



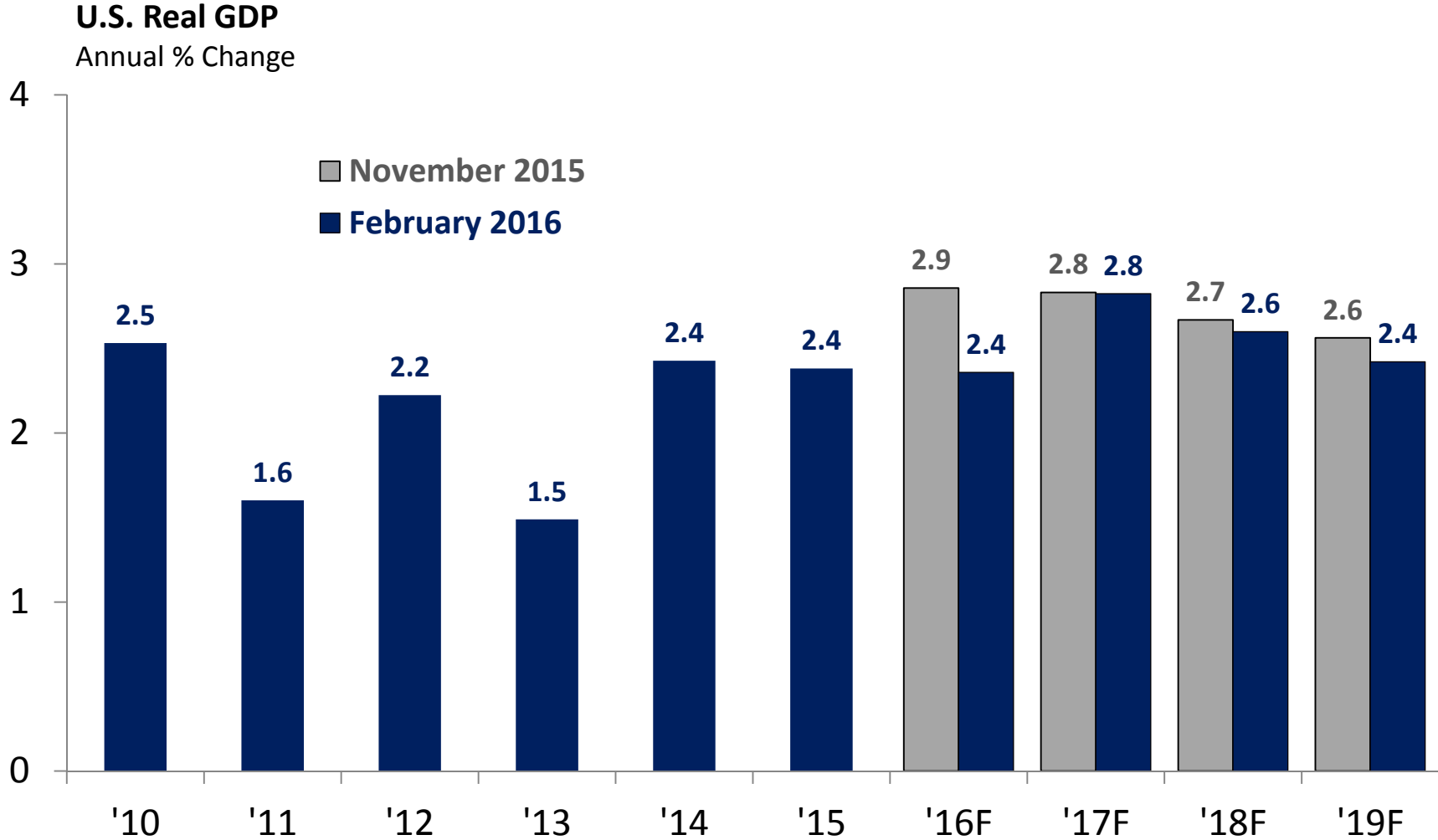
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Minneapolis, MN

Minnesota's Economic and Revenue Outlook

MINNESOTA MANAGEMENT & BUDGET
MMB.STATE.MN.US



U.S. economic outlook has weakened



Source: U.S. Bureau of Economic Analysis (BEA), IHS Economics (IHS)

Minnesota is weathering the global slowdown reasonably well

U.S. Dollar Exchange Rate

Monthly, Broad Trade-Weighted U.S. Dollar Index:
June 2014 = 100



Source: U.S. Federal Reserve

Brent Crude Oil Prices

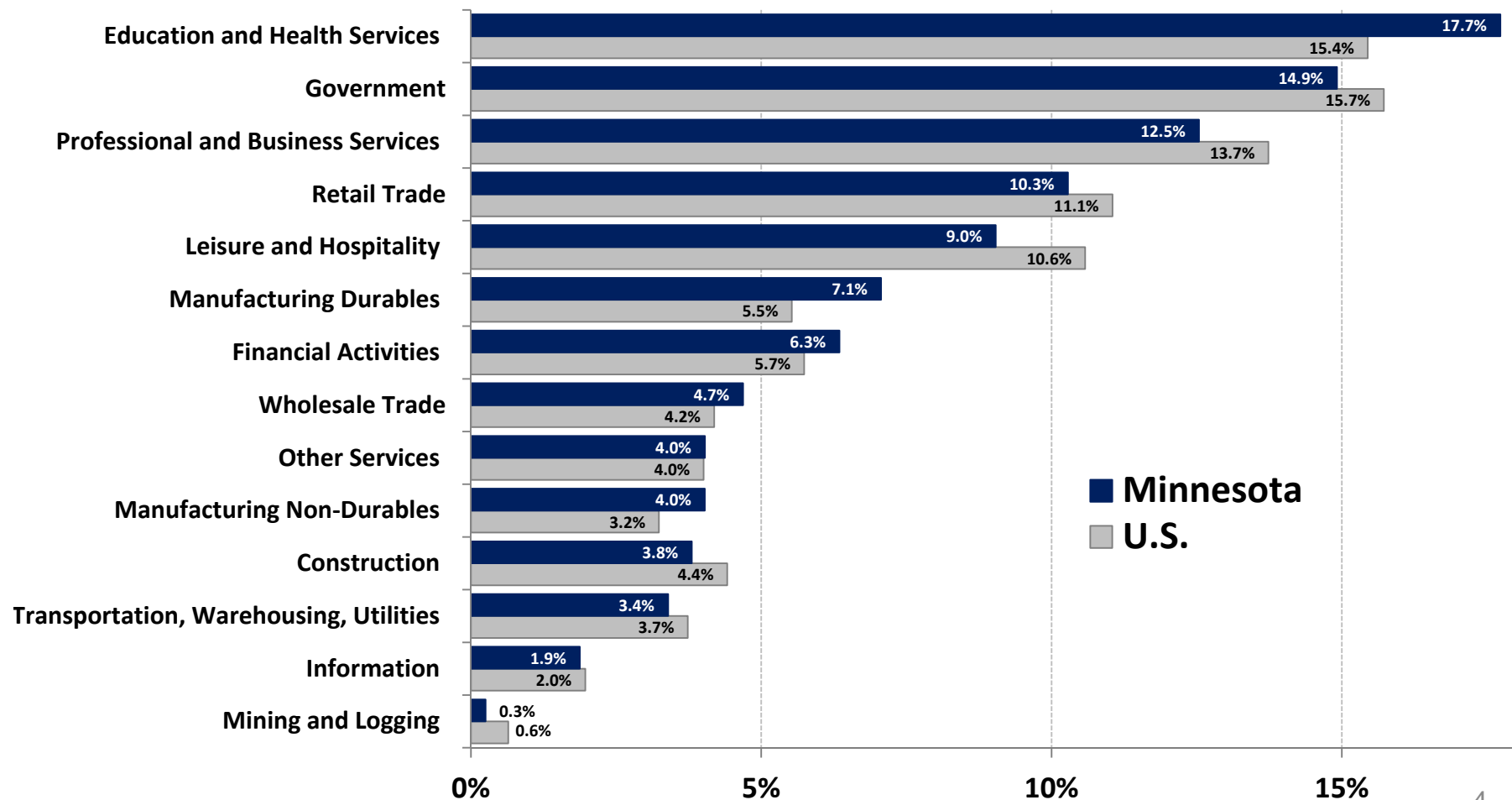
Monthly, Dollars per Barrel



Source: U.S. Energy Information Administration

A diverse economy contributes to resilience

Percent of Total Non-Farm Employment by Sector (2014)

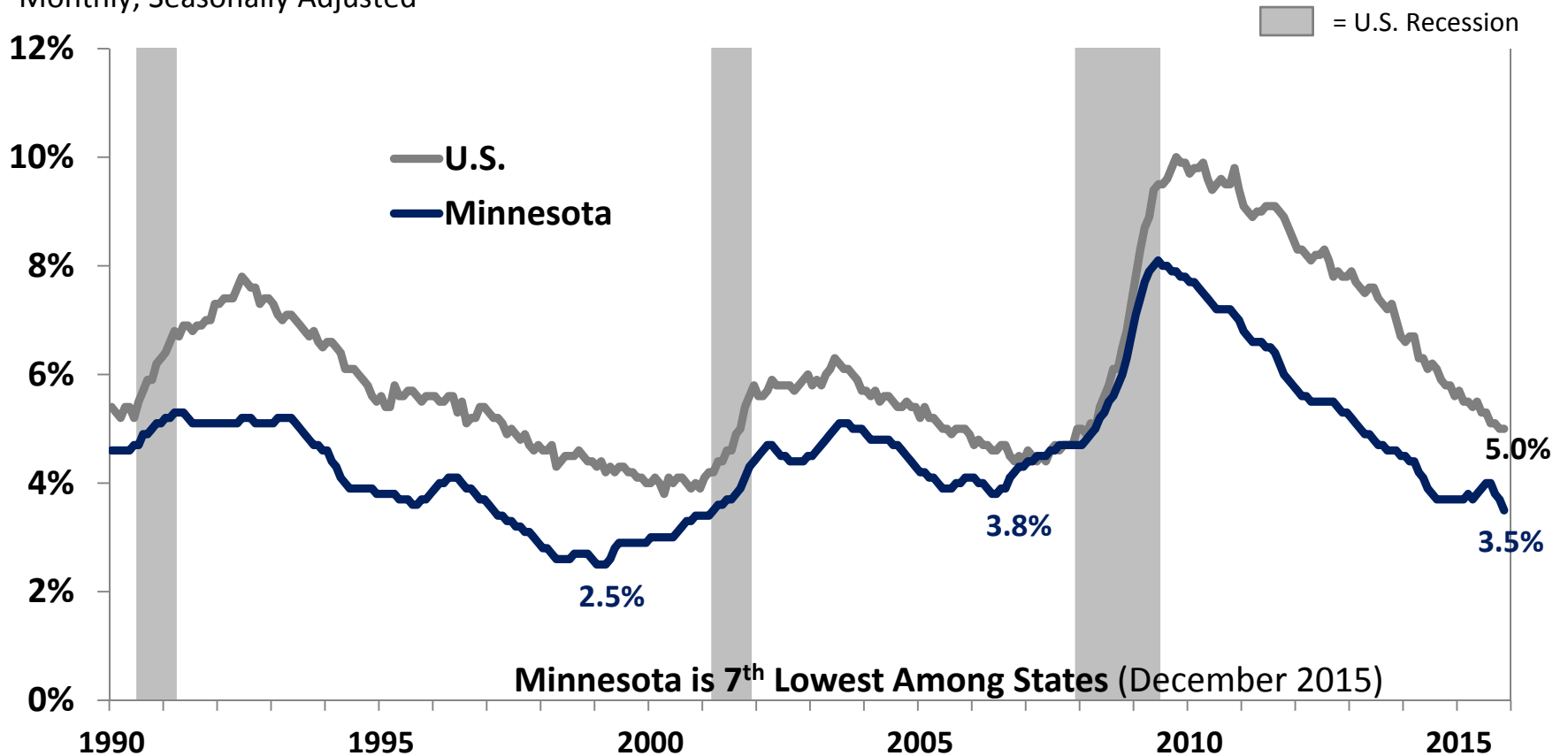


Source: MN Department of Employment and Economic Development (DEED)

Minnesota's unemployment rate remains well below the U.S.

Unemployment Rate

Monthly, Seasonally Adjusted

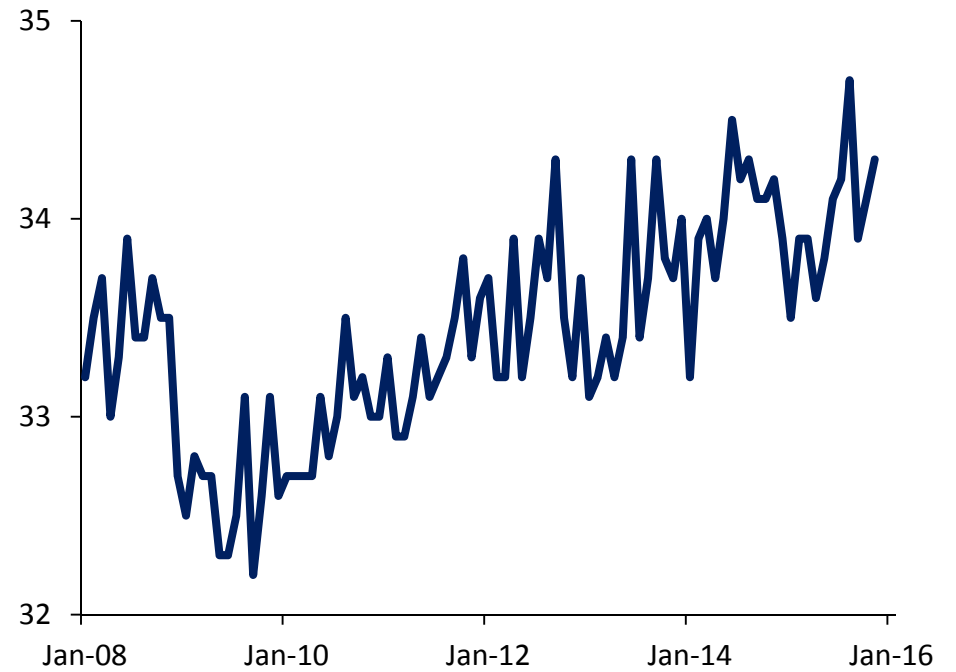


Minnesota's leading labor market indicators remain strong

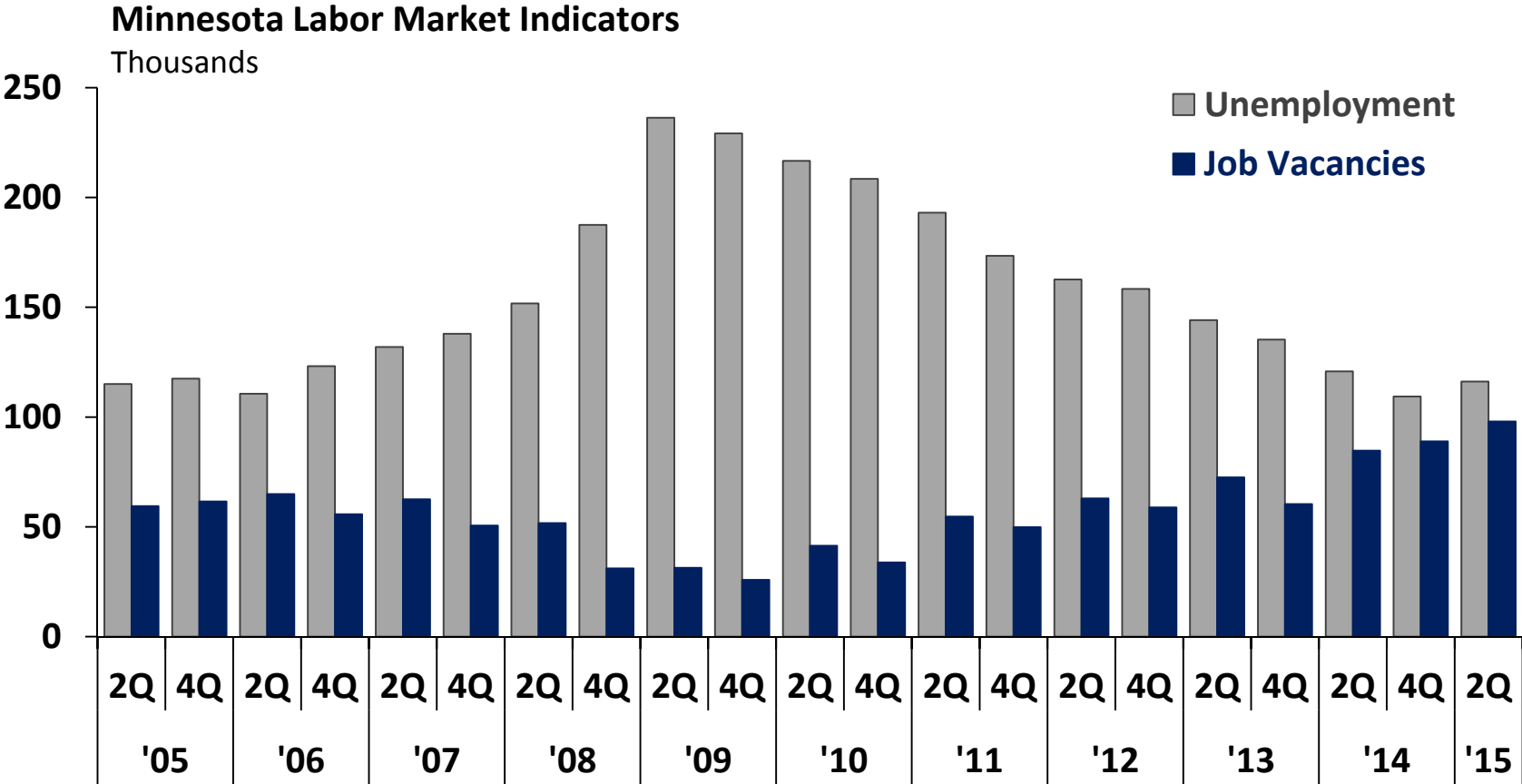
Initial Claims for Unemployment Insurance
Thousands, Seasonally Adjusted



Private Workweek
Average Hours Worked



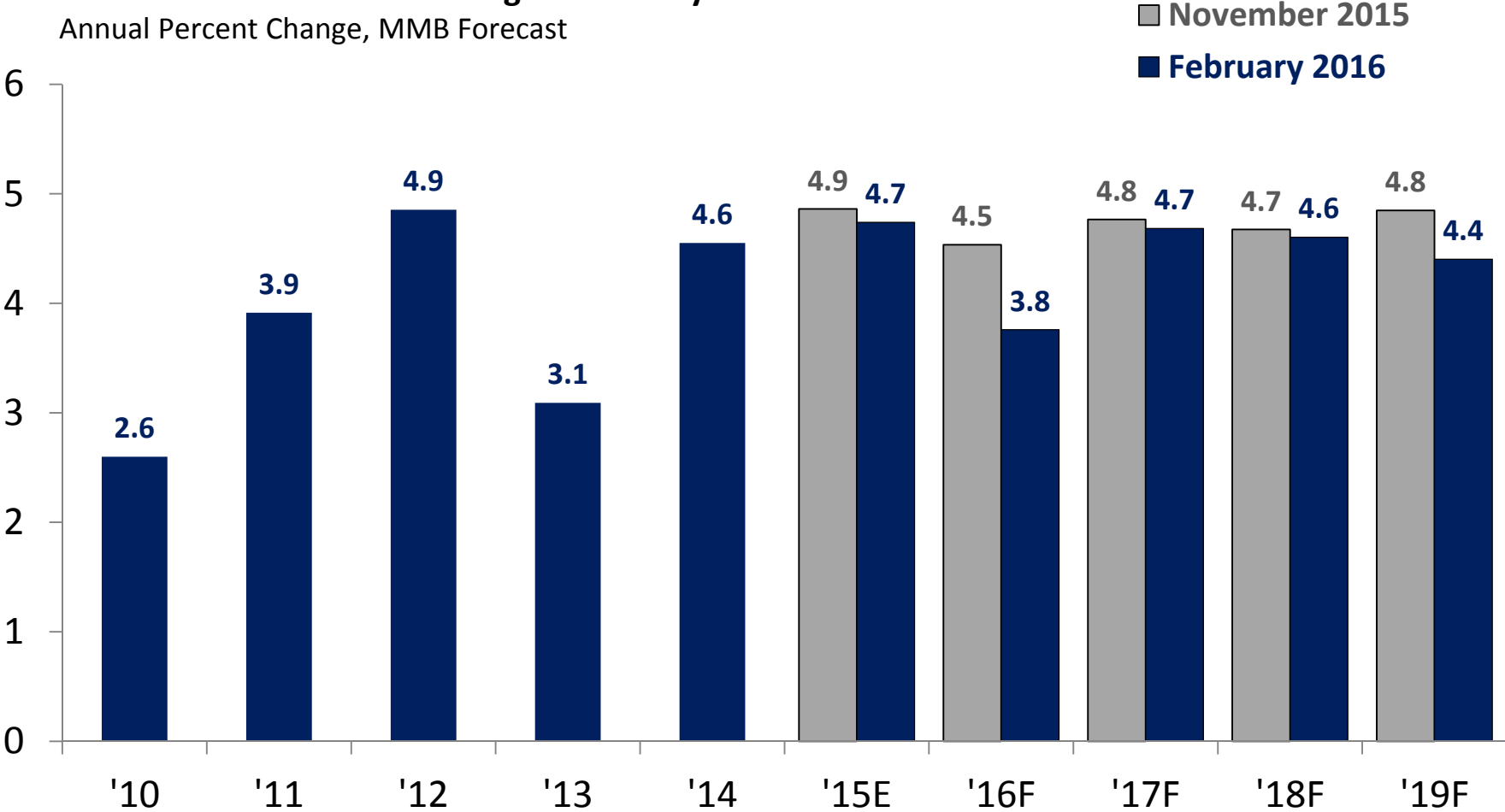
Low unemployment, strong demand for labor



Source: Minnesota Department of Employment and Economic Development (DEED)

Minnesota wage growth forecast lower than in November

Minnesota Total Nominal Wage and Salary Disbursements
Annual Percent Change, MMB Forecast



Source: U.S. Bureau of Economic Analysis; Minnesota Management and Budget (MMB)

Forecast revenues down in FY 2016-17 compared to November forecast

(\$ in millions)	Feb'16 Forecast	\$ Change	% Change
Individual Income Tax	\$21,862	\$(95)	(0.4)%
General Sales Tax	10,719	(311)	(2.8)
Corporate Franchise Tax	2,551	(93)	(3.5)
Statewide Property Tax	1,688	(1)	(0.1)
Other Tax Revenue	3,619	35	1.0
Total Tax Revenues	\$40,439	\$(466)	(1.1)%
Non-Tax Revenues	1,462	36	2.5
Other Resources	388	2	0.6
Total Revenue	\$42,289	\$(427)	(1.0)%

FY 2016-17 budget balance lower since November forecast

(\$ in millions)	Nov'15 Forecast	Feb'16 Forecast	\$ Change
Beginning Balance	\$2,103	\$2,103	\$ -
Revenues	42,716	42,289	(427)
Spending	41,653	41,524	(129)
Cash & Budget Reserves	1,947	1,947	-
Stadium Reserve	13	21	8
Forecast Balance	\$1,206	\$900	\$(306)