

# GREATER MSP®

Minneapolis Saint Paul Regional Economic Development Partnership

Regional Council of Mayors  
April 13, 2020



# COVID-19: Economic Crisis in Numbers

## An unprecedented shock to our economy

**407,362**

unemployment insurance  
applicants in Minnesota since  
March 16<sup>th</sup>

Source: MN DEED

## A significant % of the jobs in our region's economy are at risk

**300,000** High risk jobs in MSP

**14.2%** Share of total region  
jobs at high risk

### EXAMPLES

- Museums
- Caterers
- Hotels
- Employment Services
- Full-service Restaurants
- Travel Arrangement

Sources: Brookings, Emsi

## Hiring behavior in the region is changing

**29%** Drop in total active job postings

**63%** Drop in leisure/ hospitality/  
travel active job postings

*March 30, 2020 compared to March 30, 2019*

Source: Emsi

## Stay at home orders resulting in significant daily loss of output

**28.6%** Greater MSP Region  
Daily COVID-19  
Output Loss

*equivalent to \$217m in  
GDP per day*

Source: Moody's Analytics

## Minnesota is leading nation in controlling spread

**19.05 cases per 100,000**  
(total 1,069)

*Minnesota ranks #1 with fewest  
COVID-19 cases per capita*

Sources: CDC, Census Bureau, cases as of 4.7.20

April 13, 2020

## The Listening project



GREATER MSP staff talked with **200 partners** in one-on-one conversations in the last **10 days**. We wanted to hear about new challenges resulting from the COVID-19 pandemic that require regional attention.

We are consolidating what we heard into themes. Here are some early insights :



### Large companies are accelerating the use of technology

*That may result in fewer jobs being available on “the other side” of this downturn & an accelerated timeframe for the “Future of Work”...*



### Inequality is getting worse

*The majority of job losses so far are among low-wage workers. Efforts on racial inclusion in the workplace have shifted from offense (let’s make it better) to defense (prevent backsliding).*



### The world of real estate is changing fast

*Employers have already hit the “pause button” on major new expansions so they can re-evaluate how much office space they’ll want post-crisis. Industrial real estate demand has increased, immediately driven by a shift from “just-in-time” distribution to “just-in-case” inventory approach.*



### Quiet conversations about recovery have started

*The public health crisis in Minnesota continues to deepen, but actions to date show signs of success. Minnesota may be one of the first states in the U.S. to be in the position to make decisions about what the “next normal” will look like for our economy.*

## SECURING FEDERAL SUPPORT

- Real estate support to federal & state government, establishing emergency operations of various types
- Cross-sector campaign to promote utilization of new federal Payroll Protection Plan & other federal programs
- ★ Qualifying the regional economic development strategy with U.S. EDA\* to apply for millions in federal funding

## CREATING A UNITED FRONT

- Initiated problem-solving calls with economic development leaders in Duluth, St. Cloud, Rochester & Mankato
- Rallying partners on 2020 Dashboard & new recovery effort (Itasca Project, MN Bus. Partnership & many others)
- Building a new regional economic intelligence capability

## CONNECTING THE REGION

- Communicating weekly insights & resources to all investors and partners (including through new weekly e-news)
- Listening Project: one-to-one outreach to 200 partners in 10 days about their new priorities & emerging challenges
- New problem-solving forum for entrepreneurs through Forge North

*Meanwhile, most  
of the planned  
work continues*

- *Job creation projects (“deal flow”) continues*
- *New global food & agriculture initiative expanding (MBOLD)*
- *New inclusive talent pipeline initiative (CONNEXT)*
- *Work with start-ups & venture capitalists (Forge North)*
- *Refreshing job creation strategies with Board Task Force*
- *New national security project*

\* Federal Economic Development Administration



# Questions:

1. Is there a **solution** your city has developed over the past few weeks that others might benefit from hearing about?
2. Is your city facing a **challenge** and looking for potential ideas or support from other leaders/organizations in the region or state?



# TWO DISTINCT BUT RELATED WORK STREAMS ...



## MSP REGIONAL INDICATORS DASHBOARD

We track the performance of the economy to know how we're doing, in the areas most important to our competitiveness.



OBSERVATION & ANALYSIS

## REGIONAL ECONOMIC DEVELOPMENT STRATEGY

We set shared priorities and rally together around projects to improve our competitiveness through action.



COLLABORATIVE ACTION & CHANGE

# THE STORY DISRUPTED & THE NEW CHALLENGE OF RECOVERY

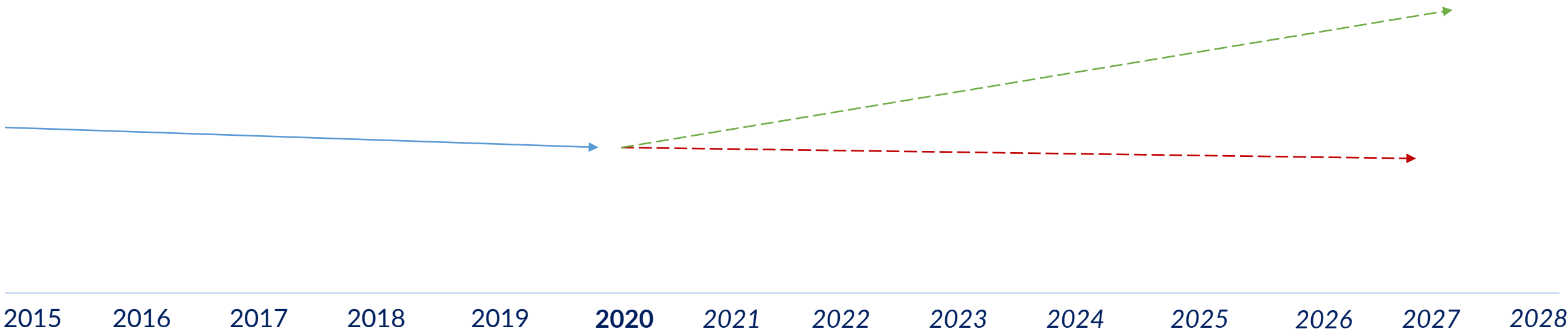


In 2019, we integrated the Dashboard & the Regional Strategy with a set of 2030 Ambitions & 3 year goals. Dashboard data was motivating long-term thinking and informing goal-setting. We had a plan for 2020 and beyond. The COVID-19 crisis will either throw the region off course from the outcomes we know we much achieve, or serve to create renewed urgency and commitment.

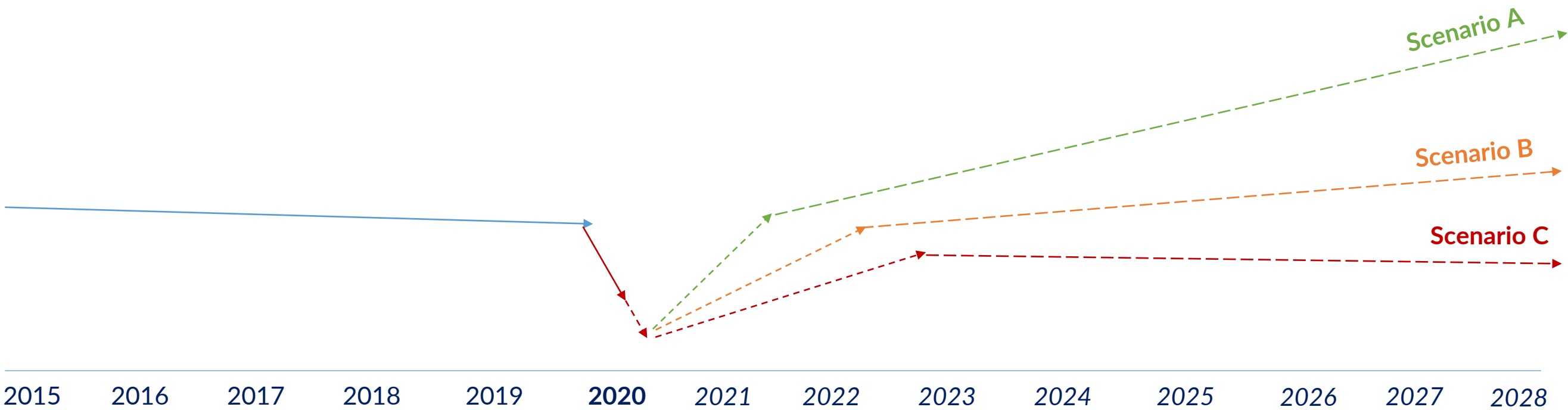
A long time ago, in February, we were all focused on accelerating implementation of the regional strategy in 2020 to put MSP on a new course for growth. Bolder ambitions, more intentional collaboration and larger scale action was the key ...

**JOB GROWTH**  
In the MSP region

**2030 AMBITION**  
TOP 5 Job growth  
region in peer set



COVID-19 disrupted our plan with a crisis. Our region needs a framework for economic recovery that places MSP on the transformative trajectory to achieve our ambitions. How we emerge from the crisis will influence our competitiveness over the next decade.



# THOUGHT-STARTER: RECOVERY AS A BRIDGE FROM CRISIS TO LONG TERM STRATEGY



## QUICK START

It's not too early to start working on economic recovery. But rather than creating a separate regional project, we can leverage existing resources and partners. This year's Dashboard project can transform into a conversation about crisis response & economic recovery

### CRISIS MOMENT

#### April-May

We can work together to create the digital launch of the 2020 Dashboard with a strong narrative that connects past trends, to what we know about the current crisis, and introduce a framework for regional economic recovery.

### RECOVERY CHALLENGE

#### April-September

Organize a series sessions with executive leaders to craft and implement a recovery framework.

These engagements also serve to build a case for bold action & shared ownership of the longer-term regional strategy.

- *Apr-May*: conduct econ analysis
- *May-Jun*: align on recommended actions
- *Jun-Jul*: engage partners to action

### STRATEGIC OPPORTUNITY

#### October-December

We launch the regional economic development strategy with a brand, a new team of leaders and a communications strategy that drives implementation into 2021 and beyond.

### CONNECT THE WORK, CONNECT THE DOTS

We should not allow the crisis to distract us from our shared long-term strategy. Instead, crisis & recovery can be a launchpad for implementing the strategy with greater urgency, speed and scale.



# QUALIFYING THE REGIONAL STRATEGY WITH THE FEDERAL GOVERNMENT

A no-regrets step to help our region respond to crisis & get on the path to recovery



## WHAT

Together, over the last 5 years we’ve created a regional economic development strategy and are working to implement it.

By summarizing the work our region has already done to create our strategy, the U.S. Economic Development Administration (EDA) will accept it as an “alternative” to a standard *Comprehensive Economic Development Strategy*.

## WHY

The U.S. EDA received \$1.5 billion in the latest federal legislation, and more is expected in the next bill.

EDA told GREATER MSP last week that counties, cities and nonprofits in this metro will not be able to apply for most (or possibly any) of this funding without a qualified strategy.

## HOW

**Keep it simple.** EDA encouraged us to utilize the analysis and relationships we already have. Less is more.

**Do it soon.** EDA funds are expected to be available this month and will be gone when expended.

- ☐ Summarize the regional strategy
- ☐ Add a few additional forms
- ☐ Review with partners
- ☐ RCM letter of engagement (if possible)
- ☐ Met Council adoption



# Discussion:

1. What questions do you have?
2. What is the best way to share the draft for you and your staff to review, and secure a letter of endorsement?
3. Does your city have experience with U.S. EDA programs?