

North Dakota's Economic Success: *Today and Tomorrow*

Governor Jack Dalrymple
Governor's Summit on Economic Growth

How Far We've Come



*Historic Growth and
ppportunity*

NORTH DAKOTA IS NO. 1

(on pretty much everything)

- Washington Post, August 26, 2014

**DAKOTAS LEAD U.S. IN
ECONOMIC WELL-BEING FOR KIDS**

- Associated Press, July 22, 2014

**BEST STATES TO
MAKE A LIVING**

- Forbes, June 9, 2014

**NORTH DAKOTA:
LEGENDARY AMONG STATES**

- Gallup, August 25, 2014

**NORTH DAKOTA CONTINUES TO LEAD
THE NATION IN HOUSING DEVELOPMENT**

- U.S. Census Bureau, May 22, 2014

**NORTH DAKOTA RANKS FIRST IN
JOB CREATION FOR 5TH STRAIGHT YEAR**

- Gallup, February 12, 2014

**NORTH DAKOTA NAMED
HAPPIEST STATE**

- Gallup, February 26, 2014

**NORTH DAKOTA'S ECONOMIC GROWTH OUTPACES
ALL OTHER STATES FOR FOURTH CONSECUTIVE YEAR**

- U.S. Bureau of Economic Analysis, June 11, 2014

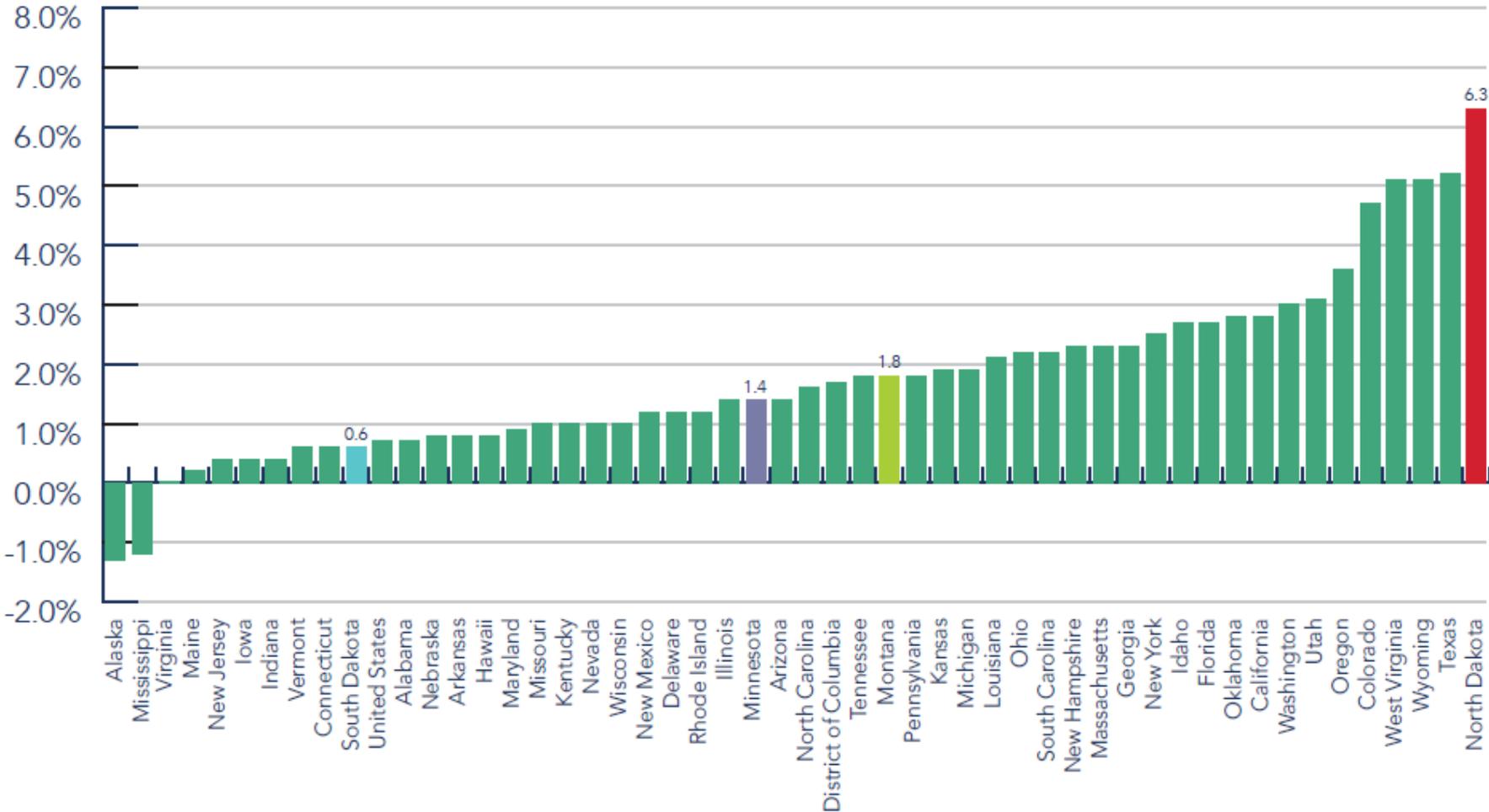
North Dakota By the Numbers



- #1 Best-Run State in the nation – *Wall Street 24/7*
- #1 Housing growth per capita - *U.S. Census*
- #1 Growth Performer States Since 2000 - *U.S. Chamber*
- #1 Best States for Young Adults – *Moneyrates.com*
- #2 In State Competitiveness - *Beacon Hill Institute*
- #2 Best States for Business - *Forbes Magazine*
- #2 Best States for Entrepreneurship - *Univ. of Nebraska*
- #2 Oil Producing State - *ND Mineral Resource Division*
- #3 Top States for Business - *CNBC*
- #3 Pro-Business State - *Pollina Corporate RE*
- 422%** increase in exports since 2004 - *U.S. Dept. Commerce*

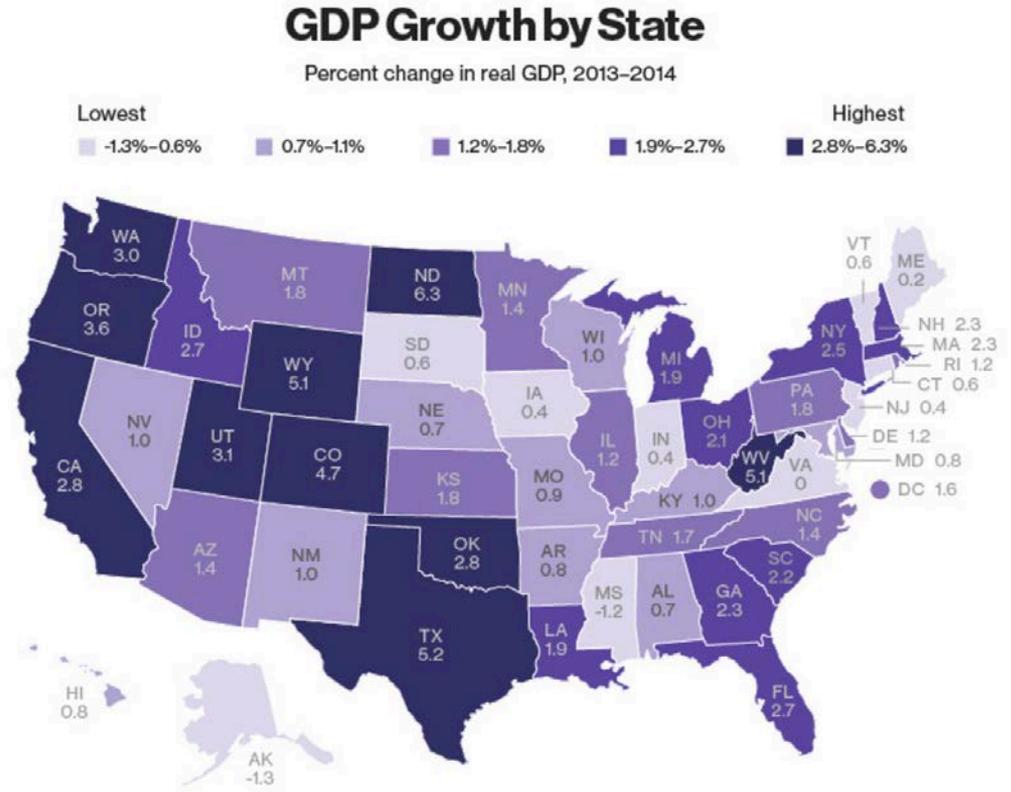
North Dakota – Head of Class Leading the nation in GDP growth (2014)

Source: Bureau of Economic Analysis



North Dakota's Economic Growth – Gross Domestic Product

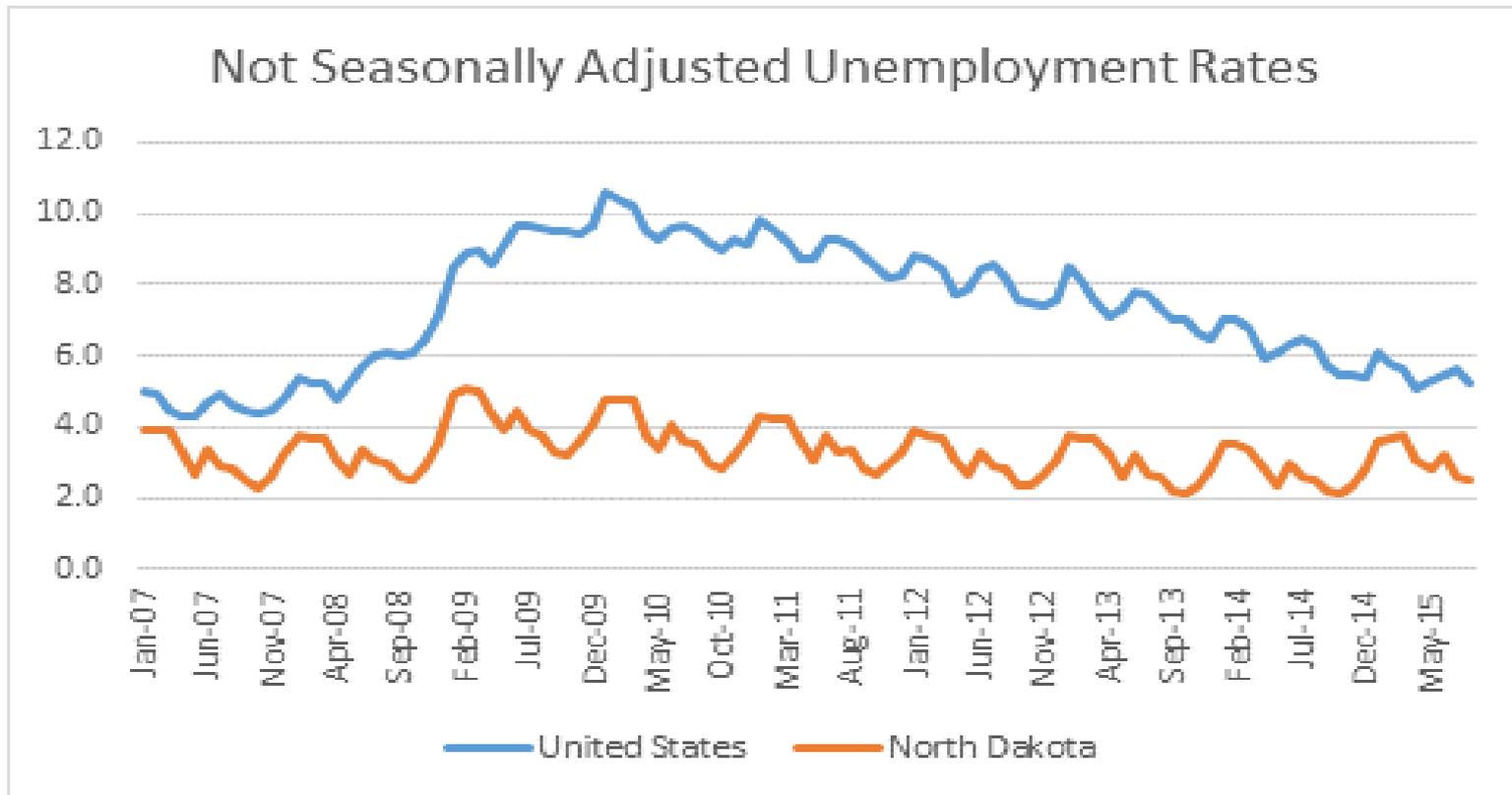
- Led the nation in economic growth for four of the past five years.
- GDP increased 6.3 percent in 2014 to top economic growth among all states.
- Over the past decade, averaged an annual growth rate of 6.5 percent - national average 1.4 percent.
- Averaged an 8.7 percent growth rate in GDP since 2010.



Source: Bureau of Economic Analysis

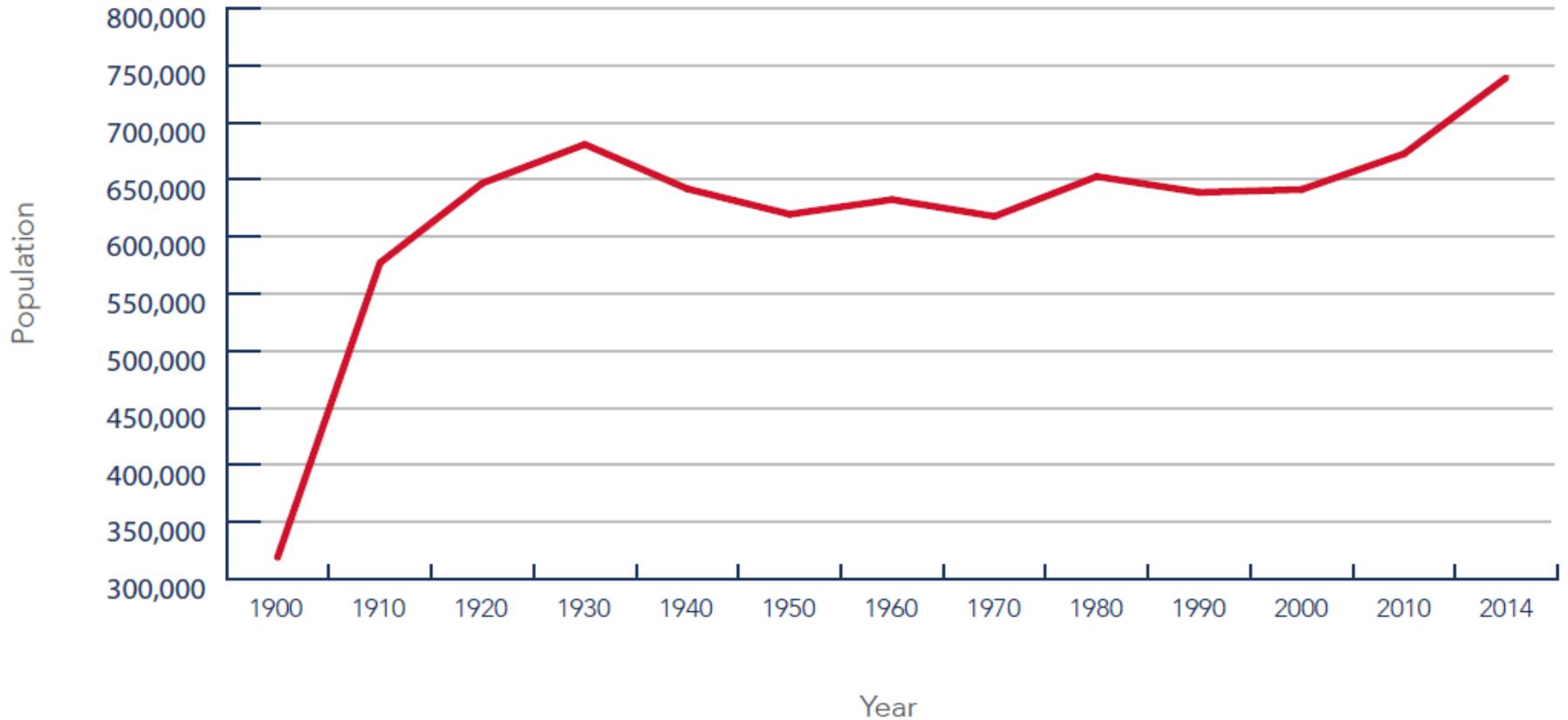
Unemployment Rate

United States and North Dakota
January 2007 – May 2015

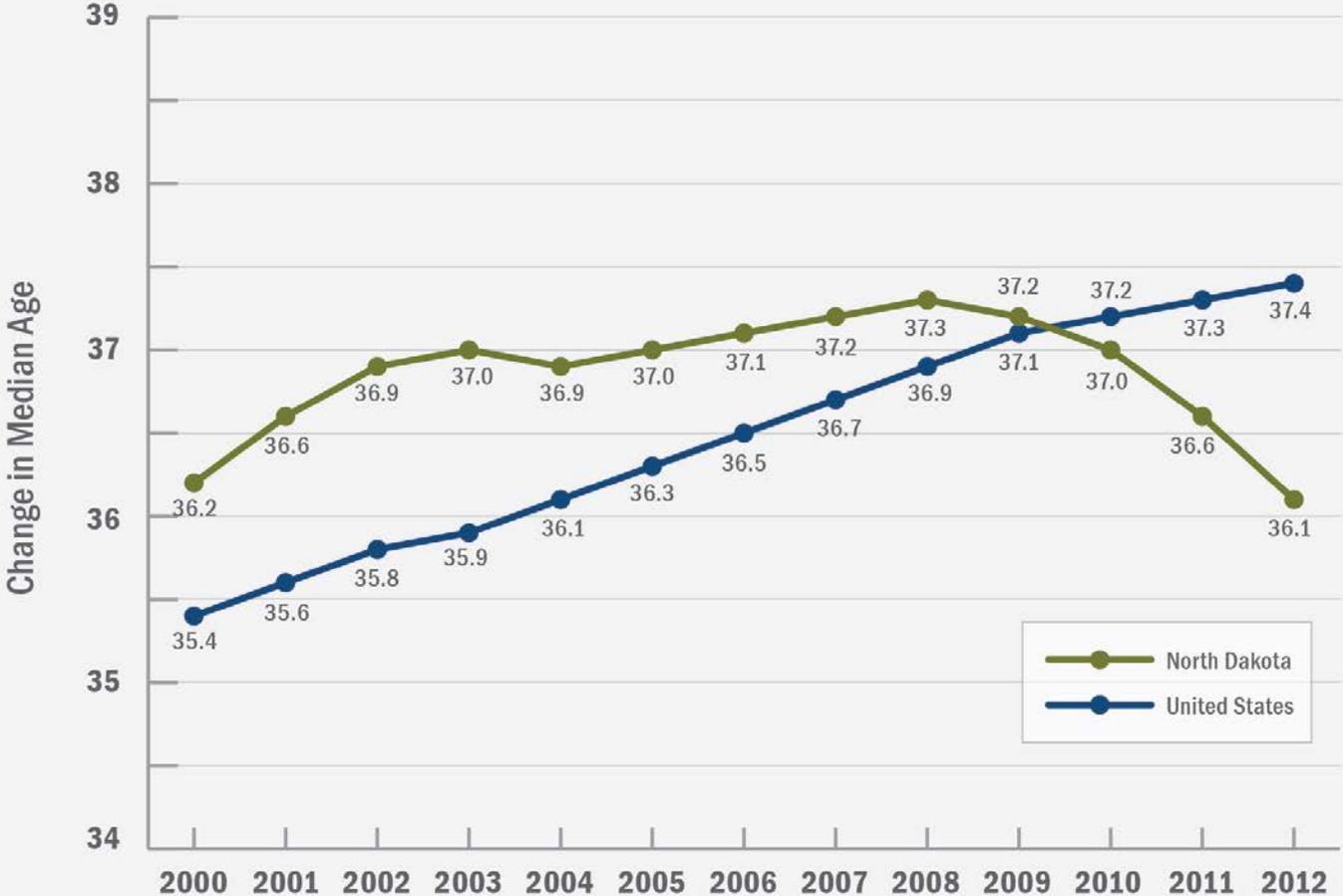


North Dakota Population Growth, 1900-2014

Source: U.S. Census Bureau



Median Age of United States and North Dakota



Source: Census Bureau Decennial Censuses and Population Estimate Program



How We Got Here

Strategic Economic Development

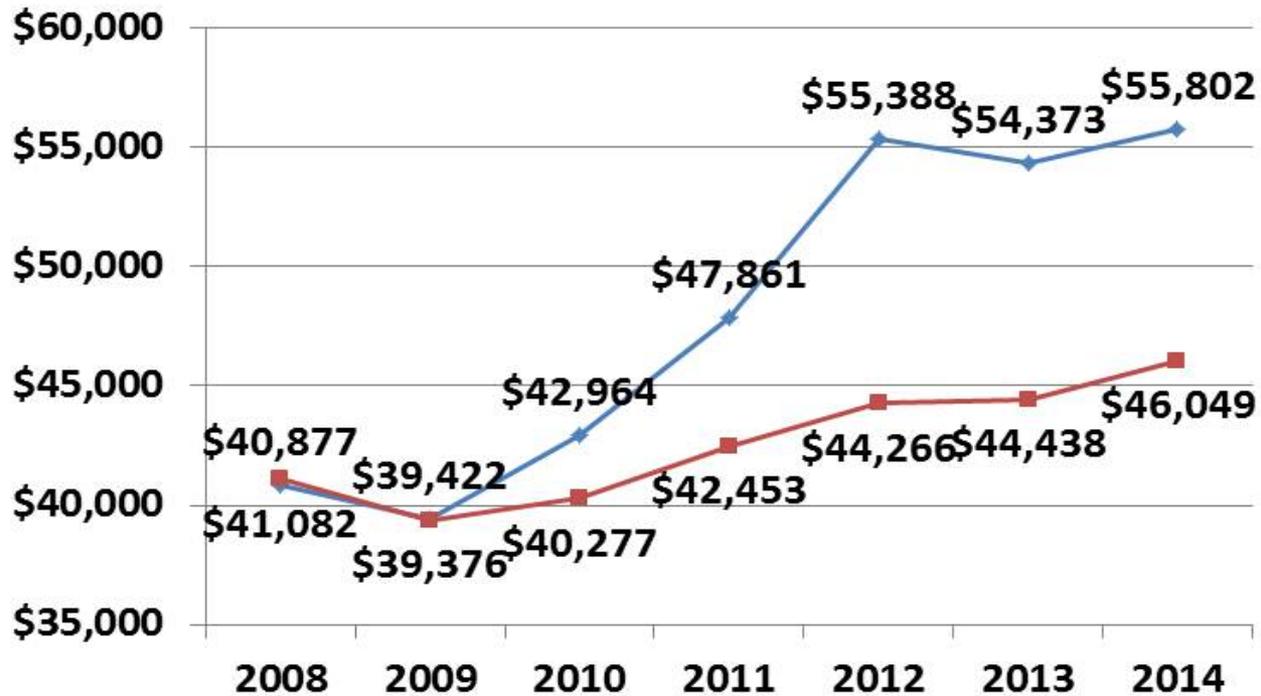


Emphasis on Job Creation

- Created 123,600 net new jobs since 2004.
- Over past five years, total nonfarm employment level has increased by 26 percent versus national increase of 6 percent.
- Average wages increased 41 percent over past five years – national increase of 10 percent.
- Per capita personal income:
 - North Dakota ranked 38th in 2004; 4th in 2014.
 - 13 percent below national average in 2004; 21 percent above national average in 2014.

PER CAPITA PERSONAL INCOME

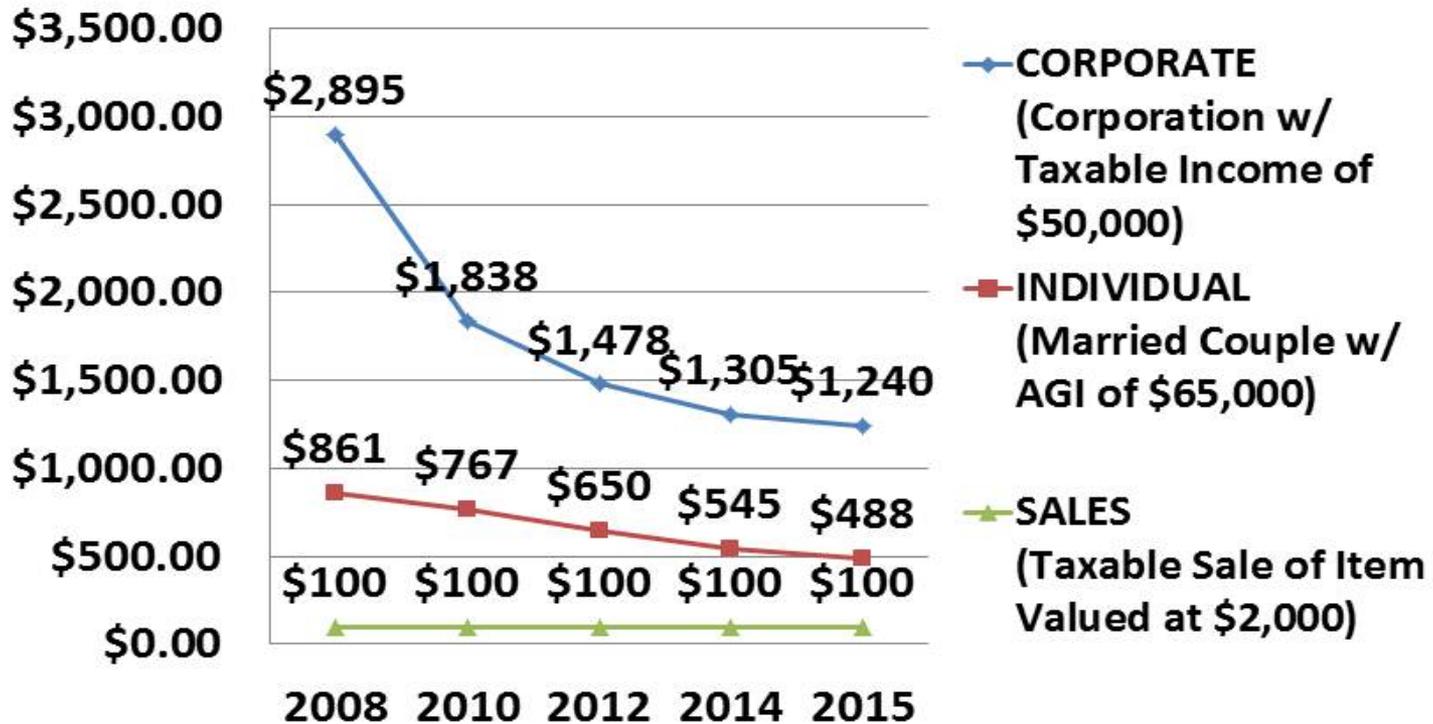
North Dakota Compared to United States



Built Strong Business Climate

- Low taxes
- Reasonable regulatory policies
- Person-to-person access to public officials
- Job training programs
 - Workforce 2020 – new technologies & processes
 - New Jobs Training Program – utilizes employee withholding tax
- Quality education system
- Skilled workforce/strong work ethic
- Competitive financial incentives
 - Financing programs - ND Development Fund, PACE, MATCH
 - Tax exemptions – property, corporate, sales
- Quality of life

MAJOR TAX TRENDS

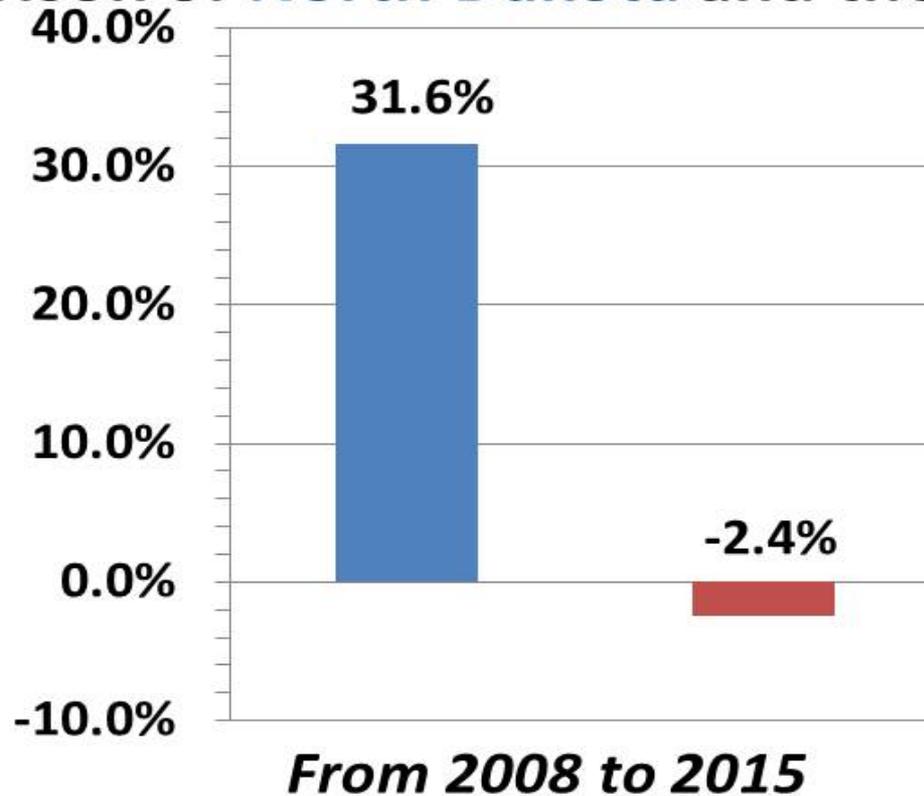


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K-12 PER STUDENT CHANGE IN SPENDING FY 2008 – 2015

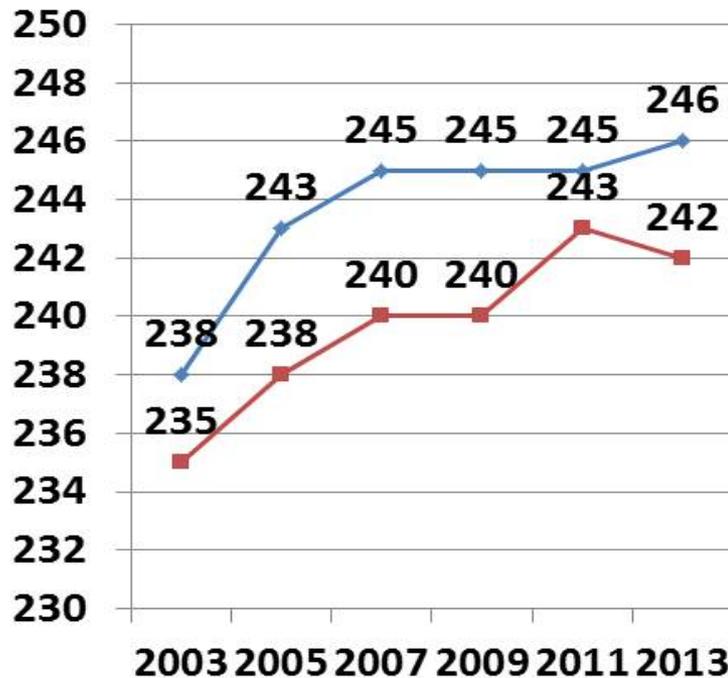
Comparison of **North Dakota** and the **Nation**



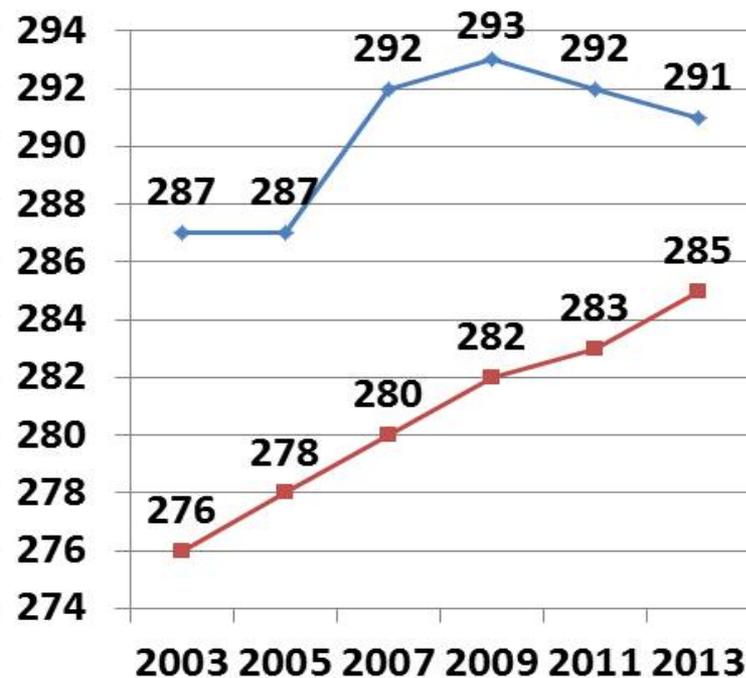
AVERAGE NAEP SCORES – MATHEMATICS

Comparison of North Dakota and the Nation

FOURTH GRADE



EIGHTH GRADE



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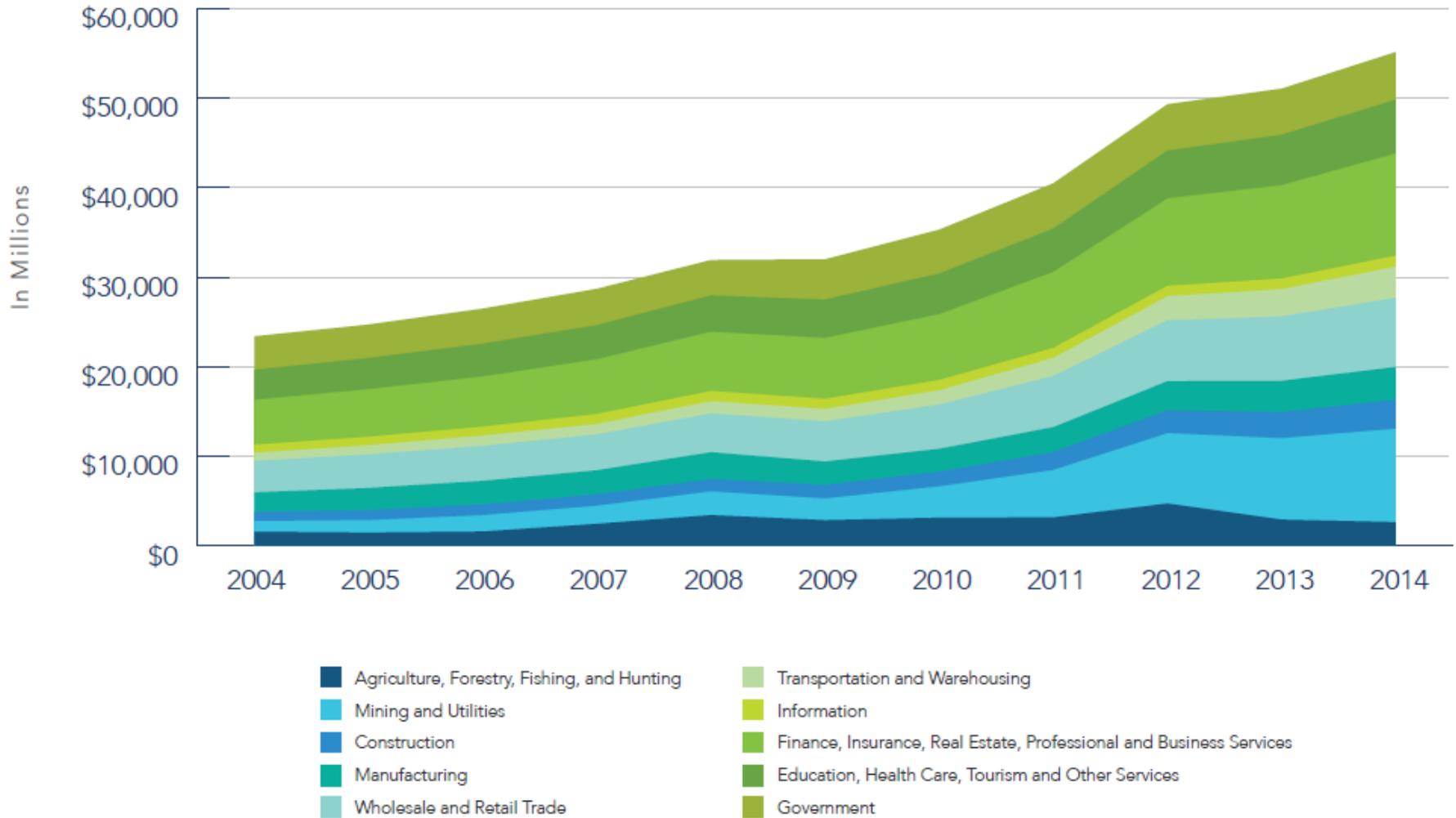
Defined Targeted Industries

- Energy
- Value-added Agriculture
- Technology
- Advanced manufacturing
- Tourism
- Aviation – Unmanned Aerial Systems



North Dakota – Gross Domestic Product (GDP) by Industry (2004-2014)

Source: Bureau of Economic Analysis



Energy

- 2nd largest oil producer in U.S. – 6th in 2006.
- Jumped from 200,000 barrels of crude oil produced per day to 1.2 million barrels in 6 years.
- Home to leading energy companies.
 - MDU Resources
 - Basin Electric Power Cooperative
 - Great River Energy
 - NACCO Industries
 - Hess Corporation
 - Whiting Oil & Gas
 - Continental Resources
 - EOG Resources
 - ONEOK Partners
 - Tesoro





Six Wells on a Single Pad



AGRICULTURE

TOP CROPS for 2014

STATE RANK	COMMODITY PRODUCED	% OF U.S. TOTAL
1 st	DURUM WHEAT	53.2%
1 st	SPRING WHEAT	49.0%
1 st	HONEY	23.6%
1 st	CANOLA	85.3%
1 st	ALL DRY EDIBLE BEANS	30.1%
1 st	SUNFLOWER OIL	41.1%
1 st	PINTO BEANS	57.7%
1 st	FLAXSEED	91.2%
1 st	ALL WHEAT	17.1

Value-added Agriculture

Wheat

- Flour mills – ND Mill, Roman Meal, Minot Milling
- Pasta companies – Dakota Growers, Abbiamo, Philadelphia Macaroni

Barley

- Malting - Cargill Malt

Oilseed Crushing

- Cargill Riverside, ADM Enderlin, ADM Velva

Potatoes

- Cavendish, Simplot



Value-added Agriculture

Sugar Beets

- American Crystal Sugar, Minn-Dak Farmers Cooperative

Ethanol

- Tharaldson Ethanol, Hankinson Renewable Energy, Blue Flint, Dakota Spirit AgEnergy, Red Trail Energy

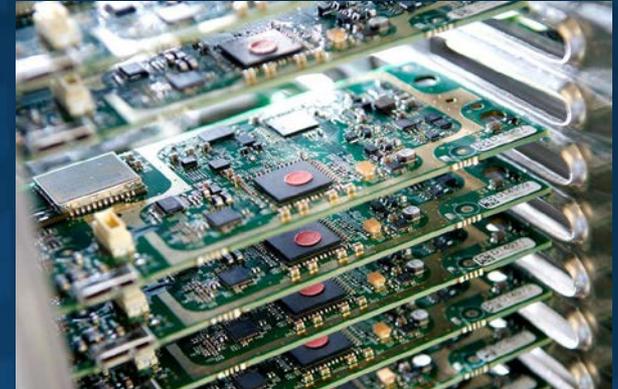
Farm equipment

- Dealers: RDO Enterprises, Titan Enterprises, Brandt Holdings



Technology

- 100% fiber optic broadband communication network links all regions of the state.
- High speed network options provide connectivity and redundancy throughout the state.
- Home to leading technology companies.
 - Microsoft
 - Amazon
 - Northrop Grumman
 - Appareo Systems
 - Pedigree Technology
 - Eid Passport



Advanced Manufacturing

- Accounts for 10% of North Dakota's GDP.
- Rest of the country has experienced decline since 2000 – North Dakota has expanded.
- Strong market growth, both domestically and internationally.
- Home to leading manufacturing companies.
 - Bobcat Company
 - John Deere
 - Case New Holland
 - Horsch Anderson
 - ComDel Innovation
 - Caterpillar Inc.
 - Amity Technology



Aviation - Unmanned Aerial Systems

- Established Northern Plains UAS Authority in May 2013 – oversees operation of ND's UAS test site.
- Selected one of six national UAS test sites by FAA in December 2013.
- ND's test site was nation's first to be FAA certified.
- USAF and Grand Forks County signed enhanced use lease for development of Grand Sky UAS Business and Aviation Park – nation's first.
- ND's first UAS manufacturing venture – Wahpeton-based ComDel Innovation and Altavian.
- Northrop Grumman – anchor tenant.
- General Atomics – UAS training academy.
- State investment of more than \$34 million.





Where Do We Go From Here?

Vision for Future Growth



Focus on *PEOPLE*

- Child care availability
- Affordable housing
- Job and career development
- Outdoor recreation
- Education: STEM and reputation



Focus on *PLACES*

- High-speed Internet
- Infrastructure upgrades
- Rural health care access
- Main Street revival



Focus on *OPPORTUNITIES*

- Access to colleges and universities
- Capital for business start-ups
- Exports
- Sensible regulations and taxes
- Technology



Companies that will help us get there

Appareo Systems

- Leader in custom design, development and manufacture of electronic and software *solutions for aerospace and ag equipment manufacturers.*
- 180 employees – world headquarters in Fargo.

Evolution1

- Leading provider of cloud-based , consumer-directed healthcare and defined contributions payment solutions.
- Grown from 2 to about 150 team members in Fargo area.

Microsoft

- Recently announced expansion of U.S. sales and marketing capabilities at Fargo site to promote Microsoft's cloud services.
- Will mean many job openings for Fargo area.

Companies that will help us get there

Sanford Health

- Investing millions of dollars to bring state-of-the-art facilities, equipment and experts to the region.
- Sanford Fargo Medical Center – largest private industry construction project in the history of the Dakotas – health care, research, technology.

Kilbourne Group

- Renovating and repurposing historic structures to promote downtown development.
- Recently announced purchase of the Black Building, a landmark in downtown Fargo.

Companies that will help us get there

AE2S (Advanced Engineering & Environmental Services)

- Civil/environmental consulting engineering firm – primary service includes water, wastewater and water resources system consulting.
- 21 locations across the country – 7 locations in North Dakota.

Myriad Mobile

- Mobile technology company – app development.
- Two college students launched tech business from dorm room in 2011 – today has over 60 employees in Fargo.

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