Agricultural Outlook Forum
U.S. Department of Agriculture

Presented: February 26-27, 2009

Reinventing Minnesota: Crossing Traditional Boundaries to Create Change

Tim Penny

Reinventing Minnesota: Crossing Traditional Boundaries to Create Change

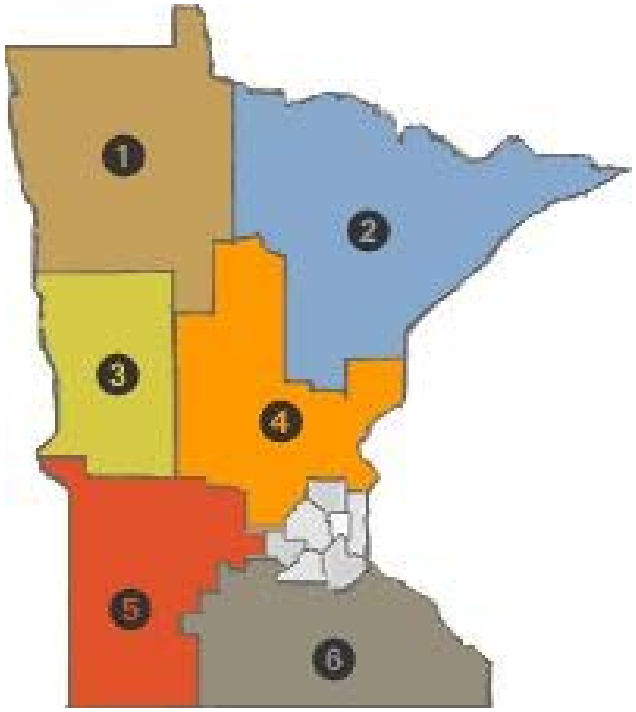
"USDA Conference

February 27, 2009

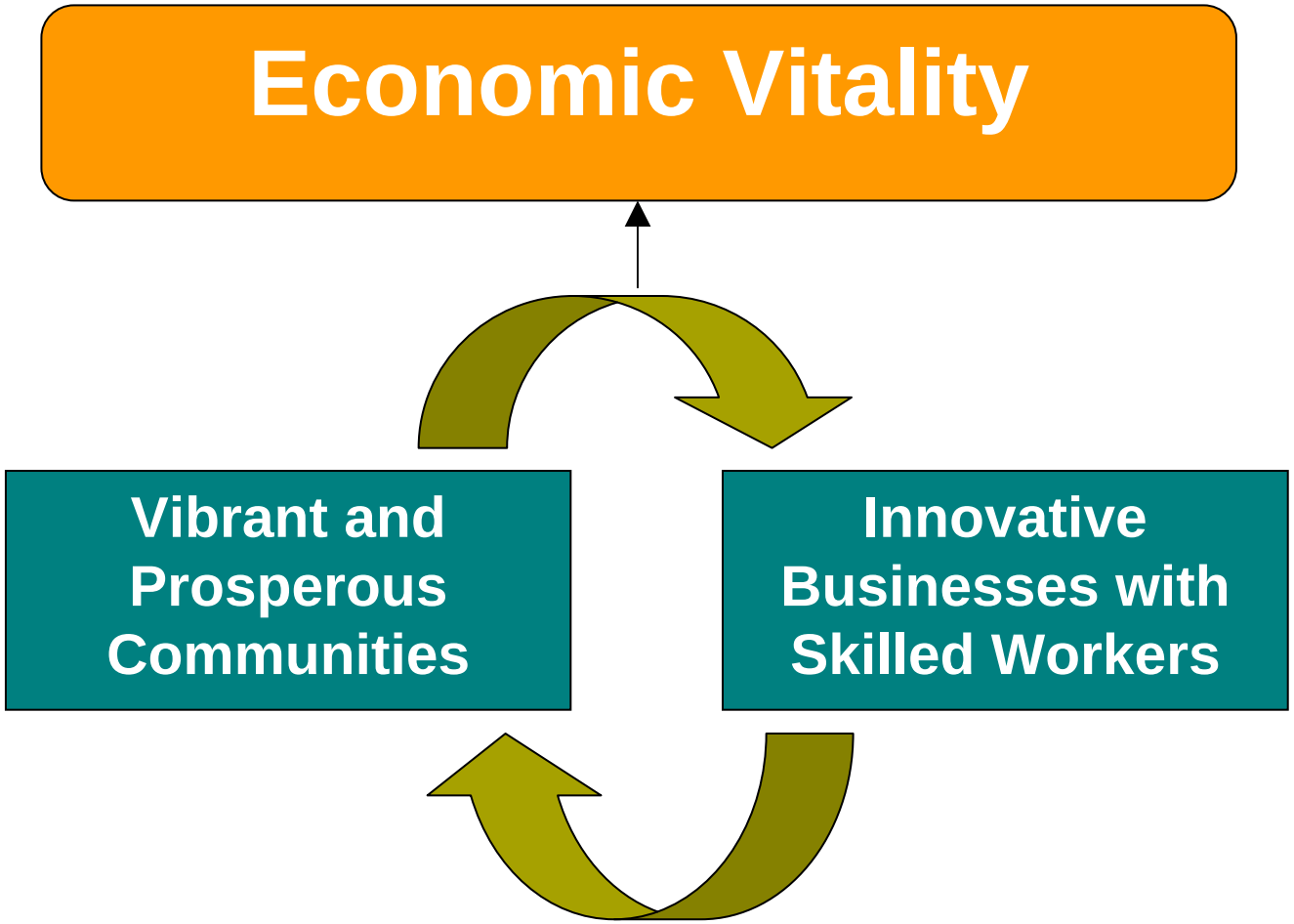
Rural Minnesota 1980's

THE McKNIGHT FOUNDATION

- **Created 6 independent, nonprofit philanthropic organizations**
- **Stronger more prosperous rural MN regions**
- **Over $210 million invested in the MIF's**



Creating Change



The Mission

Southern Minnesota Initiative Foundation invests in the region's future growth through grants, loans, technical expertise and partnerships that foster community assets via workforce readiness and entrepreneurial activity - especially in areas of bio-medical, bio-agriculture and alternative energy.

Investing in…

EMERGING BUSINESS

Innovative ventures shaping our economy

EMERGING WORKFORCE

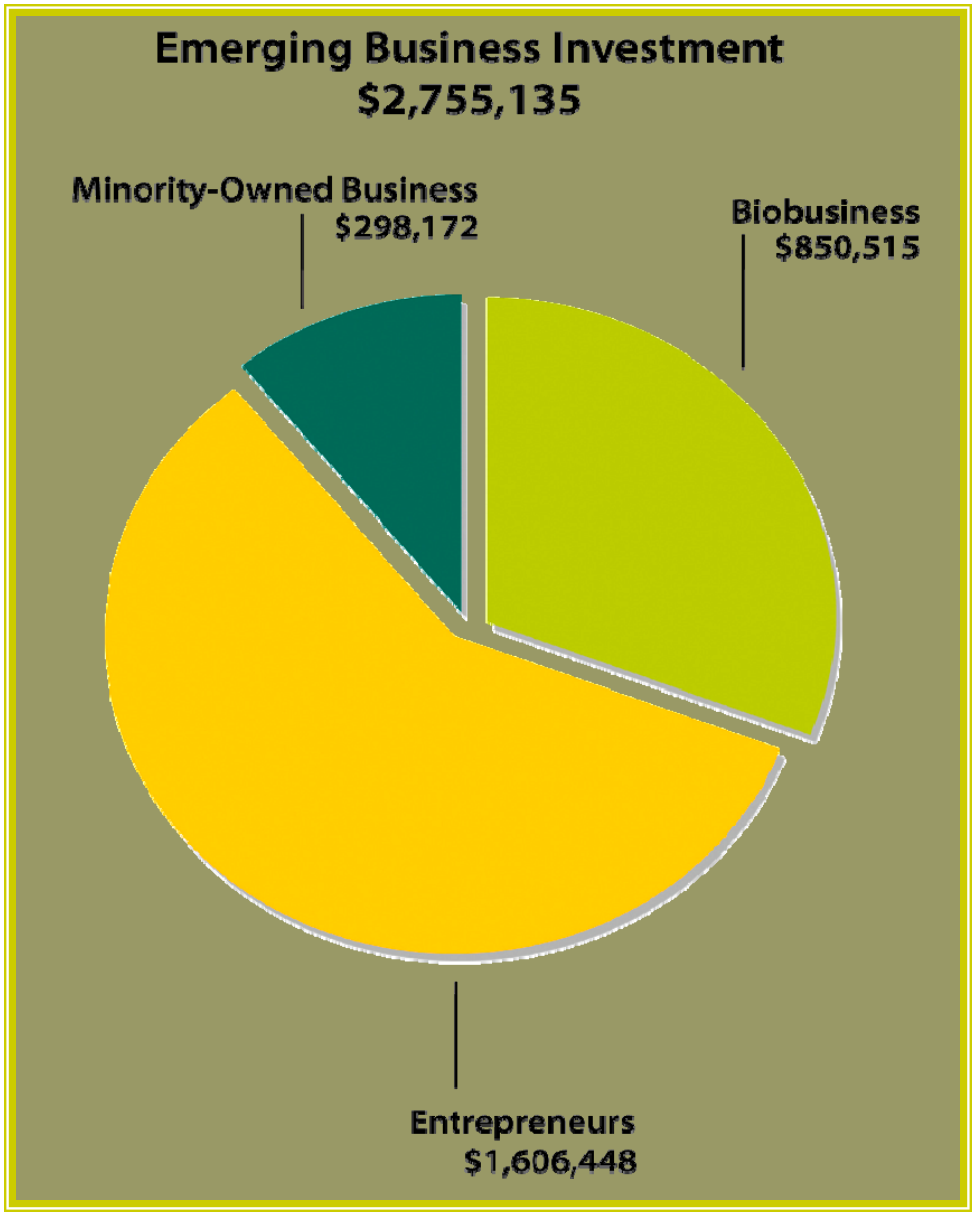
Skilled workers prepared to drive growth

Tools

- **Financial**
  - **Grants, Loans, Equity Capital**
- **Consulting**
  - **TMI/ABCD**
  - **HIPO/Peer Group/Core Four/SCORE**
  - **Collaboration/Partnerships**
- **Conduit (donors)**
  - **READS (AmeriCorps),**
  - **BookStart (Coughlan Publishing)**
  - **Young Explorers (IBM Corp.)**
  - **Picture It Painted (Valspar Corp.)**

Communities
Businesses
Local Governments
"Crossing Traditional Boundaries to Create Change"
Non Profits
Organizations
Educational Institutions

Emerging Business



Partnerships

- BioBusiness Alliance
- Framework for Integrated Regional Strategies (FIRST)
- Renewable Energy Marketplace
- Rural Economic Development Group (RED)
- Rural Energy Development Initiative (REDI)
- Southern MN Competitiveness Project
- Micro Enterprise, Small Business Administration

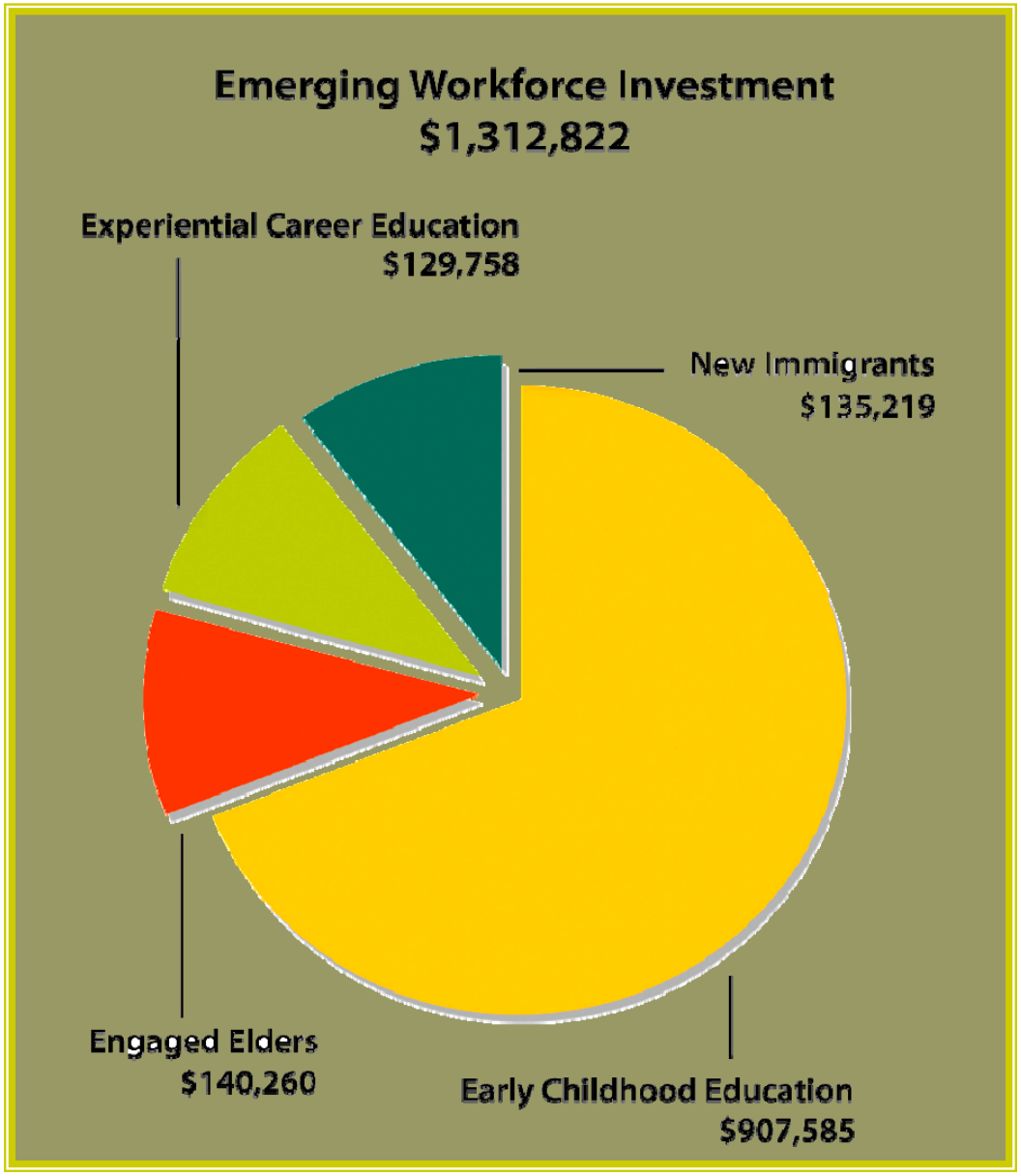
Entrepreneurs

Total Investment = $1,606,448

- Loans – $385,379
- Technical Assistance
  - High Potential Program
  - Trainings
- Town Meeting Initiatives
  - Lanesboro
  - Mapleton
  - Northfield
  - St. James

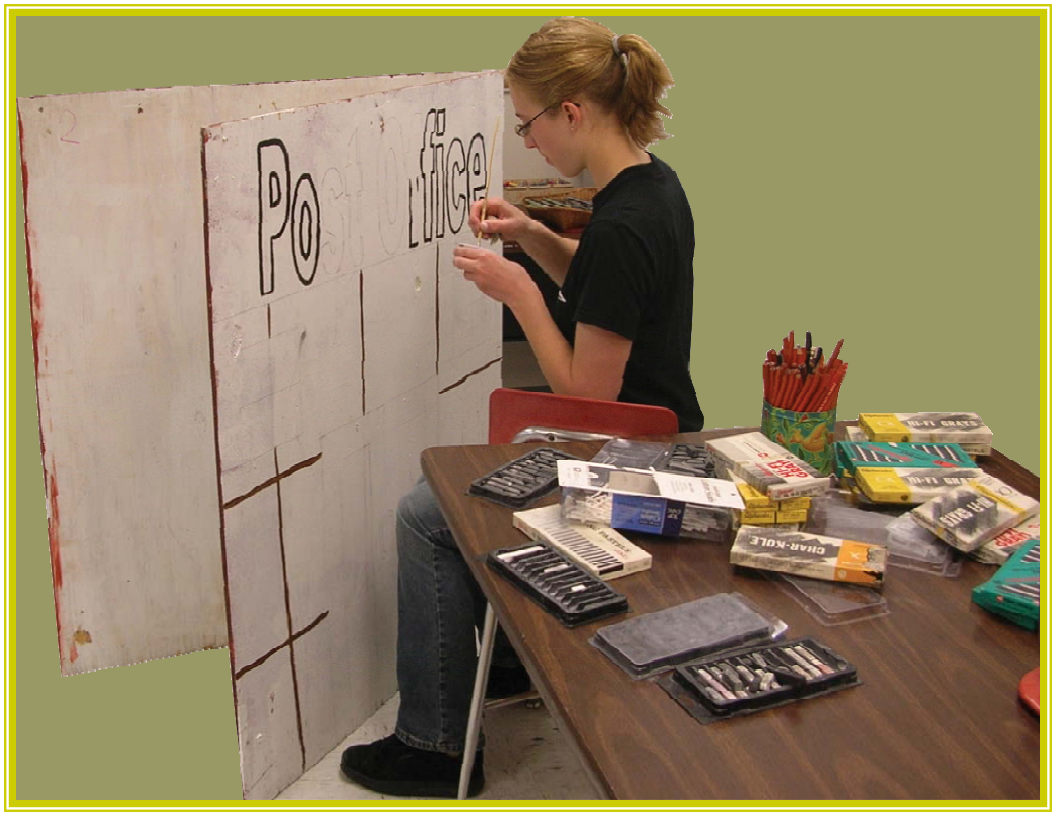
- Grants
  - **"Growing Latino Leadership" Main Street Project Northfield**
  - **"Young Entrepreneurs Boot Camp", MN State U Mankato**
  - **"Entrepreneurial Development Partnership" Welcome Center, Austin**
  - **"Entrepreneurship for Immigrants", Winona State University**

Emerging Workforce



Partners

- Business Recovery Fund
- Picture It Painted, Valspar Corporation
- Young Explorers, IBM Corporation
- BookStart, Capstone Publishers
- LEAP, AmeriCorps



Early Childhood

Total Investment = $ 907,585

- Town Meeting Initiatives
  - 13 existing
  - 3 new
    - Faribault
    - Fillmore County
    - Montgomery-Lonsdale

- Grants
  - BookStart (Capstone Publishers)
  - Young Explorers (IBM Corporation)
  - LEAP (AmeriCorps)
  - Home Visiting
    - Watertown-Elysian-Morristown
    - Faribault/Martin Counties
    - Freeborn County

Southern Minnesota Regional Competitiveness Project:

Charting a new economic future

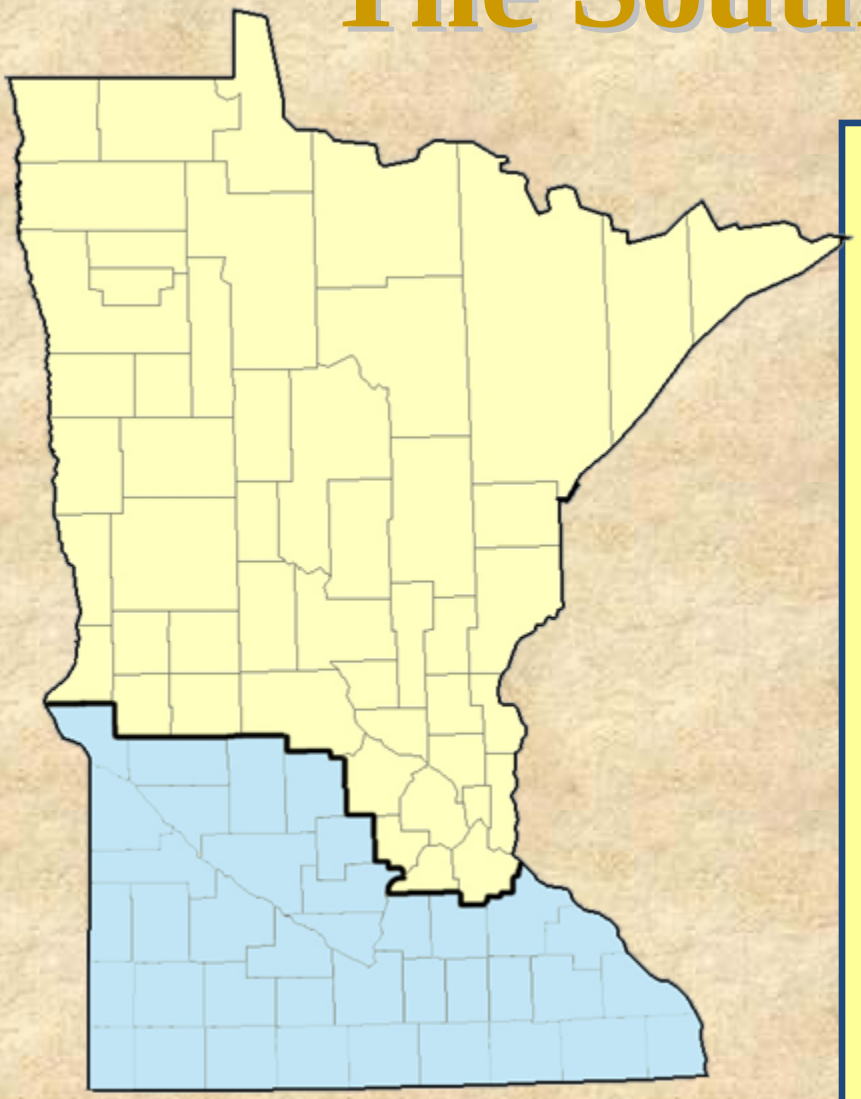
Mark Drabenstott

RUPRI Center for Regional Competitiveness

Region-Wide Strategy

- Goal:
  - To craft a region-wide strategy build on critical mass to compete in the global economy.
  - Tap into innovation and entrepreneurship

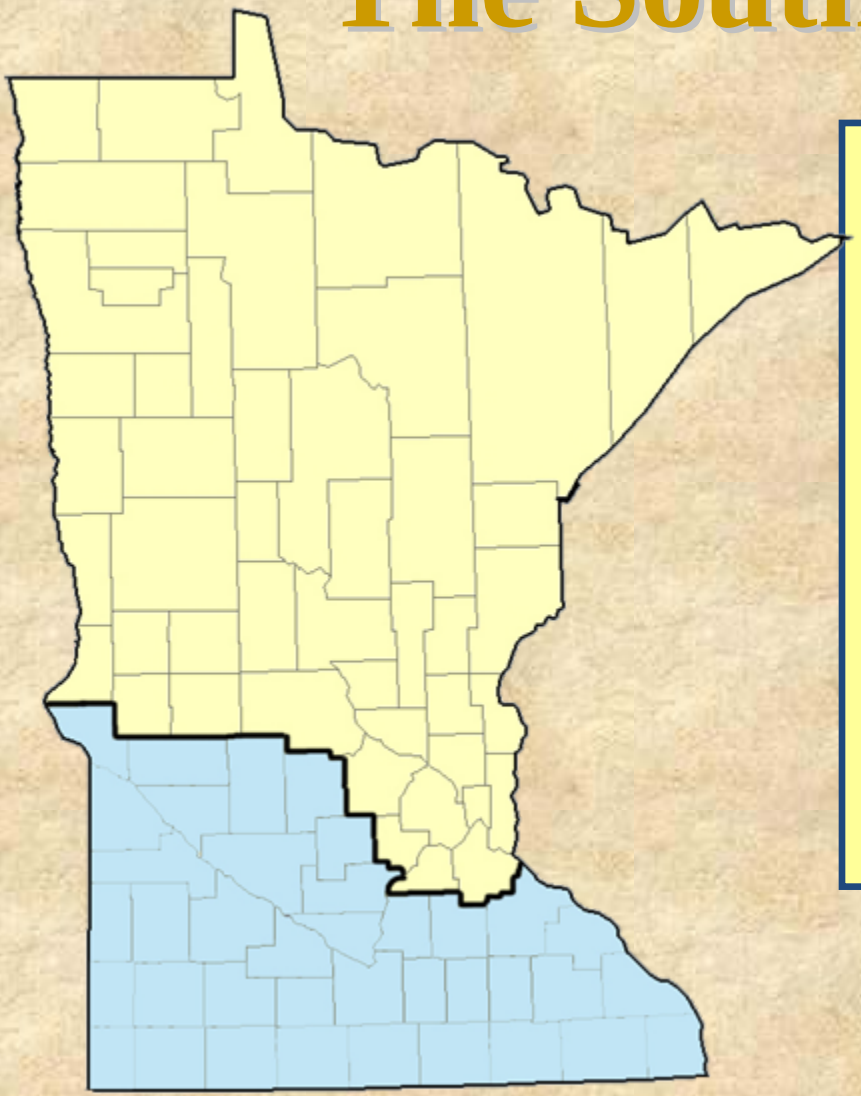
The Southern MN Region



A Region with Many Strengths

- 38 counties
- 988,000 people
- Nearly 2/3 of MN's farm income
- World-class health care
- Strong manufacturing—factories employ 1 in 5 workers in the Region
- Excellent educational institutions

The Southern MN Region

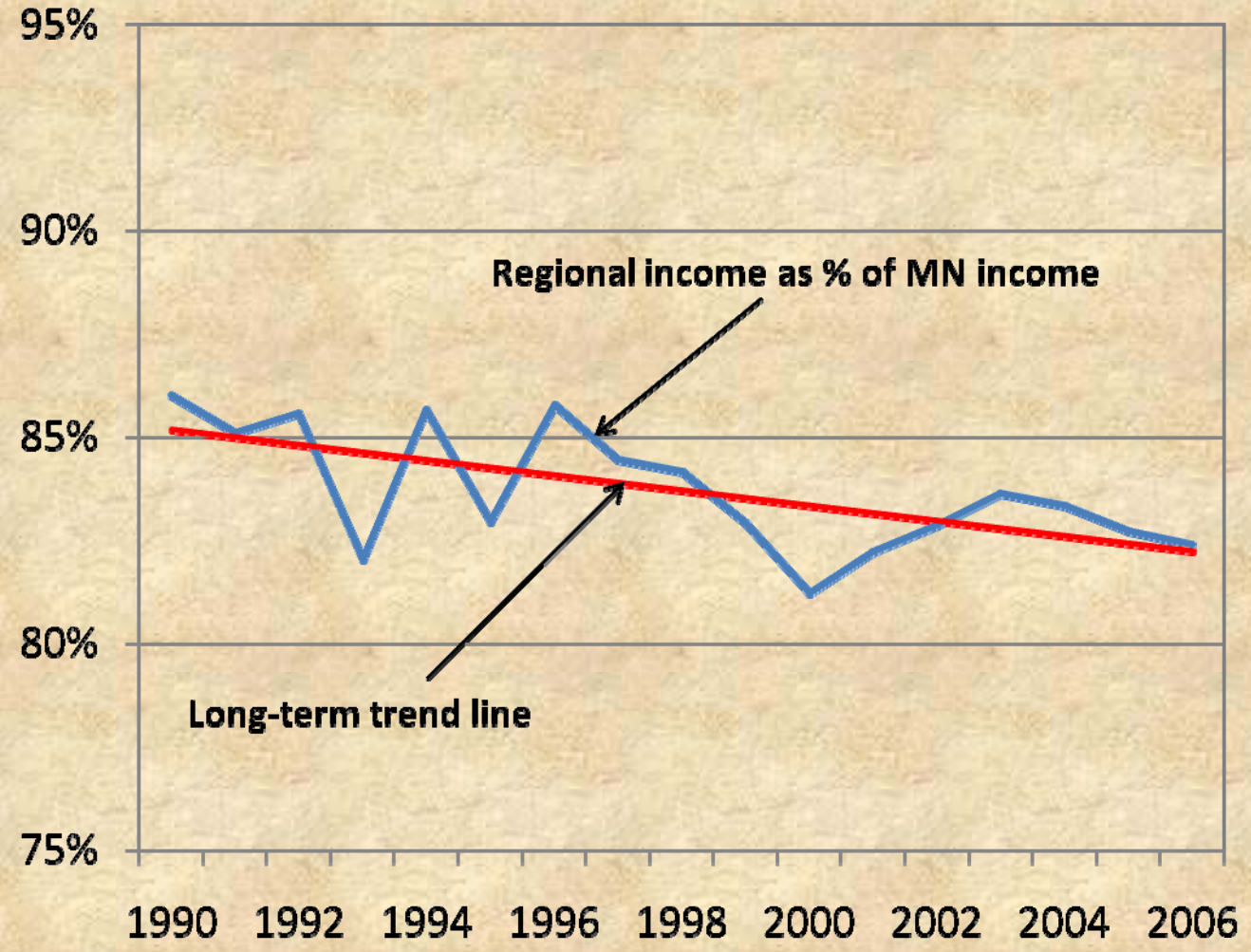


Why is this a Region?

- The people who live here work here.
- The Region's workforce shares key specializations.
- The Region's businesses form a three-legged stool.

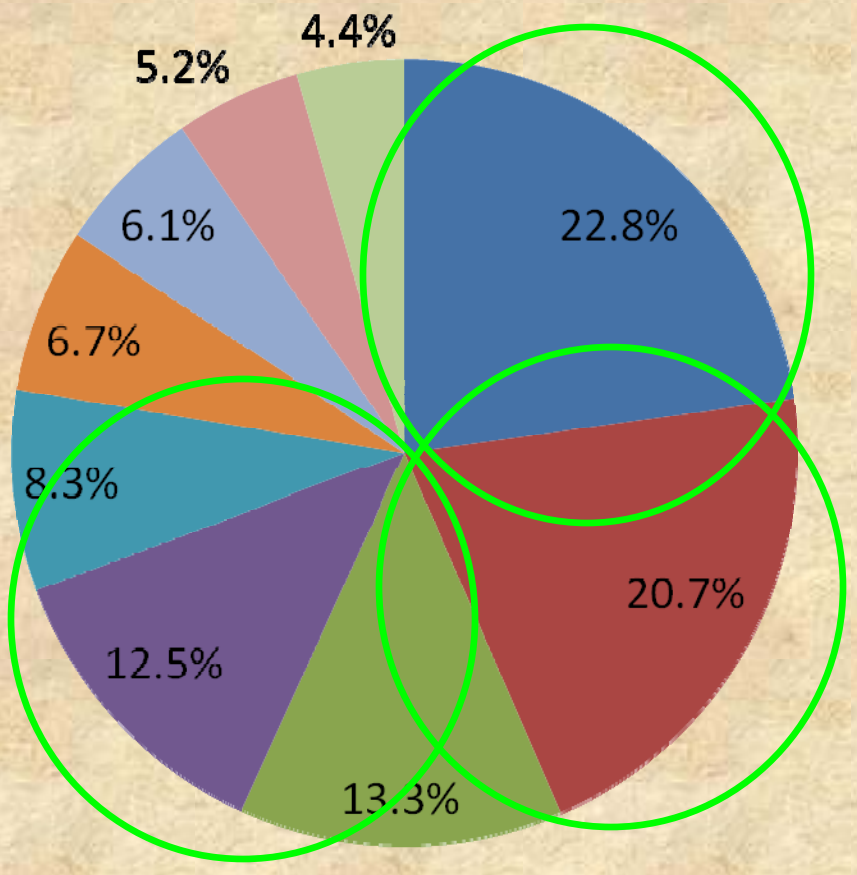
Why now?

Per capita incomes in the Region are sliding relative to the state.

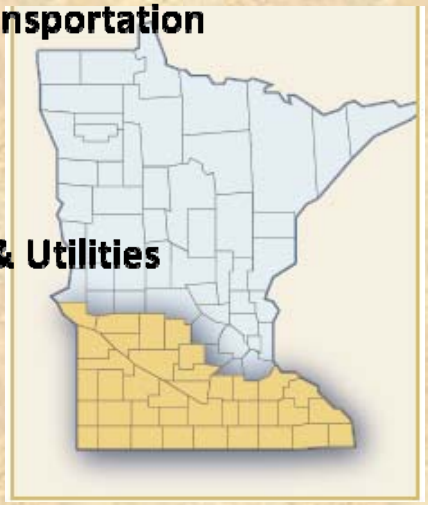


The Southern MN Region Looks Different than the Nation

2007 Nonfarm Employment Share



- Health & Edu. Services — Nearly 2X bigger
- Manufacturing — Nearly 3X bigger
- Retail Trade
- Professional & Business Services — Only ½ as big
- Food and Accommodation
- Wholesale Trade & Transportation
- Misc. Industries
- Construction, Mining & Utilities
- Public Administration



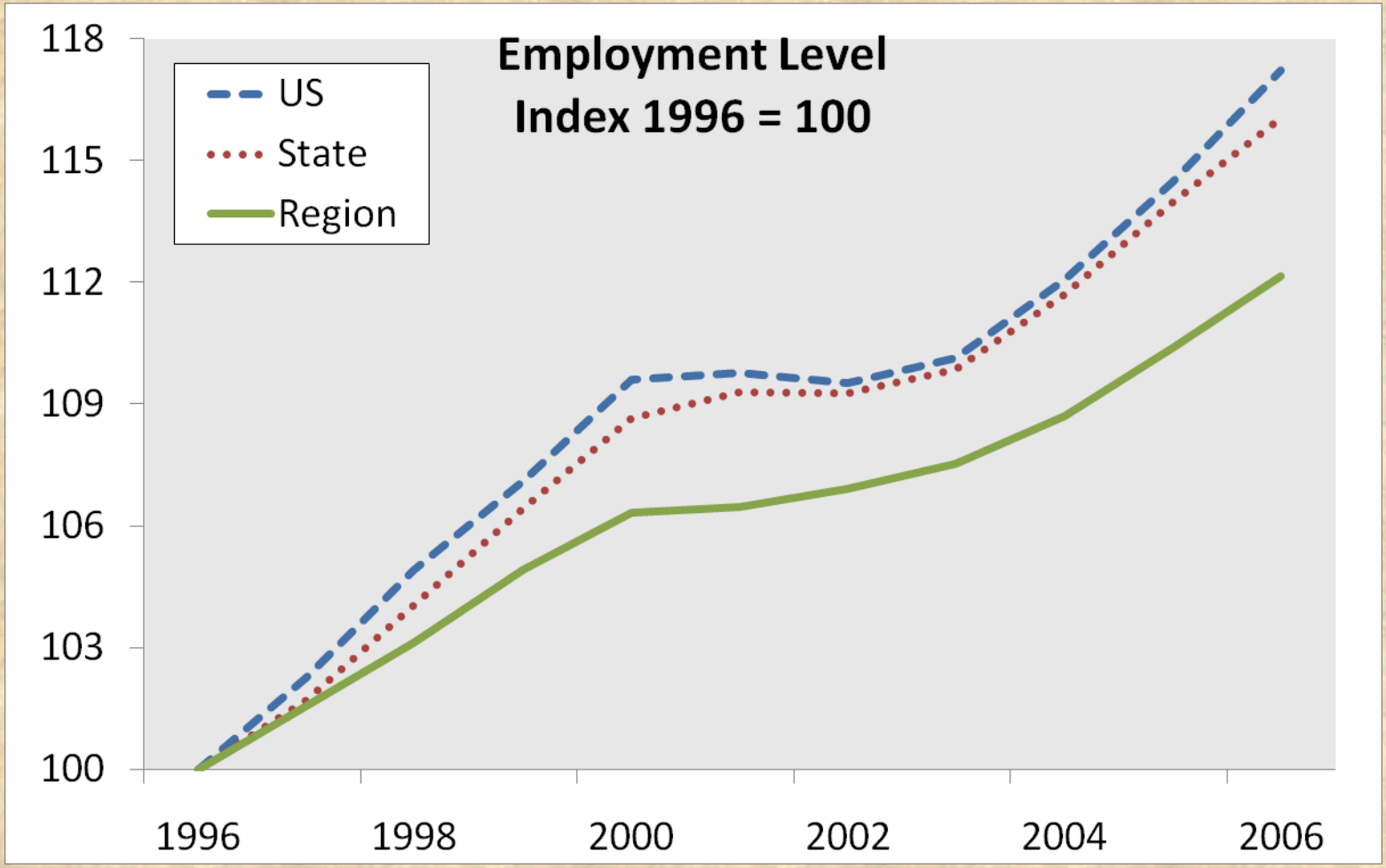
Source: DEED, Labor Market Information Office, Quarterly Census of Employment and Wages (QCEW)

The Region's three legged stool: Farms, Manufacturing, Health Care

Industry	2007 Jobs	Surplus Jobs	LQ	Estab. By no. of employees			
				Total	1000+	100+	1 to 4
Farm sector	47,462	37,985	5.01	n/a	n/a	n/a	n/a
Manufacturing	91,425	37,327	1.69	1,476	11	196	493
Health care & social assistance	94,829	29,430	1.45	2,696	6	156	959
Retail trade	72,761	2,799	1.04	4,701	0	90	1,990

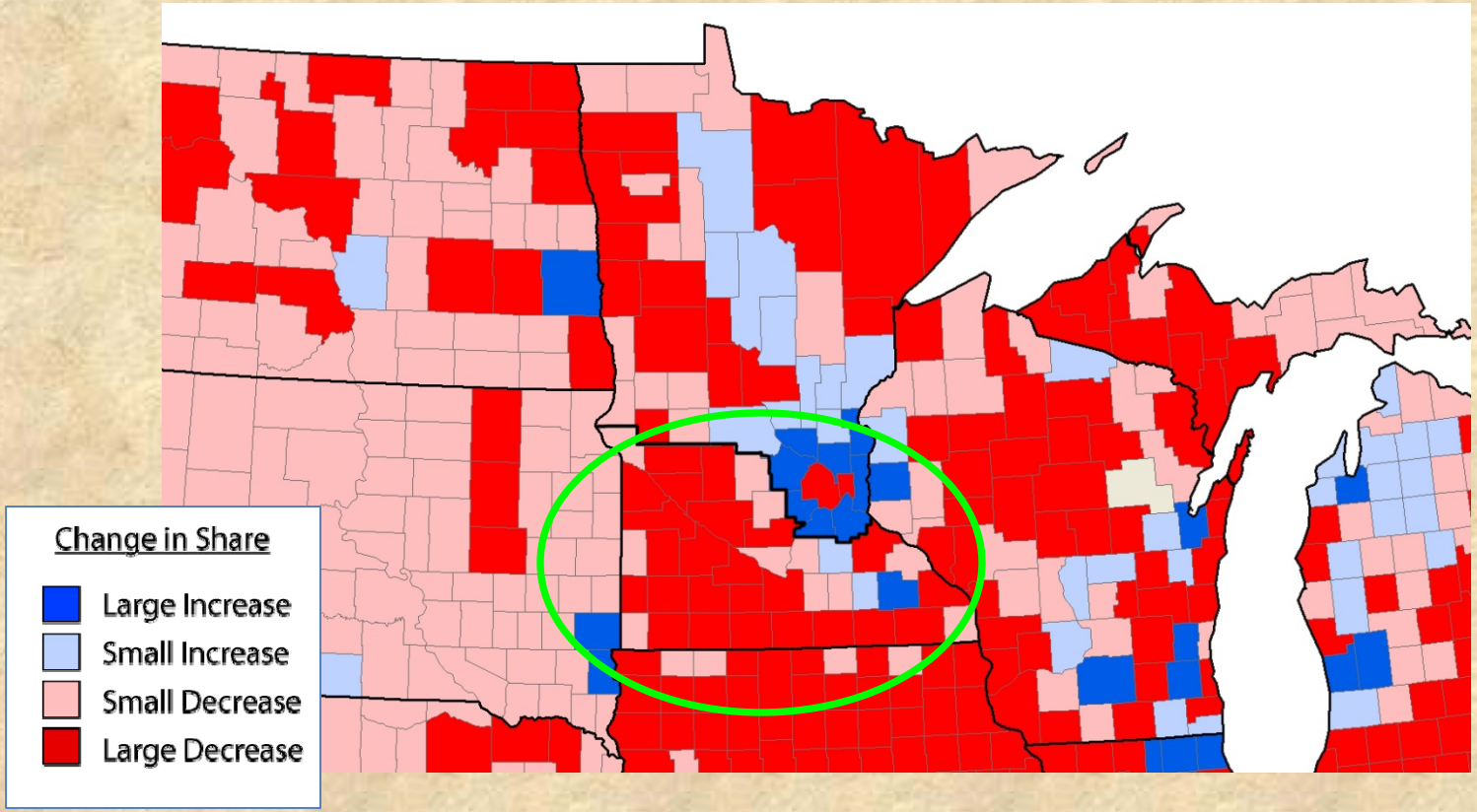
- 105,000 extra jobs in farms, manufacturing, health care and social assistance than if region looked like the nation
- 11 manufacturing mega-plants (more than 1,000 employees each)
- 6 major medical centers

Yet the Region's economy is trailing well behind the state and the nation.



And almost every county in the Region is losing talent.

Change in Share of Population
1981 to 2006



Source: US Bureau of Economic Analysis, Regional Economic Information System Tables

The Southern MN Regional Competitiveness Project aims to close this gap.

Three critical outcomes.

1. **Forge a strategy to compete and win gold in the Global Economic Olympics—founded on what the region does best and building critical mass for the contest.**

2. **Build a better way for the region to partner -- thinking and acting as one region.**

3. **Prioritize the investments the region must make to be a world-class competitor.**

The Southern MN Regional Competitiveness Project aims to close this gap.

Five key steps.

1. Listen to regional leaders—convening 10 local & 3 regional roundtables to identify critical economic assets and valuable regional partnerships. These roundtables will wrap up by Thanksgiving.

2. Analyze the numbers—bringing the best economic analysis to underlying trends in the regions. This work is ongoing, and will continue through the end of the year.

3. Gather feedback on the region's development menu—holding a Futures Summit to consider the region's economic options. This Strategic Summit will be held March 13 in Mankato

The Southern MN Regional Competitiveness Project aims to close this gap.

Five key steps.

4. **Analyze the best options—working with key regional leaders, select the best strategy for the overall region. This will happen in the first several months of 2009.**

5. **Roll out a regional strategy—presenting the region's strategy with key steps for implementing it at a Strategy Summit. This Summit will be held in May 2009.**

1. What are Southern Minnesota's best economic opportunities?

- **Three approaches to "best."**
- **Six strategic opportunities:**

  1. ***Manufacturing***
  2. ***Health care***
  3. ***Food and agriculture***
  4. ***Renewable energy***
  5. ***Bioscience***
  6. ***High technology***

What partnerships are critical to success?

- What is the existing network of partnerships?
- Which partnerships link to each new opportunity?
- How to fortify collaboration for action?

Project Partners

- AgStar Financial Services
- Alliant Energy, Albert Lea
- BioBusiness Alliance of MN
- Blandin Foundation
- Center for Rural Policy and Development
- DEED
- MinnStar Bank, Lake Crystal
- MN College & University
- Region Nine Development Commission
- Renewable Energy Marketplace
- RUPRI
- South Central Workforce Council
- Southwest Initiative Foundation
- Southwest Workforce
- United FCS
- Workforce Development Center, Rochester

- So. MN. Competitiveness Project Strategy Session, March 13, 2009
- So. MN. Competitiveness Project Summit, May 15, 2009

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Southern Minnesota
INITIATIVE FOUNDATION

- Tim Penny, President

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