

Layoffs, economic uncertainty affected region in '09

Troubled times

By Tim Krohn

tkrohn@ mankatofreepress. com No one is going to fondly remember the local economic performance this past year.

Layoffs, reduced spending, foreclosures and uncertainty marked much of the economic news.

Still, the Mankato region has come through 2009 with less economic damage than many regions of the state and the nation.

“ The diversity of our regional economy has always been that which has helped us be more stable,” said Jonathan Zierdt, president and CEO of Greater Mankato Growth.

“ We’re not an economy that sees tremendous highs or lows.”

Zierdt said the region has seen recent developments — including companies starting to hire and some new companies looking to locate here — that bode well for 2010.

And, he said, a recent survey of area companies showed about half of them put expansion plans on hold at the start of the recession.

“ Those businesses were poised for growth but just put it on the shelf. I think they will be ready to move as things improve,” Zierdt said. “I think we’re poised for economic vitality and growth.”

While the unemployment rate in area counties is significantly below the national level, layoffs hit a lot of families in '09. The year started off bad for the city of Le Sueur and employees of Le Sueur Inc. when 112 employees were let go.

The layoffs at the town’s largest employer accounted for 20 percent of its workforce.

Le Sueur County as a whole has had the highest unemployment rate in the region, hitting more than 10 percent at times.

North Mankato-based Taylor Corp. had layoffs that began in late 2008 and continued into this year.

In June, Carlson Craft cut its work force by 114 positions.

The number of layoffs triggered a special \$435,500 grant by the state to the Workforce Center in Mankato to assist former Taylor Corp. employees in job retraining.

The Workforce Center said that by this fall, they were aware of about 350 Taylor Corp. employees who had been laid off.

The special funds were set up for former employees of at least six businesses in the nine- county area, including Brown Printing in Waseca, Le Sueur Inc., Ametek MCG in New Ulm, Kato Engineering and Nortech Aerospace in Fairmont.

Emerson Electric announced in May it was cutting 94 jobs at its Kato Engineering plant.

Please see ECONOMY, Page [B3](#)

T O P T E N

Stories

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File photo

After more than 30 years in business, Dick Olson Motors of Madelia became a victim of the economic turmoil, closing its doors this summer.

[See ECONOMY on Page B03](#)

ECONOMY: Some jobs returned in the region

Continued from Page B1

Nortech Aerospace announced about 60 layoffs at its Fairmont and Blue Earth plants and a month later announced it was shifting all its remaining production from Fairmont to Blue Earth.

Brown Printing, Waseca County's largest employer, announced in February it was laying off up to 100 employees, about 10 percent of its staff.

But all the news was not bad on the job front as several companies began hiring again, including Wells Concrete.

"I think things are coming back a little bit," said Greg Jacobson, manager of the Wells plant that is back to full strength - 280 workers - after January layoffs trimmed about 60 workers.

Other local businesses, including Immanuel St.

Joseph's Hospital and Jones Metal Products, also reported adding employees. ISJ recalled 80 of the 140

workers it laid off last spring, and Jones said an increase in orders prompted that 95- employee firm to recall about a dozen employees.

When the nation's auto industry went into a free fall early in the year, it had effects across the region.

After more than 30 years in business, Dick Olson Motors of Madelia became a victim of the economic turmoil.

Owner Sherry Olson said business had actually been relatively strong, but the business had to close when it was unable to get a needed line of credit from General Motors' lending arm, GMA.

Dick Olson Motors moved into a new building five years ago and had 16 employees.

Chrysler's problem hit Factor Motors in Le Center when they became one of many smaller dealerships to lose their Chrysler line.

But Factor Motors didn't close - it continues to sell the Ford line.

Factor's was the only Chrysler dealer in the greater Mankato area axed as Chrysler closed 789 of its dealerships.

Mark Nibbe, sales manager at Lager's Chrysler in Mankato, said the surviving dealerships and a restructured Chrysler should emerge very strong.

"It's bad news for some, obviously, but we're really excited. We expect to see a lot of good things come out of this," Nibbe said.