

December 2016 Dashboard for St. Croix Valley Released

The December 2016 edition of the St. Croix Valley Economic Dashboard has been released by the Center for Economic Research (CER) at UW-River Falls, in partnership with St. Croix Economic Development Corporation (SCEDC). The dashboard is a snapshot of economic conditions in labor, consumer, agricultural and housing markets for the seven county St. Croix Valley, which includes the Wisconsin counties of Polk, St. Croix, Pierce, and Dunn and the Minnesota counties of Chisago, Washington, and Ramsey. It presents the latest available data in one convenient package (note: most regional data is available with a one or two month delay).

The 4-page Dashboard can be viewed on the CER's website, at www.uwrf.edu/CenterforEconomicResearch (select: St. Croix Valley Dashboard and then click to download the latest edition and scroll to view all four pages).

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

The Local Housing Market

"The months of housing inventory estimates how many months it would take to sell all currently listed homes if the number of homes sold remains constant at current levels."

"The sale-to-list-price ratio is the median sale price as a percent of the median listing price. The closer this ratio is to 100% the closer listing and sale prices match. A high ratio is an indicator of a seller's market and a low ratio is an indicator of a buyer's market."

"A buyer's market has taken a little lead in Pierce and Polk counties in October when compared to last month's data. The sale-to-list-price ratio has gone down from 95.5% and 90.8% to 83.2% and 89.8%. Dunn's housing market is highly driven by the seller's market and sale to list price ratio reflects 94.2% against the 90.8% last month. In the long run, St. Croix County's ratio looks good for sellers. In comparison to October 2015 data, the ratio has increased 10.6%. This trend is applicable to Polk County as well. The ratio for Polk increased by 14.4% compared to October 2015 data."

"The months of housing inventory has reduced for Dunn & Pierce counties, which means the waiting period for the houses to get sold reduced for these two counties (by .1% & .9% respectively). Polk County's housing inventory did not reflect any change but St. Croix's housing inventory increased by .07% and now reflects an inventory of 4.4 months."

The U.S. Economy

Output: "The economic outlook for 2016 continues to look better. Real gross domestic product (GDP) increased at an annual rate of 3.2 percent in the third quarter of 2016. Real GDP increased 1.4 percent in the second quarter. The Real consumption factor continues to increase and currently marks an increase of 2.77% in Q3. According to the Bureau of Economic Analysis (BEA) of U.S Department of Commerce, the increase in real GDP in the third quarter primarily reflected positive contributions from personal consumption expenditures (PCE), an acceleration in exports, an upturn in federal government spending and private inventory investment that were partly offset by negative contributions from residential fixed investment and state and local government spending. The table reflects the positive growth in real consumption (2.77%) and real investments (2.06%) The Employment Cost Index continues to be negative. This means the costs of labor for businesses is reduced. Initial unemployment claims went down by 21,000 in December. This indicates that the labor market is doing well and less people are claiming unemployment benefits."

Labor Market: "The Employment Situation Report (Bureau of Labor Statistics), released on December 4, 2016, reported that the U.S. unemployment rate declined to 4.6 % in November, and total nonfarm payroll employment increased by 178,000. Major employment gains occurred in professional and business services and in health care."

"As per the Household Survey Data in November, the unemployment rate decreased by 0.3% point to 4.6%, and the number of unemployed persons declined by 387,000 to 7.4 million. Among the major worker groups, the unemployment rate for adult men declined to 4.3% in November. The Establishment Survey Data reported that employment in professional and business services rose by 63,000 in November and has risen by 571,000 over the year. Accounting and bookkeeping services added 18,000 jobs over the month. The sectors which reflected continuous upward trends are administrative and support services (+36,000), computer systems design and related services (+5,000), and management and technical consulting services (+4,000)."

"Health care employment rose by 28,000 in November. Over the past 12 months, health care has added 407,000 jobs. Employment in construction continued on its recent upward trend in November (+19,000), with a gain in residential specialty trade contractors (+15,000). Over the past three months, construction has added 59,000 jobs, largely in residential

construction. In November, average hourly earnings for all employees on private nonfarm payrolls declined by three cents to \$25.89. Over the year, average hourly earnings have risen by 2.5 percent. Average hourly earnings of private-sector production and non-supervisory employees edged up by 2 cents to \$21.73 in November."

National Inflation and Interest Rates: "The U.S. inflation rate hit a 2-year high of 1.6% in October. Consumer prices in the U.S. went up 1.6 % year-over-year in October of 2016, up from a 1.5 % rise in September and in-line with market expectations. It is the highest inflation rate since October of 2014, as reported by trading economics.com. The Consumer Price Index (CPI) data released by the U.S. Bureau of Labor Statistics reported that the CPI for All Urban Consumers increased 0.4 % in October on a seasonally adjusted basis. Over the last 12 months, the all items index rose 1.6 % before seasonal adjustment. Increases in the shelter and gasoline indexes in September were the main causes of the rise in the all items index. The gasoline index rose 7.0% in October and accounted for more than half of the increase in the all items index. The shelter index increased 0.4 % for the second straight month. On December 10th, Economist.com reported that The Federal Reserve will increase the rates again on December 14th, after the December 2015 hike, to a target range of 0.5-0.75%. Economist.com commented that Federal Reserve's chairwoman Janet Yellen, is tweaking monetary policy at only a cautious annual pace."

Employment: "In September, total nonfarm employment in Wisconsin decreased by 10,500 jobs and in Minnesota, it increased by 1,900. While Minnesota lost 3,800 jobs in Education and Health Services, Wisconsin gained 400 jobs in same sector. Employment in this sector of Wisconsin seems to be increasing at a decreasing rate. Wisconsin recorded job loss nearly in all sectors. In Minnesota, the most significant job increase was recorded in Professional and Business Services (10,500). Trade, Transportation and Utilities, Leisure and Hospitality, and Education & Health Services sectors of Minnesota lost jobs. The Manufacturing sector and Government sector gained 700 and 1,100 jobs in Minnesota. At the same time, Wisconsin lost 100 jobs in Manufacturing, 1,100 jobs in Finance, 2000 in Government, 400 in Information, and 4,000 in Leisure and Hospitality. As per BLS data, the unemployment rate for Minnesota decreased by .2% in October 2016 to 3.3%. The unemployment rate remains unchanged in both the states for the month of October (4.1% in Wisconsin and 4.0% in Minnesota)."

Housing Market: "The Wisconsin REALTORS® Association (WRA) reported that the strong market in October has continued to push median prices higher, rising 6.5 percent to \$165,000 over the past 12 months. Prices for the first 10 months of 2016 were up 5.1 percent over the same period in 2015. WRA board chairman Erik Sjowall commented, "With nearly 70,000 homes sold thus far, we should surpass last year's total sales. At the current pace, home sales for 2016 are projected to reach 80,000, compared to just over 76,700 homes sold in 2015. This is impressive given the fact that inventory levels continue to fall in the state". As per WRA, low inventory levels are a concern, especially in metropolitan counties, which had just 4.6 months of supply in October. As per WRA data, housing affordability remains quite strong in the state."

"The Wisconsin Housing Affordability Index shows the fraction of a median-priced home that a borrower with a median family income can afford to purchase, assuming a healthy 20 percent down payment and the remainder financed with a 30-year fixed mortgage. WRA President & CEO Michael Theo stated that the pressure on housing prices has been growing as our inventories have declined, and the combination of higher interest rates and higher prices will cut into affordability going forward, but it's important to remember that housing prices tend to soften during the winter months."

2016 October Home Sale Report

Housing Market in Twin Cities: "According to new data released by the Minneapolis Area Association of REALTORS® though real estate activity begins to wind down, new signs of seller confidence are starting to appear in the final quarter of 2016, and with good reason. Many Twin Cities metro localities and certain price points continue to see strong seller's markets. As per their data, new inventory did not satiate buyer demand. The inventory was still down 16% from last year. As per Edina Realty, since mortgage rates continue to be low, the housing market will support more buyers entering the market."

About the St. Croix Valley

The Wisconsin-Minnesota St. Croix Valley is comprise of Polk, St. Croix, Pierce, and Dunn counties in Wisconsin and Chisago, Washington, and Ramsey counties in Minnesota. All seven counties are located at or near the Wisconsin-Minnesota border, along the St. Croix River, a federally-protected water resource. Five of the seven counties (St. Croix, Pierce, Chisago, Washington, and Ramsey) are included in the Minneapolis-St. Paul-Bloomington MN-WI MSA, a 16-county region with a population of slightly more than 3.5 million residents.

For additional information on the St. Croix Valley Economic Dashboard, contact Dr. Logan Kelly at cer@uwrf.edu or (715) 425-4993.

Saint Croix Valley Economic Dashboard for December 2016

UWRF Center of Economic Research

National Indicators

Indicator	Release Date	Rate	Change from One Year Ago
Unemployment	Nov '16	4.60%	-0.40 ↓
Inflation	Nov '16	1.70%	1.26 ↑
Real GDP Growth	Q3 '16	3.16%	0.03 ↑

Note: Real GDP data is released quarterly. Inflation, Real GDP and Coincident indicator are presented as a seasonally adjusted annual rate. Simple change is reported. Leading Index of economic activity is expressed as a seasonally adjusted semi annual growth rate.

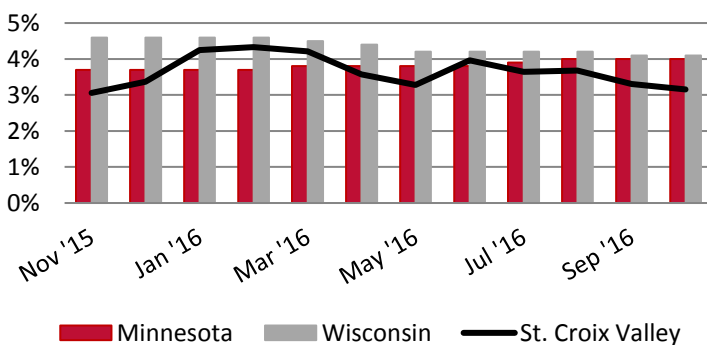
Source: (1) U.S. Bureau of Labor Statistics, (2) U.S. Bureau of Economic Analysis, (3) Federal Reserve Bank of Philadelphia
Arrows indicate direction of annual change.

State Level Indicators

	Release Date	Minnesota	Wisconsin
Unemployment	Oct '16	4.0% ↑	4.1% ↓
Employment	Oct '16	2,893,100 ↑	2,935,000 ↑
Labor Force	Oct '16	2,986,393 ↓	3,135,033 ↑
Coincident Indicator	Oct '16	1.27% ↓	1.79% ↓
Leading Indicator	Oct '16	0.86% ↓	1.22% ↓
Average Weekly Mfg Hours	#N/A	#N/A	## #N/A ##

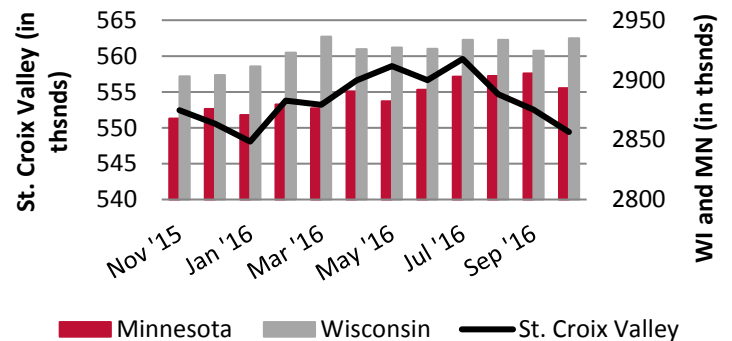
Unemployment Rate

	Oct '16	Change from one year ago	Change from last month
Region*	3.2%	0.07 ↑	-0.15 ↓
MSA†	3.5%	0.10 ↑	0.00 →
Wisconsin	4.1%	-0.50 ↓	0.00 →
Dunn	3.3%	-0.30 ↓	0.00 →
Pierce	3.3%	-0.10 ↓	0.00 →
Polk	3.4%	-0.50 ↓	-0.10 ↓
St. Croix	3.2%	0.00 →	0.10 ↑
Minnesota	4.0%	0.40 ↑	0.00 →
Chisago	3.4%	0.30 ↑	-0.10 ↓
Ramsey	3.2%	0.10 ↑	-0.20 ↓
Washington	2.9%	0.20 ↑	-0.20 ↓



Employment Level

	Oct '16	Change from one year ago	Change from last month
Region*	549,395	-0.27% ↓	-0.57% ↓
MSA†	1,962,800	1.34% ↑	-0.45% ↓
Wisconsin	2,935,000	0.97% ↑	0.35% ↑
Dunn	24,261	4.05% ↑	2.28% ↑
Pierce	24,179	2.11% ↑	-0.55% ↓
Polk	24,093	1.64% ↑	-0.20% ↓
St. Croix	48,429	2.11% ↑	-0.48% ↓
Minnesota	2,893,100	1.12% ↑	-0.43% ↓
Chisago	27,573	-1.20% ↓	-0.47% ↓
Ramsey	268,443	-0.99% ↓	-0.85% ↓
Washington	132,417	-1.02% ↓	-0.65% ↓



Note: Data for Wisconsin and Minnesota is seasonally adjusted. Other data is not seasonally adjusted and simple change is reported.

Source: U.S. Bureau of Labor Statistics

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Source: U.S. Bureau of Labor Statistics

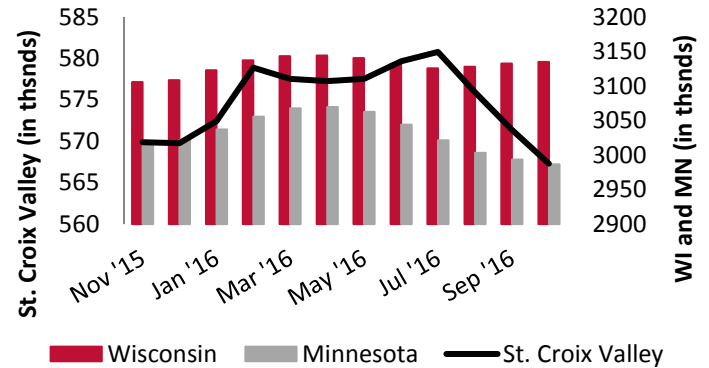
*Throughout this publication "Region" refers to the seven county Saint Croix Valley except where otherwise noted

†Throughout this publication, "MSA" refers to the Minneapolis-St. Paul-Bloomington metro area



Labor Force

	Oct '16	Change from one year ago	Change from last month
Region*	567,296	-0.20% ↓	-0.72% ↓
MSA†	1,920,548	-0.67% ↓	-0.94% ↓
Wisconsin	3,135,033	1.06% ↑	0.08% ↑
Dunn	25,089	3.74% ↑	2.28% ↑
Pierce	25,004	2.00% ↑	-0.55% ↓
Polk	24,941	1.12% ↑	-0.30% ↓
St. Croix	50,030	2.11% ↑	-0.37% ↓
Minnesota	2,986,393	-1.04% ↓	-0.25% ↓
Chisago	28,543	-0.89% ↓	-0.57% ↓
Ramsey	277,317	-0.89% ↓	-1.05% ↓
Washington	136,372	-0.82% ↓	-0.85% ↓



Note: Data for Wisconsin and Minnesota is seasonally adjusted. Other data is not seasonally adjusted and percentage change is reported.

Source: U.S. Bureau of Labor Statistics

Wisconsin Employment by Sector

Sector	Oct 2016	Change from Last Month
Total Nonfarm	2,935,000	10,400 ↑
Mining and Logging	3,800	0 →
Construction	113,900	-1,100 ↓
Manufacturing	473,800	2,400 ↑
Trade, Transportation & Utilities	544,700	-800 ↓
Information	48,200	200 ↑
Financial Activities	154,400	0 →
Professional and Business Services	318,200	900 ↑
Education and Health Services	440,500	2,100 ↑
Leisure and Hospitality	275,500	2,400 ↑
Other Services	149,300	-100 ↓
Government	412,700	4,400 ↑

Note: All data is seasonally adjusted and percentage change is reported

Source: U.S. Bureau of Labor Statistics

Minnesota Employment by Sector

Sector	Oct 2016	Change from Last Month
Total Nonfarm	2,893,100	-12,500 ↓
Mining and Logging	5,500	-200 ↓
Construction	117,700	-500 ↓
Manufacturing	315,800	-1,300 ↓
Trade, Transportation & Utilities	529,700	-2,500 ↓
Information	51,100	-300 ↓
Financial Activities	184,400	1,100 ↑
Professional and Business Services	364,600	-2,400 ↓
Education and Health Services	526,800	-2,200 ↓
Leisure and Hospitality	257,800	-3,900 ↓
Other Services	115,400	-500 ↓
Government	424,300	200 ↑

Note: All data is seasonally adjusted and percentage change is reported

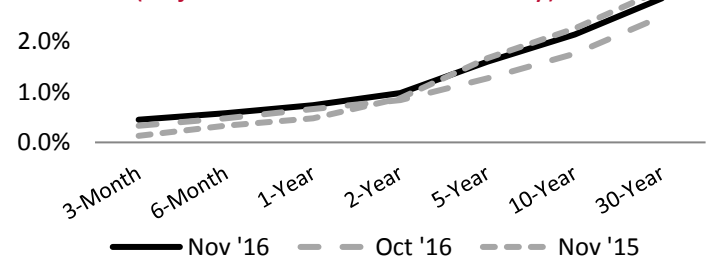
Source: U.S. Bureau of Labor Statistics

Selected Interest Rates

Interest Rate	Release date	Level	Change from one year ago
Bank Prime Rate	Nov '16	3.50%	0.25 ↑
30-Year Fixed Rate Mortgages	Dec '16	4.16%	0.68 ↑
Average Rate for SBA Backed Loans	Q3 '16	4.17%	-0.96 ↓

Source: Federal Reserve Board of Governor.

Treasury Security Yield Curve (Adjusted for Constant Maturity)



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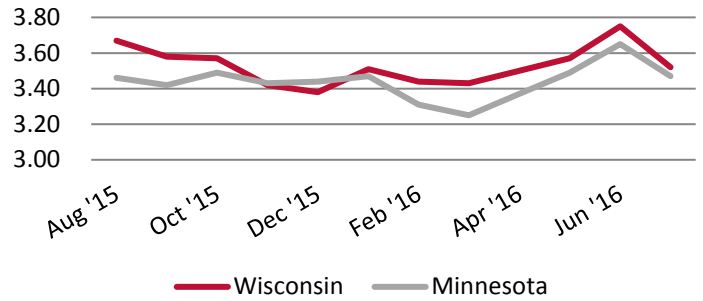
Agricultural Commodity Prices

	Jul '16	Change from Last Month	Change from One Year Ago
Corn¹			
Minnesota	\$3.47	-5.1% ↓	-5.1% ↓
Wisconsin	\$3.52	-6.3% ↓	-7.1% ↓
Soybeans²			
Minnesota	\$10.00	1.1% ↑	2.6% ↑
Wisconsin	\$10.30	0.0% →	5.1% ↑
Alfalfa³			
Minnesota	\$73.00	-14.0% ↓	-27.4% ↓
Wisconsin	\$80.00	-17.2% ↓	-9.5% ↓
Milk⁴			
Minnesota	\$16.80	11.3% ↑	-3.5% ↓
Wisconsin	\$16.60	11.5% ↑	-5.8% ↓
Milk Cow⁵			
	Avg. Price as of First of Qtr	Annual Change	
Minnesota	Q3 '16	\$1,650.00	-13.0% ↓
Wisconsin	Q3 '16	\$1,820.00	-13.8% ↓

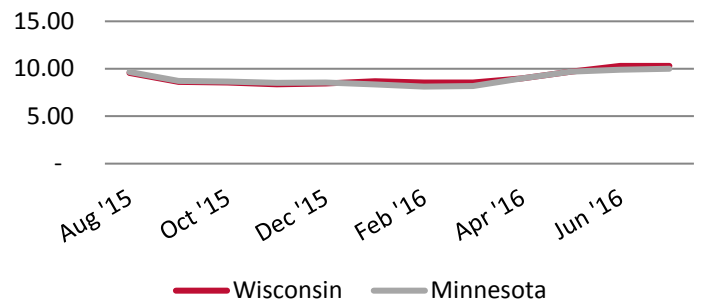
Note: (1) Wholesale price received per bushel of corn. (2) Wholesale price received per bushel of soybeans. (3) Price received per ton. (4) Wholesale price received per hundredweight of milk. (5) Price received per head.

Source: USDA, National Agricultural Statistics Service

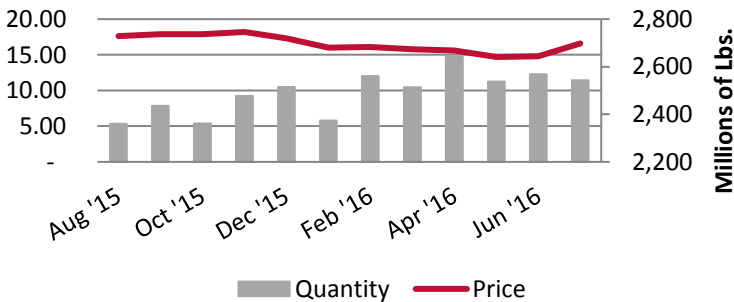
Corn Price per Bushel



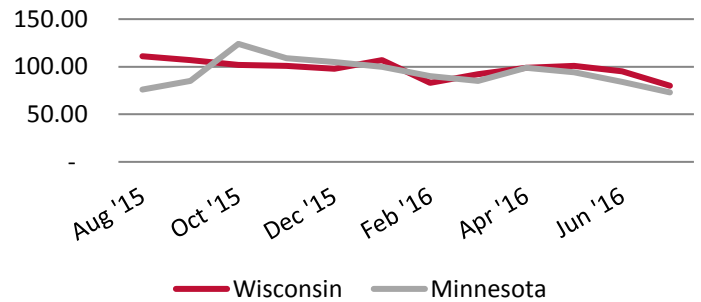
Soybean Price per Bushel



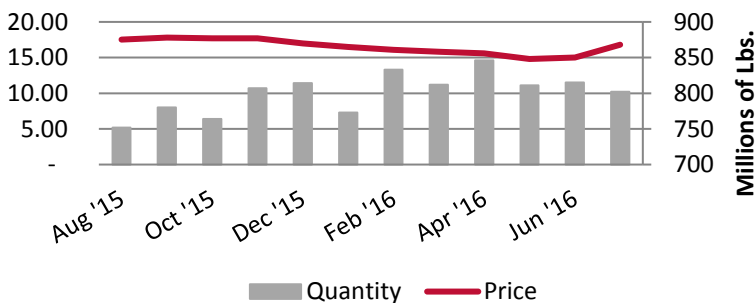
Wisconsin Milk



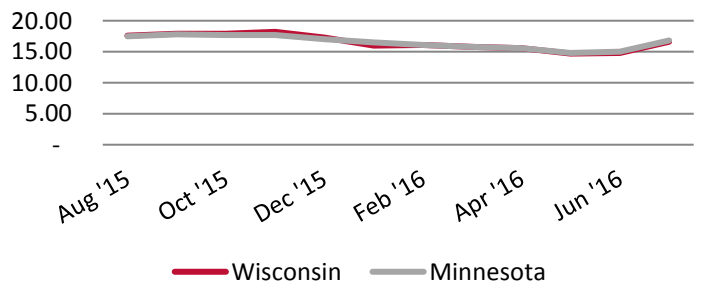
Alfalfa Price per Ton



Minnesota Milk



Milk Cow Price per Head



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Home Price Index

	Release Date	Change from one year ago	Change from last month
National ¹	Sep '16	5.0% ↑	4.4% ↑
Minneapolis ¹	Sep '16	5.2% ↑	3.9% ↑
Chicago ¹	Sep '16	4.3% ↑	5.8% ↑
Minnesota ²	Q3 '16	4.5% ↑	14.3% ↑
Wisconsin ²	Q3 '16	4.3% ↑	16.9% ↑

Note: Data is seasonally adjusted and percent change is reported in the table. (1) Case-Shiller Home Price Index. (2) St. Louis Federal Reserve House Price Index.

Source: (1) Standard & Poor's® (2) Federal Reserve Bank of St. Louis

Months of Housing Inventory

	Oct '16	Change from one year ago	Change from last month
Dunn	4.2	-3.3 ↓	-0.1 ↓
Pierce	4.6	-0.3 ↓	-0.9 ↓
Polk	5.0	-0.3 ↓	0.0 →
St. Croix	4.4	-0.2 ↓	0.7 ↑

Sale to List Price Ratio

	Oct '16	Change from one year ago	Change from last month
Dunn	94.2%	-7.9 ↓	3.1 ↑
Pierce	83.2%	-5.6 ↓	-12.8 ↓
Polk	89.8%	14.4 ↑	-1.0 ↓
St. Croix	88.8%	10.6 ↑	0.8 ↑

Note: Data is not seasonally adjusted and simple change is reported in the table.

<http://www.zillow.com/research/data/>

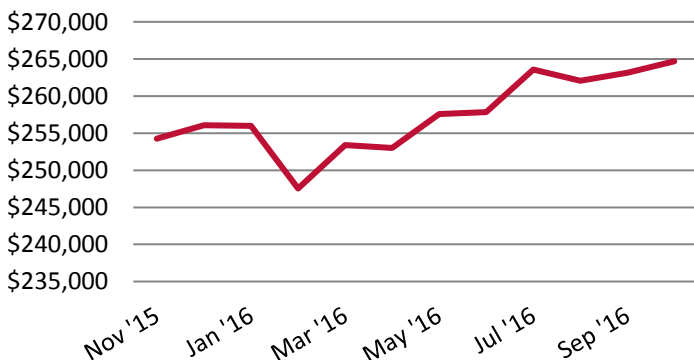
Median Home Listing Price

Region*	Oct '16	Change from one year ago	Change from last month
Region*	\$ 264,678	4.13% ↑	0.58% ↑
Wisconsin			
Dunn	\$ 155,000	3.35% ↑	-2.67% ↓
Pierce	\$ 209,900	6.34% ↑	-1.82% ↓
Polk	\$ 175,000	-5.56% ↓	-2.82% ↓
St. Croix	\$ 259,900	-1.91% ↓	3.88% ↑
Minnesota			
Chisago	\$ 245,450	0.18% ↑	0.18% ↑
Ramsey	\$ 209,900	0.43% ↑	-0.05% ↓
Washington	\$ 349,900	7.38% ↑	0.00% →

Number of Homes Listed

Region*	Oct '16	Change from one year ago	Change from last month
Region*	4386	-4.79% ↓	-4.79% ↓
Wisconsin			
Dunn	230	-33.65% ↓	-9.93% ↓
Pierce	266	-0.38% ↓	-4.77% ↓
Polk	470	8.43% ↑	-7.97% ↓
St. Croix	540	-7.15% ↓	-6.97% ↓
Minnesota			
Chisago	243	-5.21% ↓	-12.01% ↓
Ramsey	1512	-3.64% ↓	-2.35% ↓
Washington	1125	-4.43% ↓	-2.89% ↓

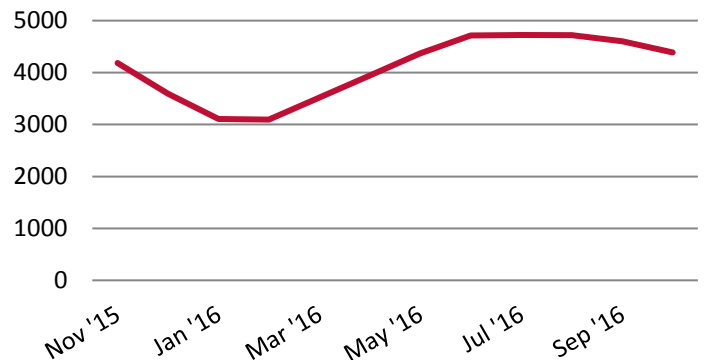
Regional Home Listing Price



Note: Data is not seasonally adjusted. Percent change is reported.

Source: <http://www.zillow.com/research/data/>

Number of Regional Home Listings



Note: Data is not seasonally adjusted. Percent change is reported.

Source: <http://www.zillow.com/research/data/>

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