



Growing ND by the Numbers

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North Dakota Households in Highest Category of Incomes Less Than Found Nationally

While North Dakota's households report a median income above the national average, these incomes are less concentrated than those typically found in the U.S. Approximately 9 percent of households in the state report incomes of \$200,000 or more compared to 7.2 percent nationally. North Dakota's growth in this category from 2008 to 2017 increased only slightly more than what is found nationwide. In North Dakota, households in the \$50,000-\$150,000 are almost 60 percent of all households in the state. At the bottom of the scale, North Dakota again is less represented. In the state, 1.6 percent of households report an income under \$10,000 compared to 2.5 percent nationally.

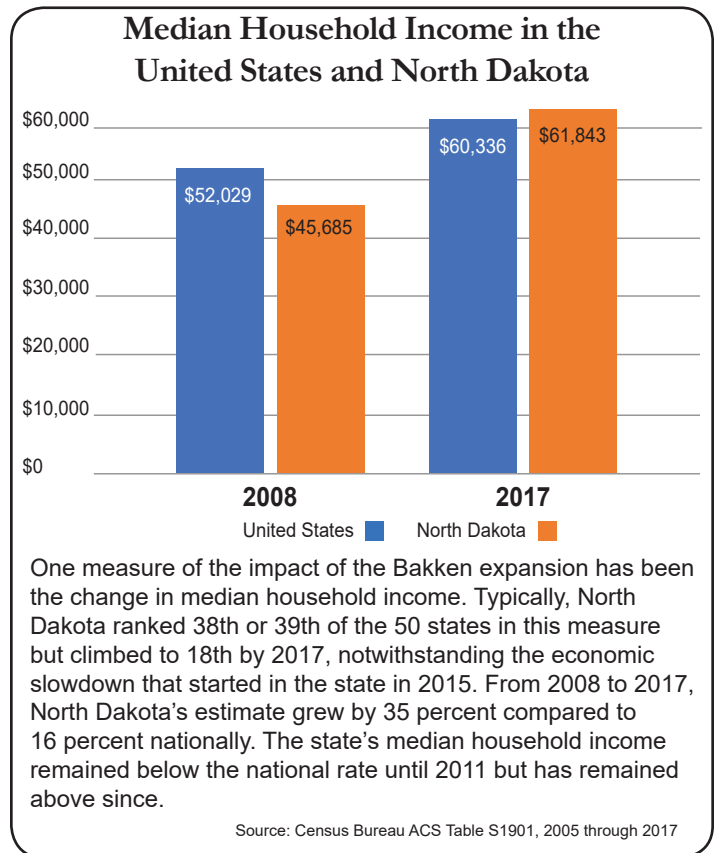
Source Census Bureau's ACS Table 1901 2017 1-Year estimate

Growth in Income and Purchasing Power Since the Bakken Expansion

Much has changed in North Dakota since the start of the Bakken oilfield expansion. While the state has grown by about 83,000 additional residents since 2010, a majority of the growth has occurred as a result of recent arrivals and returning former residents who account for about 50,000 of these 83,000 residents.

Various data sources explain the changes in the financial well-being of the state's population and why we continue to attract additional residents since the expansion of oil production in North Dakota.

One measure by which to explain the change is found by examining household income. A household is defined as any individuals living in a single-housing unit regardless of relationship. The Census Bureau's American Community Survey (ACS) measures four separate household income estimates on an annual, or five-year average, basis depending upon the population size of the area measured. Comparing data for 2008 - about the time oil production began to



increase - to the most recent data from 2017, shows a significant increase over time.

In the 2008 estimate of income levels, North Dakota had a median household income of \$45,685 compared to \$52,029

nationally. The state ranked 39th of 50 states that year, having typically ranked either 38th or 39th for a number of years prior. By 2017, North Dakota's median household income had grown to

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District of Columbia's Growth in Household Income Tops All States from 2008-2017

While North Dakota had the highest numeric and percentage growth in household income of any state - an increase of \$16,158 from 2008 to 2017 - the District of Columbia (D.C.) surpasses even North Dakota in the growth in both median and mean household income during this same time frame. The District saw its estimated household income grow from \$52,029 to \$82,372 during the same period. In 2017, the District ranked at the top of the list when included in the ranking of states in highest household income. After D.C. comes Maryland, New Jersey and Hawaii. For comparison, North Dakota ranked 19th when the District of Columbia is included in the ranking with the states.

Source Census Bureau's ACS Table 1901 2008 and 2017 1-Year estimate

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Changes to Consumer Spending by State 2008-2016

Personal Consumption Expenditures is one of the numerous economic statistical programs tracked by the Bureau of Economic Analysis (BEA). The data is presented in both total and per capita expenditures and further divided into Goods and Services, as well as subcomponents of each.

BEA's tables show that the overall per capita consumption in the United States increased 20 percent between 2008 and 2016. The 2017 data is not yet available.

North Dakota showed the highest percentage growth

of any state at 40 percent. New York and West Virginia tied for a distant second at 26 percent. Certain categories of expenditures in the state saw a truly significant increase in expenditures over this time.

Transportation services increased by 91 percent, motor vehicles and parts grew by 54 percent. Only the gasoline and other energy goods category of expenditures saw a per-capita decrease in the state, but far less than what occurred nationally.

One reason that consumer spending has risen in North

Dakota appears to be that goods and services here are relatively cheap as demonstrated by the state's price parity. In simple terms, price parity attempts to measure what it cost you for the same item in different regions of the country using a ratio compared to the U.S. as a whole or other states. Since 2008, North Dakota's cost for similar items has risen gradually from 89 to 92 percent of that of the U.S. North Dakota prices remain much lower than other areas like New York, California or Maryland.

Source: Bureau of Economic Analysis' Consumer Spending and Price Parity Tables by State Interactive Data, 2008-2016

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an estimated \$61,843, exceeding the national median household income, estimated at \$60,336. North Dakota ranked 18th of the 50 states, having moved up 21 in the ranking of states. Between 2008 and 2017, North Dakota's median household income increased by 35 percent, greater than any other state but lower than the District of Columbia.

Of the household types, North Dakota's largest increase in income tended to be in the "Married-couples" category. This

group experienced a growth from \$69,238 to \$91,308, nearly 32 percent compared to 9 percent nationally. Family and Non-family (generally single persons living alone) household incomes experienced similar growth. In North Dakota, Married-couple income grew by 34 percent during this time frame compared to 17 percent for the US.

The state saw a large percent of its households reporting between \$100,000 and \$149,000 with an additional 9 percent of

married couples in this category. In 2008, this level comprised about 16 percent of all households, but grew by 10 percent to more than 26 percent of these households by 2017. For comparison, nationally, this category grew by just over 2 percent from 19 percent to 21 percent for the same time frame.

Source Census Bureau's ACS Table 1901 2008 - 2017 1-Year estimate, 2009 and 2017 Small Area Income and Poverty Estimate (SAIPE)

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