North Dakota Economic Conditions and Outlook

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Revenue Shortfalls

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- Corporate income tax 55.1% less than initial forecast.
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- Instead of projected 2.8% increase in tax revenues ND experienced a 30% decline.
Labor Force Chaos

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- Williston labor force grew better than 10% per month (on a year-over-year basis) for 27 consecutive months from January 2011 to March 2013.
- During the same time the metro areas and state overall recorded percentage changes between -2% and 3.25%.
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- In terms of the outlook for North Dakota, US policy and North Dakota population represent significant influences on these themes.
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Both owe their importance to additional economic activities they create, such as business-to-business sales tax collections.
Changing Landscape

Key Categories as Share of Earnings by Place of Work
Farm Earnings, Oil & Gas, Mining Support, 1998–2016

Data: BEA.gov (SA5N)
Downloaded: 1 October 2017
Oil Price, ND

Oil Prices, 2000–2017
North Dakota FPP, WTI Spot

Data: EIA.gov
Downloaded: 1 October 2017
Oil Production
Key Crops

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- ND farm income exhibits wide variation and volatility.
Takeaways

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- While most outlooks predict some degree of stability, it is dependent on assumptions of market or regulatory stability.
- These sectors alone are not large in terms of measures like GDP, but their supply chains are vital parts of larger economy in state and, in particular, rural areas.
Increasing Workforce

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  2. Migration

- Both came into play in North Dakota over the last decade.
**2012 County Rate of Natural Increase**

Births less Deaths per 1,000 people

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Data: Census.gov
Downloaded: March 25, 2017
2013 County Rate of Natural Increase

Births Less Deaths per 1,000 people

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Data: Census.gov
Downloaded: March 25, 2017
2015 County Rate of Natural Increase

Births less Deaths per 1,000 people

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Data: Census.gov
Downloaded: March 25, 2017
Introduction

Commodity Sector

Labor Constrained

ND Outlook

Natural Increase

2016 County Rate of Natural Increase

Births less Deaths per 1,000 people

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Data: Census.gov
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2011 County Net Migration Rate

Net Migration per 1,000 people
2012 County Net Migration Rate

Net Migration per 1,000 people

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ND Economy

[Map showing 2012 County Net Migration Rate]
2013 County Net Migration Rate

Net Migration per 1,000 people
2014 County Net Migration Rate

Net Migration per 1,000 people

Net Migration (Net Mig.)

0 50 100

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Data: Census.gov
Downloaded: March 25, 2017
2016 County Net Migration Rate

Net Migration per 1,000 people

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Economic Opportunity

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- Further confirmation of this can be seen in wage and employment data.
**Financial Activities Annual Pay**

Burleigh, Cass, Grand Forks, & Williams Counties

![Graph showing financial activities annual pay over time for Burleigh, Cass, Grand Forks, and Williams Counties.](image)
North Dakota & Williston Labor Force
Percent change from year ago, 2001–17

Areas
- ND
- Williston

Data: BLS.gov (LAUS)
Downloaded: 1 October 2017
Metro Areas in North Dakota & Williston Labor Force
Percent change from year ago, 2001–17

Areas
- Bismarck
- Fargo
- Grand Forks
- Williston

Data:BLS.gov (LAUS)
Downloaded: 1 October 2017
Risks

- Regulations
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- Population
Reduced Restrictions

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- Sector maturity will alter labor demands.
NAFTA

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- Fully 85% of North Dakota exports go to Canada and Mexico so the consequences of NAFTA negotiations are important for both sectors.
Population

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- Ability to retain the younger population is key.
- Significant social stresses revealed by economic boom and downturn.
- Other population factors like fertility distribution, opioid use/abuse are enormous public policy issues.
My contact information

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