



2025 State of Business Expansion and Retention – Shakopee

MINNESOTA
CHAMBER
FOUNDATION

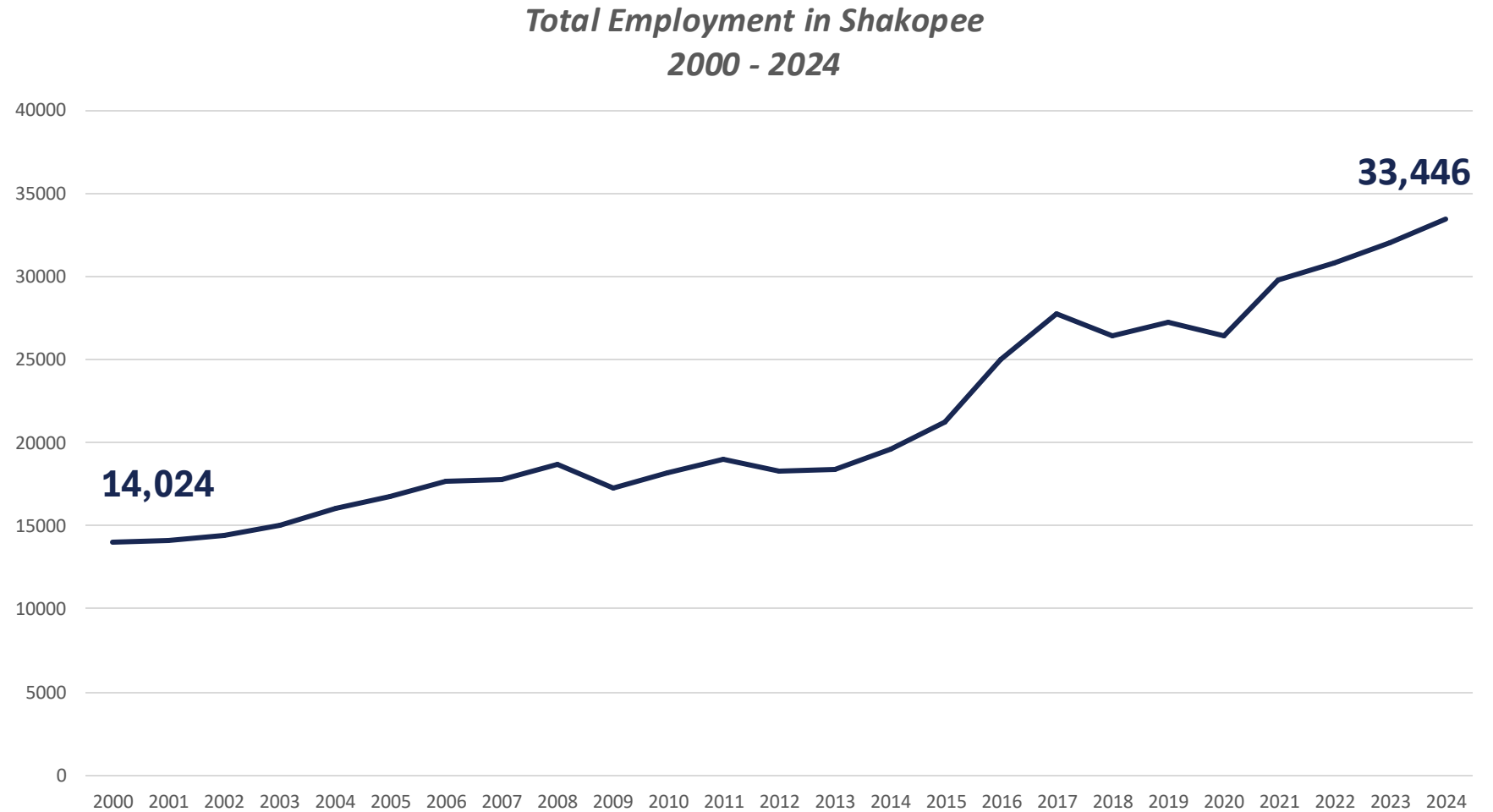
POWERING PROSPERITY

2025 State of business retention and expansion key questions

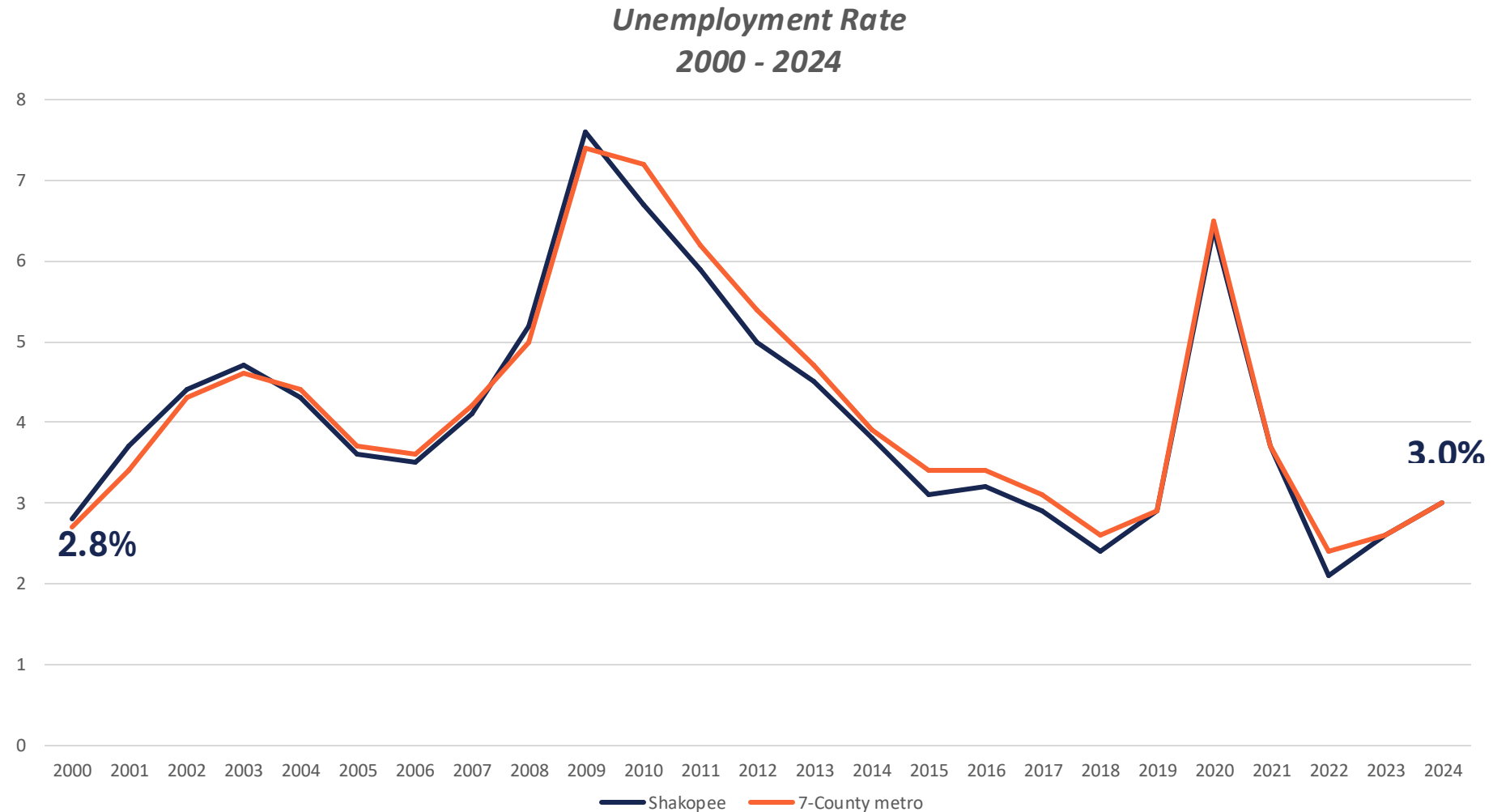
Key questions:

- How many expansion projects are occurring in Minnesota over time?
- How are expansions distributed across industries and regions?
- What factors are influencing business expansion outcomes in Shakopee and Minnesota?
- How are small businesses performing in Shakopee and what issues impact their ability to grow and expand?

Since 2000, Shakopee added almost 20,000 new jobs.

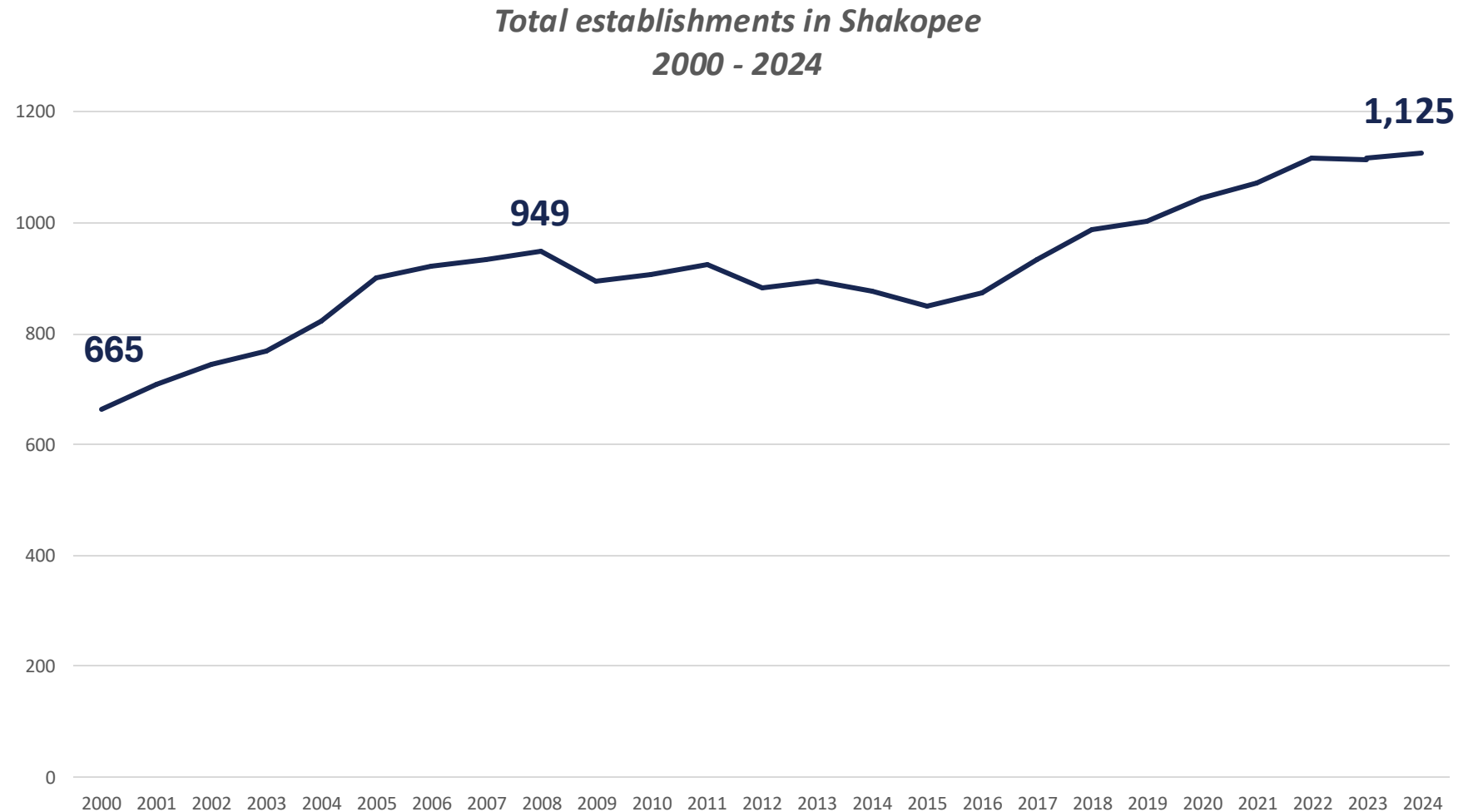


Shakopee generally has a lower unemployment rate than the rest of the 7-county metro, indicating a particularly tight labor market.



Source: Met Council Community Profiles

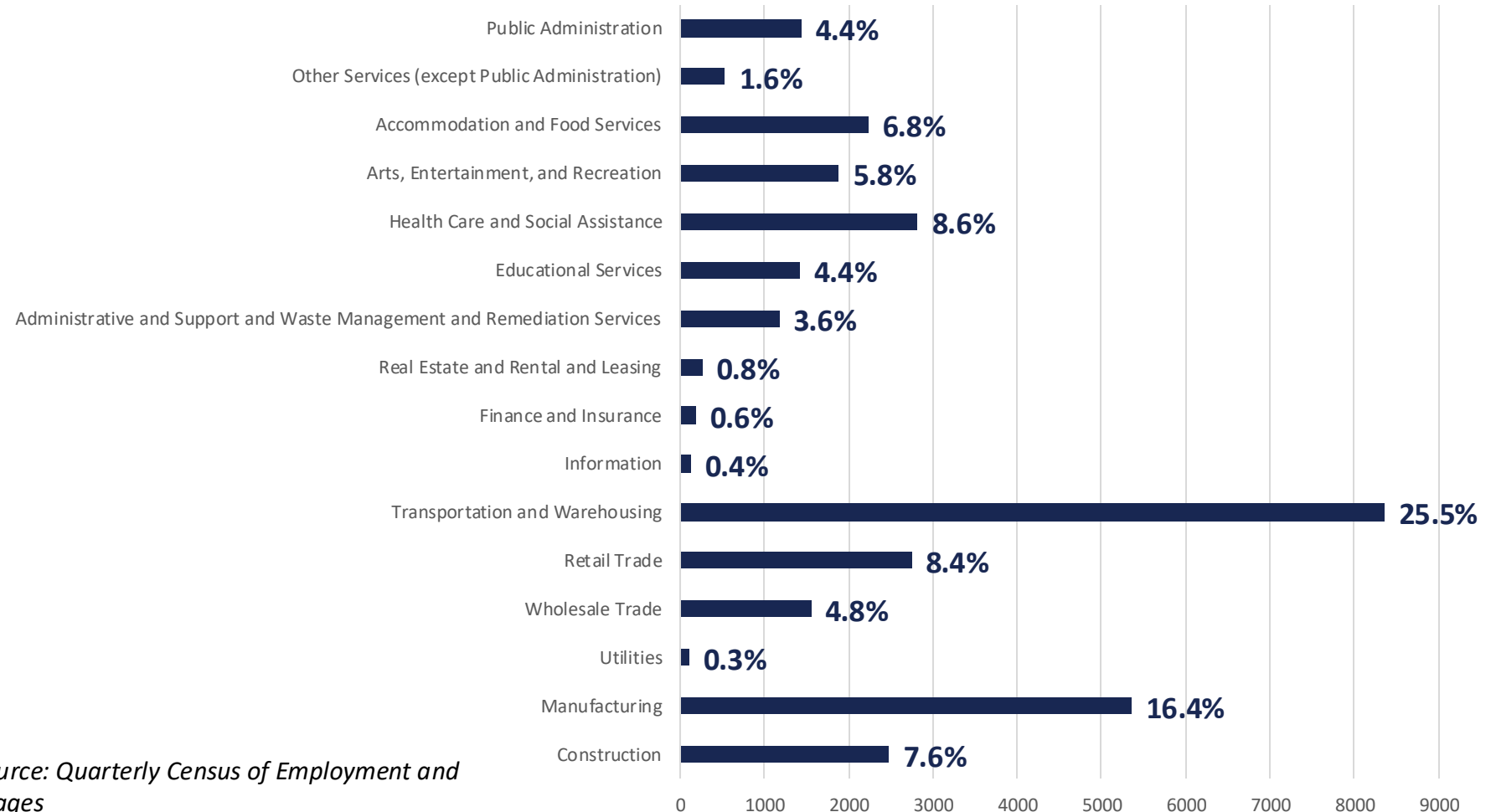
Shakopee has experienced fairly consistent business growth, more than recovering from a 2008 recession dip.



Source: Quarterly Census of Employment and Wages

Three industries (transportation & warehousing, manufacturing, and construction) account for almost half of jobs in Shakopee.

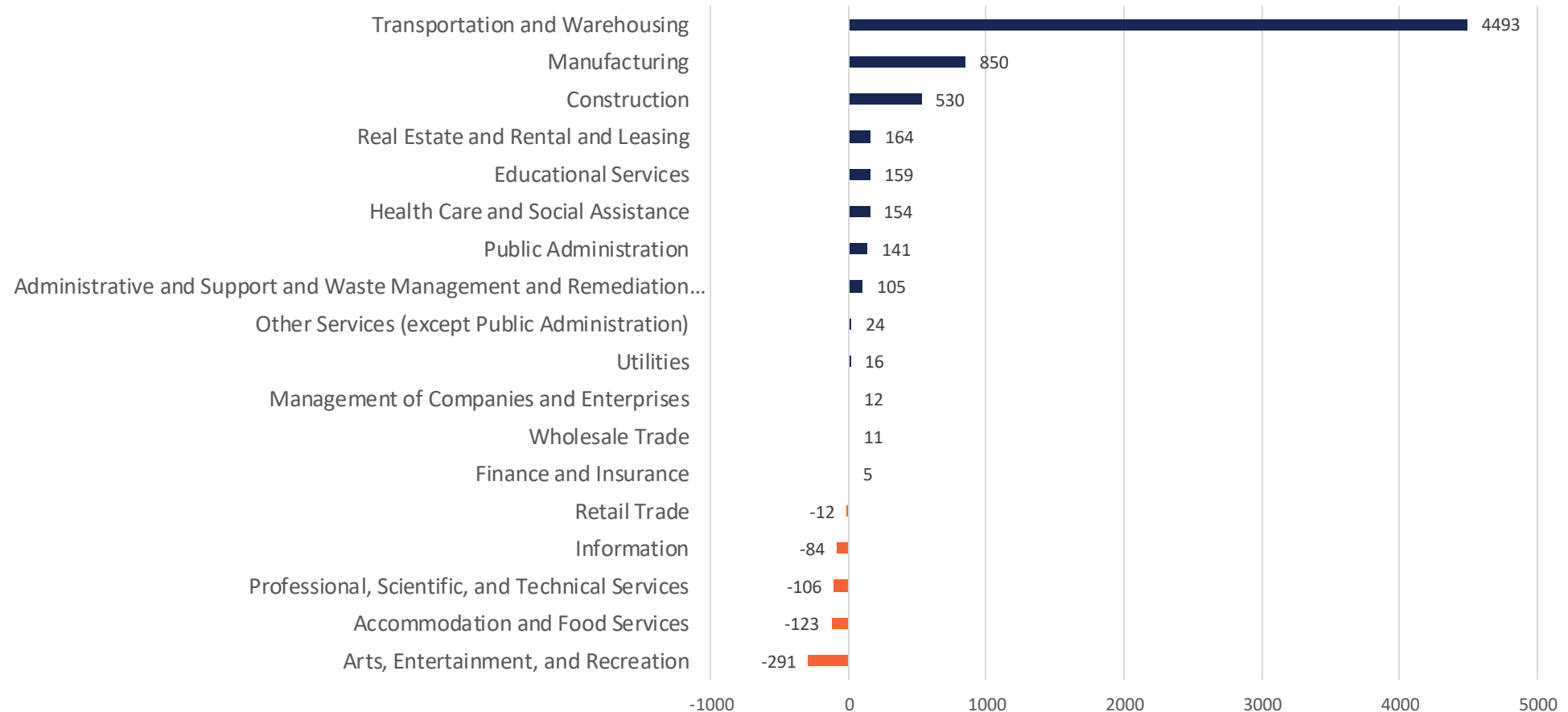
*Employment by Industry Sector
(Using NAICS Industry definitions)
2024*



Source: Quarterly Census of Employment and Wages

Transportation and warehousing have driven job growth over the past 5 years, contributing about 68% of new jobs.

*Change in Employment by Industry
2019 - 2024*



Source: Quarterly Census of Employment and Wages

Note: Employment numbers for Professional, Scientific, and Technical Services and Management of Companies and Enterprises are from 2023. 2024 numbers are not available.

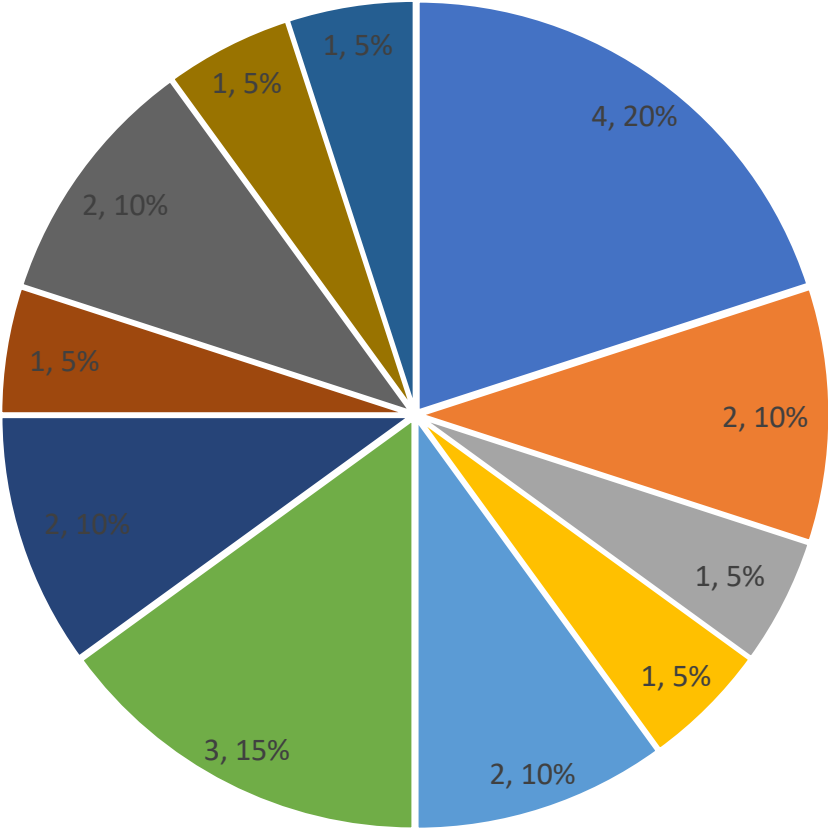
Notable expansions in Shakopee (2019-2024)

- GN Resound
 - Medical
 - 96,400 sq ft
- Sam's Club
 - Retail
 - 80 jobs; 365,000 sq ft
- Greystone Construction
 - Construction
 - 26,000 sq ft
- Cherne Industries
 - Machinery
 - \$3.4M; 50 jobs; 130,000 sq ft
- Amazon
 - Retail
- St Francis Regional Medical Center
 - Health care
 - \$25M; 15,000 sq ft

In Spring 2025, the Shakopee Chamber of Commerce and the Minnesota Chamber Foundation surveyed businesses to learn more about challenges and emerging trends. Twenty Shakopee-based businesses responded, representing 11 different industries.

- Accommodation and Food Services (NAICS - 72)
- Arts, Entertainment, and Recreation- (NAICS - 71)
- Construction (NAICS - 23)
- Don't know
- Educational Services (NAICS - 61)
- Finance and Insurance (NAICS - 52)
- Health Care and Social Assistance (NAICS - 62)
- Management of Companies and Enterprises (NAICS - 55)
- Manufacturing (NAICS - 31-33)
- Other Services (except Public Administration) (NAICS - 81)
- Professional, Scientific, and Technical Services (NAICS - 54)

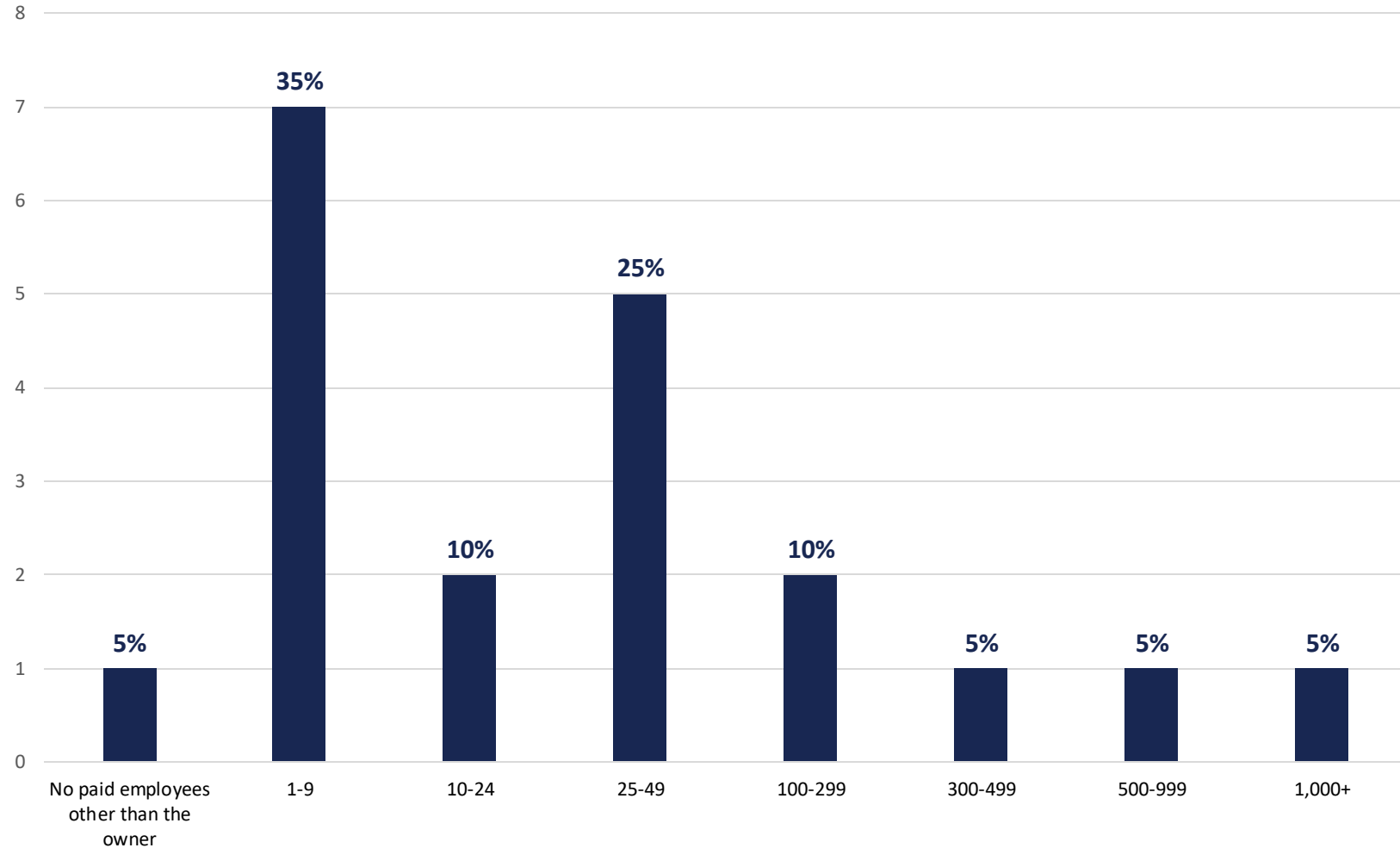
*What is your business's industry sector?
(Using NAICS industry Definitions)*



Total Respondents: 20

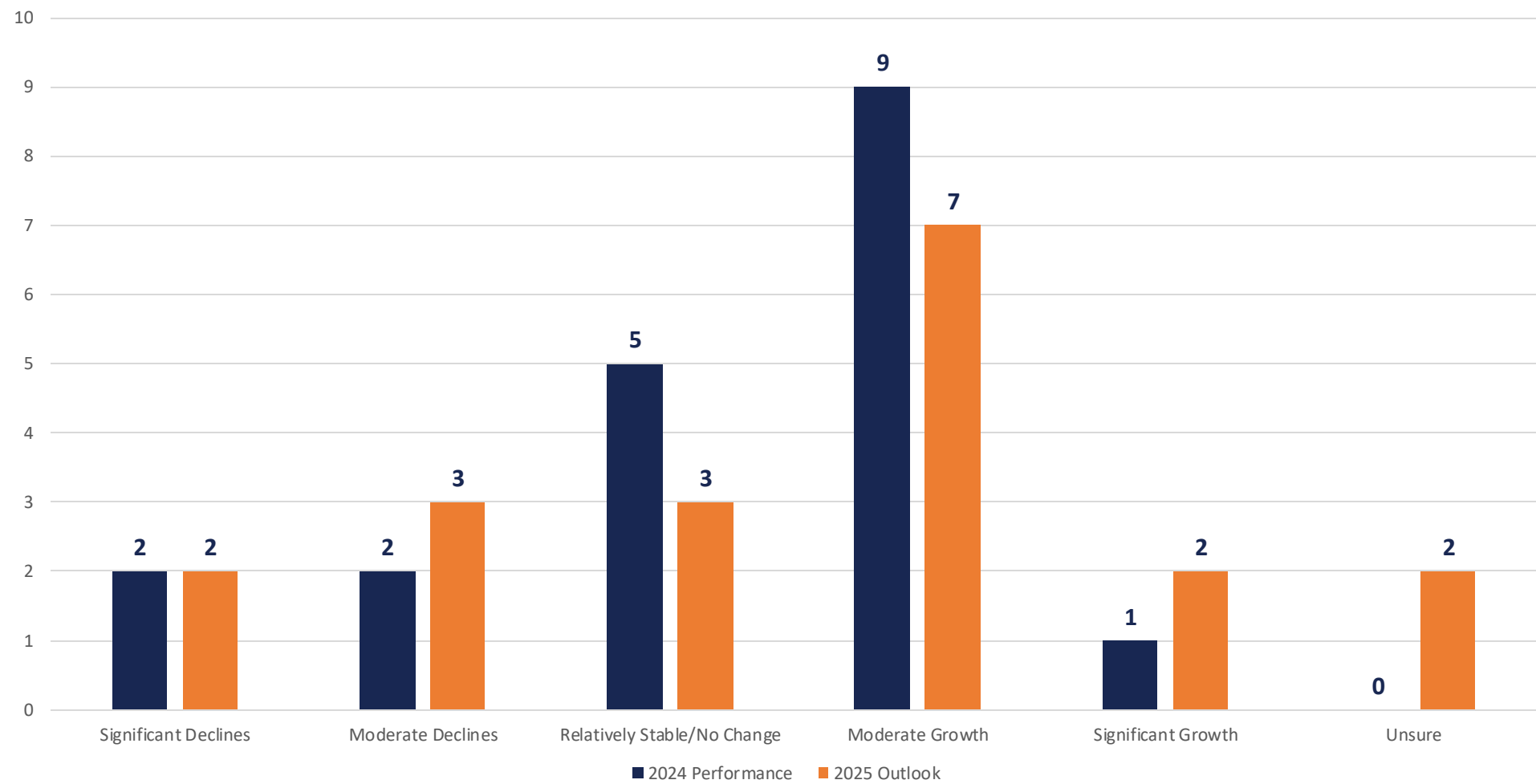
Small businesses made up the majority of survey respondents.

How many employees does your business have?



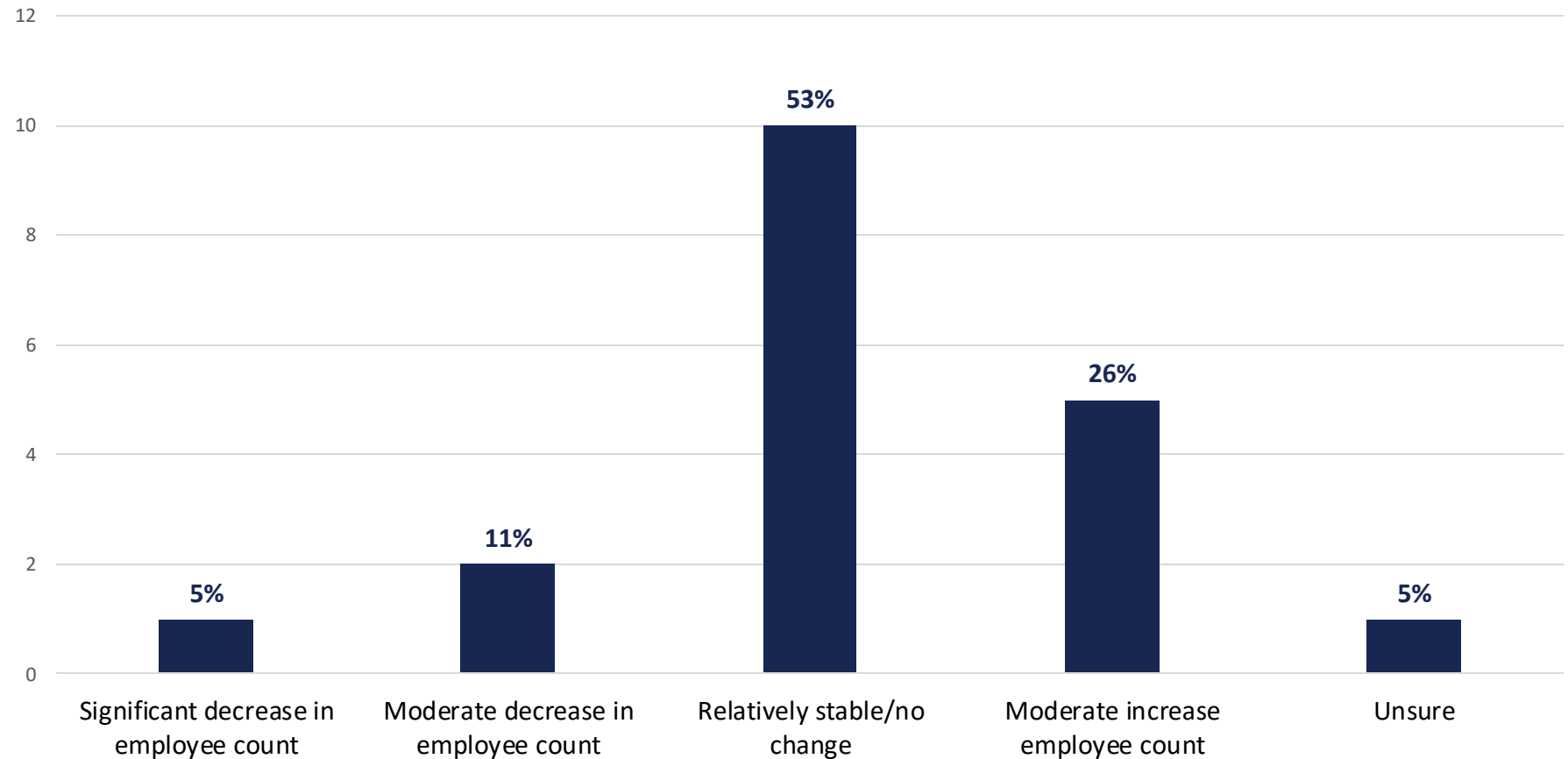
Businesses experienced moderate growth in 2024 and expect the trend to continue in 2025.

*Business Performance in Shakopee
2024 and 2025 Outlook*



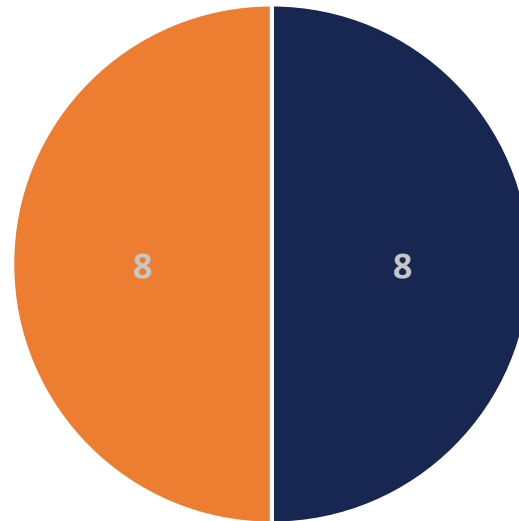
Over half of business plan to keep their employee count stable, while an additional quarter plan to increase employees in the next year.

How do you expect overall staffing levels in your business will change over the next year?



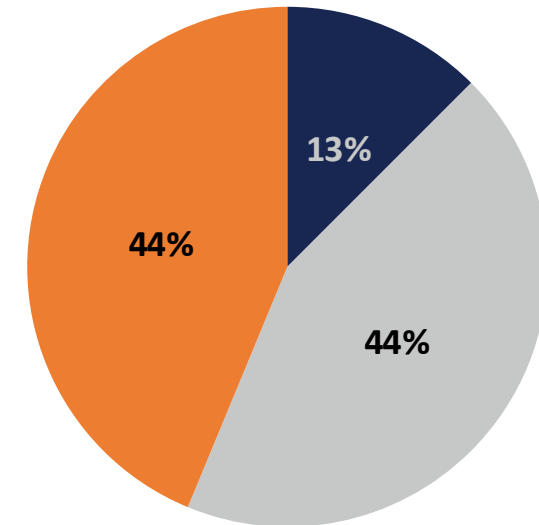
Workforce availability remains a major challenge as 44% report increased difficulty finding employees while another 44% say it's the same as last year.

Are you having difficulty finding employees?



■ Yes ■ No

How has the availability of workers changed over the past year? Is it...



■ Easier to find employees than a year ago
■ About the same
■ Harder to find employees than a year ago

*What are your business's greatest challenges and barriers to growth?
Please include any barriers specific to your local community or Minnesota.*

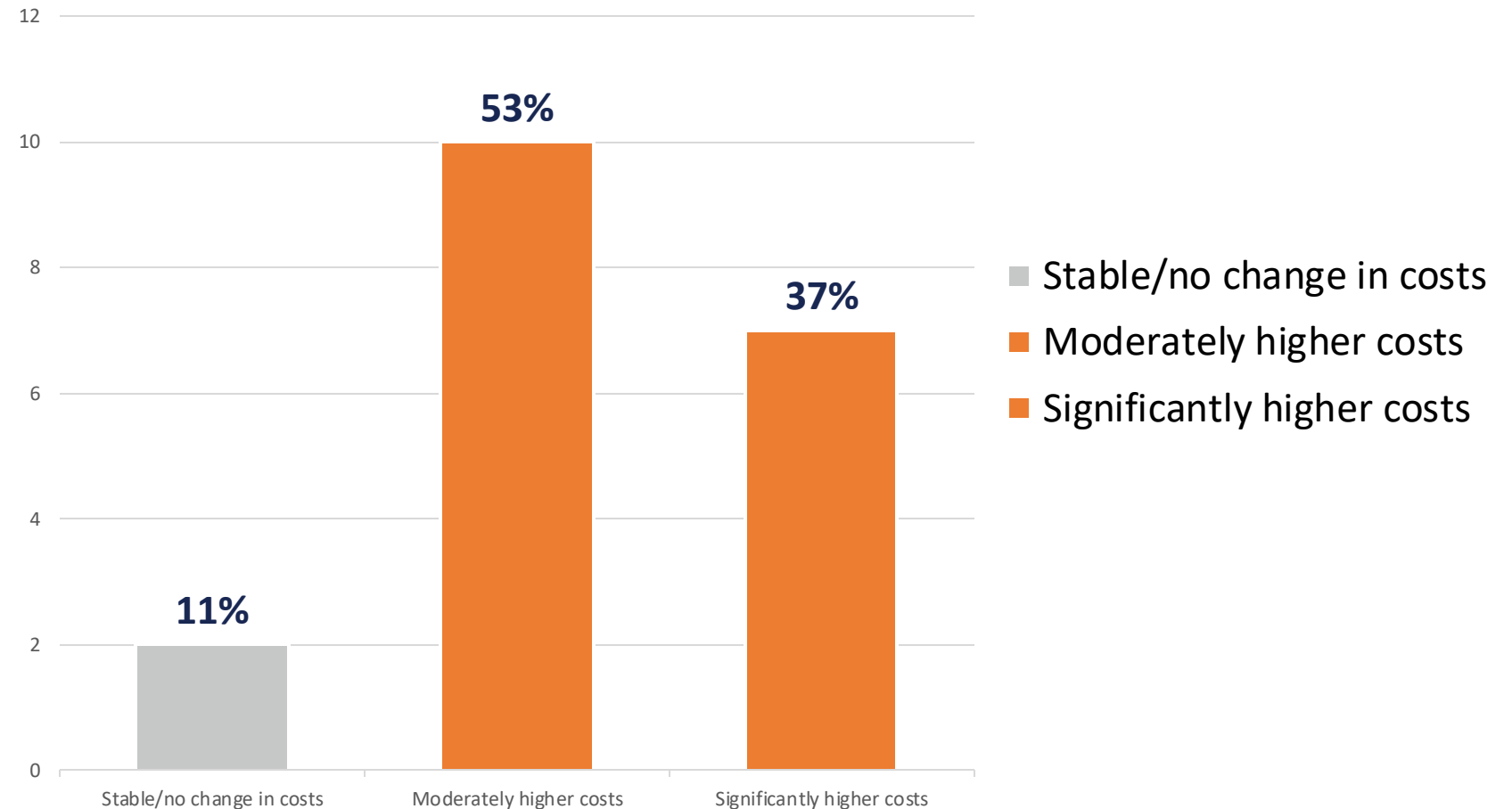
- “Cost of goods increasing.”
- “The decision to add more workers, plans for business succession after retirement.”
- “Less travel.”
- “Lack of disposable income. Consumer confidence.”
- “Cost of living, expenses, transportation.”
- “No need to grow, satisfied with how things are going.”
- “Taxation and irrational/wasteful spending.”
- “Capital.”



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90% of respondents experienced higher costs over the past year, compared to 94% statewide.

How has the cost of doing business changed in the past year?



Please explain the biggest factors currently driving up your cost of doing business, and how have they impacted your operations.

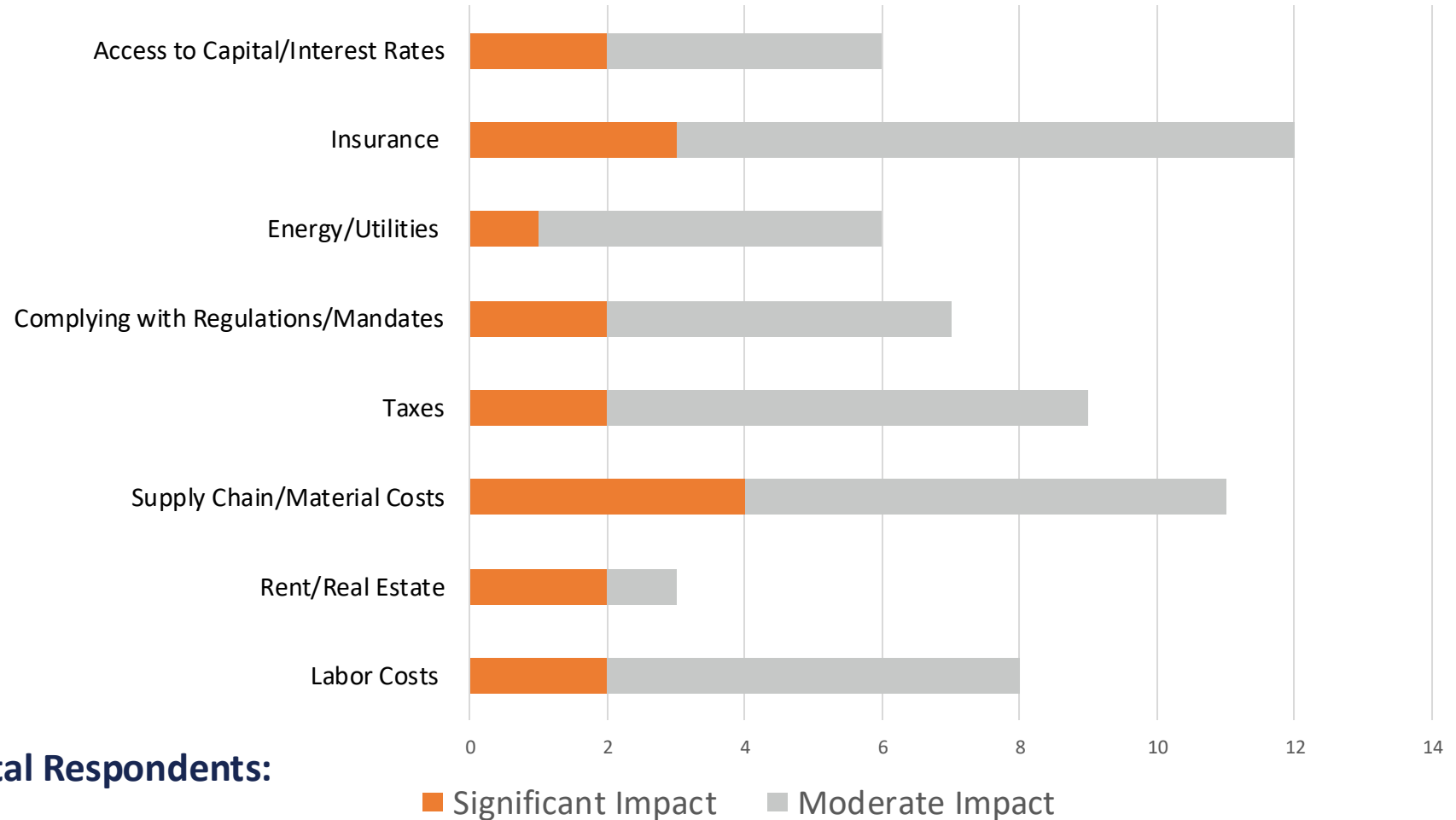
- “Costs of materials, contracted labor, insurance etc.”
- “More labor-intensive and will affect time management.”
- “Access to Capital and Interest Rates.”
- “Mandates, regulations, and cost of goods to manufacture product.”



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Insurance, labor costs, and supply chain/material costs are the three largest cost pressures.

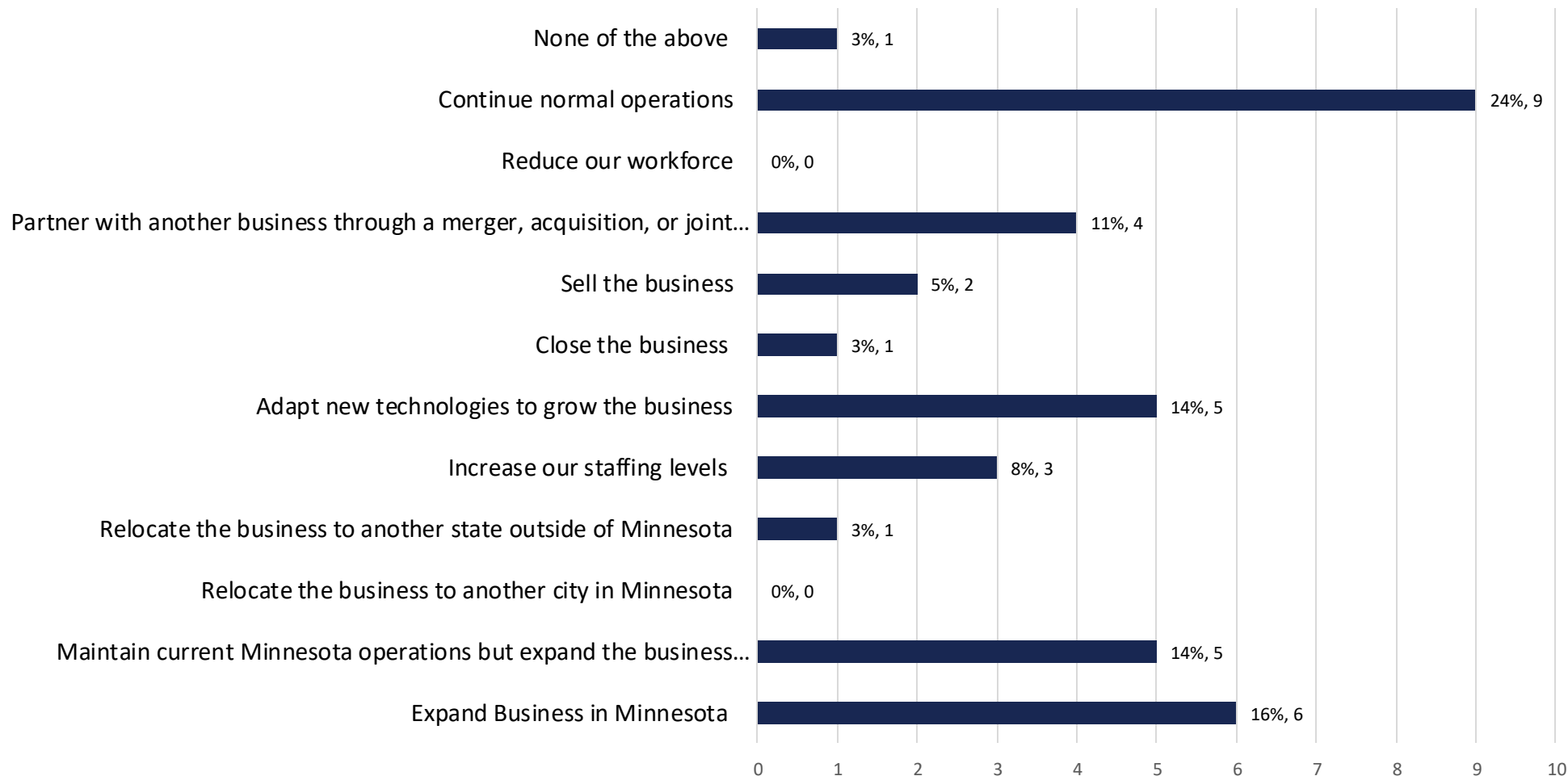
To what extent have the following factors impacted your cost of doing business in the past year?



Total Respondents:
19

A plurality of respondents plan to continue normal operations while another 16% plan to expand business in Minnesota.

What are your future plans for your business?



Total Responses: 37

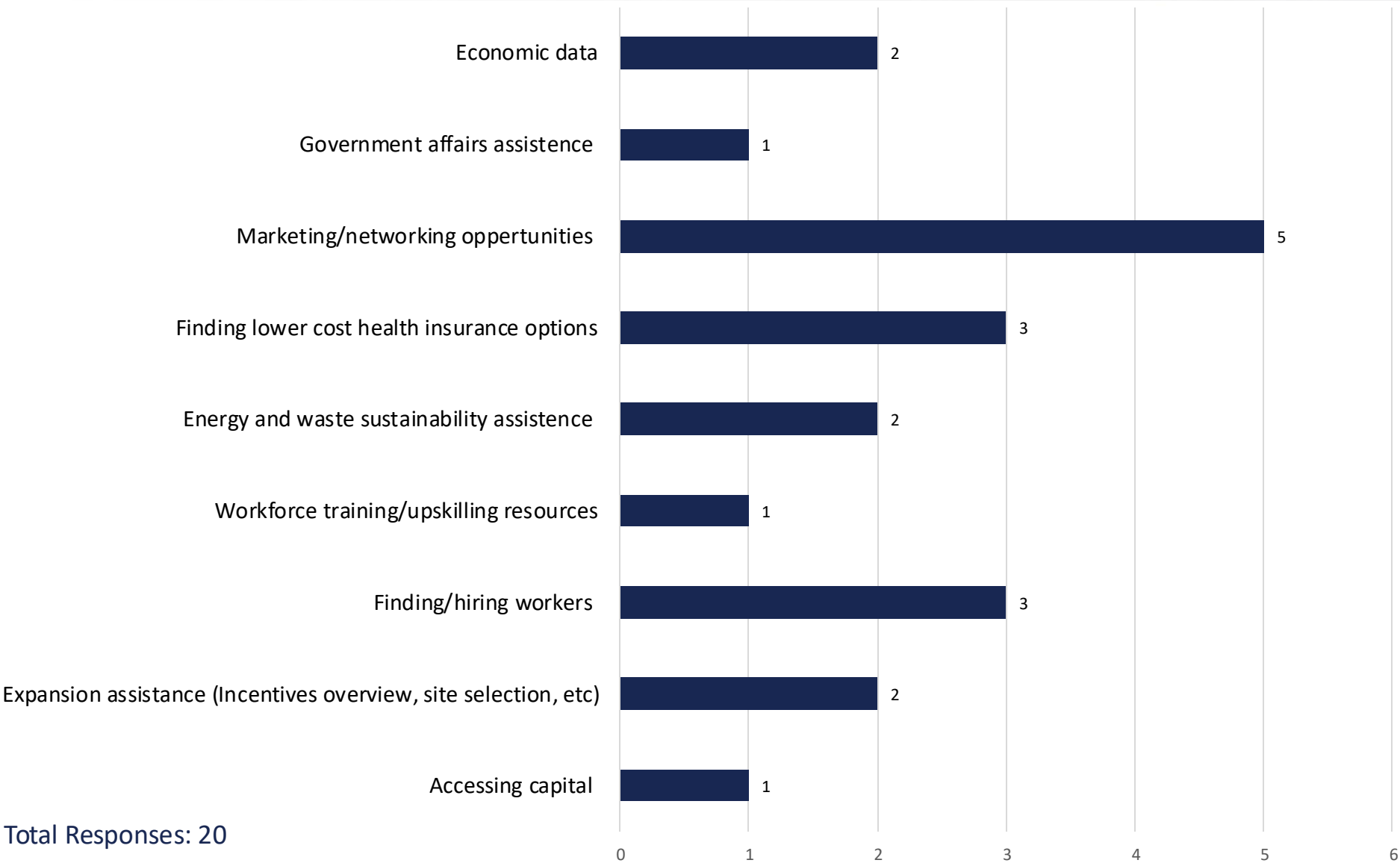
Please describe your future plans:

- “If I can stay open. Purchase the building I'm in now.”
- “Establish self and brand into the community.”
- “Minnesota is no longer a business-friendly state. The State of MN is actively pushing people out of our borders. The politics are completely disjointed from the business community.”
- “Our goal is to survive. Hopefully, we can come out alive then sell as I get closer to retirement.”



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Assistance your business would find helpful? (Select all that apply)

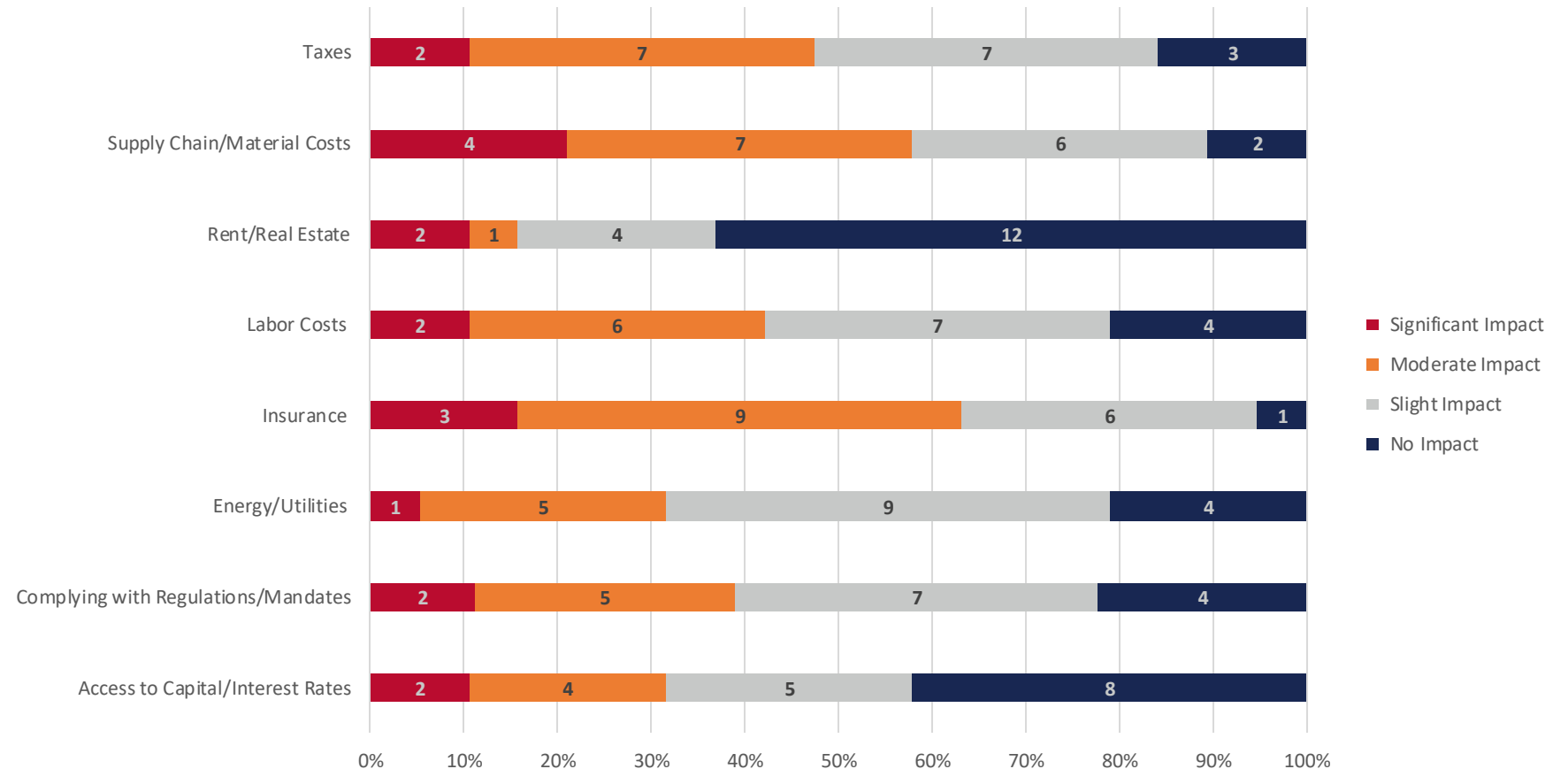


Total Responses: 20



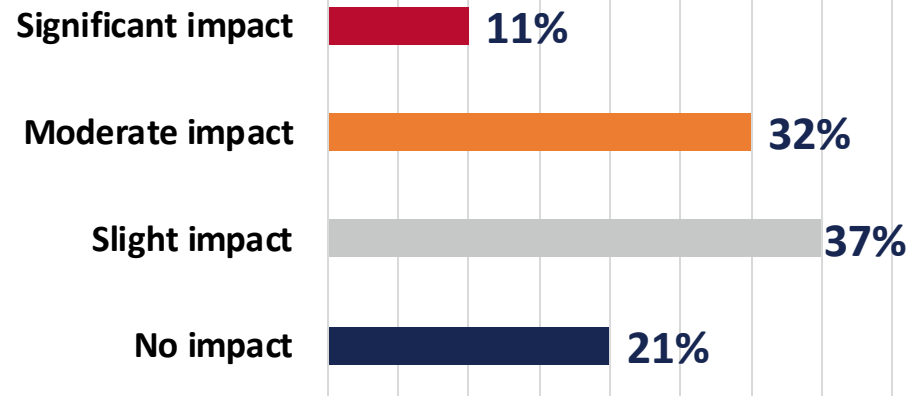
Businesses are facing a variety of cost pressures, but supply chain and insurance costs are having the most significant impact.

To what extent have the following factors impacted your cost of doing business in the past year?

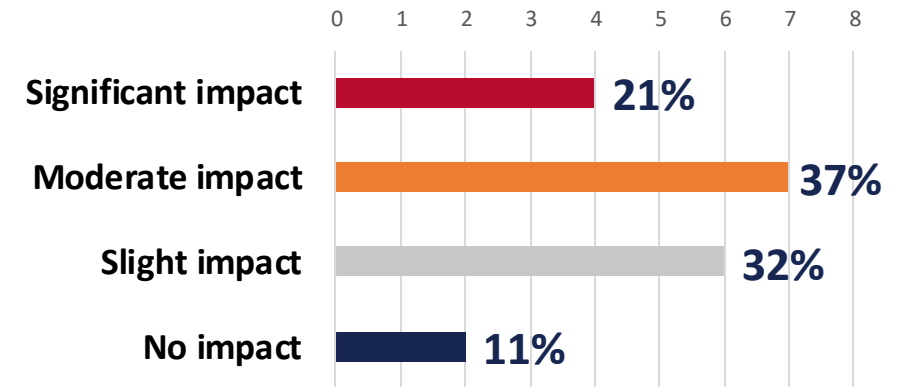


Cost impacts

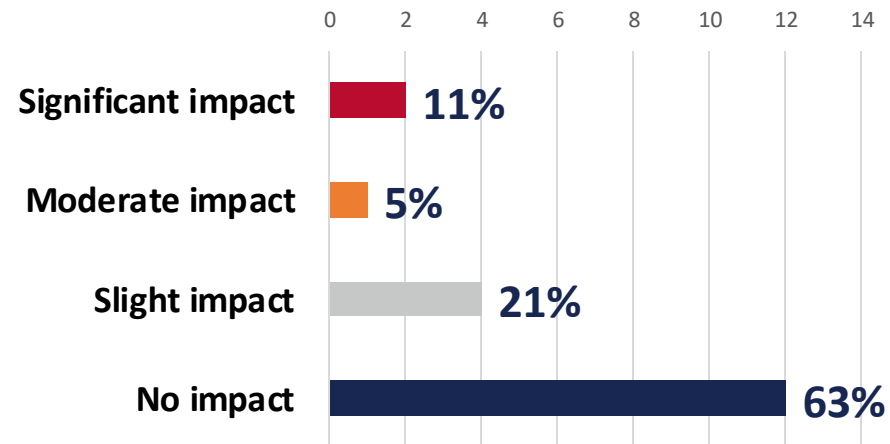
Cost Impact: Labor



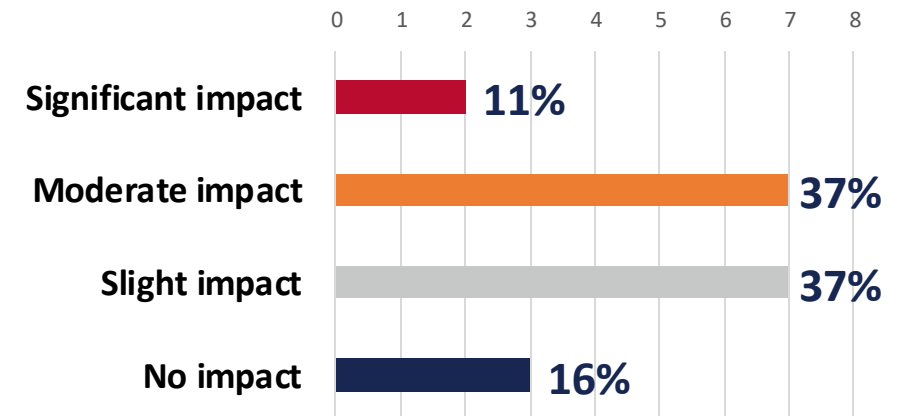
Cost Impact: Supply Chain/Material Costs



Cost Impact: Rent/Real Estate

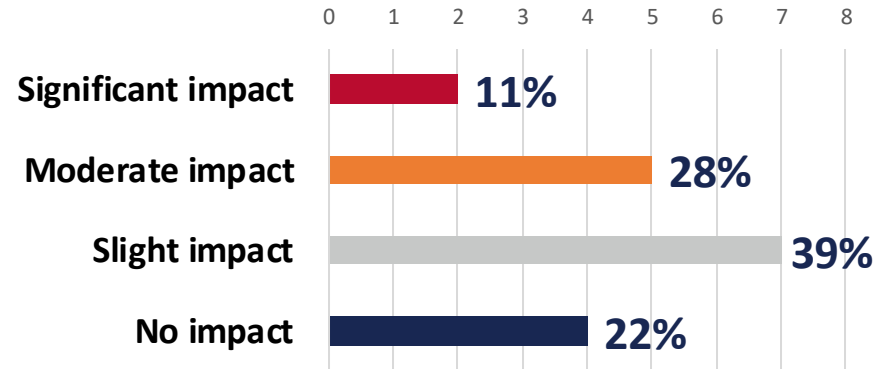


Cost Impact: Taxes

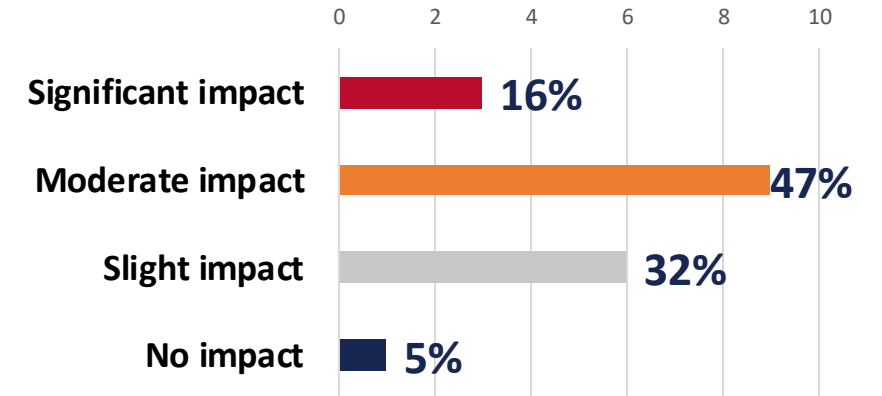


Cost impacts

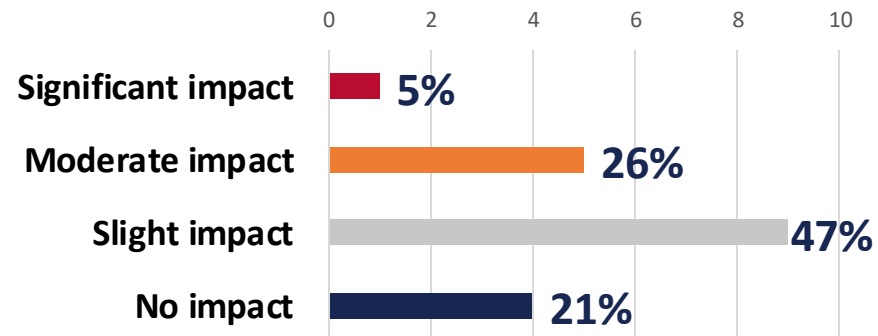
Cost Impact: Complying with Regulations/Mandates



Cost Impact: Insurance Costs



Cost Impact: Energy/Utility Expenses



Cost Impact: Access to Capital/Interest Rates

