



The EDA CENTER

at the University of Minnesota Crookston

The EDA Chronicle-September 2016

www.edacenter.org

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Events of Interest:

October 19

- How to Finance your Export Operations seminar hosted by the Minnesota Trade Office and the Central Region SBDC will be held at the SBDC offices at St. Cloud State University's Welcome Center from 8:30AM to 3PM. Registration fee is \$35. For more information and to register, please go to <http://z.umn.edu/18y4>.

October 25

- Duluth-Starting a Business in Minnesota workshop will be hosted by the University of Minnesota Duluth Center for Economic Development and the Northeast Region SBDC from 2-4PM at the Work Force Development Center, Duluth Athletic Building. For more information and to register, please go to <http://z.umn.edu/18y7>.

January 19-20 (2017)

- EDAM will host the 2017 EDAM Winter Conference at the Minneapolis Marriot Northwest from January 19 to the 20. More information will be coming soon.

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Letter From EDA Center Director, Kent Olson

Dear Colleagues,

Good news from EDA Chicago! The EDA University Center has been awarded financing for another 5 years. Please see the first article after this column for more details.

The recent U.S. Census report on income and poverty for 2015 (www.z.umn.edu/18gu) certainly made big news with its report of income being up 5.2% compared to 2014 and the poverty rate decreasing by 1.2%. This is good news.

The report which is based on the Census' Current Population Survey (CPS) also shows an income decrease of 2% for residences "outside metropolitan statistical areas," -- what the press referred to as "rural America."

But a New York Times reporter argues that if you use a different definition of "rural," income is growing (<http://nyti.ms/2cV6gVv>). He notes that differences in definitions of rural, a change in definitions between survey years, and a sample size that is too small to reflect rural reality created an incorrect view in the CPS. The author argues that the American Community Survey (also done by the Census), with a much larger sample and consistent definitions, show a 3.4% growth in median income in rural areas.

These differing interpretations create a few questions. What is your view of what has happened in your area in the past 2-3 years? Individuals and families will always have different experiences, but would you say that, in general, income is up and poverty down in your area? Is the economy improving for most people? As the economic development community works together, how can we aim to bring better results in income, poverty, and health to all the people in the

communities we touch?

For me these questions also need to be answered with the thought that many experts argue that we are living in what may be a long term, low-growth world (<http://nyti.ms/2aIWeW5>). If we are in such a world, how does this affect the assistance and guidance we offer to communities?

On September 8, I attended the North Central EDA Showcase in East Lansing, Michigan. I was intrigued at the diversity of approaches UEDA Centers have across the North Central states. The foci of work ranges from a focus only on helping individual businesses start, grow, and overcome problems, to Our Center's work, focusing more on communities than individual businesses. After listening to their stories, I continue to believe we have a larger impact when we help the community as a whole improve their understanding of their own local economy and how they can help their community as well as the individual businesses within their community. Within this newsletter you will find:

- The official news release announcing the renewal of funding for The EDA Center at the University of Minnesota Crookston
- Summary of the Shooting Star Casino survey
- Update of the Recreational land Use Project underway at UMC

As always, please stay tuned and in touch with what we learn in our Center sponsored projects. And call me at 612-625-7723 or email me at kdolson@umn.edu if you have additional questions you would like to explore.

Kent Olson

EDA Center Director

University of Minnesota Crookston / Extension partnership named EDA Center through 2021

The Economic Development Administration in Chicago has announced that the University of Minnesota Crookston has again been named the EDA University Center for the State of Minnesota from 2016-2021. This funding continues from an original grant award that has funded services in Greater Minnesota since 2009. Enhanced funding for 2016-2021 will increase from \$123,000 / year to \$160,373 / year to continue our work in Greater Minnesota and to allow for service to the Minneapolis-St. Paul area, prioritizing communities of place and interest that face high levels of economic distress. Funding is used only for services provided by the University to communities; no cash awards are made. All funding is matched with University funds.

The EDA Center grant, renewable annually, is managed at the University of Minnesota Crookston (UMC), and is a partnership of UMC and the University of Minnesota Extension Center for Community Vitality. This partnership has created a source of statewide economic development applied research and education that enhances the effectiveness of economic development strategies at

local, regional, and tribal levels. Over the past five years, EDA-affiliated faculty and staff have produced over 50 applied research reports for over 60 community partners. These reports inform local action and policy responding to economic emergencies such as the avian flu, and economic opportunities such as business retention and expansion.

“Being the EDA University Center enriches public engagement with economic development communities from the University of Minnesota,” says Kent Olson, who directs the Center. “Extension educators who are connected to community concerns are able to develop research and education that sheds light on those subjects, regardless of a community’s ability to pay. And faculty at the University of Minnesota Crookston bring their knowledge and understanding of regional concerns to the Red River Valley, northwestern Minnesota, and beyond; particularly as they relate to entrepreneurship and small business development in rural communities.” Center faculty and staff use methodologies such as IMPLAN analysis, asset based community development assessments, business retention and ex-

pansion surveys, visitor profiles, resident surveys, demographic and data analysis, pull factor and retail analysis methodologies, and more.

A 2015 evaluation of a subset of applied research reports funded by the Center confirmed that studies inform local action; for example, shifting the focus of local economic development efforts from business attraction to realizing the importance of supporting existing businesses. One community realized the economic benefits of tribal-owned businesses in the region and stepped up efforts to collaborate with tribes to support regional economic development. One community used economic analysis data to gain community support for past economic development decisions.

The Center’s focus on applied research is designed to complement the work of other organizations that work in Minnesota. Center staff and faculty are engaged with Minnesota’s Department of Employment and Economic Development, regional Initiative Foundations, and Minnesota’s 10 Regional Development Organizations. For more information, contact Kent Olson at 612-625-7723.

Shooting Star Casino Event Attendee Study: Spring 2016

by Rani A Bhattacharyya, Community Economics Educator, and Xinyi (Lisa) Qian, Ph.D., University of Minnesota Tourism Center

In 2015, the White Earth Economic Development Office received

grant funding from the EDA Center at the University of Minnesota Crookston to conduct a project profiling event attendees at Shooting Star Casino in Mahanomen, Minnesota. The purpose of the

project was to support the White Earth Economic Development Office and the city of Mahanomen in understanding the characteristics and activities of event attendees at Shooting Star Casino during off-

season months. An intercept survey was distributed between February and April 2016. Below is a summary of the findings based on 335 eligible survey responses.

RESPONDENTS

Fifty-five percent of respondents were female, with 67.2% self-identifying as White. The average age of respondents was 49. The annual household income of about 37% of respondents was in the \$50,000 - \$99,999 range, followed by slightly more than 35% in the \$25,000-\$49,999 range.

Eighty percent of respondents resided in the state of Minnesota. Another 18% came from North Dakota. The top five counties respondents came from were Mahnomen (19.3%), Becker (14.2%), Clearwater (9.2%), Cass (North Dakota; 8.2%), and Otter Tail (7%).

2016 SPRING TRIP INFORMATION

Shooting Star Casino was the primary destination for 96% of respondents, and close to 60% took a day trip to Mahnomen. Of those who stayed overnight in Mahnomen, 63% stayed one night, 22% stayed two nights, and 13.4% stayed three to four nights. The average event attendee traveled in a group of three people, with close to half traveling with adults 51-69 years old and 35.8% traveling with adults 36-50 years old. The most frequently chosen lodging type for those staying overnight was the Casino hotel (70.7%), followed distantly by the home of a friend or relative (12.2%).

The average spending per day was \$134.60 per person, although the number varied widely from visitor to visitor. Specifically, the average

per-person spending was \$67.70 on casino gaming, \$14.60 on lodging, \$13.20 on restaurants, and \$13.10 on event-related expenses. The average per-person spending was less than \$8 per day for each of the other five spending categories (transportation, shopping, miscellaneous, recreation, and groceries).

TRIP ACTIVITIES

The most frequently identified trip activities included dining out (67.8%), nightlife/evening entertainment (49.9%) and casino/gaming (41.5%). When asked about the likelihood of attending another show at Shooting Star Casino within the next 12 months, 66.6% indicated they were very likely to do so. Meanwhile, 66% of respondents did not visit downtown Mahnomen or any of the businesses along Highway 59. When asked what kinds of businesses would attract them to the downtown area, 26.3% identified full-service sit down restaurants. About 17% identified antique stores, 15.5% casual fast food restaurants, 14.6% arts and crafts stores, and 14% general merchandise stores.

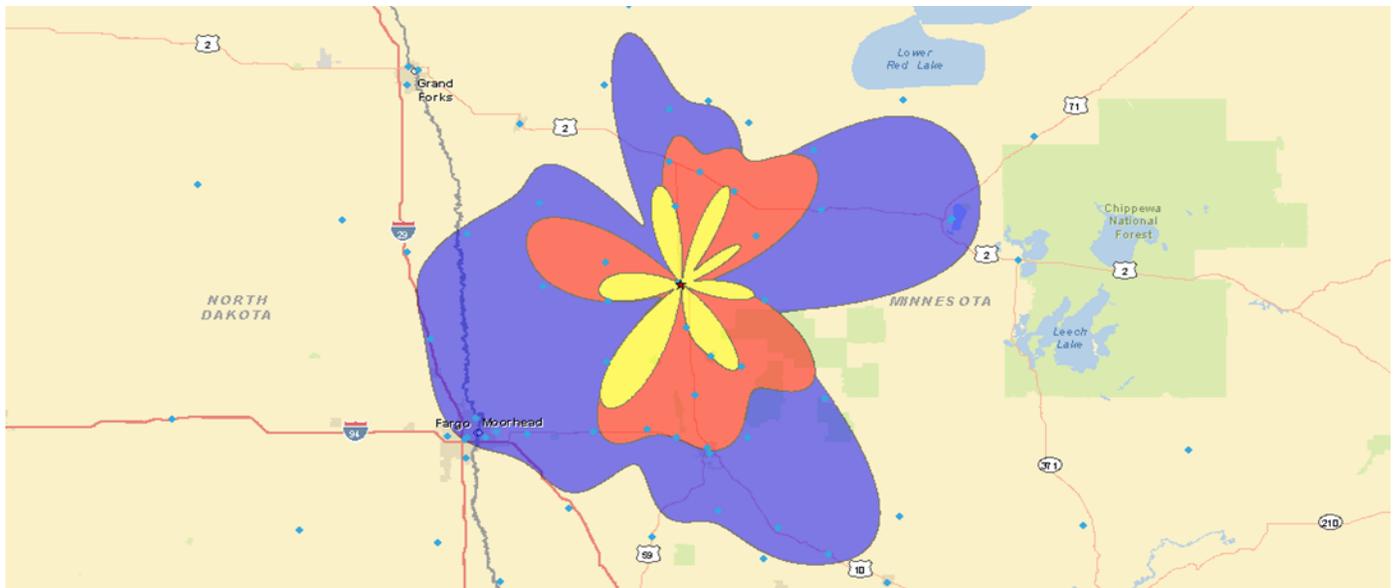
DISCUSSION

Survey results indicate white respondents were older and wealthier while American Indian respondents were younger with lower household income. Although these patterns are consistent with census data, it is important to understand the interests and tastes of both older the younger generations. Additional targeted research into the activity preferences of these age groups could strengthen the community's decision making ability as to what type of development to pursue.

Given the comparatively frequent identification of full-service restaurants as possibly attracting visitors to downtown, particularly among those in the 40-70 age range, it will be worthwhile for the city to look into this possibility and understand the interests and needs among the older age groups in terms of full-service restaurants. It is also worth noting that event attendees aged 18-40, compared to the older age groups, have a greater preference for casual dining/fast food restaurants. Learning more about these market segments can help to strengthen economic linkages across sectors in the local economy and improve marketing and development decisions when attracting casino visitors to the downtown area. The focused market area of the Casino on West Central Minnesota and Eastern North Dakota also reveals that more targeted promotional efforts could be made to broaden the Casino's regional market base.

To increase the number of overnight visitors and to attract visitors to downtown, Shooting Star Casino, in partnership with the White Earth Nation and City of Mahnomen, could also offer two-to-three day packages that include downtown businesses and events for those staying 1-2 nights in the area. To attract casino event attendees to participate in more activities downtown, the city could work with White Earth Nation and the Casino to promote the dining and nightlife opportunities in the city, and to feature the shopping opportunities and festivals available in the city.

Figure on page 4 displays the region surveyed for this study.



Trade area of 2016 White Earth visitor profile survey respondents (n=335)

Tell us About News in Your Area

The EDA Center would like to collect information from the different regions in Greater Minnesota in an effort to highlight notable projects

and events across the state. If you have any projects or events you would like highlighted in future newsletters, please submit them to

walke810@umn.edu prior to the 15th of October.

UPDATE-EDA Land Use and Recreation Sustainability Survey Project 2016-2017

*By Rutherford Johnson, Ph.D.
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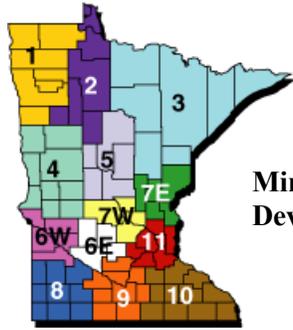
The EDA Land Use and Recreation Sustainability Survey Project exists to enhance economic and geospatial knowledge of Northwest Minnesota regarding land use and both local and tourist recreation in terms of both current activity and potential for future growth. In furtherance of the goals of the project, during the summer of 2016, the two planned surveys regarding land use and recreational willingness to pay were developed, and a third one was added specifically for hotels regarding ecotourism and agritourism that they either are

already doing or may wish to do in the future. During survey development, it became clear that there is potential for agritourism and ecotourism in northwest Minnesota, and that could easily be added into the survey instruments potentially to enhance the benefit and usefulness of the final data. Since the survey will be given via the internet, the additional phases of the project that were under consideration for the future were able to be combined into the existing surveys. This reduces the overall project duration, but lengthens the survey data gathering phase.

Plans for Data Collection

Having completed the initial survey development, the

next phase is to receive input, feedback, and commentary from various (already identified) sources regarding the specific questions and to program the survey into Qualtrics software. Then the survey will be opened to the public as a pre-survey, with open-ended valuation questions. That data will be used to finalize the quantitative valuation questions and render the survey ready for general distribution to the public. Depending on the results of the pre-survey, the final survey may have either one single starting bid or several randomly-selected starting bids for the valuation questions.



Minnesota Economic Development Regions

Jobs data below comes from U.S. Bureau of Labor Statistics (www.bls.gov) and DEED (<http://mn.gov/deed/>).

2015-2016 Minnesota Unemployment by Economic Development Region (Not Seasonally Adjusted)

Date	EDR1	EDR2	EDR3	EDR4	EDR5	EDR6E	EDR6W	EDR7E	EDR7W	EDR8	EDR9	EDR10	EDR11
Aug 2015	4.0%	4.7%	4.8%	3.0%	4.3%	3.3%	3.9%	4.1%	3.4%	2.9%	3.3%	3.2%	3.3%
Sept 2015	3.2%	4.3%	4.6%	2.8%	3.9%	3.0%	3.2%	3.8%	3.1%	2.9%	3.0%	2.8%	3.1%
Oct 2015	2.9%	4.2%	4.6%	2.5%	3.8%	2.8%	3.7%	3.5%	2.9%	2.7%	2.8%	2.6%	2.9%
Nov 2015	3.5%	4.9%	5.3%	2.8%	4.9%	3%	3.2%	3.9%	3%	2.6%	2.7%	2.5%	2.7%
Dec 2015	5.5%	6.3%	6.2%	3.9%	6.3%	4.1%	4.6%	5.3%	3.8%	3.9%	3.6%	3.1%	2.9%
Jan 16	6.9%	7.4%	7.4%	5.2%	7.7%	5.5%	6.8%	6.9%	4.9%	4.9%	3.6%	4.1%	3.7%
Feb 16	6.6%	7.2%	7.2%	5.1%	7.5%	5.4%	6.1%	6.8%	4.8%	4.9%	4.6%	4.1%	3.6%
Mar 16	7.3%	7.8%	7.8%	5.1%	7.8%	5.5%	5.9%	7%	4.9%	4.8%	4.7%	4.1%	3.7%
Apr 2016	6%	6.5%	6.9%	3.7%	5.7%	4.2%	4.4%	5.4%	3.8%	3.7%	3.8%	3.2%	3.2%
May 2016	4.1%	5.1%	5.6%	3%	4.3%	3.7%	3.7%	4.1%	3.3%	3.4%	3.3%	2.9%	3%
Jun 2016	4.9%	5.7%	6.2%	3.7%	4.8%	4.3%	4.3%	4.6%	3.8%	4.2%	4%	3.7%	3.7%
Jul 2016	4.7%	5.3%	5.8%	3.4%	4.5%	4%	4.5%	4.2%	3.6%	4.4%	3.7%	3.4%	3.5%
Aug 2016	4.6%	5.3%	5.9%	3.3%	4.6%	4%	4.1%	4.4%	3.6%	3.8%	3.6%	3.4%	3.5%



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The EDA Center at the University of Minnesota Crookston is one of more than 40 university centers nationwide, supported by the Economic Development Administration, U.S. Department of Commerce.

We conduct applied research, provide direct technical assistance and deliver educational programs development agencies that support the economy of economically-distressed rural communities throughout Minnesota.

EDA Center Staff:

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