of the region's talent attraction and retention initiative, *Make It. MSP*. The initiative's priorities reflect findings from surveys and interviews with professionals new to the region and have found that career opportunities, social inclusion, and affordability are top considerations for workers considering relocation. The Framework seeks to ensure continued progress on this strategy and become one of the country's top 10 regions at attracting and retaining talent.

Among the thousands of immigrants who settle in the region, many have degrees or skills credentials earned outside the U.S. The partners involved in this Framework recommend that industry groups, professional certifying associations, and license boards in Minnesota examine and reform their practices of recognizing credentials or allowing transfer or reciprocity of credentials, so that foreign-trained workers can employ their experience and skills. Existing rules or exams should be streamlined or reformed to remove onerous barriers.

Partner Input Highlights

- The GREATER MSP Partnership has conducted interviews, focus groups, and surveys of more than 8,000 people in the region and around the country to understand perceptions of the region and to solicit ideas on improving talent attraction and retention.
- More than 200 team members at more than 100 organizations participate in the *Make It. MSP* initiative. They include talent and human resources leaders at the region's largest companies, university officials, leaders of professional and community associations, and many others. These team members have surveyed hundreds of additional employers and other organizations on needs and strategies.
- Responsible for steering *Make It. MSP*., the Leadership Council includes business executives and leaders from state government, tourism, real estate, higher education, business associations, philanthropy, community organizations, and more.

Action Plan

- Work with diversity, equity, and inclusion leaders, community organizations, and professionals of color to confront and overcome barriers to attraction and retention.

- Continue working with the state of Minnesota, business associations, and local employers to identify target markets around the country for recruiting efforts in high-priority fields and with BIPOC communities.
- Work with the Convention and Visitors Bureaus, the Metropolitan Airports Commission, and targeted professional associations to bring professional conferences and events to the region, and to welcome new workers when they relocate.
- Work with employers, college and university career centers, and student groups to attract and retain undergraduate and graduate students to the region, including targeted efforts with historically Black colleges and universities.

Action / Project Example

The **MSP Campus** team of the region’s *Make It. MSP.* initiative tells the region’s “story” to campus audiences that include prospective and current interns and career services leaders. The team has welcomed thousands of summer interns to MSP through the “Discover MSP” event and developed partnerships at campuses in Minnesota and across the Midwest.

The **BE MSP Workplace Inclusion Toolkit** reflects insights from hundreds of people of color throughout the region for workplace teams to build more inclusive workplaces and communities. The toolkit was created by a cross-sector team of leaders from groups such as The Forum on Workplace Inclusion, examining issues including bias, cultural competence, advancement, and culturally specific amenities in the region. The free toolkit, designed to point employers to other important resources in the region, has already been used by workplace teams across dozens of leading employers.

Implementation Partners

The next stage of *Make It. MSP.* is led by a Leadership Council of business executives and community leaders from organizations such as the Minnesota Department of Employment and Economic Development, Meet Minneapolis, the Saint Paul Area Chamber of Commerce, the Minneapolis Association of Realtors, the University of Minnesota, and the Medical Alley Association. Additional partners include those who are involved in making the region a safe and welcoming place to work and live. These include counties, cities, educational institutions, ethnic chambers of commerce, foundations, and nonprofit organizations.

Implementation Framework / Measurements

- Net migration of:
 - 25-34 year-olds within the U.S
 - International migrants
 - BIPOC communities
 - Tech workers
 - New graduates
- Perceptions of the region among target audiences for recruitment
- Perceptions of the region’s employers among prospective migrants



Strategic Priority: Startups and Innovation

Why It Matters

Firms in the region have started and grown ventures that have solved some of the world's biggest problems and created millions of jobs. New ventures continue to succeed in the region at high rates relative to our peer regions, and our Fortune 500 companies continue a tradition of innovation. Continuing that legacy is critical to the region's overall economic vibrancy and quality of life.

Description

The region's history of innovation includes both the supercomputer and pacemaker. Dozens of startups have grown into Fortune 500 companies, with many continuing to lead their respective industries. However, entrepreneurship rates, according to the Kauffman Foundation, are near historic lows. Fewer new businesses are started in the region as compared to our peers. This is a problem for the region, as new and young businesses account for most of the net-new job growth across the country. A high-level summary SWOT analysis is included in Table 4.

Despite low rates of new business formation, it has increased 38.4% from 2014 to 2018. This is a higher growth rate than any of our peer regions. More capital is being invested in local startups, increasing 18.5% from \$618 million in 2014 to \$733 million in 2018. There are dozens of new venture funds, startup accelerators, and support organizations for entrepreneurs. Many have the support from the region's largest corporations, foundations, and universities. Through the [Forge North](#) initiative, dozens of leaders from these organizations are now working together to advance shared goals, from early stage to large enterprise. The region is poised to capitalize on this recent momentum and advance its global leadership as multiple industry sectors undergo the next stages of digital transformation.

Partner Input Highlights

- Partner organizations including [BETA](#) surveyed 222 entrepreneurs who recently started companies to understand their challenges, strengths, and opportunities to support their success.
- The Forge North initiative conducted focus groups, interviews, and surveys of more than 300 entrepreneurs, investors, enterprise innovation leaders, and government and higher education officials.
- The Forge North Leadership Council, including a cross-section of one dozen leaders from organizations across the region's startup and innovation ecosystem, consolidated regional data and hundreds of responses to establish multi-year goals for the region.

Action Plan

- GREATER MSP will develop and execute strategies to attain the 10-year ambition for Startups and Innovation to be the best place for people from every background to start and scale ventures that create wealth by solving global challenges.
- Coordinate strategies and actions to reduce barriers to small business creation and growth for BIPOC and immigrant businesses.
- Intentionally connect growing startups to capital around the country and the world through events like Twin Cities Startup Week and Food Ag Ideas in the region and at large global events.
- Utilize platforms like the Bold Open (food and agriculture) and the Future Finance Forum (financial services) to connect the largest regional enterprises and startup companies around specific challenges facing the region.

- Align networks of entrepreneurial support organizations and others to scale solutions designed for underrepresented entrepreneurs.
- Support the growth of the CEO Next Program to help second stage companies grow and become resilient to economic disruption.
- Support venture capital leaders based in the region in working together to collectively educate prospective investors and entrepreneurs and increase the number of locally active investors and deals.
- Build and support programs that provide business assistance to companies that do not qualify for traditional financing, need additional gap financing, or are experiencing a slow-down in business due to extraordinary unplanned economic circumstances.

Action / Project Example

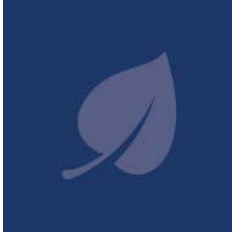
MSP Startup Compass: A significant increase in new resources for entrepreneurs and innovators across the region prompted partners in the Forge North initiative to find a comprehensive solution to allow people to search among 500+ available funds, incubators and accelerators, mentor networks, event competitions, and more by stage, industry, geography, and other criteria. The tool has already been accessed by thousands of people, helping to speed connections to resources, encourage greater collaboration, and reveal gaps in the region’s support for entrepreneurs. More than 30 entrepreneurial support organizations across the region now meet regularly and review insights and best practices revealed in part through the tool.

Implementation Partners

The Forge North initiative serves as a regional hub in the Minnesota Department of Employment and Economic Development’s “Launch Minnesota” network for organizations including BETA, Lunar Startups, Graveti, Center for Economic Inclusion, Coven, Social Impact Strategies Group, and FINNOVATION Lab, working in partnership with MN Cup, Minnestar, MEDA, and others. Teams and projects of the initiative include Fortune 500 companies, active venture capital groups, startups, universities, cities, counties, Community Development Financial Institutions, and many others.

Implementation Framework / Measurements

- Number of region-based ventures that raise early stage rounds of capital (\$30,000-\$15 million)
- Number of rounds and total amount of capital raised by region-based ventures
- Amount of investment made in region-based ventures by all billion-dollar companies headquartered in the region, including equity, paid pilot/purchase, or equivalent
- Total number/percent leaders with an equity stake in regional ventures that are members of BIPOC communities relative to the general population.



Strategic Priority: New Climate Economy

Why It Matters

Climate change is expected to negatively impact the economy and disproportionately impact vulnerable people. However, addressing climate change by moving toward a carbon-free economy provides opportunities for business innovation, entrepreneurship, and workforce development.

Description

The New Climate Economy advances carbon reduction through changes to consumer and business activity as well as government policies, programs, and mandates. It also involves adapting to new economic, social, and environmental stresses. Industries that are significantly affected include agriculture, water, finance, energy, software, and consumer goods. The New Climate Economy also presents opportunities for reducing energy costs, developing new products and practices, and training workers for new jobs. The region has the physical and human assets to be a leader. There is strong collaboration between the public and private sectors, such as the Minnesota Sustainable Growth Coalition and MBold.

Partner Input Highlights

- The **Minnesota Sustainable Growth Coalition** is a partnership made up of nearly 30 businesses and organizations that are committed to using their expertise to advance sustainability. Members are helping to define the “circular economy,” which refers to an economic system aimed at eliminating waste.
- The **University of Minnesota’s Institute on the Environment (IonE)** conducts applied research related to climate adaptation, energy, food and land use, urban resilience, whole systems, and more. It does this in partnership with and across different sectors of the economy and by engaging leaders in business, government, academic, and media.

Action Plan

- Coordinate support for, and promotion of, partnership between businesses and academic research, particularly as it relates to IonE’s priorities for ensuring safe drinking water, carbon neutrality, and sustainable land use.
- Develop and pilot practices that demonstrate leadership around efficient development, reducing energy use, and infrastructure design that protects ecological systems public health.
- Support the Minnesota Sustainable Growth Coalition in advancing circular economy principles in the state and region, including attainment of goals related to clean energy, water, and materials.
- Attract and support the establishment and growth of companies that develop products, services, and processes that help drive change at national and global levels.
- Build public, private, and research collaborations that work together to promote solutions and drive action that support priorities of the new climate economy strategic priority. Examples include the Metropolitan Council’s research, MBold initiative, the Minnesota Sustainable Growth Coalition, and the UMN Institute on the Environment.

Action / Project Example

MBold, a new initiative within the GREATER MSP Partnership, will be launched in 2020. It will involve a cluster of businesses and researchers collaborating on solutions for the food and agriculture sector, including its supply chain. The coalition will catalyze innovation and entrepreneurship, recruit workforce, and share the story of Minnesota’s food and agriculture industry. Participants include the University of Minnesota’s Agriculture Utilization Research Institute, AgriGrowth, Cargill, Compeer Financial, Ecolab, General Mills, Grow North, Hormel Foods, Land O’Lakes, McKinsey, and Target.

Implementation Partners

Key partners include the Metropolitan Council, GREATER MSP, counties, cities, the University of Minnesota, public-private sector collaborations like the Minnesota Sustainable Growth Coalition, private sector leadership organizations like the Itasca Project, and civic and public sector partners like the McKnight Foundation and the Regional Council of Mayors.

Implementation Framework / Measurements

- Greenhouse gas emissions per capita
- Percent energy produced from non-carbon sources
- Proportion of energy produced in the region
- Average retail price of electricity for industrial users
- Water usage per capita
- Insurance claims/costs per capita, by residential and commercial/industrial uses
- Number of LEED certifications
- Annual days of extreme heat
- Patents issued for energy and waste reducing technologies or practices
- Number of jobs that focus on climate adaptation and mitigation efforts



Strategic Priority: Transportation and Mobility

Why It Matters

A reliable and efficient transportation system supports the region's economy, its workers, and its industries. Mobility and transportation choice are strengths of the region, though accessibility to living wage jobs via transit is more limited. The region must continue to efficiently invest in the transportation system in ways that improve accessibility for workers, meet the needs of industry, and mitigate the impacts of climate change.

Description

The transportation system connects people and freight to destinations throughout the region and to external markets. It includes infrastructure as well as operations (e.g., vehicles and traffic management). Networks of modes connect with one another and include roadways, transit, aviation, waterways, ports, bicycle systems, sidewalks, and digital infrastructure.

An integrated and well-maintained multimodal transportation system supporting efficient land use helps to retain, grow, and attract businesses and industries. Reasonable commute times and transportation choices preserve affordable living in the region and help attract and retain talented workers. For the region's existing residents, providing nonmotorized and transit access to jobs and services increases their economic opportunities.

The region will focus on strategic investments that improve the efficiency of the region's roadway system and help build out other elements of the region's transportation system. These include a system of dedicated transitways and arterial bus rapid transit routes. It will also work to make ridesharing, transit, walking, and bicycling more attractive options for more people and to more destinations.

Partner Input Highlights

- The Metropolitan Council is charged under state and federal law with overall planning for the seven-county metro region's transportation system, including highways, transit, aviation, bicycles, and pedestrians. This is done in partnership with cities, counties, and transportation-related agencies. The Council's [2040 Transportation Policy Plan](#) details regional transportation goals, plans, and investment priorities.
- A 34-member Transportation Advisory Board (TAB) advises the Council on regional transportation planning and funding processes. The TAB includes local elected officials as well as transportation and resident representatives. This group is supported by a Technical Advisory Committee (TAC) that includes city, county, and agency staff.
- A Shared Mobility Collaborative, initially sponsored by McKnight Foundation, brings over 15 public, private, and nonprofit partners together to discuss the future of shared-use mobility in the region, including opportunities for collaboration.
- Itasca Project, an employer-led civic alliance, will co-lead the development of ambitions, goals, and metrics that will support the transportation mobility strategic objective.

Action Plan

- The Metropolitan Council and its partners will invest in a network of regional transit, bicycling, and pedestrian facilities that attract, support, and retain businesses along transit corridors.
- Make multi-modal investments that enhance access to centers of economic activity, especially those that represent the region's sectors of strength.
- Implement the 2040 Transportation Policy Plan and seek additional revenue to implement the Increased Revenue Scenario of the *2040 Transportation Policy Plan*.

- Make multimodal investments that enhance access to jobs and services for low- and moderate-income households.
- Redress the negative impacts of past transportation decisions on low- and moderate-income households and communities of color (for example, I-94 through the Rondo Neighborhood).
- Make multi-modal investments that reduce the region’s greenhouse gas emissions from transportation.
- Make investments that enhance access to national and international markets for goods and services produced in the region.
- Preserve, maintain, and operate a safe, secure, and equitable transportation system.
- Increase deployment of broadband to improve digital connectivity and support telehealth and remote learning for job skills in the region. (See *Table 8 - Broadband*.)

Action / Project Example

The Council will lead a project over the coming year to evaluate and prioritize strategies to accelerate the adoption of electric vehicles in the region. This work will build on recent work by state agencies, local non-profits, utilities, cities, for profit enterprises and many others. This work will engage these stakeholders to summarize work to date, evaluate current factors and plan for next steps toward climate mitigation and improved public health.

Implementation Partners

Actions will be led in coordination with the Metropolitan Council and its regional transportation planning partners (for example, the Minnesota Department of Transportation, counties, cities, and transit agencies), Minneapolis Regional Chamber, Itasca Project, and Minnesota DEED.

Efforts on shared mobility include the City of Minneapolis, McKnight Foundation, Center for Economic Inclusion, The Alliance TC, Shared Mobility Center, Our Streets Minneapolis, Minneapolis Foundation, Metropolitan Council, GREATER MSP, Metro Transit, Move Minneapolis, Scott County, Jefferson Lines, City of Saint Paul, Fresh Energy, Brookings Institute, and Itasca Project.

Implementation Framework / Measurements

- Number of direct routes serving Minneapolis-Saint Paul International Airport
- Average number of jobs accessible within 30 minutes, disaggregated by mode and race
- Average travel time to work, disaggregated by race
- Percent of regional highway miles rated “good”
- Percent of travel by means other than single occupant vehicle
- Percent of housing units and jobs near high-frequency transit service
- Percent of low-income households with access to high frequency transit
- Percent of population with access to broadband, disaggregated by race



Strategic Priority: Affordability

Why It Matters

Affordability, especially housing affordability, has been a competitive advantage for our region. It enables us to attract talent and provide a high quality of life to our residents. If our region is to remain competitive and reduce burdens on moderate income households, maintaining and improving housing affordability and choice requires deliberate action.

Description

The region offers residents a wide range of housing in various types of communities. These include urban and suburban neighborhoods, the two central business districts, rural centers, and rural areas. Housing in the region is more affordable than in most peer metros. Along with the region's many other assets, housing affordability is a key factor in attracting and retaining workers. Another major component of affordability is transportation choice. Housing availability in areas with transportation options and proximity to employment centers can reduce household expenses (for example, options to travel by transit, bicycling, and walking).

Our region's housing affordability advantage is at risk. The Metropolitan Council forecasts that between 2021 and 2030, our region will add 37,400 low- and moderate-income households that will need additional affordable housing. More than 265,000 low- and moderate-income households in the region pay more than 30% of their household income on housing costs, and nearly 140,000 of those are paying more than half their income on housing.

The COVID-19 crisis is placing additional economic strains on renters, homeowners, and landlords that will further impact housing affordability in the short and long term. The region's increasingly complex housing issues demand more innovative strategies, greater regional collaboration, and greater investment by both private and public sectors.

Partner Input Highlights

- The Metropolitan Council adopted its *2040 Housing Policy Plan* in 2014.
- In 2018, the [Governor's 28-member Housing Task Force](#), including representation from Minnesota Housing, provided advice on the strengths and limitations of existing housing strategies, identifying unmet needs for the development of housing for individuals and families. Several of its recommendations are already being implemented.
- The Itasca Project, the employer-led civic alliance, prioritized housing affordability for deeper analysis to bring critical attention to the role housing plays in attracting, retaining talent, and driving our economy.

Action Plan

- Implement the Metropolitan Council's *2040 Housing Policy Plan*:
 - Manage, maintain, and preserve existing housing.
 - Preserve and/or create a mix of housing affordability near transit options.
 - Expand housing choice in higher income and higher amenity areas.
 - Make housing and other public investments that improve the quality of life in lower-income areas.
 - Reduce financial and regulatory barriers to the development of mixed-income housing.
- Implement county and city housing plans, programs, and strategies, such as:
 - Federal CDBG, HOME, and Neighborhood Stabilization Programs

- Development subsidies and assistance tied to long-term affordability
- Homeowner and renter education and assistance programs
- Preservation programs targeting Naturally Occurring Affordable Housing (NOAH)
- Displacement prevention programs
- Address implicit bias and discrimination in practices that limit the availability and production of affordable housing.
- Develop strategies to build more homes in the region, in coordination with [Prosperity's Front Door](#), the Governor's Task Force on Housing, and other regional partners.
- Engage employers to design and pilot innovative programs that support employees facing affordability challenges.
- Identify new, innovative actions for public and private entities to spur housing production, including streamlining the funding and regulatory approval processes.

Advocate for additional funding and financing tools that target deep levels of affordability (30% AMI). Action / Project Example

Ramsey County is leading the development of an Economic Inclusion and Competitiveness Strategy centered on equitable growth and strengthening economic competitiveness. The strategy includes a specific focus on housing affordability by conducting a county-wide housing assessment. All of the strategy's recommendations will be shaped through a lens of equity and informed by extensive community engagement.

Implementation Partners

Partners involved in leading implementation of efforts to ensure access to affordable housing include the Metropolitan Council (in partnership with its Equity Advisory Committee), Center for Economic Inclusion, Minnesota Housing, Family Housing Fund, Federal Reserve Bank of Minneapolis, Prosperity's Front Door, McKnight Foundation, LISC, Greater Twin Cities United Way, Itasca Project, ACER, Hope United, counties, cities, and tribal governments. Furthermore, partners will include private sector leaders in banking, real estate development, construction, non-profit housing advocacy groups, and non-profit affordable housing developers.

Implementation Framework / Measurements

- Percent of cost-burdened households, disaggregated by race
- Annual change in median apartment rent
- Share of middle-income (\$50K-\$100K) households denied financing to purchase a home, disaggregated by race
- Share of middle-income (\$50K-\$100K) households that own their home, disaggregated by race
- Share of low-income renters that spend 30% or more of their income on housing, disaggregated by race and age
- Number of jobs accessible to people in high-poverty census tracts by 30-minute transit, bicycle, or walk commute

Appendix A: Regional Assessment of Strengths, Weaknesses, Opportunities, and Threats

The Regional Economic Framework is informed by an inventory of the region’s economic characteristics and dynamics. This Strengths, Weaknesses, Opportunities and Threats assessment (SWOT) is based on previous and ongoing assessments and analysis. It is intended to be a meaningful summary that informs the Strategic Directions, Action Plan, and Evaluation Framework.

Table 1 – Regional Brand

Strengths	Weaknesses
<ul style="list-style-type: none"> • Top or high rankings in many quality-of-life and economic rankings • Global headquarters, exports and immigration increase international awareness of region 	<ul style="list-style-type: none"> • Unclear brand and image of region • Significant race-based disparities • Negative perceptions of winter climate
Opportunities	Threats
<ul style="list-style-type: none"> • Strong collaborations that can help build awareness of region • Many cultural, sports, and recreational organizations embrace the cold climate and its opportunities (e.g., winter festivals and sporting events) 	<ul style="list-style-type: none"> • People of color have worse perceptions and experiences of the region, describing obstacles to inclusion. • People of color are more likely to consider leaving the region.¹⁷ • Negative events are more likely to reach national audiences (e.g., George Floyd killing, I-35W bridge collapse)

¹⁷ Regional surveys conducted through Make It. MSP. in 2016 and 2019.

Table 2 - State of the Regional Economy

Strengths	Weaknesses
<ul style="list-style-type: none"> • Economic diversification • International and national headquarters • Dynamic financial services sector • Positive job growth trend (2014-2019) • Low unemployment rate: 2.7% (2019) • Steady wage growth • Jobs paying family wage: 71.3% • New business survival rate: 54.4% • High levels of worker productivity (output per worker) 	<ul style="list-style-type: none"> • People of color income is 66.7% of whites • Racial disparities in employment rates and workforce preparation • Lower than expected technology jobs • Limited availability of large industrial sites proximate to rail freight facilities or ports. • Lagging new businesses formation • Lagging venture capital for start-ups • Middle of pack for small business financing • Difficulty attracting workers due to climate
Opportunities	Threats
<ul style="list-style-type: none"> • Growth in digital health and telehealth, financial services, technology, manufacturing (reshoring), and datacenters • Support for small businesses owned by people of color and international immigrants • Brownfield cleanup, redevelopment, building repurposing, and new infrastructure to support growth in sectors of strength • Improvements in migration of recent college graduates and millennials • Positive venture capital growth rate of 10.5% over five years • Increase in small business financing of 21% over five years 	<ul style="list-style-type: none"> • Short and long-term COVID-19 impacts in hospitality, tourism, and air transportation • Economic fallout of civil unrest on small businesses owned by immigrants and people of color • Slower recent job growth than national average • Recent and future labor shortage • Increasing costs of housing and housing construction • Job displacement due to automation

Table 3 – Workforce

Strengths	Weaknesses
<ul style="list-style-type: none"> • High educational attainment¹⁸ • High labor participation rate of 71.6% in 2018, 2nd highest among peers¹⁹ • Accessible education / training • Workforce development collaboration driven by research and data • Technology embedded across sectors, including in research and manufacturing. • Large and growing number of people employed in technology²⁰ 	<ul style="list-style-type: none"> • Workforce shortages prior to COVID-19²¹ • Severe educational attainment disparities for BIPOC²² • Severe K-12 racial achievement gaps²³ • Chronic workforce disparities • Disparate program outcomes by race • Lack of clear career pathways • Inability to stack credentials in some high wage, in-demand professions
Opportunities	Threats
<ul style="list-style-type: none"> • More centralized and systemic approach to workforce disparities • Reducing racial disparities could significantly reduce workforce shortages²⁴ • Minnesota target of 70% of adults age 25 to 44 having postsecondary certificate or degree by 2025²⁵ • Consistently high demand for tech talent, particularly for software developers and engineers²⁶ • Minneapolis School District is proposing its Comprehensive District Design, an effort to narrow the racial achievement gap 	<ul style="list-style-type: none"> • Widening racial disparities as result of disproportionate layoffs and furloughs due to COVID-19 pandemic • Persistent racial disparities in workforce and labor pipeline, further exacerbating labor shortages • Mismatch between workforce needs and rate at which people of color are earning credentials • Labor shortages in high-demand industries such as health care and technology could stunt growth potential

¹⁸ Population age 25+ with associate degree or higher is 53.1% (2018), the 3rd highest among peers.

¹⁹ Rate is highest among peers for percent women employed (78.2%) and fourth in the percent foreign-born employed (75.7%).

²⁰ There are 140,000 people employed in tech jobs in the region, growing by 10% over the last 5 years.

²¹ Talent gap analyses in 2019 found that our region could experience an estimated shortage of 188,000 workers by 2022, resulting in a 2.0-2.5 percent decline in economic growth.

²² For 7-county region, in 2016, the percent of working age adults (25-44) with a postsecondary credential or higher was 61.9% for non-Hispanic whites, 31.8% for Native Americans, 37.1% for African Americans, and 24.1% for Latinx. (MN OHE, IPUMS ACS 2016 1-yr estimate)

²³ Third grade reading rate of achievement was 67.4% for white students and 39.6% for students of color. Eighth grade math rate of achievement was 69.3% for white students and 40.9% for students of color.

²⁴ State-level analysis in 2019 found that reducing the unemployment rate for people of color and indigenous persons to 3% (the same rate as non-Hispanic whites at the time of the analysis) would add 65,000 employees to Minnesota companies by 2025 and meet 20% of employers' additional workforce needs (Real Time Talent).

²⁵ In order to meet this goal, Minnesota will need an additional 110,730 persons age 25-44 to complete a postsecondary credential by 2025. Of those, 6,120 credentials must be earned by American Indians, 5,490 by Asians, 32,830 by Blacks, 4,240 by multiracial individuals, 37,300 by Latinx, and 24,050 by whites (Minnesota Office of Higher Education, Educating for the Future, 2019).

²⁶ Despite COVID-19, job postings for IT positions remained high in second quarter 2020.

Table 4 – Startups and Innovation

Strengths	Weaknesses
<ul style="list-style-type: none"> • Establishment of new firms in state has increased 38.4% from 2014-2018 • Venture capital invested in the region’s companies has increased 18.5% from 2014-2018 • Among peers, region has best five-year survival rate of new firms • High concentration of Fortune 500 headquarters and a Tier 1 research university that fuels innovation, including patents 	<ul style="list-style-type: none"> • Financial and technical assistance to startups during COVID-19 pandemic are lacking • Among states where peer regions are located, Minnesota is last in the rate of new firm establishments since 2016 • Venture capital growth rate lags many peer regions • Women and people of color have less access to capital
Opportunities	Threats
<ul style="list-style-type: none"> • Forge North initiative is bringing together support organizations, venture capital firms, and others to connect to national and global investors • Launch Minnesota initiative is prioritizing early stage entrepreneurship & innovation • Partnerships are focused on specific goals including early stage capital, startup-to-enterprise connections, and racial equity 	<ul style="list-style-type: none"> • Drop in entrepreneurial activity due to the COVID-19 pandemic • Increased failure rate of startups and small businesses during extraordinary economic circumstances like the COVID-19 pandemic • Disproportionate impacts to female and people of color entrepreneurs during economic downturns • Economic downturns negatively impact deployment of venture capital outside of top markets • Risk averse local culture threatens momentum when startup failure rates are high

Table 5 - Talent Migration

Strengths	Weaknesses
<ul style="list-style-type: none"> • Region ranks well in areas that workers consider (e.g., strong economy, career options, high overall quality of life) • Among the top metros for retention of new workers • Net migration of workers aged 25-34 years increased 3,900 from 2014 to 2018, the 3rd highest migration shift among peer metros • Global and national headquarters draw and retain talent from around the world 	<ul style="list-style-type: none"> • Unclear brand and image of region • Region ranks near bottom of large metros for talent attraction • People of color report negative experiences and perceptions of region • International migration has declined by 29% from 2014 to 2018
Opportunities	Threats
<ul style="list-style-type: none"> • New and developing partnerships between Fortune 500 companies, national universities, and professional associations • Building on recent improvements in attracting and retaining talent • <i>Make It. MSP.</i> initiative 	<ul style="list-style-type: none"> • COVID-19 further reducing international immigration • Faster growing and more diverse regions are drawing talent away from region²⁷ • Housing cost inflation threatens region's overall low cost of living • Competition with smaller and lower cost regions as a result of increased workplace flexibility

²⁷ Analysis of LinkedIn professional profiles show that over the last 12 months most professionals moved to Chicago, New York, San Francisco, Los Angeles, and Denver.

Table 6 – Regional Planning and Infrastructure

Strengths	Weaknesses
<ul style="list-style-type: none"> • Coordinated regional and local planning supported by research and engagement. • Minneapolis-St. Paul International Airport (MSP) is the third largest Delta hub, with proximity to regional job concentrations via highways and transit. • Highway system meets or exceeds federal preservation targets. • Existing and planned network of transitways, arterial bus rapid transit, and MnPASS lanes. • Growth in commercial/industrial tax base is pooled and shared.²⁸ • System of bikeways and trails. • Cities must acknowledge and plan for their “share” of affordable housing.²⁹ 	<ul style="list-style-type: none"> • The large number of jurisdictions, and their competing perspectives, complicates coordination.³⁰ • Geographic concentrations of poverty, including racial segregation, are pronounced^{31,32}. • Lower overall density of development limits the effectiveness of transit³³. • Limited transit options for commuting to jobs in outlying suburbs. • Longer overall commute times for low-income workers. • Lack of funding/financing for housing, especially to support deep levels of affordability. • Some major freight terminals have poor connections to major highways.
Opportunities	Threats
<ul style="list-style-type: none"> • Region’s policymakers and leaders recognize equity issues related to people of color. • Increased recognition and understanding of the impacts of climate change. • Increased demand for multifamily housing near jobs, services, and amenities. • Potential increase in job concentrations near new transit stations. • Technology improvements may improve the efficiency and reliability of moving people and goods. • Buildout of transit and MnPASS systems. 	<ul style="list-style-type: none"> • COVID-19 impacts on aviation system and transportation funding • Uncertain funding for transit system.³⁴ • Loss of prime industrial land connected to rail and river freight networks. • Access to jobs for people in poverty. • Jobs / housing mismatches. • Gentrification near transit and job centers. • Congestion impacts on job access and freight, such as at the Hoffman Junction in St. Paul.

²⁸ [Fiscal Disparities Program](#)

²⁹ [Affordable Housing Facts](#)

³⁰ There are 186 units of local government in the 7-County jurisdiction of the Metropolitan Council.

³¹ [Metro Stats: Concentrations of Poverty](#)

³² [Visualizing Regional Inequities](#)

³³ According to the 2010 Census, the region was the 16th most populated but the 27th most dense.

³⁴ Chapter 4, Transportation Finance, of the [2040 Transportation Policy Plan](#) describes these issues.

	<ul style="list-style-type: none">• Vulnerable infrastructure due to climate change (for example, flooding, freeze/thaw cycles, and excessive heat)
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Table 7 - Energy Needs

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong partnerships between utilities, businesses, government, and non-profits³⁵ • Leadership in policy innovation³⁶ • High quality level of service³⁷ • Low energy rates³⁸ • Renewable energy resource potential • High demand for renewables 	<ul style="list-style-type: none"> • Most energy is imported • Limited transmission capacity and lengthy process to improve • Utility business models based on growth in demand • Innovation is hindered by utility governance, access to capital, and regulatory regime • Workforce shortages • High costs of transition to renewables for lower income households and businesses
Opportunities	Threats
<ul style="list-style-type: none"> • Minnesota has highest community solar capacity in the nation³⁹ • Projected growth of solar • Import substitution potential of renewables • Increasing demand for clean energy⁴⁰ • Grid modernization⁴¹ • Electrification of buildings and vehicles • Business attraction to renewable energy⁴² • Job growth in clean/green energy⁴³ 	<ul style="list-style-type: none"> • Aging infrastructure and opposition to transmission lines • Limited labor pipeline for clean/green energy industry • Intermittent nature of renewables and extreme nature of Minnesota climate • Cybersecurity concerns • Extreme weather impacts on older infrastructure⁴⁴ • Vulnerability of older infrastructure in areas of concentrated poverty

³⁵ See [e21 Initiative](#), [Minneapolis Clean Energy Partnership](#), [Natural Capital Project](#), [Minnesota Sustainable Growth Coalition](#),

³⁶ See [Xcel Energy's Time of Use Pilot](#) and [Minnesota Department of Commerce Conservation Improvement Program](#)

³⁷ [U.S. News and World Report Energy Rankings](#)

³⁸ [U.S. Energy Information Administration State Electricity Profiles](#) and "Report Card for Minnesota's Infrastructure." Minnesota Section of the American Society of Civil Engineers. (2018)

³⁹ Heeter, Jenny (2019): Sharing the Sun Community Solar Project Data. National Renewable Energy Laboratory. <https://dx.doi.org/10.7799/1560152>

⁴⁰ See [Utility responds to commercial green power demand in Minnesota](#)

⁴¹ [Xcel Energy: Our Energy Future - Advanced Grid](#)

⁴² [Google clears regulatory hurdle to build Minnesota data center](#)

⁴³ [Solar Industry Growth](#) and [Minnesota Clean Energy Economy Profile](#)

⁴⁴ [Xcel Energy and Storm Readiness](#)

Table 8 - Broadband

Strengths	Weaknesses
<ul style="list-style-type: none"> • MN DEED Office of Broadband Development (OBD) works to improve availability through technical and financial assistance • Regional internet provider partnership with FCC ensures residents and businesses can stay connected during the COVID-19 pandemic • Region has one of the lowest rates of digital poverty⁴⁵ • Minnesota is viewed as an exemplary model of a State-led broadband initiative⁴⁶ 	<ul style="list-style-type: none"> • Region fell to 8th among peers in broadband infrastructure capacity • Funding limitations to support deployment of broadband infrastructure • Coordination challenges between Minnesota Department of Transportation (MNDOT) and MN DEED OBD for use and management of right-of-way for conduit • Less return on investment and related affordability for rural areas
Opportunities	Threats
<ul style="list-style-type: none"> • Increased funding for OBD’s Border to Border Grant Program. • “Dig Once” policies and practices for the installation of broadband infrastructure • Institutionalization of coordination between OBD, MNDOT, and broadband providers and utilities. • Emerging demand in precision agriculture, blockchain management, and telehealth • Implementation of State goals for availability and speed⁴⁷ 	<ul style="list-style-type: none"> • Increasing digital divide with rural areas as a result of business models that emphasize return on investment • Reliance on private capital without municipal investment may restrain advancement

⁴⁵ <https://www.brookings.edu/blog/the-avenue/2020/02/05/neighborhood-broadband-data-makes-it-clear-we-need-an-agenda-to-fight-digital-poverty/>

⁴⁶ At least 18 other states are formally looking at establishing a Broadband Taskforce and statutory speed goals.

⁴⁷ Goal are to be within the top five states in the nation for broadband speed universally accessible to residents and businesses, the top five states for broadband access, and the top 15 when compared to countries globally for broadband penetration.

Table 9 - Climate Hazards and Planning

Strengths	Weaknesses
<ul style="list-style-type: none"> • Coordination includes the Interagency Climate Adaptation Team (ICAT) • Minnesota State Hazard Mitigation Plan (2019) considers monetary impacts of hazards on government and infrastructure. • Relationships between academia, non-profits, and government agencies⁴⁸ • Tools and case studies like the Metropolitan Council’s Climate Vulnerability Assessment⁴⁹ • Climate addressed in 40% of local plans. • Understanding of local technical assistance needs⁵⁰ • Minnesota Department of Health Climate and Health Program public outreach 	<ul style="list-style-type: none"> • Statewide Hazard Mitigation Plan does not consider the indirect and long-term impacts on employment, access to employment, and public health • Lack of funding for local implementation • Lack of data and tools that are inaccessible to staff and policymakers who are not subject matter experts • Precipitation and urban heat island data are based on older data; updated source data is needed⁵¹
Opportunities	Threats
<ul style="list-style-type: none"> • Improved coordination as a result of the Governor’s Executive Order establishing Subcabinet on Climate Change • Formalized partnerships with private sector. • Recent State funding to acquire dynamically downscaled climate data • Forthcoming Met Council Climate Action / Resilience Plan • Metropolitan Council research • Metropolitan Council partnership with University’s Resilient Communities Project • State Hazard Mitigation Plan (2019) has identified climate change-related hazards that can influence County Hazard Mitigation Plans 	<ul style="list-style-type: none"> • Inability of policymakers and practitioners to keep pace with changing climate conditions • Climate change and resilience policies not reflected in most capital improvement plans • Nearly half of metro local communities have not enacted policies related to threats of extreme precipitation and heat⁵² • Extreme precipitation overwhelming storm sewer system resulting in flooding • Extreme precipitation events impacting mobility/accessibility as a result of flooding • Aging and undersized infrastructure may be more vulnerable to failure as a result of increased stress • Increased number of extreme heat days affecting vulnerable populations and placing increased demand on the electric grid

⁴⁸ These efforts include the University of St. Thomas’s [Sustainable Communities Partnership](#) and [Minnesota GreenStep Cities](#).

⁴⁹ See also the [City of Minneapolis Climate Change Vulnerability Assessment](#) and [Ramsey County Climate Change Vulnerability Assessment](#).

⁵⁰ Minnesota Pollution Control Agency (MPCA) [Climate Adaptation Planning Survey \(2019\)](#)

⁵¹ See [Atlas 14, Islands in the Sun](#), and [Land Surface Temperature data](#).

⁵² According to audit by Metropolitan Council Local Planning Assistance.

Table 10 - Equitable Development

Strengths	Weaknesses
<ul style="list-style-type: none"> • Black, Indigenous and People of Color own more than 47,000 businesses that generate more than \$700 million in annual payroll • Thriving cultural and business districts, including those representing recent immigrants from Latin America, East Africa, and Southeast Asia. 	<ul style="list-style-type: none"> • The Brookings Institution Metro Monitor shows that the region lags its peers in inclusive economic growth • The region’s BIPOC communities are disproportionately excluded from tech sector jobs despite the industry’s high demand for workers
Opportunities	Threats
<ul style="list-style-type: none"> • The region established the Center for Economic Inclusion, the nation’s first cross-sector organization dedicated to growing the economy by closing racial wealth gaps • Achieving racial income parity would add \$32.1 billion to our region’s economy by 2040 • The impacts of COVID-19 and recent civil unrest over the actions of police create a moral imperative for industry leaders to confront implicit and explicit biases within their organizations 	<ul style="list-style-type: none"> • COVID-19 economic impacts are having disproportionate negative impacts on BIPOC communities who are overrepresented in impacted industries • The pace of housing construction is not meeting demand, leading to escalating housing costs for renters and prospective new homeowners • Communities with higher employment growth may lack affordable housing

Appendix B: Metropolitan Governance

Council Governance

The Minnesota Legislature created the Council in 1967. Its jurisdiction comprises the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.

The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families.

Council staff is organized in major divisions that focus on transportation planning; transit operations; wastewater treatment, water supply and water quality; and community development.

The Council's governing board has 17 members who are appointed by and serve at the pleasure of the governor. Sixteen members represent geographic districts of roughly equal population across the region. The Council chair, the 17th member, serves at large. Charlie Zelle serves as the current chair.

The role of Council members is to provide a regional perspective and work toward a regional consensus on issues facing the metropolitan area. All meetings of the Council and its subcommittees are open to the public.

Metropolitan Planning Organization (MPO)

The Metropolitan Council is the federally designated Metropolitan Planning Organization (MPO) for the seven-county Twin Cities area. It oversees planning for the region's transportation system, including highways, transit, aviation, bicycles, and pedestrians. Because efficient movement of people and goods supports a healthy economy, a high-functioning transportation system is essential to a prosperous regional future.

The Minnesota Legislature established the Transportation Advisory Board (TAB) in 1974 to include local elected officials, significant transportation partners, and resident representatives to advise the Council on the regional transportation planning and funding processes. The 34-member TAB provides formal review of regional and state transportation plans; solicits, evaluates, and selects projects to receive federal transportation funds; and conducts public hearings and adopts the region's Transportation Improvement Program.

Appendix C: Regional Transportation System Overview

Minneapolis-St. Paul International Airport (MSP)

The Minneapolis-St. Paul International Airport (MSP) is the 17th busiest airport in the U.S. for passengers and 12th for aircraft operations. It is a base for Sun Country Airlines and Delta Air Lines' second largest hub. MSP currently connects to 167 destinations, including 32 international non-stop destinations. MSP has been named by Airports Council International as the [best airport in North America](#) for four consecutive years (2017-2020) and the most efficient airport in North America by Airport Transport Research Society (2017-2019).

MSP airport operations were significantly impacted by COVID-19-related stay-at-home orders. According to data from the Transportation Security Administration, the number of outgoing travelers from MSP in March 2020 dropped to less than 10% of March 2019 levels.

Rail and Intermodal Facilities

The region is served by four major freight rail corridors, operated by the carriers Burlington Northern Santa Fe (BNSF), Canadian National (CN), Canadian Pacific (CP), and Union Pacific (UP). Several Class III railroads provide short line service in the region. The region includes two intermodal facilities: the BNSF intermodal facility in Saint Paul and CP's intermodal terminal in Minneapolis, which loads and unloads domestic and international containers.

Interstate Highways

Two major interstate highways connect our region to the rest of the United States: Interstates 35 and 94. These roadways travel through the two core cities in the region, Minneapolis and Saint Paul. They are also the two most heavily used truck freight corridors for the region, connecting the rest of the state's agricultural and natural resources to the metropolitan area.

Public Transit Services

The public transit system is operated by six transit agencies, the largest of which is Metro Transit. The system includes two light rail lines, a commuter rail line, three bus rapid transit lines, and hundreds of local and express buses. Services also include Transit Link and Metro Mobility, which provide rides to regional residents who are not otherwise able to access regular transit. In 2019, there were about 91.5 million rides take on the public transit system, one-third of which were on light rail or bus rapid transit lines. About 70% of riders were going to school or work and 23% were riding for social/recreational purposes or to access shopping.

Bicycle and Pedestrian

The seven-county region includes about 3,900 miles of bikeways, with over half of that mileage on off-street trails. Communities in the Twin Cities are also planning for nearly 2,900 additional miles. Walking accounts for about 8.5% of all trips in the region while biking accounts for about 1%. The average trip length by biking is 3.3 miles and for walking, it is 0.8 miles. These modes are expected to grow in importance.

Appendix D: Workforce Development System

Accessible Post-Secondary Education and Career Training

The Minnesota State Colleges and Universities System (MNSCU or Minnesota State) provides accessible and affordable post-secondary education to individuals across the state. It is the third largest system of state colleges and universities in the United States with 30 colleges, 7 universities, and 54 campuses. Within the 15-county region, there are 12 colleges and 1 university. Minnesota State serves over 350,000 students each year, offers 3,900 academic programs, and provides over 15,000 specialized training classes. Through its diverse career and technical training programs, Minnesota State aims to equip students with high-demand skills that meet labor market and industry needs.

Workforce Development System

Minnesota's [Workforce Development System](#) has two main components: Regional Workforce Development Areas (RWDAs) and Local Workforce Development Areas (LWDAs). In 2014, the passage of the federal Workforce Innovation and Opportunity Act (WIOA) prompted the state to designate six RWDAs, which supplemented the 16 pre-existing LWDAs. Regional planning occurred informally before the enactment of the WIOA; however, the new requirement helped to better align workforce development initiatives and resources across the state. The 15-county metropolitan area includes [three RWDAs and eight LWDAs](#).

The WIOA requires planning regions to submit four-year plans to be eligible for workforce development funding. These plans outline the current workforce development system, establish goals for the future, and identify applicable strategies. Through this requirement, the WIOA promotes collaboration between government, nonprofit, education, and industry partners and supports the development of career training programs that serve the needs of both workers and employers.

In addition to partnering with each other, workforce development organizations collaborate with local academic institutions. Nearly all workforce boards in the region have a representative from a local community college to provide information on the incoming labor force and support the development of academic and training programs.

Local academic institutions and industries also effectively collaborate and strategize around workforce development in the region. For instance, Minnesota State hosts eight [Centers of Excellence](#) (Centers) that work in partnership with employers, colleges and universities, schools, and communities to support the state's leading industries. The Centers engage these groups to discuss workforce challenges and develop collaborative solutions. The eight industries represented are Northern Agriculture, Southern Agriculture, Energy, Engineering, HealthForce, Information Technology, Advanced Manufacturing, and Transportation.

In addition, industries in the region participate in workforce development collaboration through programs such as the [Sector Skills Academy](#). The Sector Skills Academy is a program created through a partnership between the Greater Metropolitan Workforce Council (GMWC), [MSPWin, Corporation for a Skilled Workforce](#) (CSW), the Aspen Institute, and local stakeholders. The goal of this program is to create and sustain high-performing sector partnerships in the region. Throughout the Academy, a cohort of six sector teams participate in a 12-month professional development program that combines learning, planning, and action. The Academy also helps workforce boards and academic institutions better understand employer needs and connect skilled workers to those opportunities.

Work-Based Learning, Internships, and Training Programs

Minnesota State offers a wide range of work-based learning opportunities for hundreds of degree and certificate programs. Minnesota State requires each college in the system to have [program advisory committees](#), whose members include employers, students, and faculty. As of January 2019, there were 22 industry and education advisory committees that annually engage with more than 600 business leaders. Industry representatives provide insight on workforce needs that inform the development of academic and training programs and help prepare students to fill job vacancies⁵³.

The Department of Employment and Economic Development (DEED) also operates the [Minnesota Job Skills Partnership](#) (MJSP), which works with businesses, academic institutions, and nonprofit organizations to expand their capacity to develop and provide education and training opportunities across the state. MJSP helps connect employers with specific training needs to academic and nonprofit institutions to design relevant training programs. Academic institutions in the region participate in these partnerships to provide students with opportunities to develop competitive skills for careers in high-demand industries.

The MJSP Partnership offers five grant programs to fund these projects:

- [Partnership Program](#)
- [Pathways Program](#)
- [Job Training Incentive Program](#)
- [Low Income Worker Training Program](#)
- [Automation Training Incentive Pilot Program](#)

Academic institutions in the region effectively use state and federal funds to develop and maintain career and technical programs aligned with regional workforce and labor market needs. Through the Leveraged Equipment Program, Minnesota State receives funds from state government to update essential equipment used to train students for jobs in high-demand sectors. The Minnesota Legislature also provides funds for the [Workforce Development Scholarship Program](#), which awards scholarships to students to pursue careers in leading industries. Minnesota State and other academic institutions in the region receive federal grant funds from the [Perkins V legislation](#) to improve and expand Career and Technical Education (CTE) programs. They use these funds to promote stronger connections between secondary and post-secondary education through a focus on Programs of Study (POS). These funds also support partnerships between academia and industry in the form of work-based learning experiences and industry-recognized credentials

Data-Driven Workforce Solutions

Academic institutions, local governments, industry associations, and community organizations effectively use labor-market information from state agencies and research organizations to develop data-driven solutions to regional workforce challenges. A primary source of labor-market information is [RealTime Talent](#), an employer-led, cross-sector collaborative designed to align Minnesota's workforce. Workforce development partners that are members of the collaborative can access [TalentNeuron Recruit](#), a tool that analyzes online job postings and hiring data and provides users with immediate, comprehensive, and job specific information. Groups then use this data to identify employer and workforce needs, and inform the development of recruitment, education, and training processes.

⁵³ [Minnesota State Centers of Excellent Report to the Legislature \(2019\)](#)

Appendix E: Metropolitan Council Business Item Adopting Framework

To be included upon adoption.



390 Robert Street North
Saint Paul, MN 55101-1805

651.602.1000
TTY 651.291.0904
public.info@metc.state.mn.us
metro council.org

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