

Economy and Workforce Trends

NORTH DAKOTA

A solid green horizontal bar at the bottom of the slide.

Economy and Workforce Trends Summary

- North Dakota's economy started to recover in 2018 and 2019. While the increase is small, 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 and Transportation followed similar patterns of growth and decline.
- North Dakota ranks 20th (from highest income to lowest) among the 50 states for median household income.

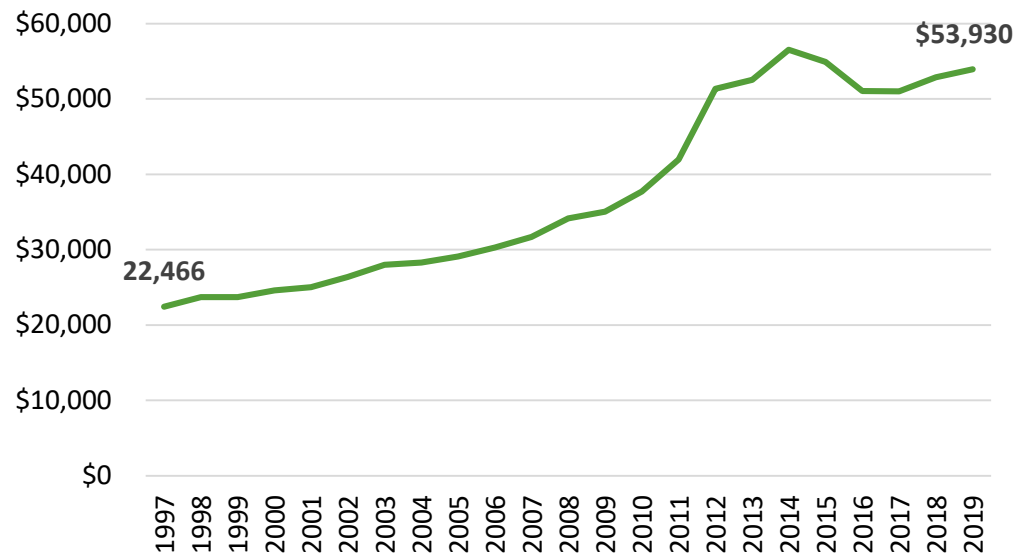
Real GDP

After three years of little or no growth, North Dakota's economy started to recover in 2018 with the state's GDP increasing by 4.3 percent. In 2019, the state GDP slightly increased by less than one percent from the previous year (0.9%). While the increase is small, the economy overall is substantially larger than it was 10 years ago.

North Dakota's real Gross Domestic Product (GDP) in 2019 (\$53,930 millions of 2012 dollars) was 42.0 percent higher than the 2010 GDP (\$37,975) and more than double the 2000 GDP (\$24,653).

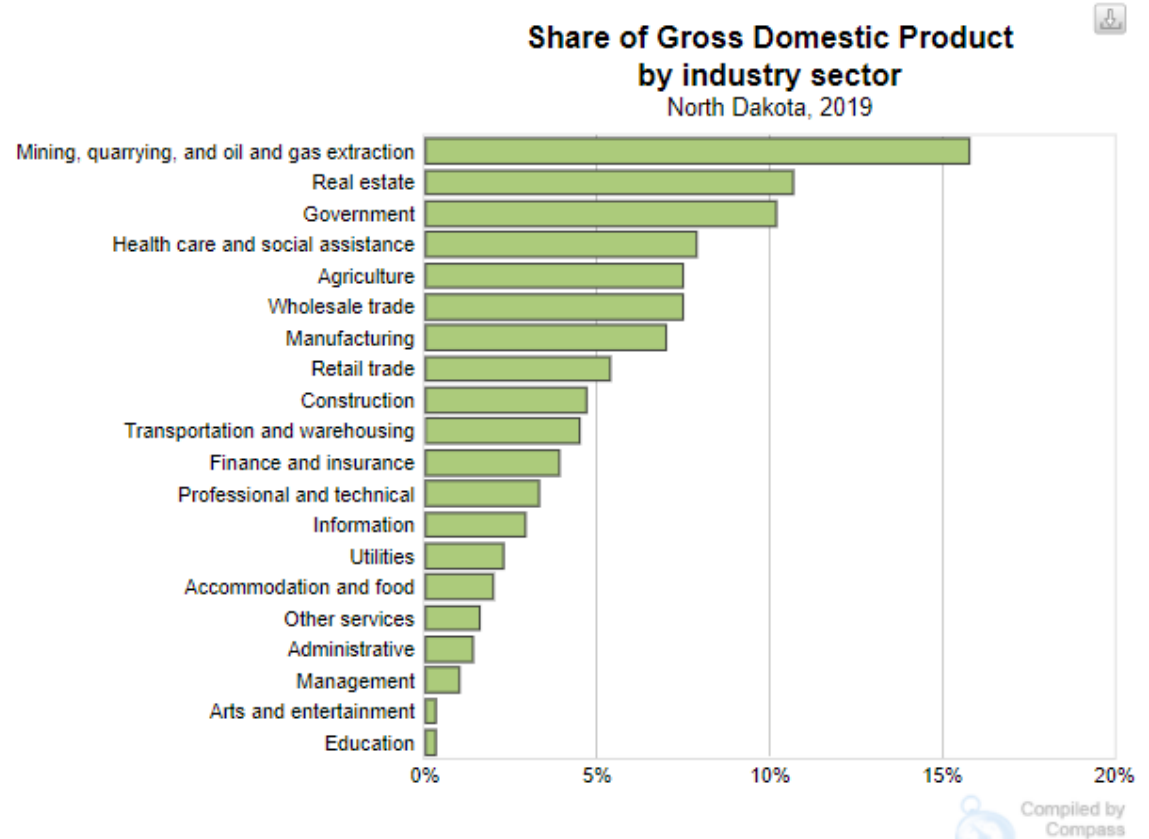
The 2000-2019 real compound annual growth rate of GDP was 4.2 percent in North Dakota (highest among all 50 states) as compared to 2.0 percent in the U.S.

Real GDP (millions of 2012 dollars)
North Dakota, 1997-2019



Real GDP by industry sector

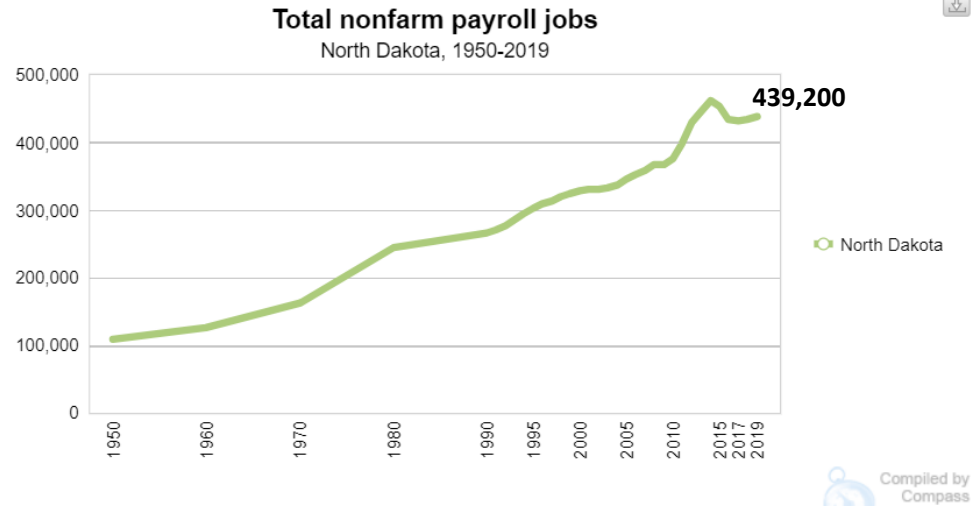
Leading all other industries, Mining, quarrying, and oil and gas extraction accounted for 15.8 percent of North Dakota's GDP in 2019. Real estate accounted for 10.7 percent and Government for 10.2 percent.



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 462,000.

However, after continually increasing for a number of years, the number of jobs declined 1.6 percent in 2015 and 4.2 percent in 2016 and stabilized after that, reaching 439,200 in 2019.



Notes:

Jobs are averaged over the year.

The Current Employment Statistics (CES) is a monthly survey of nonfarm businesses for estimating industry employment. The self-employed, as well as agriculture, domestic, and military workers are excluded. Employment is defined as a count of jobs by place of work rather than a count of employed persons; an individual with two jobs is counted twice by the payroll survey.

The CES program is a federal-state cooperative program between the U.S. Bureau of Labor Statistics and state agencies. The largest program of its kind, the CES is based on a survey of approximately 143,000 businesses and government agencies representing approximately 588,000 worksites throughout the United States.

Sources:

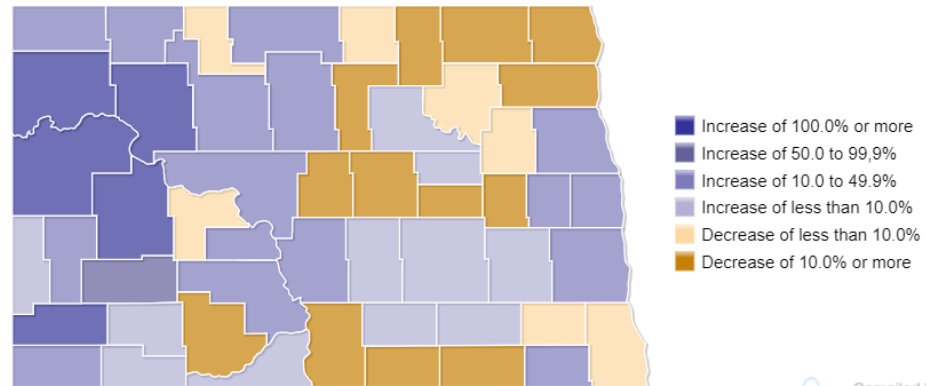
U.S. Bureau of Labor Statistics, Current Employment Statistics. <https://www.bls.gov/sae/data.htm>

Jobs by county

Overall, from 2000 to 2019, the majority of North Dakota counties (33 out of 53) gained jobs. The largest 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 150% to 421% increase) since 2000. Slope County also doubled the number of jobs (109% increase).

The counties that lost jobs lost 26 percent at most. Sheridan, Emmons, and Towner are the counties that lost more than 20 percent of jobs since 2000.

Percent change in jobs since 2000
North Dakota counties, 2019



Compiled by
Compass

Notes:

Relates to nonfarm payroll positions only.

Sources:

North Dakota Job Service Labor Market Information, Quarterly Census of Employment and Wages.

Notes:

All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics quarterly. An establishment is generally a single physical location where business is conducted or where services or industrial operations are performed.

Workers and jobs excluded from these statistics include proprietors and the self-employed, railroad workers, family farm workers, full-time students working for their school, elected government officials, insurance and real estate salespeople, and others who work only on a commission basis.

Jobs are averaged over the year.

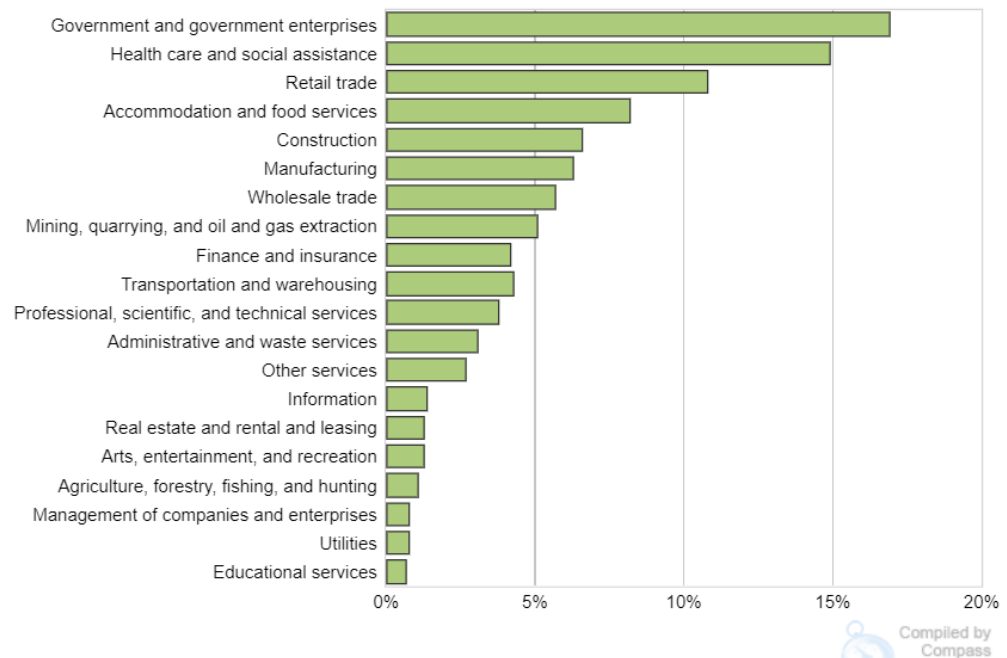
Jobs by industry

In 2019, jobs in the Government* sector represented the largest share of all jobs in North Dakota, at 16.9 percent. Jobs in Health care and social assistance ranked second at 14.9 percent, and jobs in the Retail sector ranked third at 10.8 percent.

Jobs in Information; Real estate and rental and leasing; Arts, entertainment, and recreation; Agriculture, forestry, fishing, and hunting; Management of companies and enterprises; Utilities; and Educational services, represented less than 2 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.*

All jobs by detailed industry share
North Dakota, 2019



Notes:

Data are limited to those workers who are covered by either state or federal unemployment insurance laws. All public sector employment is located in the Government sector.

Sources:

North Dakota Job Service Labor Market Information, Quarterly Census of Employment and Wages.

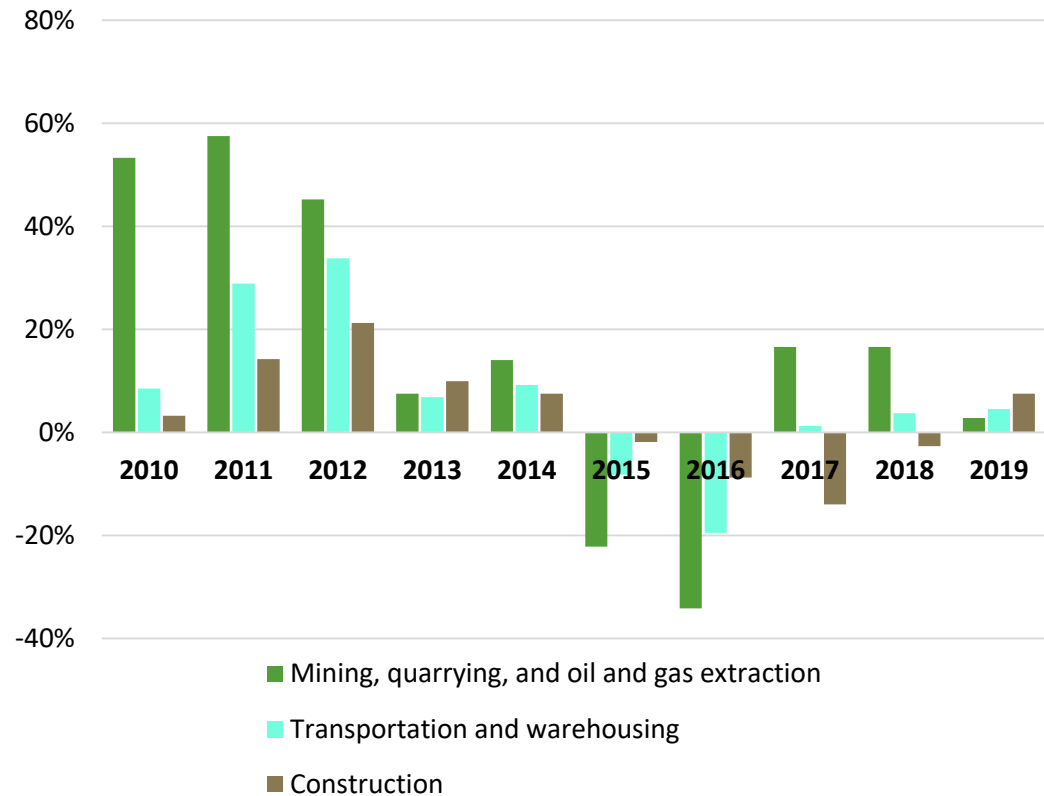
Jobs by specific industry

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. 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. With the oil prices on the rise, recently the industry added 17 percent of jobs in 2017, 17 percent of jobs in 2018, and 3 percent in 2019.

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 1 percent of jobs in 2017, 4 percent of jobs in 2018, and 5 percent in 2019.

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 and 2018, but started to recover more in 2019 (8% increase).

Yearly percent change in jobs by industry
North Dakota, 2010-2019

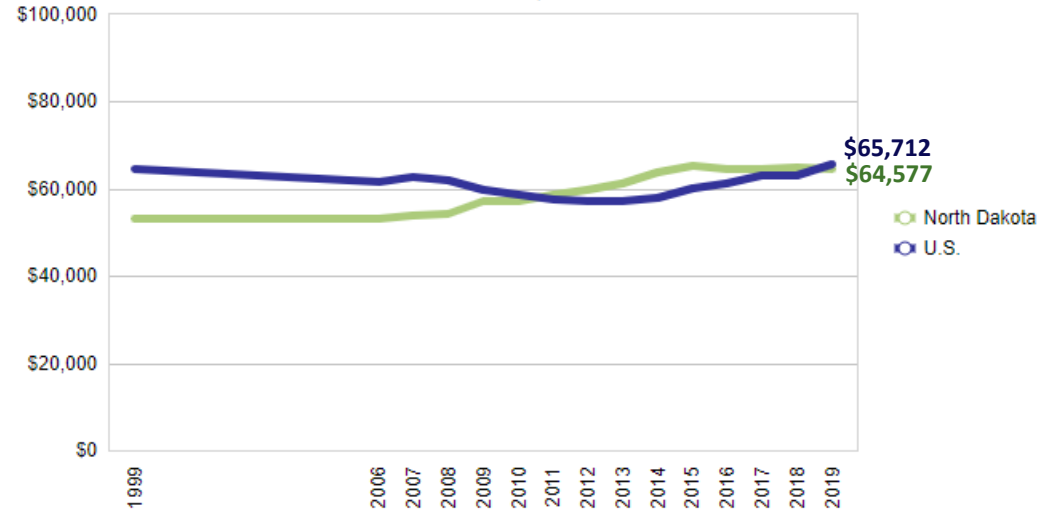


Household income

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 \$54,258 (in 2019 inflation adjusted dollars).

In 2011, the median household income in North Dakota exceeded the U.S. household income for the first time. The median household peaked in 2015 at \$65,335 and stabilized after that reaching \$64,577 in 2019 and ranking North Dakota 20th highest among the 50 states.

Median household income
North Dakota and U.S., 1999-2019



Compiled by
Compass

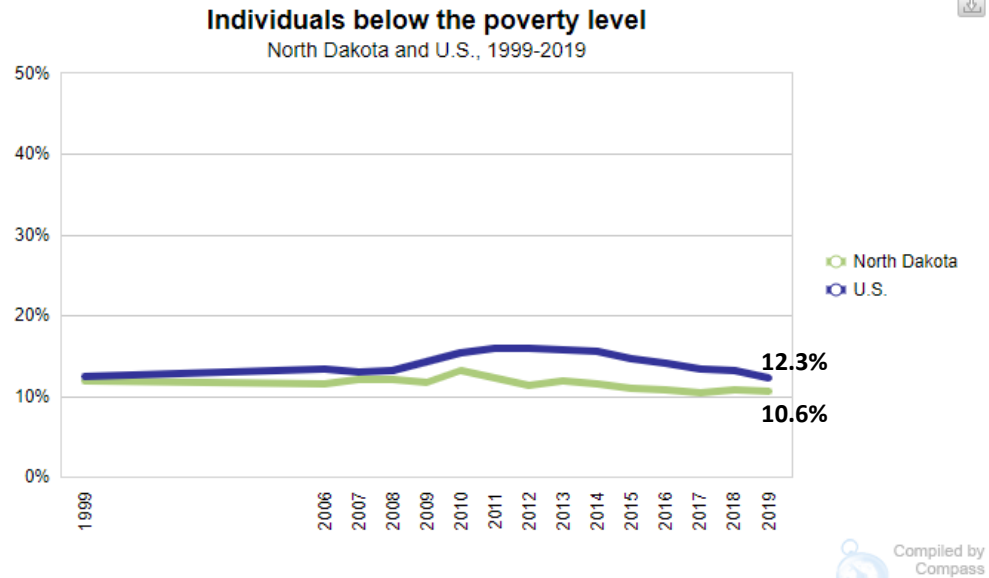
Notes:

In 2019 inflation-adjusted dollars.

Poverty

The poverty rate in North Dakota in 2019 was 10.6 percent, down 2.5 percentage points from 13.1 percent in 2010.

In 2019, there were 78,112 people below the poverty level, about 6,800 less people than in 2010. In 2019, North Dakota ranked 17th among the 50 states (from lowest to highest poverty rate) in terms of poverty.

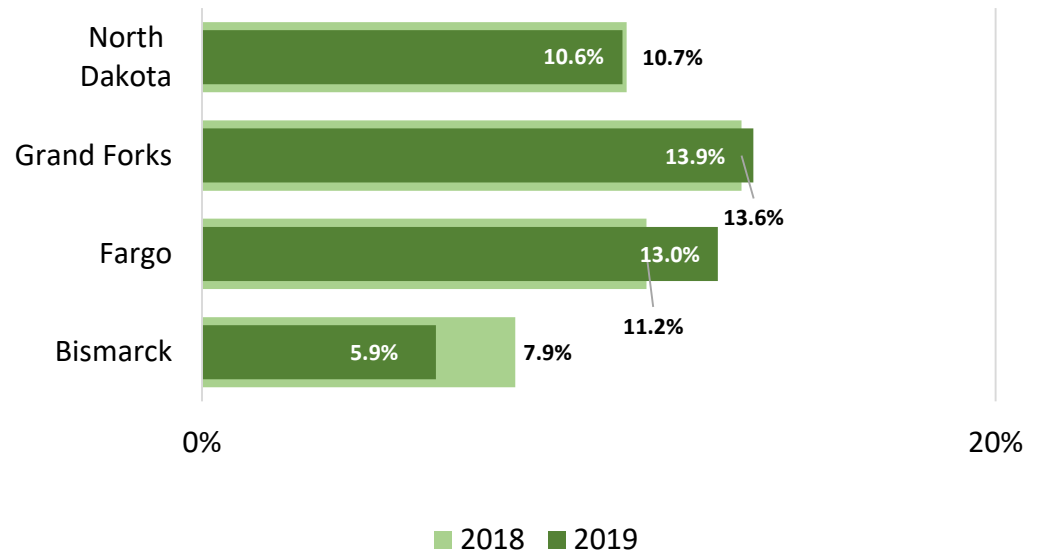


Poverty by geography

The poverty rate varies by geography within North Dakota. The poverty rate in [Grand Forks metropolitan area](#) was about 3 percentage points higher than the average poverty rate in North Dakota in 2019.

Compared to 2018, the [poverty rate](#) decreased in Bismarck and increased in Fargo metropolitan areas.

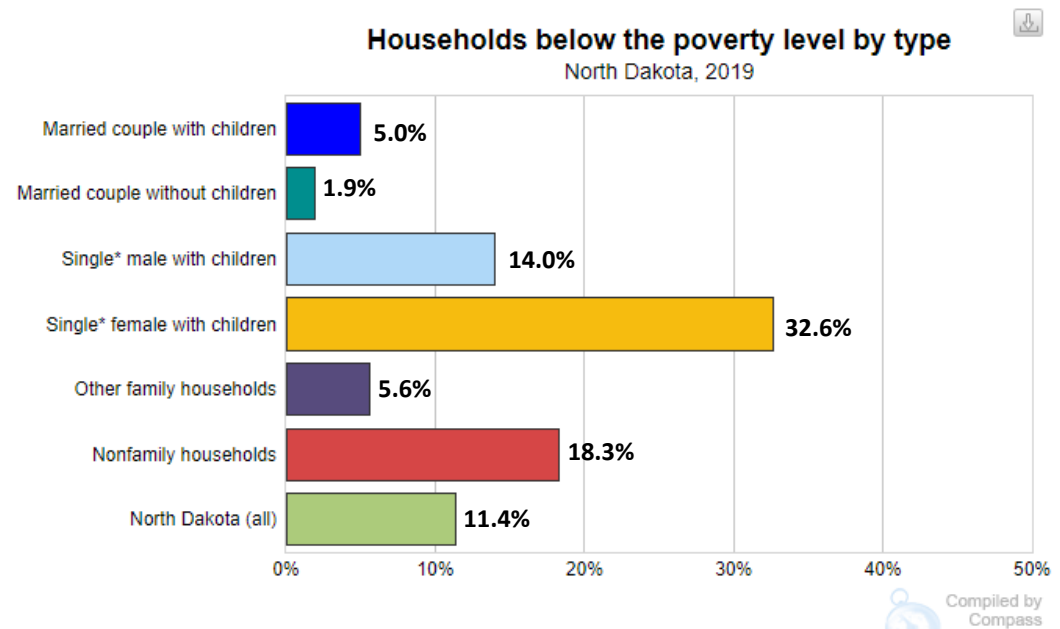
Poverty rate by metropolitan area
North Dakota, 2018 and 2019



Poverty by household type

The poverty rate in North Dakota varies greatly by household type. Households headed by single mothers are much more likely to be under the poverty level than married-couple households.

In 2019, one third (32.6 percent) of single mother households were under the poverty level. This rate is more than double the statewide rate (11.4%) and almost seven times higher than the poverty rate of married couple with children (5.0%). While lower than other household types, the poverty rate for married couples with children doubled from 2018 to 2019.



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

Adults working

North Dakota ranked first among all 50 states in 2019 for the percentage of adults working*, at 79.9 percent.

In 2019, the U.S. average was 71.6 percent. West Virginia ranked last with 62.6 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.

