

## **NINTH DISTRICT--MINNEAPOLIS**

The Ninth District economy grew at a modest pace since the last report. Solid growth was reported in some areas of consumer spending and in the energy and mining sectors. Slight to moderate growth was noted in commercial and residential real estate, professional services, manufacturing, and agriculture. Activity in the construction sector was down from a year ago, while the unexpected lack of snowfall dampened tourism. Labor markets showed continued signs of modest strengthening, while wage increases remained subdued. Prices generally remained level.

### **Consumer Spending and Tourism**

Consumer spending increased during the holiday season. Holiday sales at a Minneapolis area mall were up more than 10 percent compared with a year ago. Sales at a North Dakota mall during late November and December were up about 8 percent over last year. A mall manager in Montana noted heavy traffic at the mall during the week before Christmas and the day after Christmas. Same-store sales at a Minnesota-based retailer increased about 2 percent in November compared with a year ago; Black Friday sales were particularly strong. A Minnesota-based sporting goods store reported that Internet sales on Cyber Monday (Nov. 28) increased 50 percent over last year. Warm weather set back some sales of winter apparel, but clear roads allowed shoppers to get to stores. A domestic auto dealer reported strong sales in December.

Tourism activity was down. A lack of snow and surprisingly warm weather stymied snowmobiling, ice fishing, and skiing in many areas. Tourism officials in Minnesota noted that the lack of snow was affecting businesses that cater to winter recreation. Low snowfall in Yellowstone National Park was affecting nearby businesses that offer winter tours of the park on snowmobiles and in snowcoaches. However, a ski resort in Minnesota reported strong preseason sales; the number of visits through the end of December was at expected levels. In western South Dakota, a snowmobiling-related business and a ski resort both have received calls from a number of people who are ready to visit once more snow falls.

### **Construction and Real Estate**

Commercial construction activity decreased modestly over the past year. The value of commercial building permits in the Sioux Falls, S.D., area was down slightly in November from November 2010. Respondents to the University of St. Thomas's