

Economy and Workforce Trends

NORTH DAKOTA

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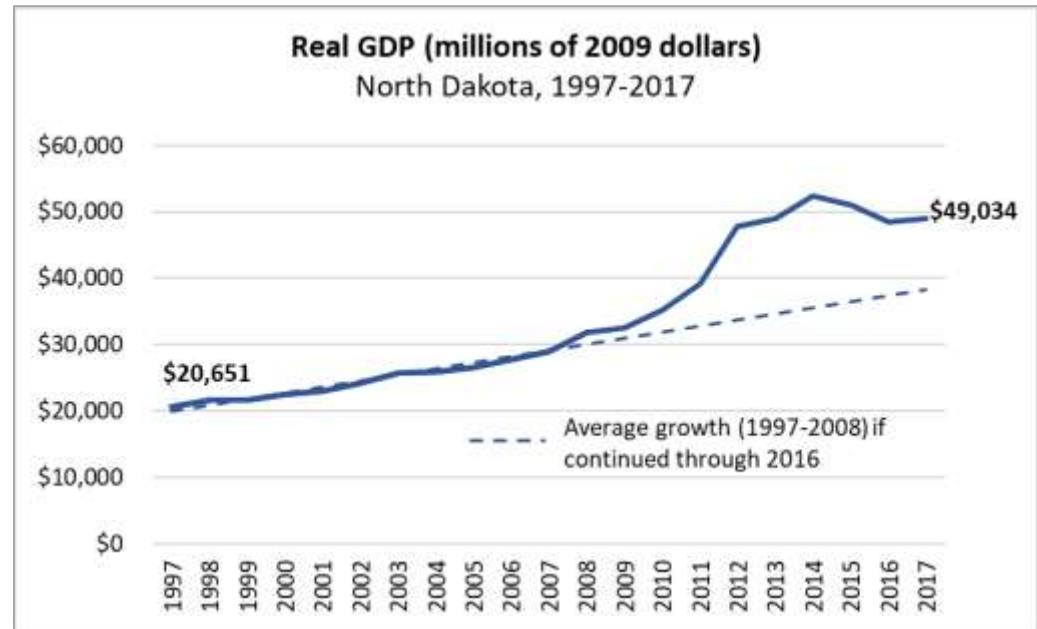
Economy and Workforce Trends Summary

- ❖ After two years of decline, North Dakota's economy started to recover in 2017. While the increase is small and follows two years of negative change, the economy overall is substantially larger than it was 10 years ago.
- ❖ The number of jobs in North Dakota have been strongly impacted by the economic fluctuations during the past decade. Energy development has caused cyclical but significant job creation.
- ❖ Jobs in industries closely tied to the oil and gas sector like Mining, quarrying, and oil and gas extraction, Transportation, and Construction, followed similar patterns of growth and decline.
- ❖ North Dakota surpassed all other states with the largest increase in median household income when compared to a decade ago.
- ❖ North Dakota ranked first in the nation again in 2017 for the percentage of adults working.

Real GDP

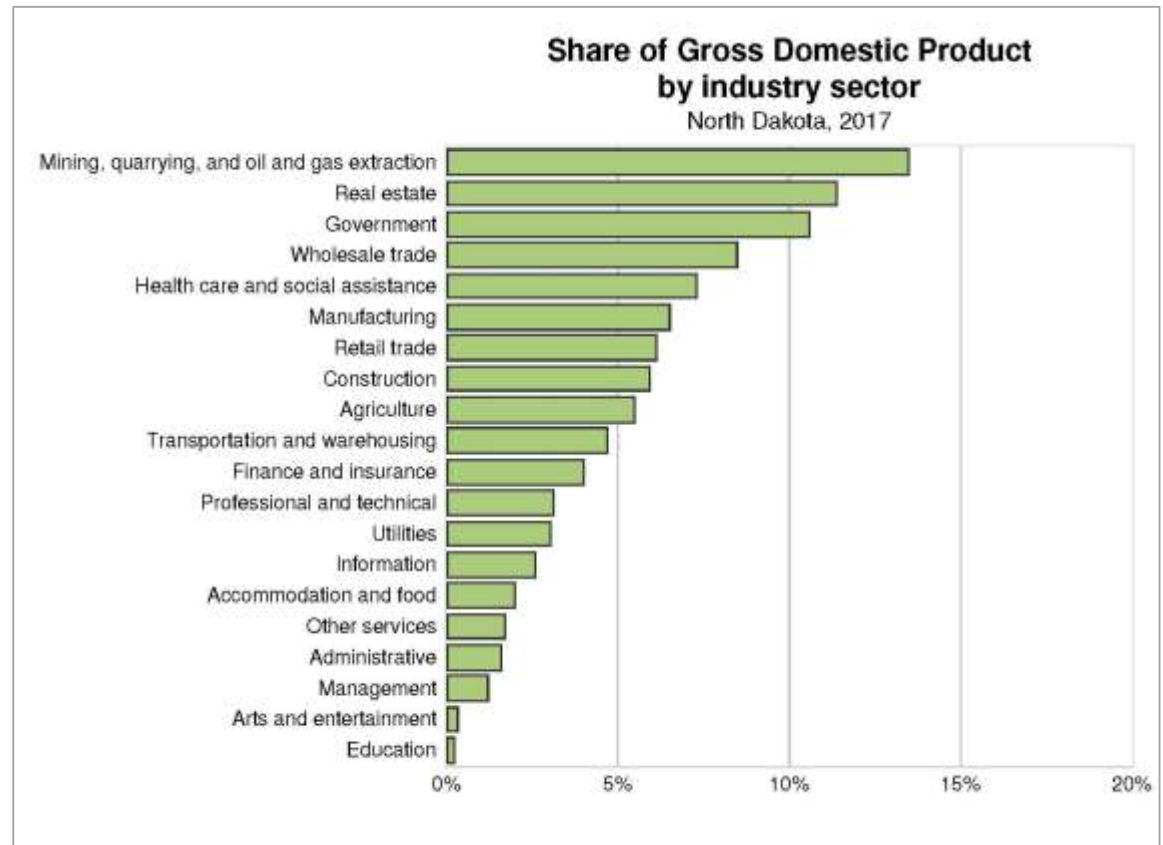
After two years of decline, North Dakota's economy started to recover in 2017 with the state's GDP increasing by one percent. While the increase is small and follows two years of negative change, the economy overall is substantially larger than it was 10 years ago.

North Dakota's real Gross Domestic Product (GDP) in 2017 (\$49,034 millions of 2009 dollars) was 39.3 percent higher than the 2010 GDP, far exceeding historical trends from 1997 to 2008 if continued through 2017. The 2000-2017 real GDP compound annual growth rate was 4.7 percent in North Dakota as compared to 1.7 percent in the U.S. which is the highest among all 50 states.



Real GDP by industry sector

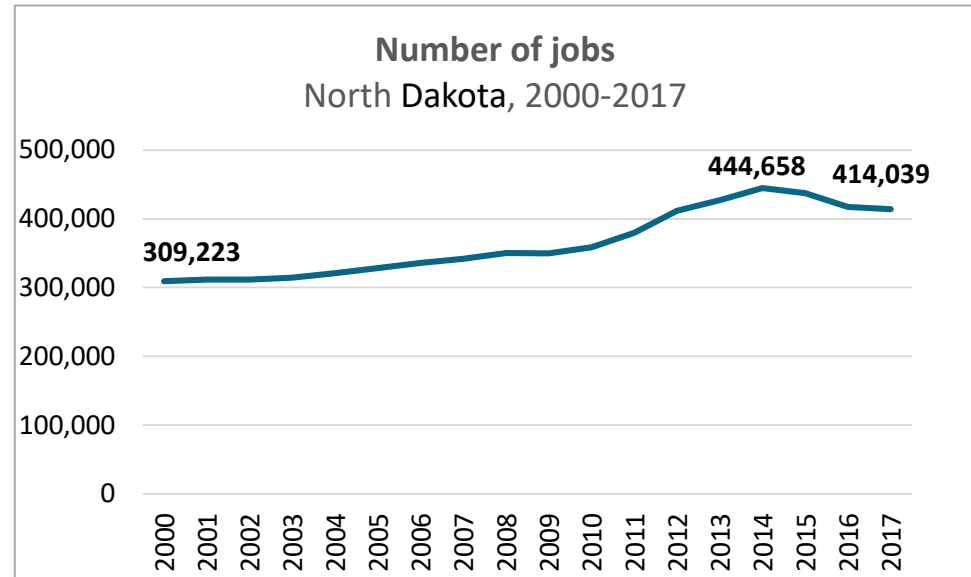
Leading all other industries, Mining, quarrying, and oil and gas extraction accounted for 13.5 percent of North Dakota's GDP in 2017. Real estate accounted for 11.4 percent and Government for 10.6 percent.



Jobs

The number of jobs in North Dakota have been strongly impacted by the economic fluctuations during the past decade. The rapid economic growth during the oil boom (2008 to 2014) drove an increase in the number of jobs, especially in the Western part of the state. The number of jobs peaked in 2014 at 444,658.

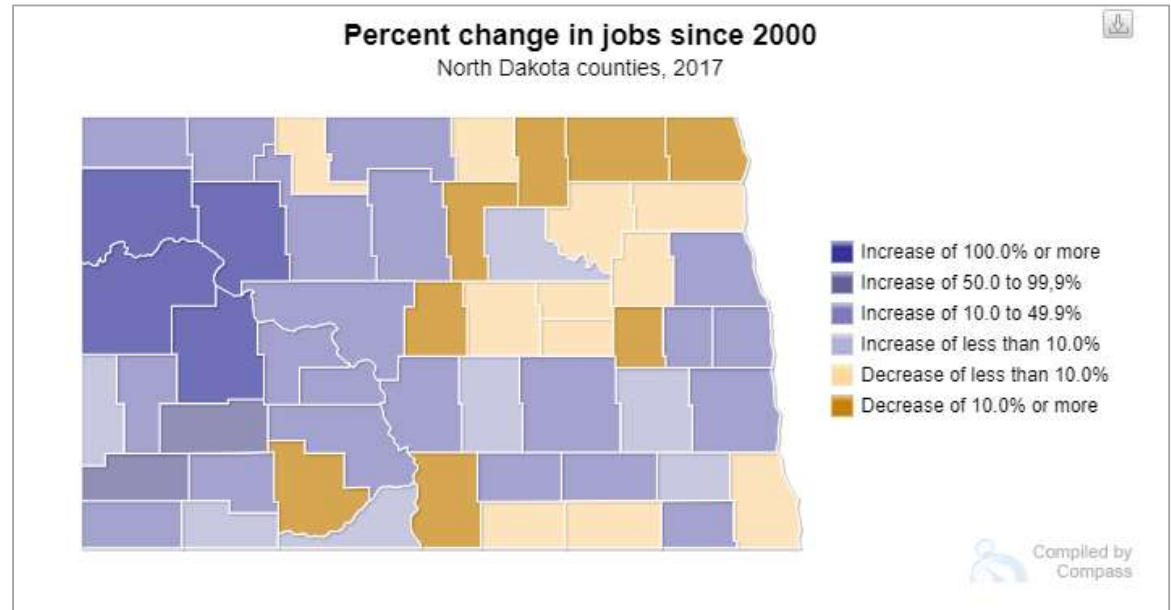
However, after continually increasing for a number of years, the number of jobs declined 1.7 percent in 2015 and 4.6 percent in 2016 and stabilized in 2017 at 414,039.



Jobs by county

Overall, from 2000 to 2017, the majority of the counties (34 out of 53) gained jobs. The highest increase in the number of jobs was in the core oil and gas producing counties. The number of jobs in McKenzie, Williams, Mountrail, and Dunn counties more than doubled (ranging from 130% to 282% increase). Slope county also almost doubled the number of jobs (99%).

The counties that lost jobs lost 25 percent at most. Sheridan, Emmons, and Towner are the counties that lost more than 20 percent since 2000.

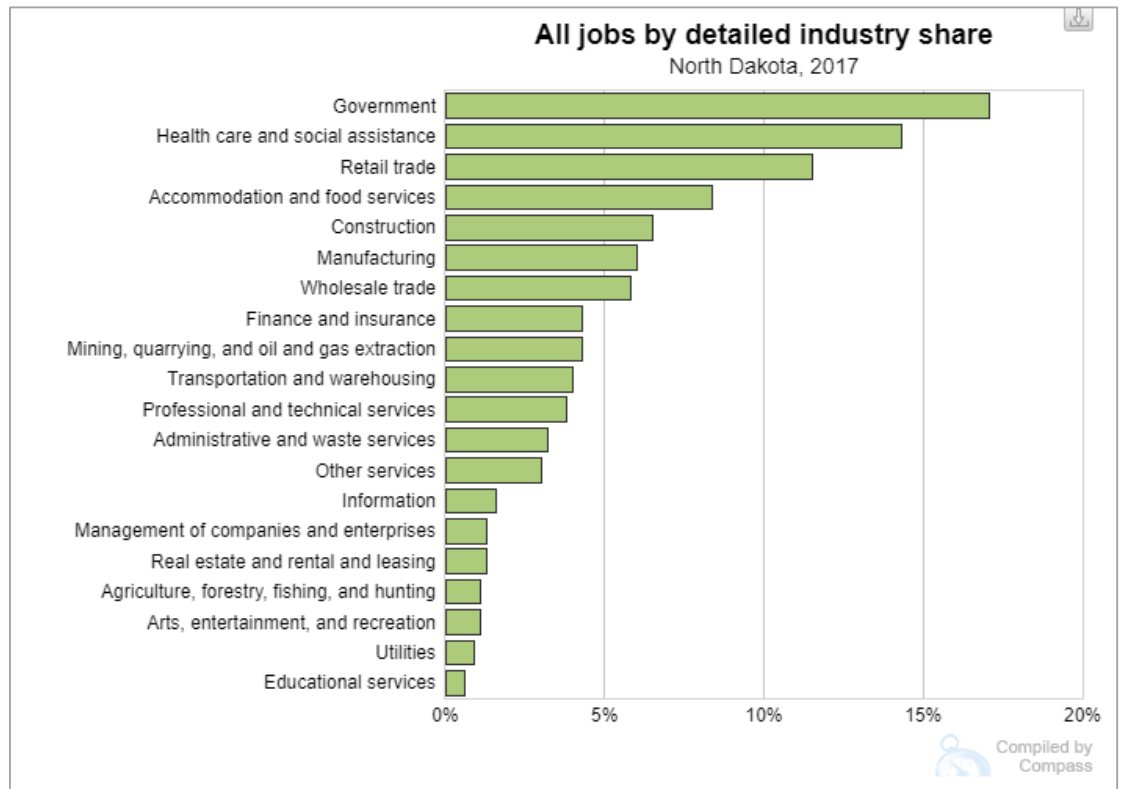


Jobs by industry

In 2017, **jobs in the Government* sector** represented the largest share of all jobs in North Dakota, at 17.1 percent. Jobs in Health care and social assistance ranked second at 14.3 percent, and jobs in the Retail sector ranked third at 11.5 percent.

Jobs in Information; Management of companies and enterprises; Real estate and rental and leasing; Agriculture, forestry, fishing, and hunting; Arts, entertainment, and recreation; Utilities; and Educational services, represented less than 3 percent each of total jobs.

**All public sector employment is located in the Government sector. This includes employment for public school teachers, federal postal service workers, state and local protective service workers, and any other worker employed by a federal, state, or local government entity.*

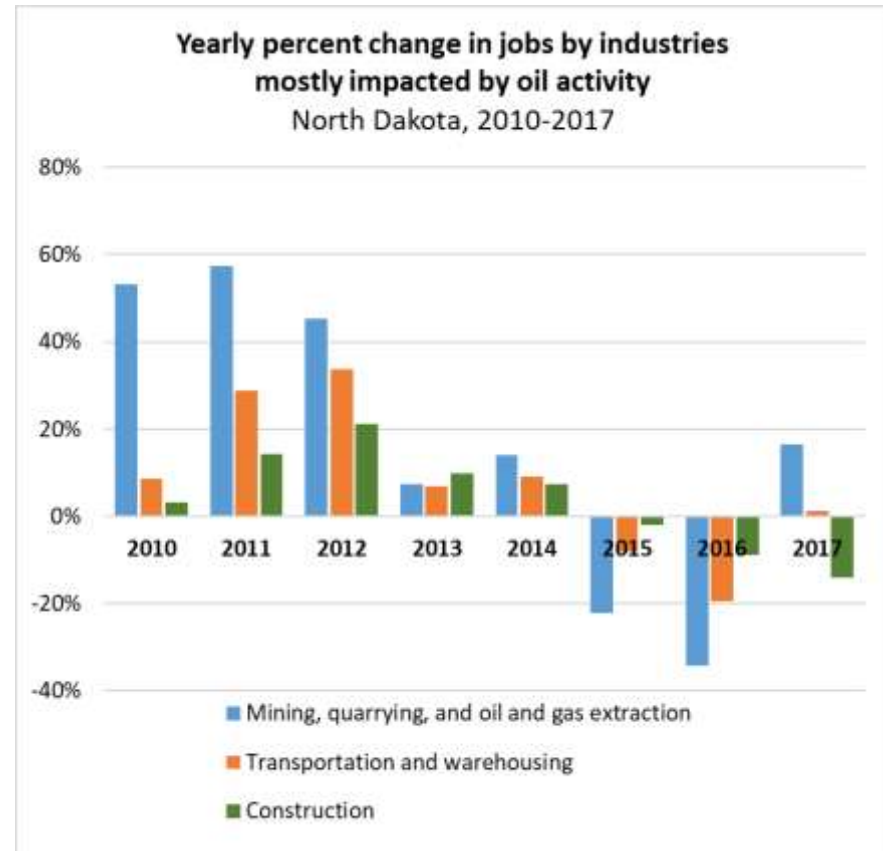


Jobs by industry

The recent economic downturn due to low oil prices impacted the number of jobs, especially for the industries closely tied with the oil and gas sector.

The Mining, quarrying, and oil and gas extraction industry experienced tremendous growth in the number of jobs at the beginning of the oil boom period (53% from 2009 to 2010, 58% from 2010 to 2011, and 45% from 2011 to 2012). While the growth slowed down, the industry continued to add jobs in 2013 and 2014, reaching almost 30,000 jobs in 2014.

However, due to low oil prices and the decline in oil and gas production, the industry lost 22 percent of jobs in 2015 and 34 percent in 2016. Even with this decrease, the number of jobs in 2016 was still 44 percent higher than in 2010 and 360 percent higher than in 2000. With the oil prices on the rise, recently the industry added 2,538 jobs in 2017, a 17 percent increase from the previous year.



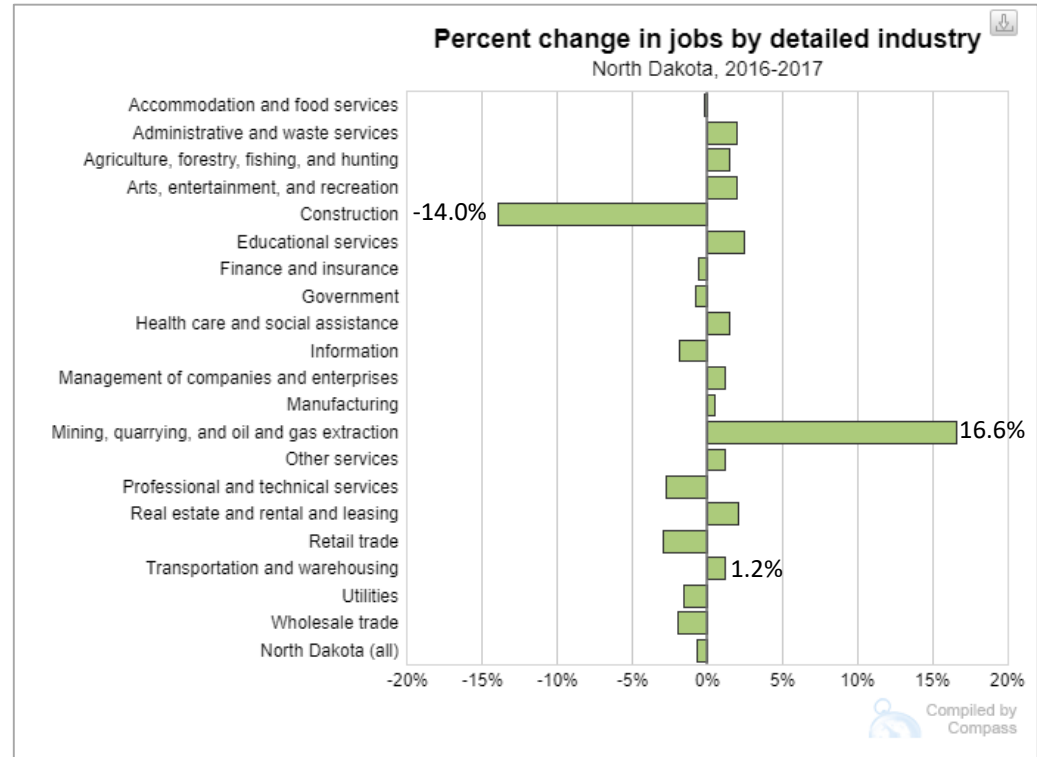
Jobs by industry

Other industries closely tied to the oil and gas sector followed similar patterns of growth and decline in the number of jobs. Transportation is crucial for the mining industry as most materials and final products are transported by truck.

After gaining jobs up until 2014 and losing jobs in 2015 and 2016, the Transportation and warehousing industry added about 200 jobs in 2017.

The Construction industry is also closely tied with oil and gas economic activity in creating the infrastructure needed and in supporting the needs of a growing population in the area.

The Construction industry followed similar trends of growth and decline in jobs from 2010 to 2016. However, unlike the Mining and Transportation industries, the Construction industry continued to lose jobs in 2017, partly because some construction projects were completed, and partly because less funds were available for investment in a slower economy.



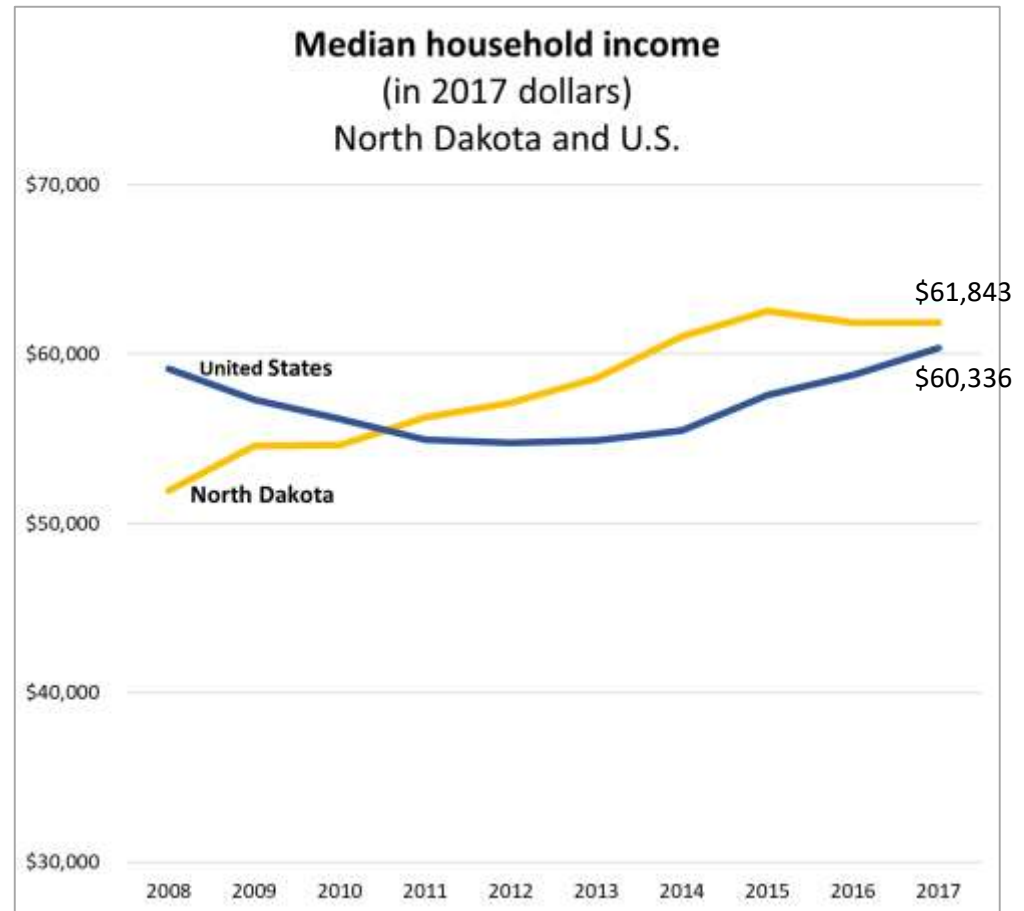
Household income

North Dakota's household incomes have risen substantially since 2008 when the oil boom started. In 2008, the median household income in North Dakota was \$51,923 (in 2017 inflation adjusted dollars) which was the 12th lowest median household income in the U.S.

In 2011, the median household income in North Dakota exceeded the U.S. household income for the first time and has trended above national levels ever since.

North Dakota's median household income peaked in 2015 at \$62,524 (2017 dollars). After a slight decrease in 2016, the median household income was \$61,843 in 2017, still higher than the national median household income of \$60,336, and ranking North Dakota 18th highest among the 50 states.

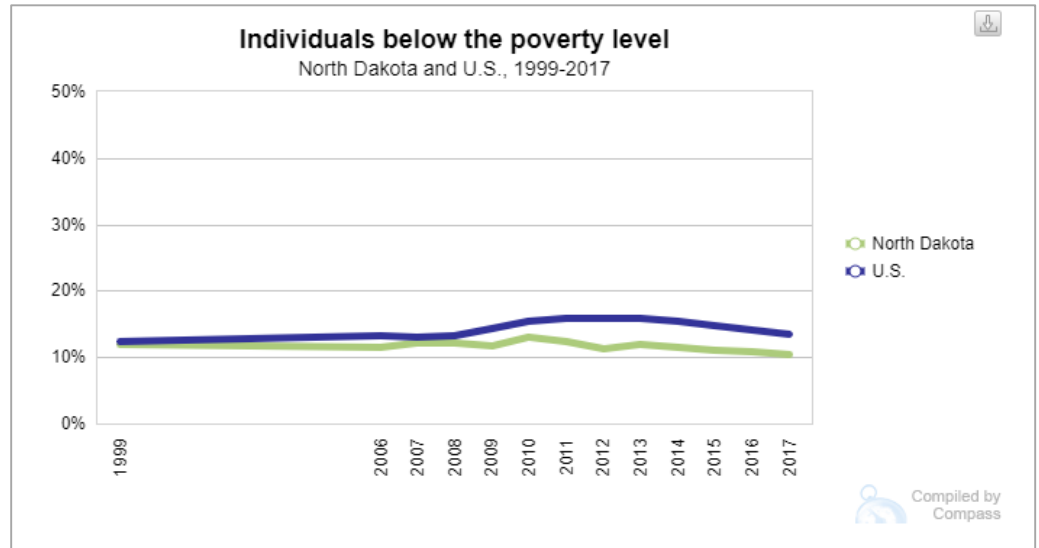
Compared to 2008, North Dakota's median household income in 2017 increased 19 percent, far greater than any other state in the nation during that time period.



Poverty

The poverty rate in North Dakota in 2017 was 10.3 percent, down 2.8 percentage points from 13.1 percent in 2010.

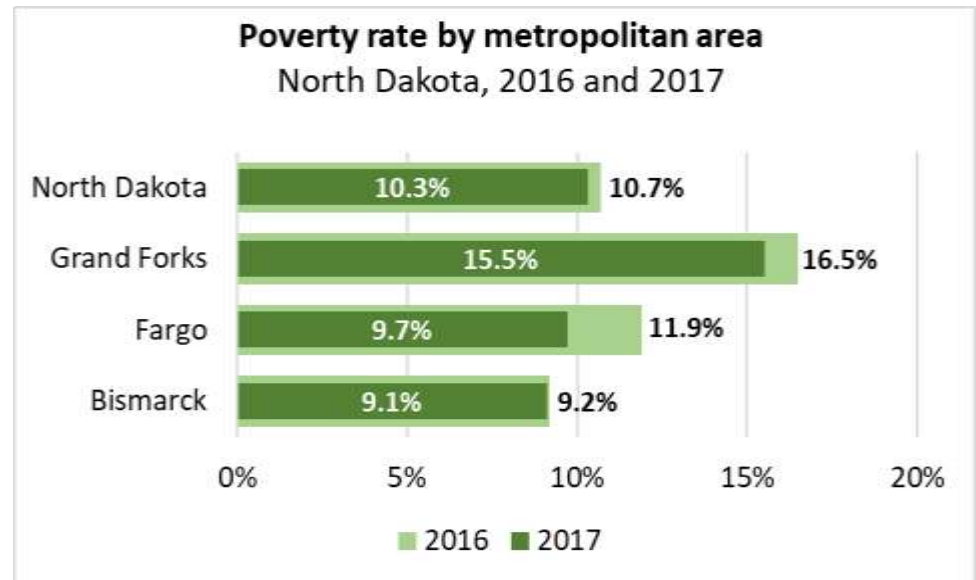
In 2017, there were 75,279 people below the poverty level, about 9,616 less people than in 2010. In 2017, North Dakota ranked 9th among the 50 states in terms of lowest poverty rate.



Poverty by geography

The poverty rate varies by geography within North Dakota. The poverty rate in [Grand Forks metropolitan area](#) was about 5 percentage points higher than the average poverty rate in North Dakota in 2017.

However, the [poverty rate for each metropolitan area](#) decreased compared to 2016.



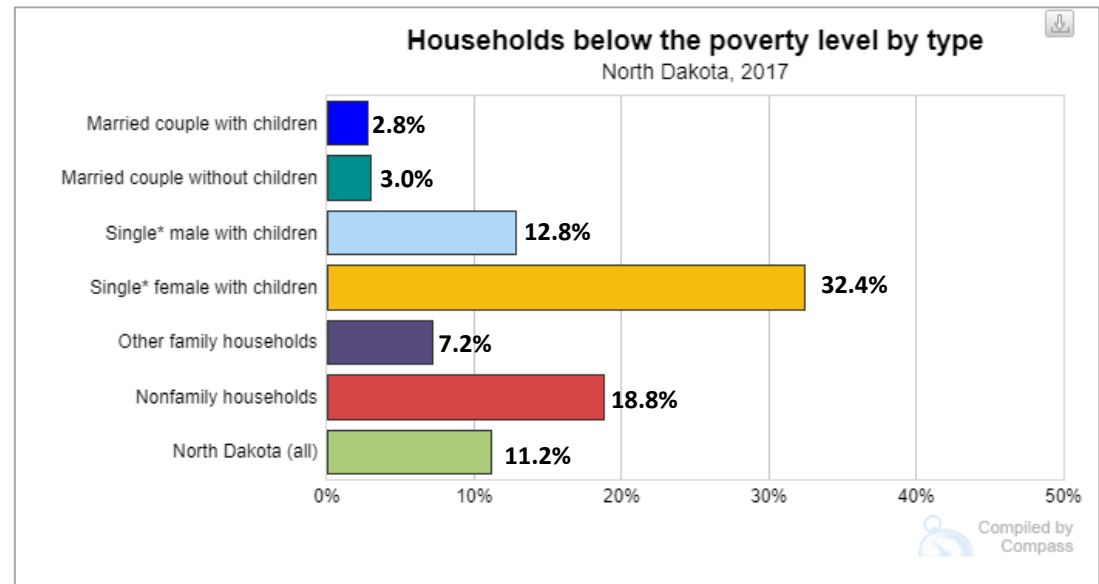
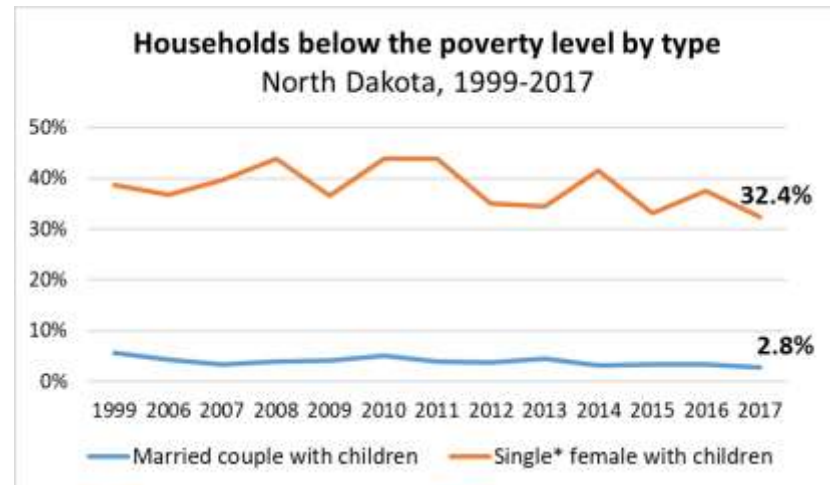
Poverty by household type

The poverty rate varies greatly by household type.

Households headed by single mothers are much more likely to be under the poverty level than married-couple households.

Since 1999, the poverty rate for married couple with children households has been relatively stable around 3 percent (2.8% in 2017).

In 2017, 32.4 percent of single mother households were under the poverty level, down from 37.5 percent in 2016. This rate is almost 3 times higher than the statewide rate (11.2%).



* Single indicates that the householder is unmarried and/or that a spouse is not present in the household

Adults working

North Dakota continued to rank first among all 50 states in 2017 for the percentage of adults working*, at 79.7 percent.

With the U.S. average of 70.1 percent, West Virginia ranks last with 59.8 percent of the 16 to 64 years old population being employed.

*The percentage of adults working is calculated as the number of employed, working-age population (16-64 years old) divided by the non-institutionalized, civilian, working age population.

