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Contact: Shahla Rahman

PERSONAL INCOME IN REGION LAGS STATE GROWTH, UMD STUDY SHOWS

Duluth — Personal income in the seven county region of Northeastern Minnesota lags far behind that of the state as a whole, according to a study released today by the Bureau of Business and Economic Research (BBER) at the University of Minnesota, Duluth (UMD).

The study on Personal Income Change in Region 3 and Minnesota from 1976 to 1984 was authored by Glenn Gronseth, research fellow at the BBER. Contributing was John T. Odegard, research assistant at the bureau.

The report shows that industry payroll dollars in Region 3 rose 41.6 percent between 1976 and 1984, compared to a 109.7 percent increase for the state during the same period. In the region Cook County paced the growth with a 83.3 percent increase while Lake County was at the bottom of the list with a 20.4 percent growth rate. St. Louis County posted the second lowest growth rate with a 35.9 percent increase.

Government jobs supply a greater percent of wages and salaries in Region 3 than is the case for Minnesota. In the region income from government jobs increased from 18 percent in 1976 to 22.8 percent in 1984. In the state income from government jobs fell from 16.2 percent in 1976 to 14.6 percent in 1984.

In the region personal income, by place of residence, was up 68.7 percent between 1976 and 1984, compared to a statewide increase of 119.8 percent. Once again the largest gain in the region occurred in Cook County

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(125.2 percent) while the smallest gain (32.9 percent) occurred in Lake County.

Transfer payments - income such as retirement and disability benefits, unemployment insurance benefits, and other income for which no services are currently performed - made up an increasing share of personal income in Region 3. In the region transfer payments accounted for 16.2 percent of personal income in 1976 and 20.8 percent in 1984. For the state comparable figures show 12.5 percent in 1976 and 12 percent in 1984.

Dividends, interest, and rent accounted for 11.5 percent of regional personal income in 1976 and 19.3 in 1984. A similar trend occurred in the state, where the ratio rose from 14.3 percent in 1976 to 19.2 percent in 1984.

The growth rate of per capita income in the region also did not match those for the state. The regional gain between 1976 and 1984 was 85 percent compared to 109 percent for Minnesota. Only one county - Cook- exceeded the state with a growth rate of 123 percent.

Per capita personal income in Region 3 was 80.3 percent of the state figure in 1976, dropping to 71.1 percent in 1984.

Gronseth says the report shows that the recession had a much greater impact on the economy of Northeastern Minnesota than on that of the state. "Clearly, the recession had a strong negative impact on worker earnings in the region, particularly in the higher paying industries of mining, construction, and manufacturing," he said.

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