

Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

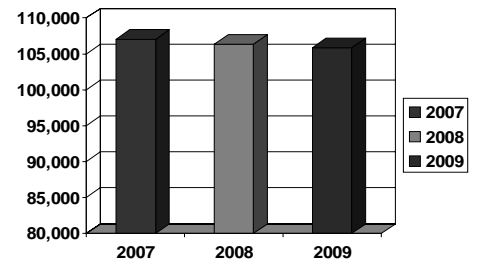
Fourth Quarter, 2009

Total Employment

Nonagricultural wage and salary employment for the Rochester MSA posted an increase of two-tenths of one percent during the fourth quarter of 2009. A gain of 209 jobs brought total employment up to 105,815 from the September level of 105,606. Employment totals for October, November and December were 106,156, 106,162 and 105,815 respectively.

The Rochester MSA finished the year with a loss of 498 jobs, a decrease of five-tenths of one percent over 2008. Goods Producing lost 1,218 jobs in the last year while Service Providing added 720 jobs.

**Total Employment
Fourth Quarter Comparison**

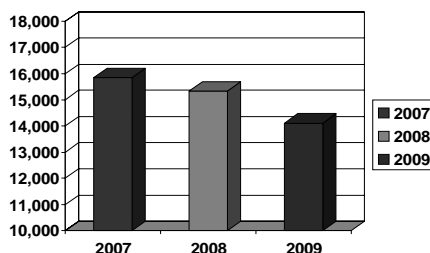


Goods Producing

The Goods Producing sector experienced a decline in employment during the last 12 months with a decrease of 1,218 jobs or 7.9 percent. Manufacturing lost 989 jobs while Natural Resources/Construction/Mining decreased by 229 jobs.

For the quarter, Goods Producing showed a slowdown with a loss of 893 jobs. Employment totals for October, November and December were 14,768, 14,471 and 14,112.

**Goods Producing Employment
Fourth Quarter Comparison**

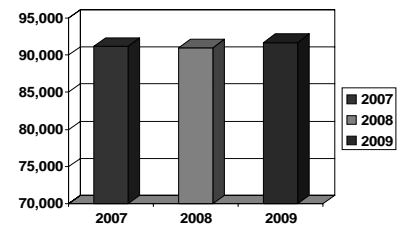


Service Providing

Service Providing created 720 jobs in the last 12 months for an increase of eight tenths of one percent. Educational & Health Services led the advance with a gain of 909 jobs while government and other services added 255 and 17 respectively.

During fourth quarter, the Service Providing sector increased by 1,102 jobs for a growth rate of 1.2 percent. Six of the eight sectors showed employment growth during the quarter. Government reported the largest gain in the fourth quarter by adding 774 jobs. Service providing totals for October, November and December were 91,388, 91,691 and 91,703 respectively.

**Service Providing Employment
Fourth Quarter Comparison**



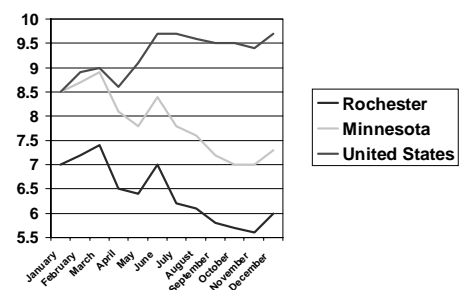
Unemployment Rate

The Rochester unemployment rate increased by two-tenths of one percent ending the fourth quarter rate at 6.0 percent. The Rochester average remains well below the state and U.S. averages of 7.3 and 9.4 percent. During the past 12 months, the average unemployment rate for Rochester was 6.4 percent.

The December labor force figure of 106,089 represents an increase of two-tenths of one percent from the September figure of 105,929.

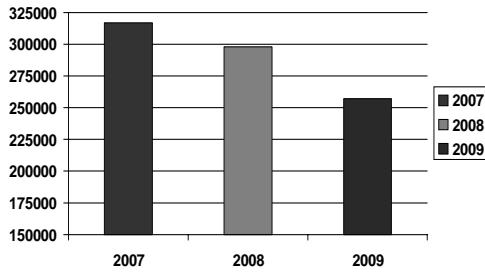
Source: Minnesota Department of Employment and Economic Development

**Unemployment Rate
January – December 2009**



Fourth Quarter

Airport Passenger Traffic Annual Comparison



Quarterly Airport Traffic

The Rochester Airport serviced 257,202 passengers during the 2009 year. This represents a decrease of 13.7 percent over 2008 (297,857 passengers) and a decrease of 18.9 percent over 2007 (317,092 passengers).

For the quarter, air cargo shipments were down 29.8 percent from fourth quarter 2008. *Source: Airport Manager*

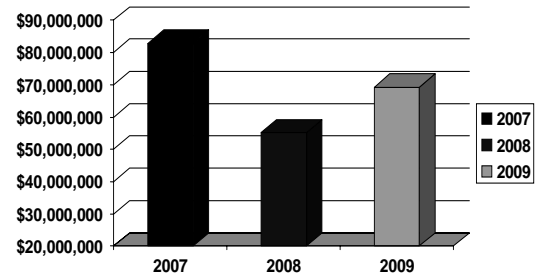
Home Sales in Rochester

The Rochester real estate market's fourth quarter sales for single family homes totaled \$69,345,326, up 25.8 percent from fourth quarter 2008. Total sales for the 2009 year were \$305,538,165, down 13.2 percent from 2008.

As the change in sales volume indicates, the Rochester real estate market continues to adjust to fewer buyers and increased market time. Mortgage rates continue to remain low. The average time a house stayed on the market during fourth quarter was 115 days. The average sale price was \$176,451.

Source: Southeast Minnesota Assoc. of Realtors

Fourth Quarter MLS Sales



RAEDI

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This report is published quarterly and is available through our website at raedi.com or by calling the Rochester Area Economic Development, Inc. office at (507) 288-0208.

Fourth Quarter Building Activity

Commercial and residential building permits issued for fourth quarter totaled \$24,081,749. For the 2009 year, permit valuation totaled \$162,778,307, down 40 percent from 2008 (\$272,812,191), and 39 percent from 2007 (\$266,928,266).

- Source: Rochester Building Safety Department

Annual Commercial & Residential Valuation Comparison

