

Strong fundamentals with stagnant job creation.

The Twin Cities remain Minnesota's economic engine—home to a majority of the state's jobs, a dense concentration of Fortune 500 firms, and nationally competitive strengths in manufacturing, healthcare, med-tech, and food. Yet from 2019–2024, the region posted zero net job growth even as many peer metros expanded. That paradox—strong fundamentals with stagnant job creation—defines today's challenge. Beneath this paradox lie five intertwined issues summarized below.

Key Takeaways:

1. The jobs exist, but workers and employers are not connecting well due to skills and access gaps. The binding constraint is not job openings but the alignment of skills, credentials, and supports. Housing affordability and limited transportation options also limit job accessibility, especially for low-income workers.
2. Given demographic and migration trends contributing to ongoing workforce shortages, attracting and retaining new talent has become a pressing priority for the region. To support this goal, regional branding efforts need to be more coordinated and strategically tailored to showcase the area's high quality of life to both prospective talent and businesses.
3. Business growth is stalling after the startup phase. The region has strong corporate anchors and solid startup survival, but lags peers in venture capital, incubator capacity, and coordinated post-startup scaling support—limiting net new job creation.
4. Despite reduction in some racial gaps, persistent disparities in homeownership, income, educational outcomes, and wages limit access to opportunity for BIPOC residents. BIPOC residents are underutilized as workers and business owners, a pattern that impedes regional economic growth and perpetuates intergenerational racial inequities.
5. Climate transition presents both opportunities and challenges. Minnesota's climate goals position the region to become a leader in clean energy and advanced manufacturing and broaden economic participation. However, success requires significant investment in infrastructure, the development of local supply chains, and expanded workforce training.