

Strategic Visioning for North Dakota

North Dakota Association of Counties

Bismarck, ND

June 10th, 2007

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Professor and Director
North Dakota State Data Center



Presentation Objective:

1. Historical context to consider
2. Demographic challenges and opportunities
3. Strategies for the future

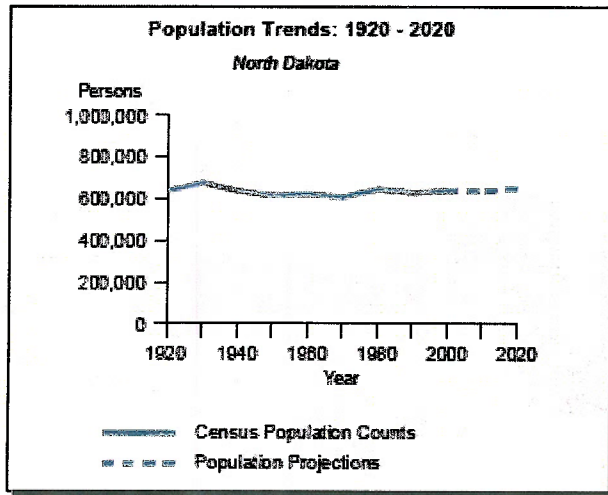
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Historical Context: Key Themes

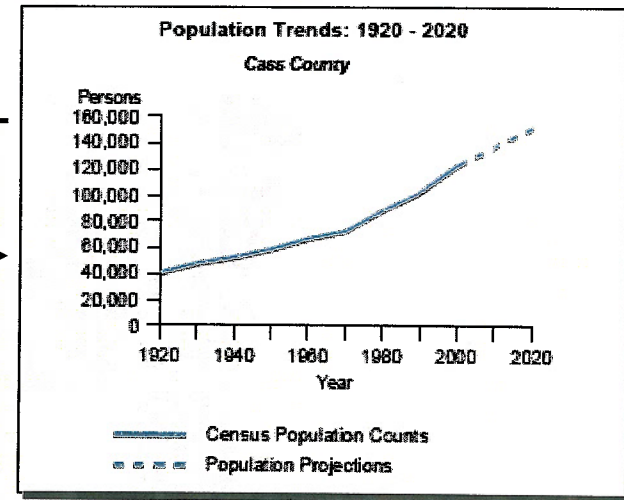
1. Urban vs Rural
2. Uneven age distribution
3. Changes in household composition

North Dakota

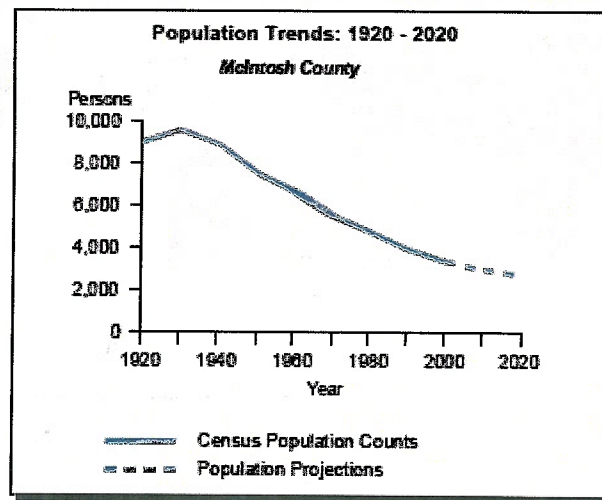


4 similar
counties →

Cass County



McIntosh County



← 40 similar
counties

Persons Per Square Mile

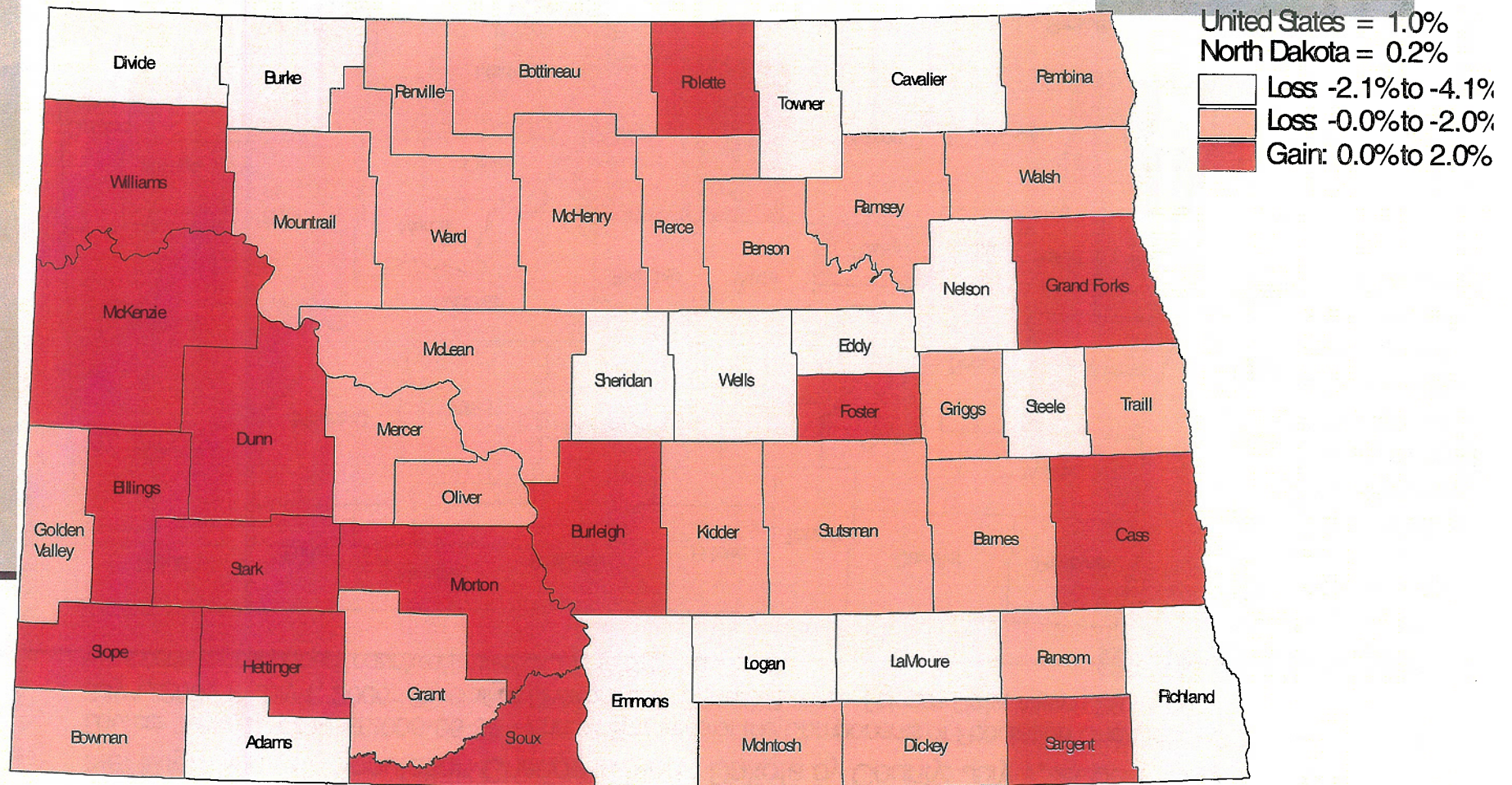
- Less than 6
- 6 to 16
- 17 to 45
- 46 or more

The map shows the following counties and their corresponding population density categories:

- Less than 6:** Divide, Burke, Renville, Bottineau, Towner, Cavalier, Pembina, Mountrail, McHenry, Pierce, Benson, Nelson, McKenzie, McLean, Sheridan, Wells, Eddy, Griggs, Steele, Traill, Golden Valley, Billings, Dunn, Mercer, Oliver, Kidder, Stutsman, Barnes, Slope, Hettinger, Bowman, Adams, Grant, Sioux, Emmons, Logan, La Moure, Sargent, McIntosh, Dickey, Richland.
- 6 to 16:** Williams, Ward, Ramsey, Walsh, Stark, Morton, Burleigh, Cass, Ransom.
- 17 to 45:** Ward, Burleigh.
- 46 or more:** Grand Forks.

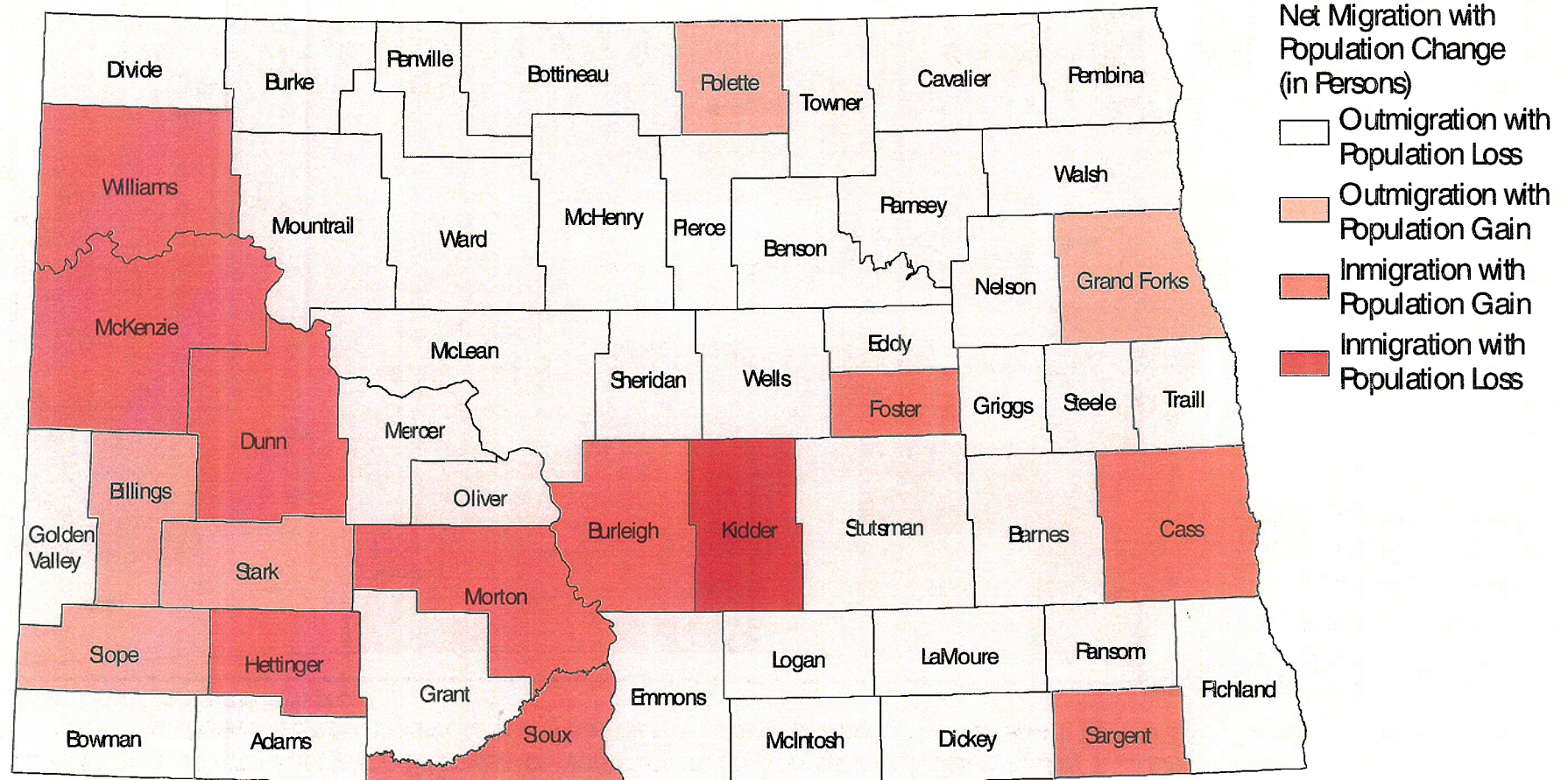
Percent Change in Total Population Estimates for North Dakota by County: July 1, 2005 to July 1, 2006

Source: U.S. Census Bureau, Population Division, Table 1. Annual Estimates of the Population for Counties: April 1, 2000 to July 1, 2006 (CO-EST2006-01-38), www.census.gov/popest/estimates.php.

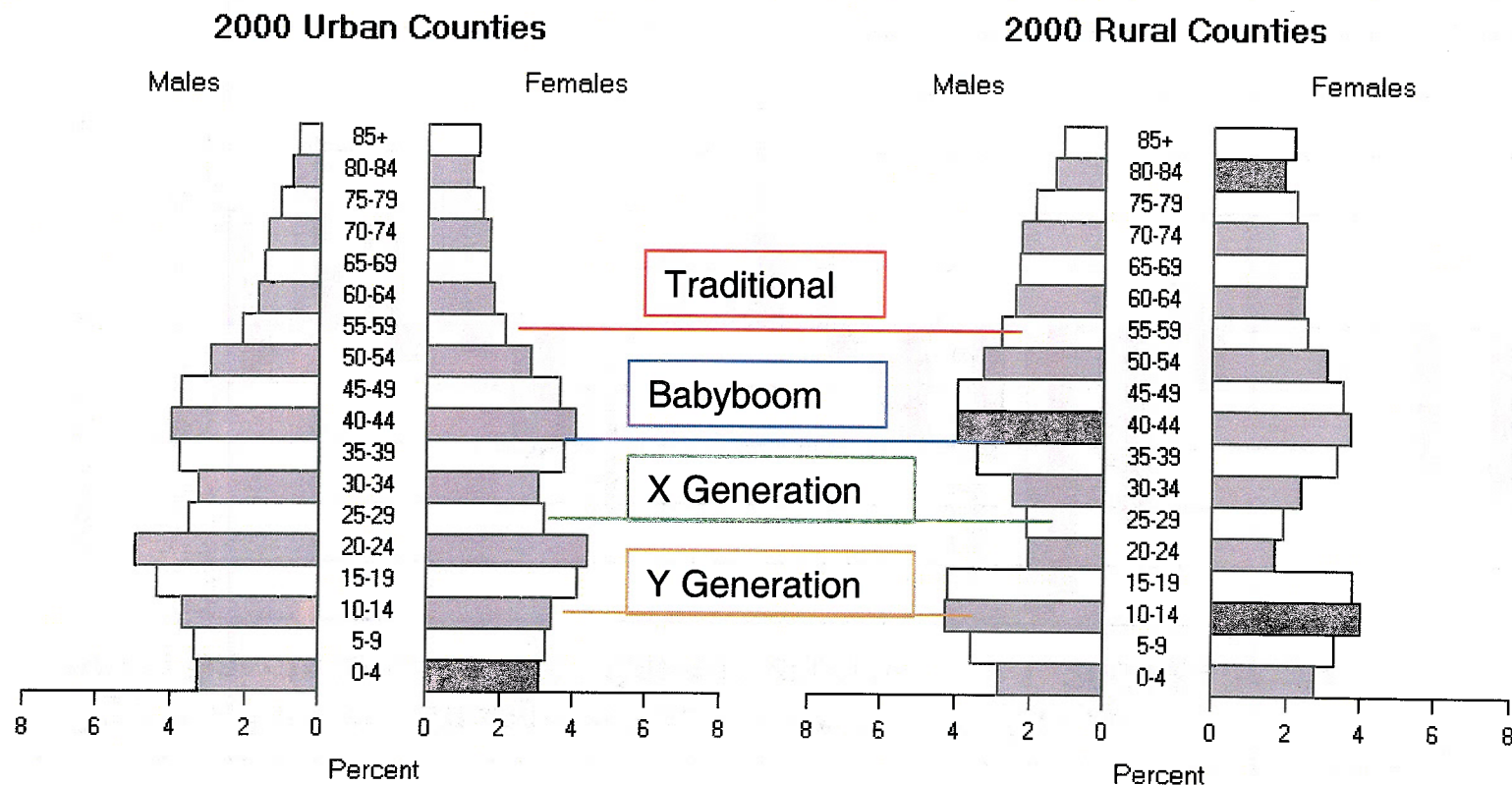


Net Migration with Population Change in North Dakota by County: July 1, 2005 to July 1, 2006

Source: Table 5 - CO-EST2006-05-38 - Annual Estimates of the Components of Population Change for Counties of North Dakota: July 1, 2005 to July 1, 2006; Population Division, U.S. Census Bureau. Release Date: March 20, 2007,
www.census.gov/popest/counties/tables/CO-EST2006-05-38.xls

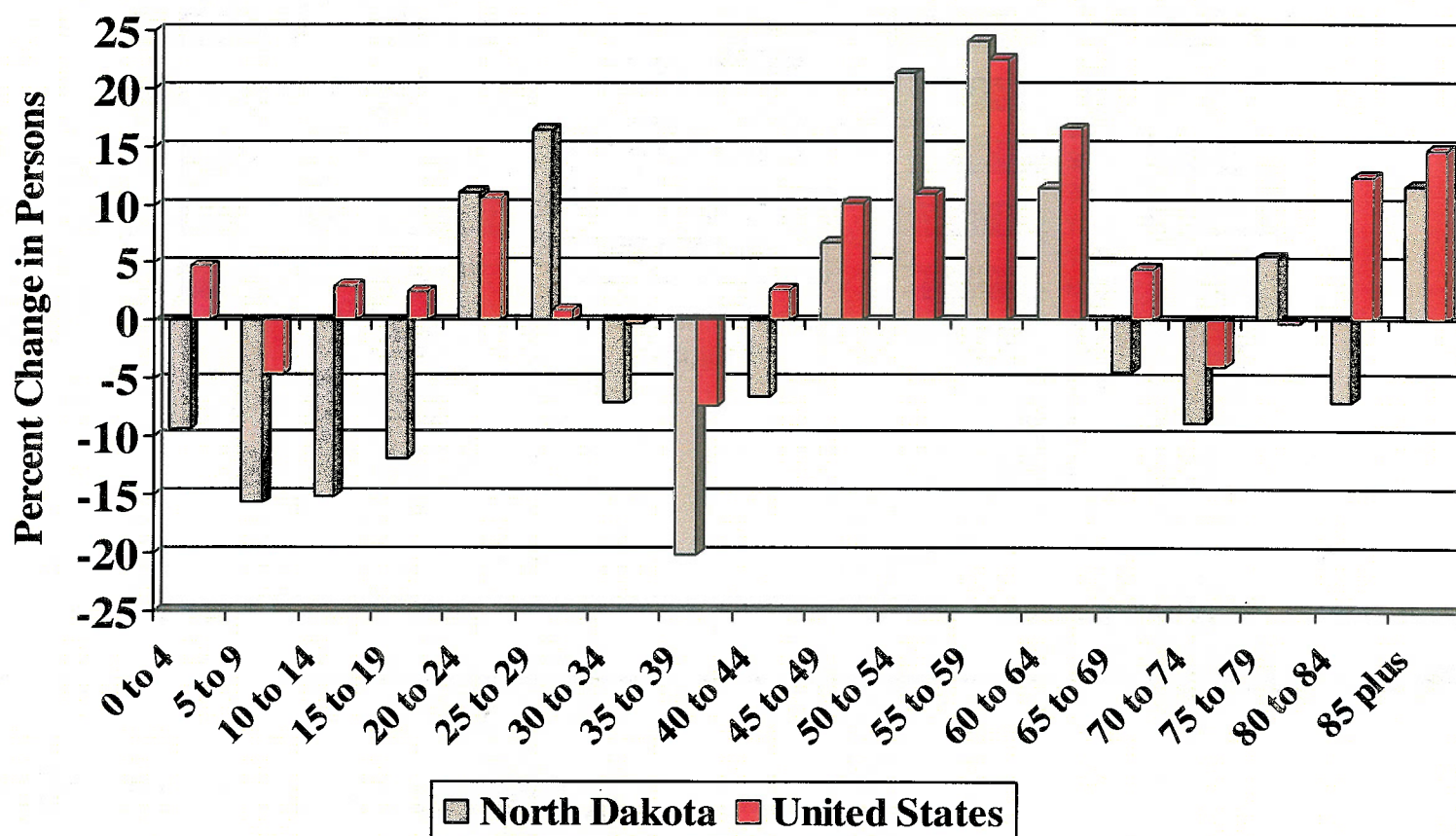


2000 Census – Rural and Urban Population Distributions by Age and Gender for North Dakota



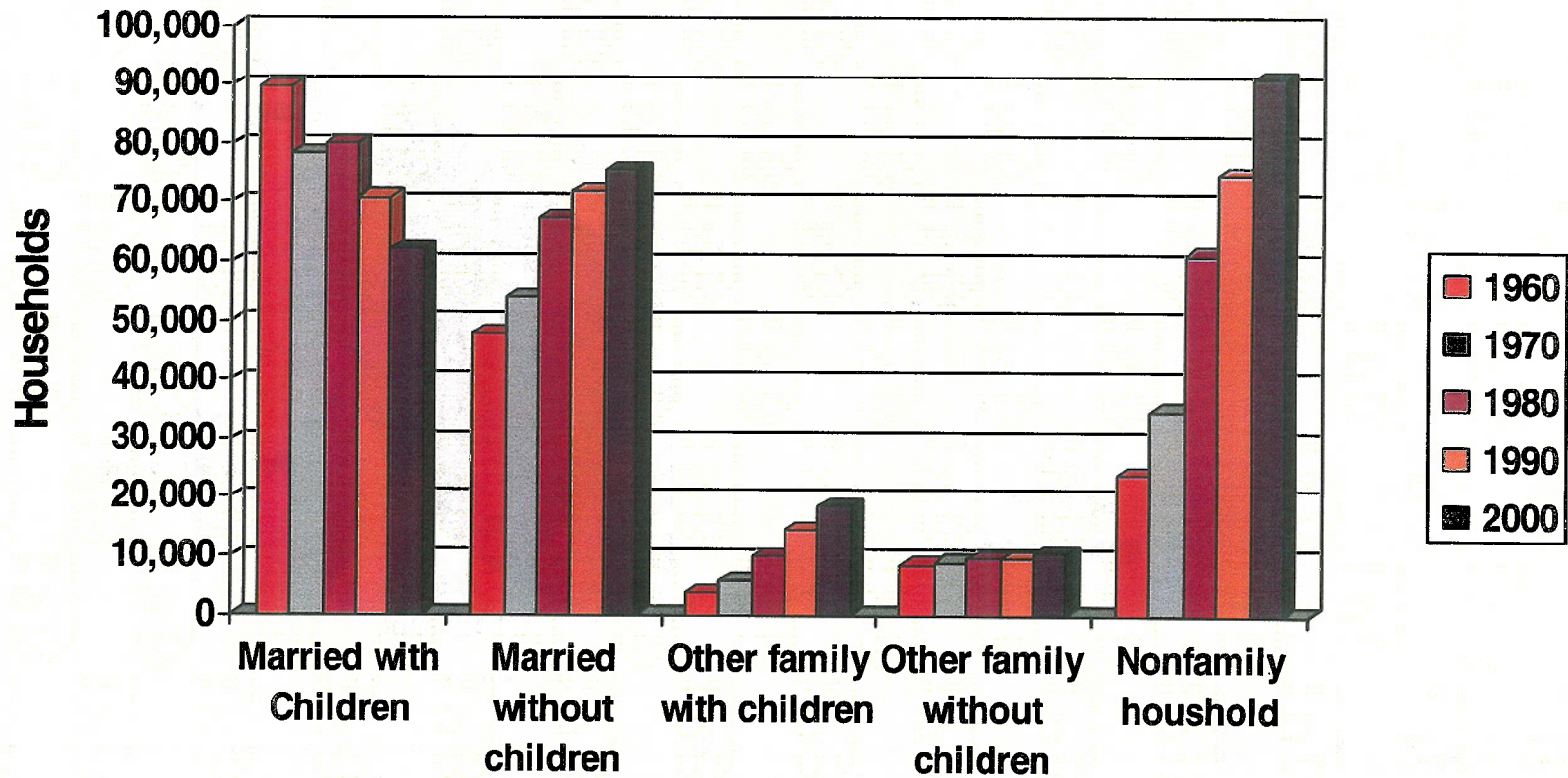
Population Change by Age: 2000 to 2004

**Figure 1. Percent Change in Population by Age Group
North Dakota and the U.S.: Census 2000 to July 1, 2004 Estimate**



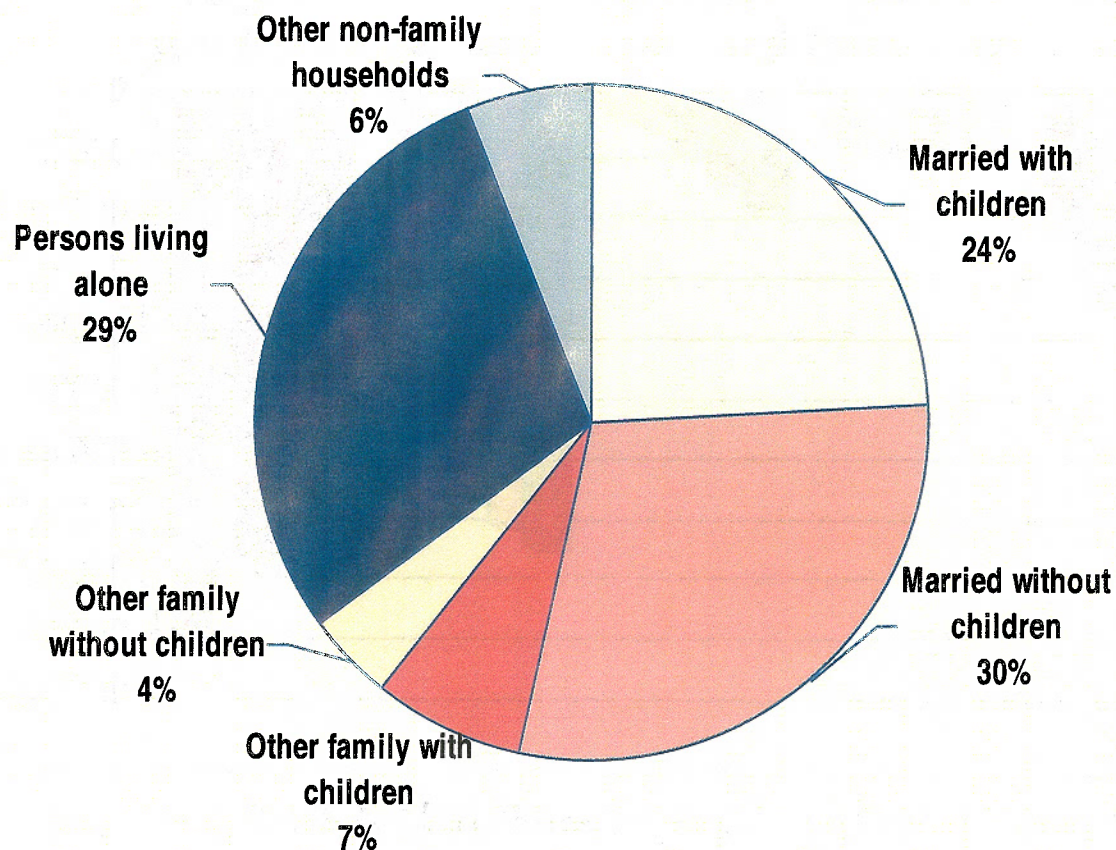
Households by Type

North Dakota Households by Type: 1960 to 2000



Household Types

North Dakota Households by Type: 2000



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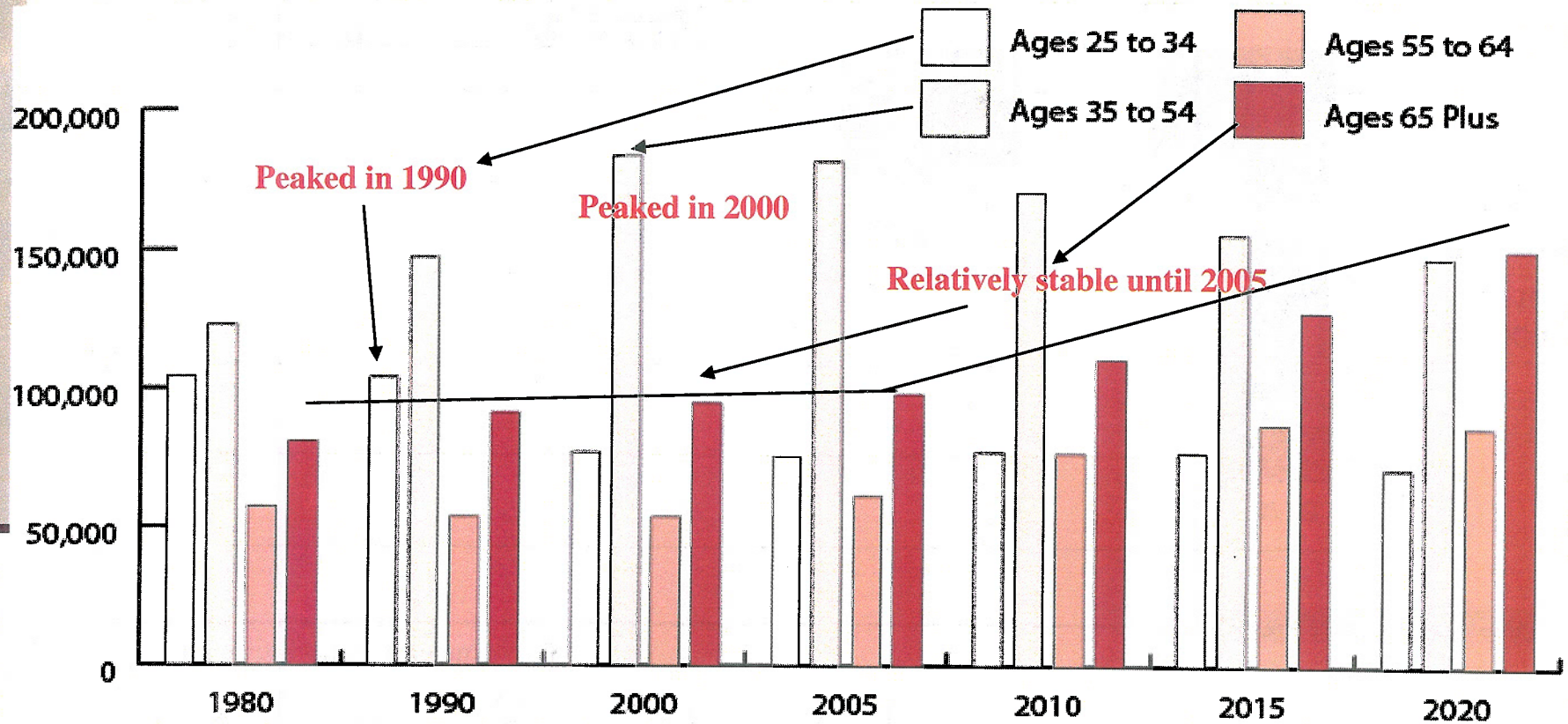
Challenges and Opportunities

1. Labor force issues

- need to attract and retain youth

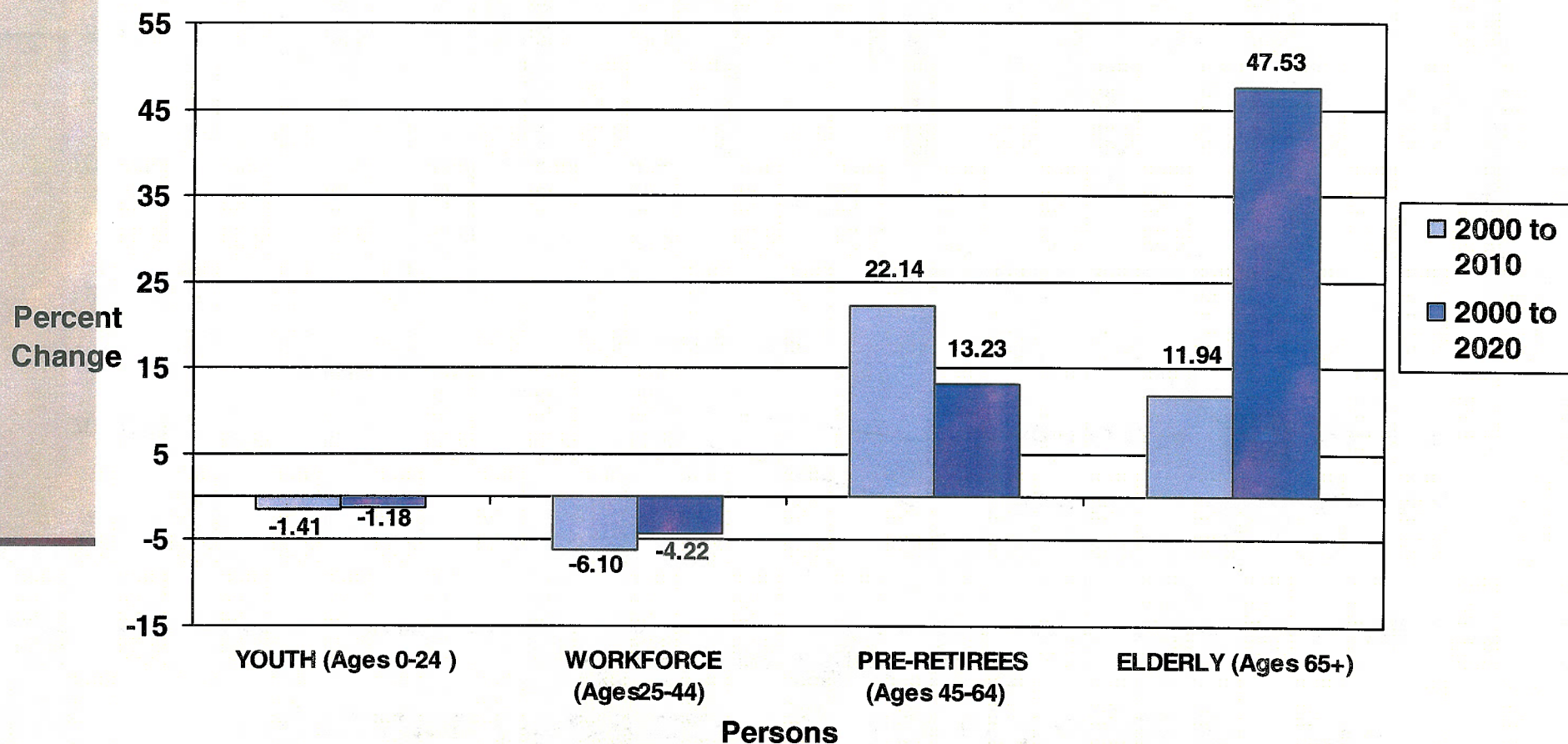
2. Graying of the state

Population Distribution by Age of Earner in North Dakota: 1980-2020

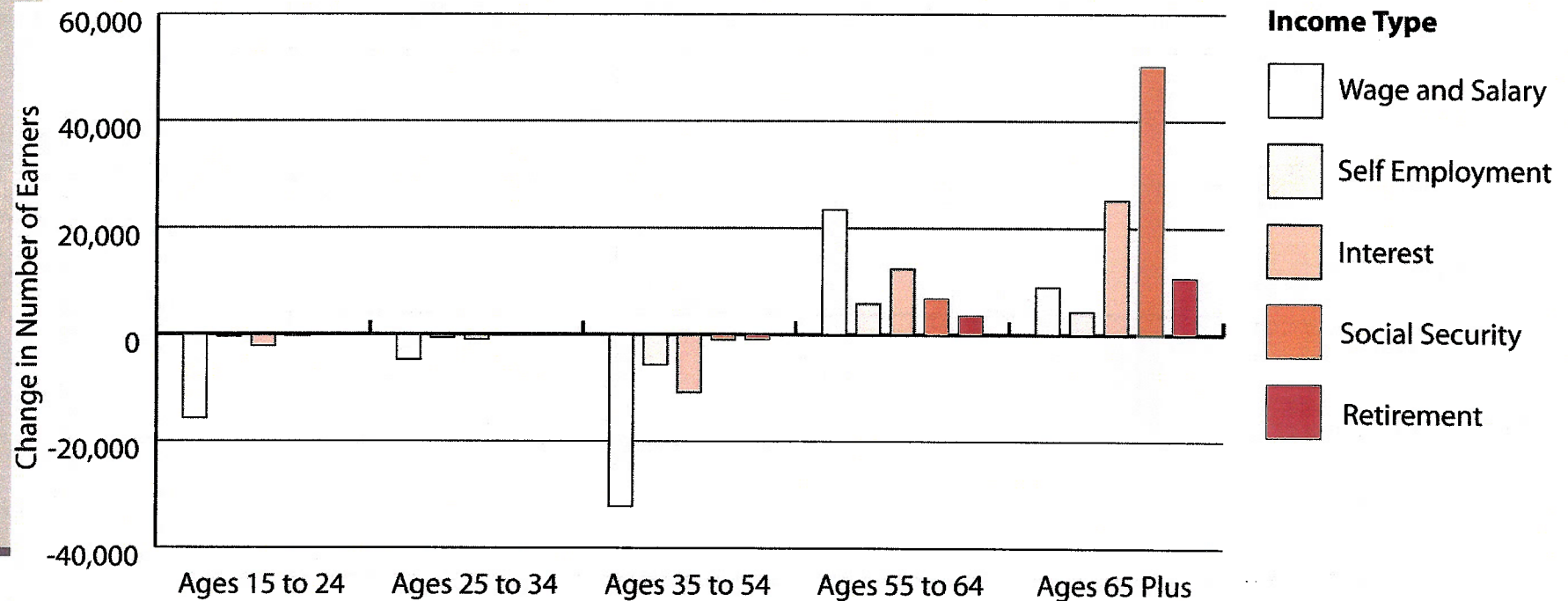


PERCENT CHANGE IN PERSONS: 2000 to 2010 & 2000 to 2020

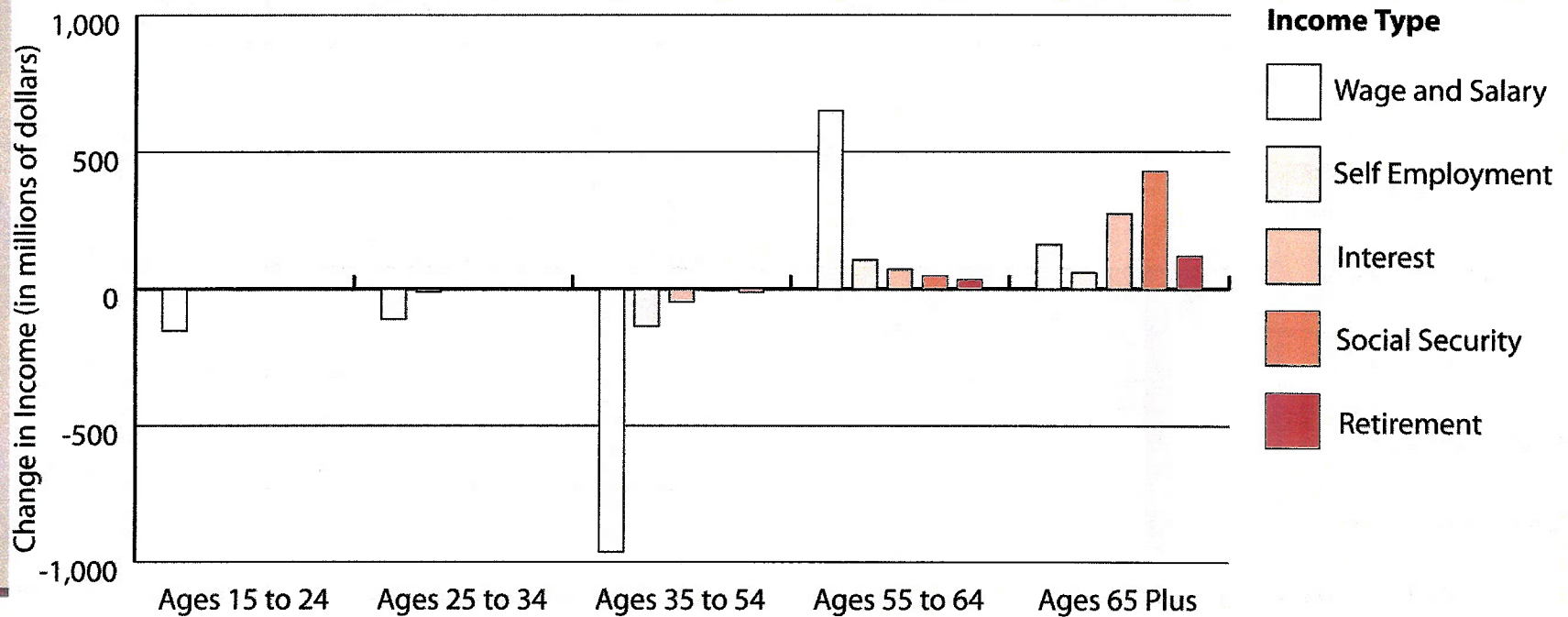
(Source: U.S. Census Bureau)



Projected Change in Earners, by Income Type, by Age Cohort, in North Dakota: 2000 to 2020



Projected Change in Total Aggregate Income, by Income Type, by Age Cohort, in North Dakota: 2000 to 2020



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What We Know

- Traditional economic development approaches are not working in most rural places, and alternatives are needed
- There is a positive relationship between economic growth and entrepreneurship (GEM): Global Entrepreneurship Monitor
 - ➔ No countries with high levels of entrepreneurial activity experienced low rates of economic growth
- 1997-2001, 2.2 million nonemployee firms were added in U.S., with a 31% increase in sales (Census)
- Most new job growth and innovation (2/3rds) are coming from small firms (NCOE) National Centers of Excellence

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EDS - Early Lessons

180 collaborative responses involving 2,000 organizations for Kellogg RFP showed:

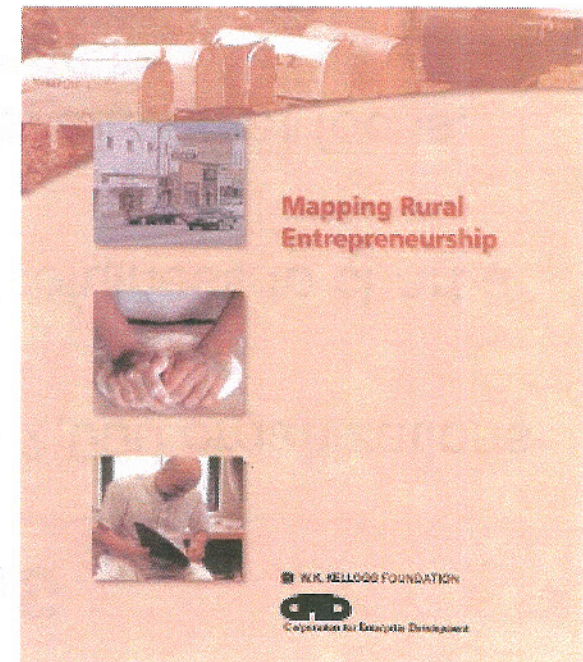
- Commitment, creativity, and resourcefulness to chart a new economic future
- Key principles embraced -- systems, customer focus, regionalism, inclusiveness, effectiveness
- Collaboration - governments, nonprofits, private sector reaching across political and social boundaries, including youth and others normally left out of decision-making ---
“no wrong door”

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Characteristics of Entrepreneurial Communities

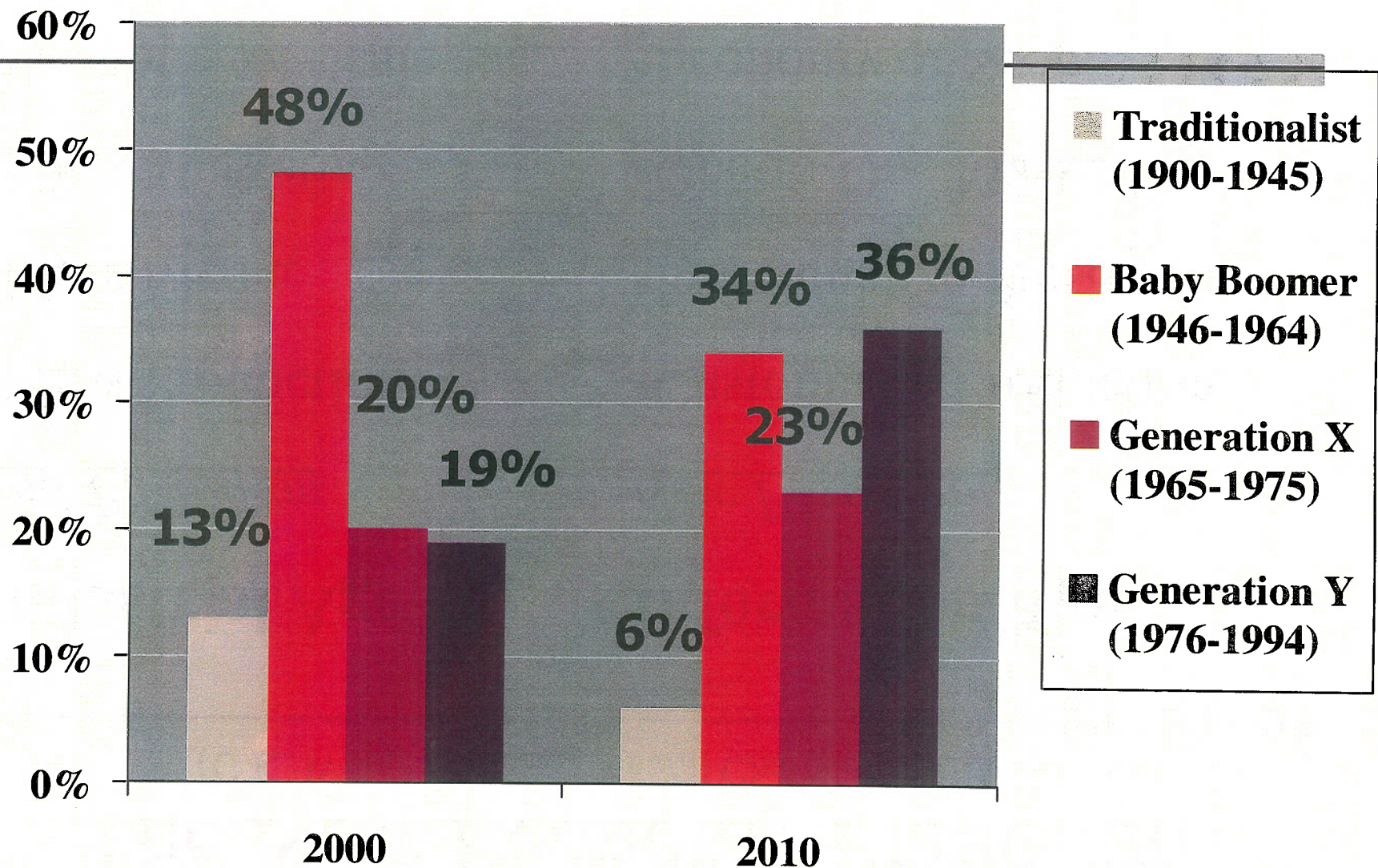
- Create **climate and culture** in which entrepreneurs and entrepreneurship can flourish
- **3 organizing principles:**
 - Community-driven
 - Regionally-oriented
 - Entrepreneur-focused



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N.D. Labor Force, by Generation



The New Economy Paradigm

(C.K. Wong, Chinese General Chamber of Commerce)

Industrial Age

Old Paradigm

- Mass Production
- Mass Media
- Mass Marketing
- Economy of Scale

Information Age

New Paradigm

- Customized Production
- Individualize Presentation
- One-to-One Marketing
- Economy of Scope

MeritCare

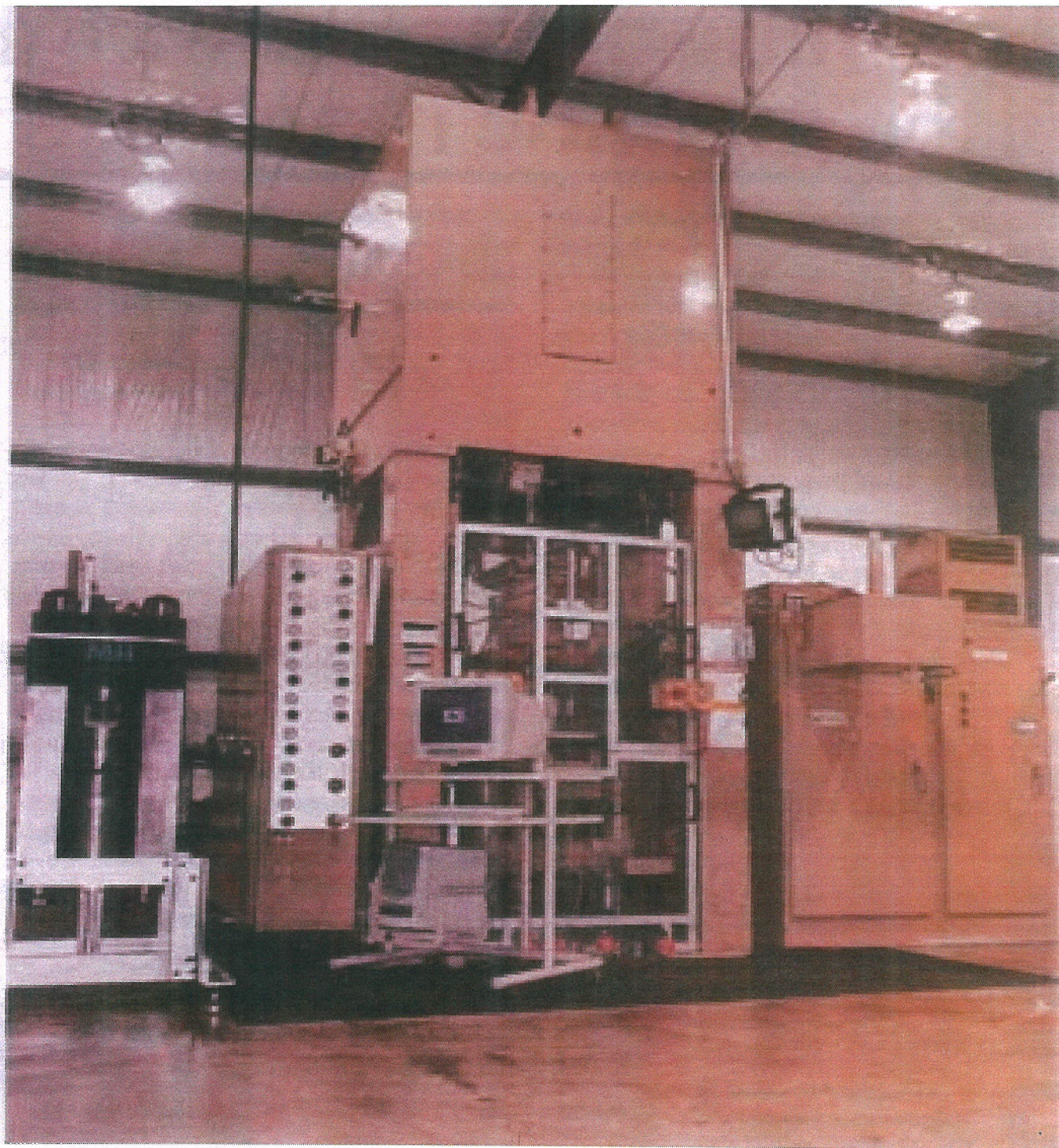
invests in the region's first surgical robo



a new factory for a new age

*For 70 years,
making machine
parts has been a
crude business.*

*Now three New
England inventors
have built a factory
the size of a cabinet
—and industry may
never be the same*

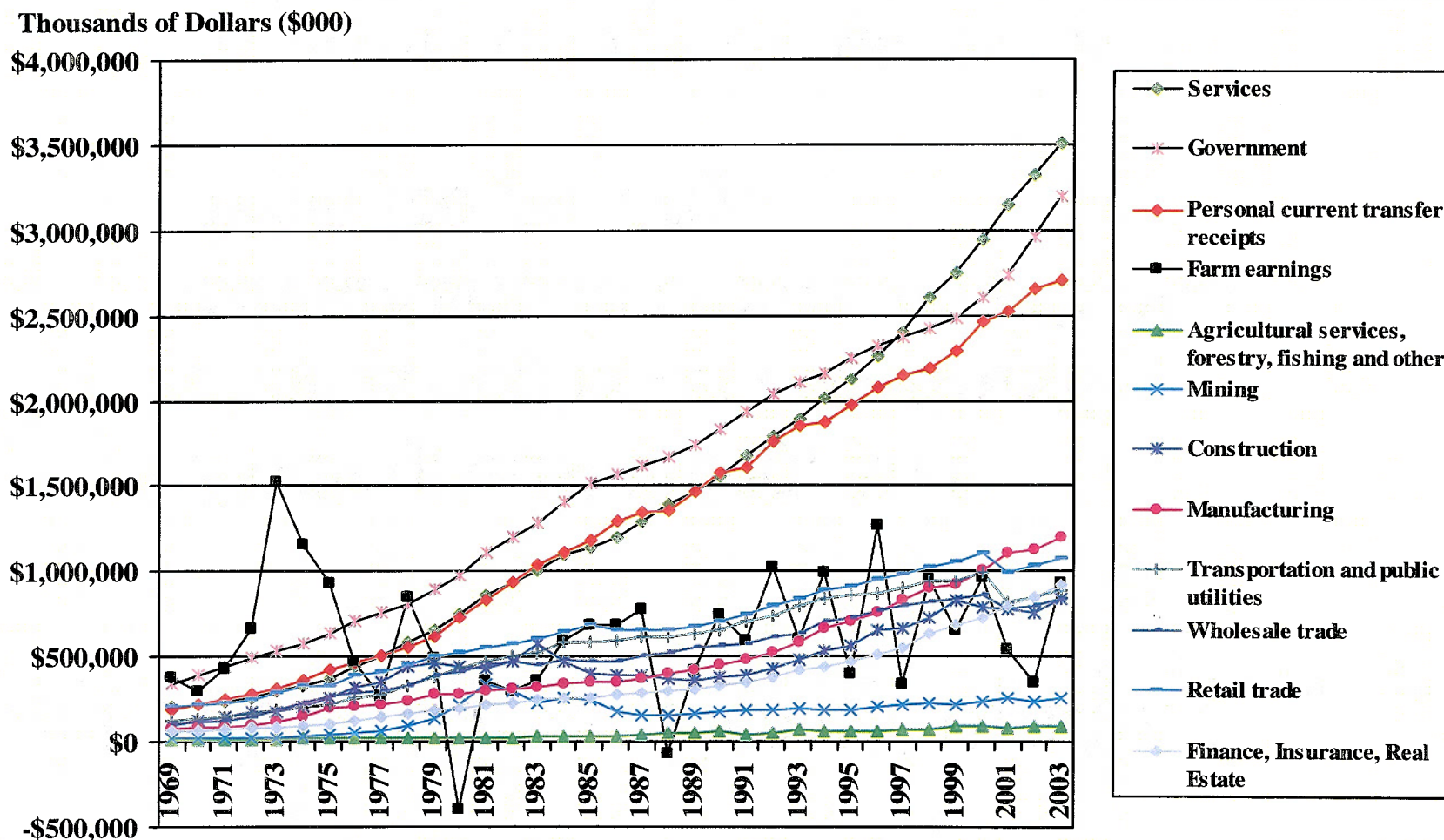


What is Economic Development?

- Finding, sustaining, and capitalizing upon **locational advantage** to create wealth and minimize poverty.

Remarks at “Midwestern Workforce Development Policy Forum”
Council of State Governments November 11, 2000 by Graham S. Toft,
President Indiana Economic Development Council, Inc.

Total Personal Income in North Dakota by Source: 1969 to 2003

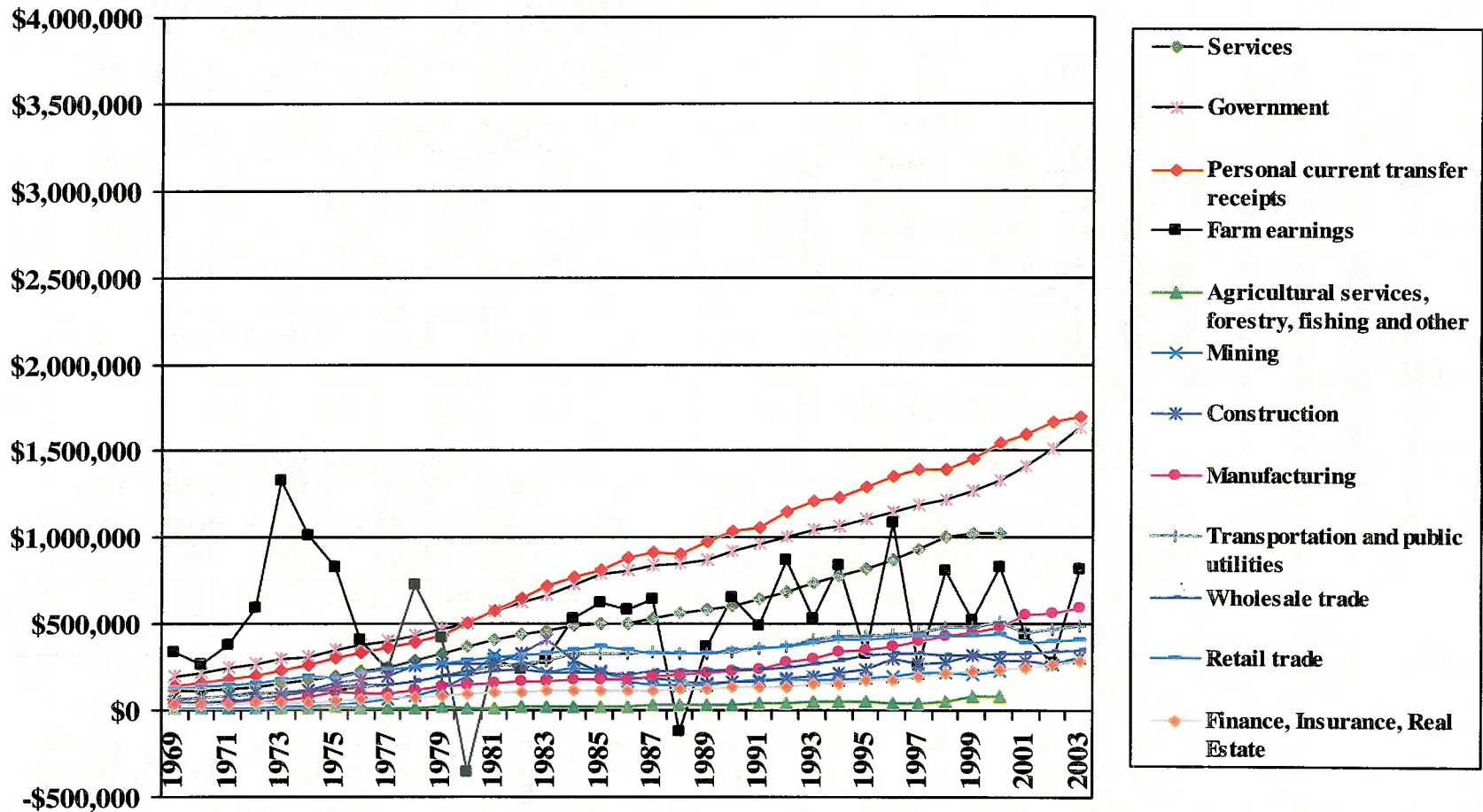


■ North Dakota's Gross State Product totaled \$22.7 billion in 2004.

-
- Millions of Dollars**
- | Year | Information Industry | Professional and Technical Services | Total |
|------|----------------------|-------------------------------------|---------|
| 1997 | \$480 | \$620 | \$1,100 |
| 1998 | \$520 | \$640 | \$1,160 |
| 1999 | \$550 | \$650 | \$1,200 |
| 2000 | \$560 | \$600 | \$1,160 |
| 2001 | \$600 | \$660 | \$1,260 |
| 2002 | \$630 | \$710 | \$1,340 |
| 2003 | \$690 | \$790 | \$1,480 |
| 2004 | \$800 | \$860 | \$1,660 |
- Professional and Technical Services
■ Information Industry

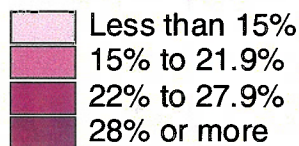
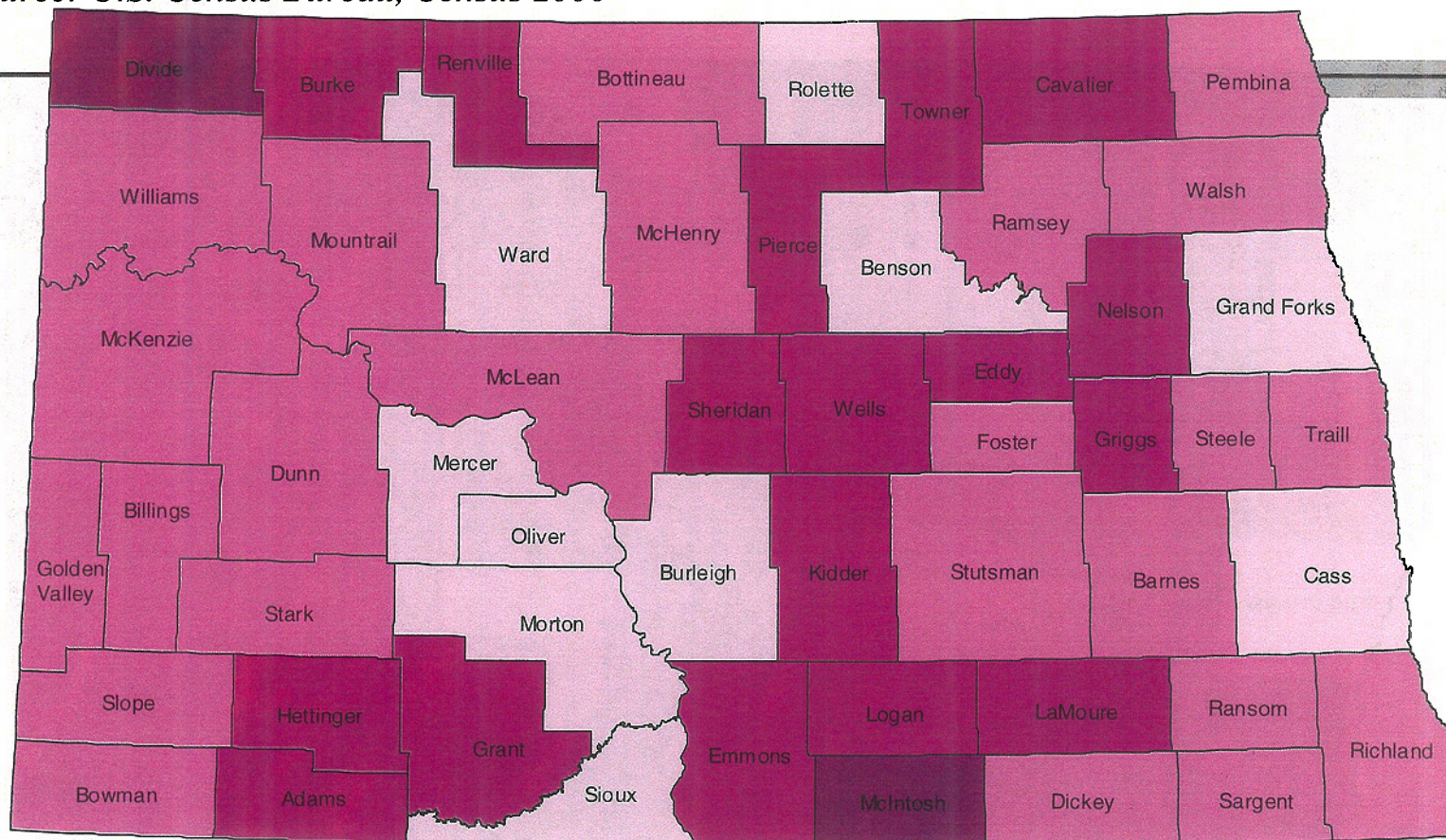
Total Personal Income in North Dakota Non-Metro Counties by Source: 1969 to 2003

Thousands of Dollars (\$000)



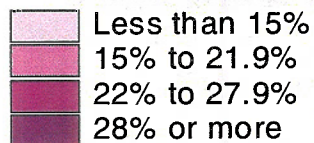
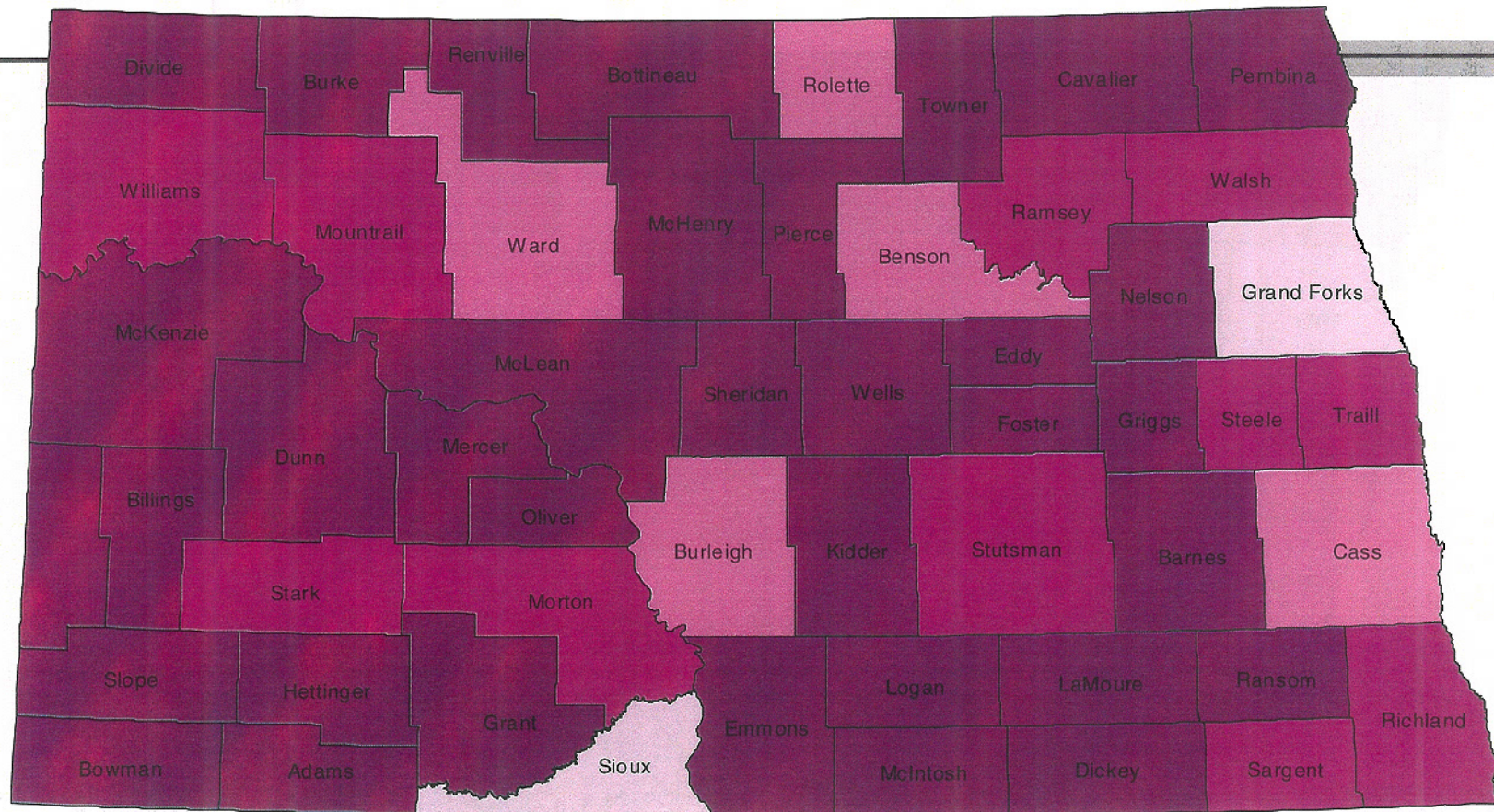
Persons Ages 65 and Older as a Percent of the Total Population in North Dakota by County: 2000

Source: U.S. Census Bureau, Census 2000



Persons Ages 65 and Older as a Percent of the Total Population in North Dakota by County: 2020

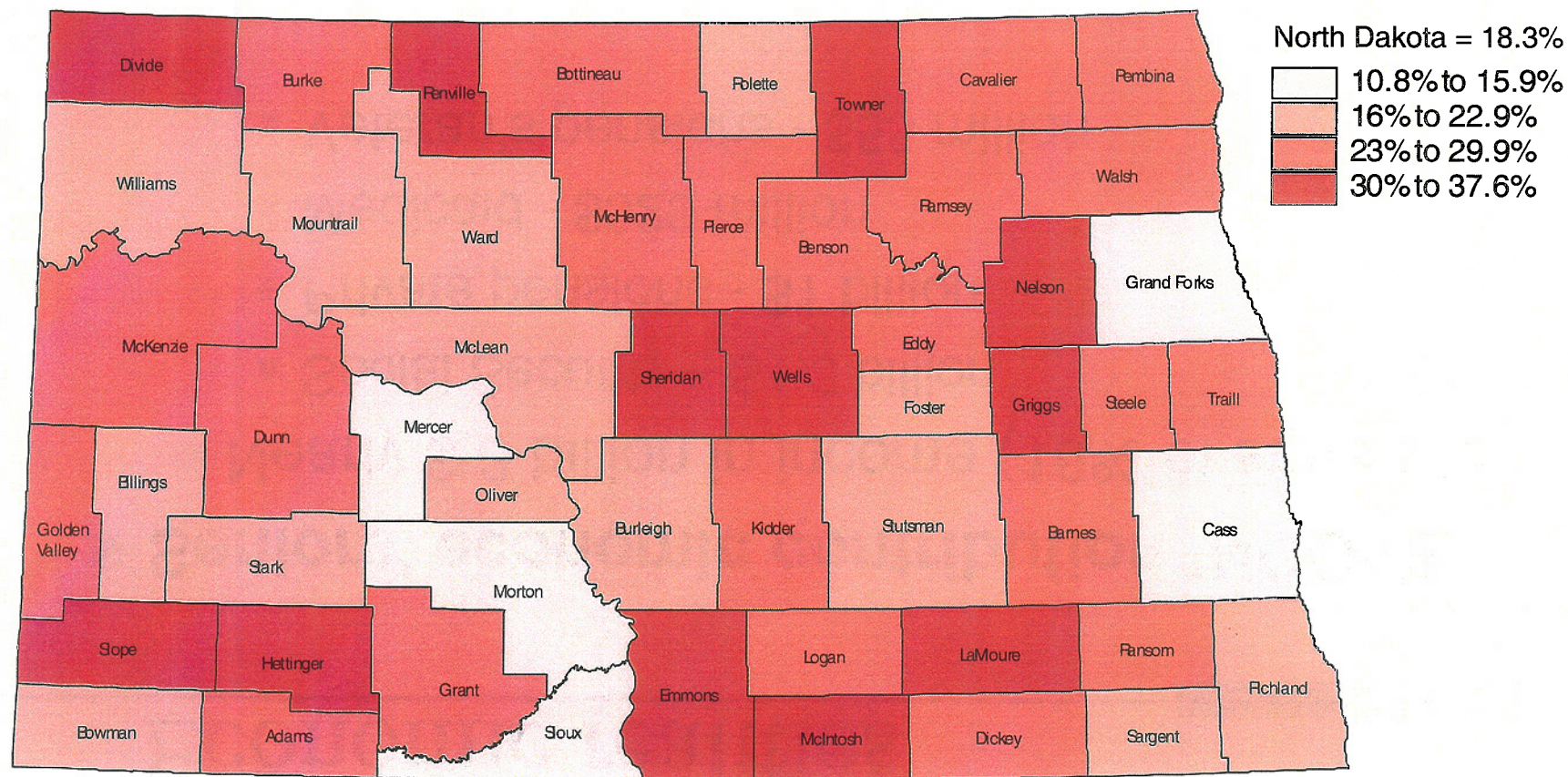
Source: North Dakota State Data Center, North Dakota Population Projections: 2005 to 2020, Sept. 2002



Economic realities

- **Seniors' economic contribution INCOME:**
 - Nearly \$ 3 billion in income (18% of state's total)
 - Social Security – \$1.3 billion
 - Private pensions - \$1 billion
 - Medicaid - \$529 million
 - Veteran's pensions - \$55 million

Aggregate Household Income for Householders 65 and Older as a Percent of Total Aggregate Household Income in North Dakota by County: 2000



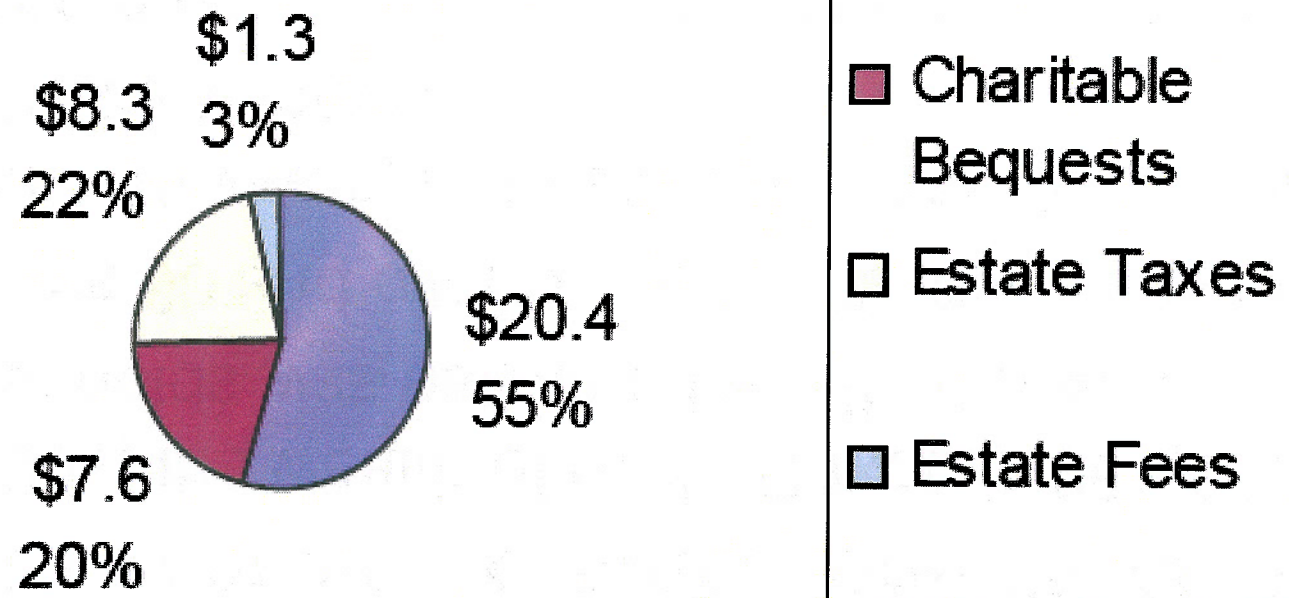
Source: U.S. Census Bureau, Census 2000, SF3 Table P57

Economic realities

■ Seniors' economic contribution---WEALTH

- In 2001, the wealth of North Dakota's 261,570 households was estimated at \$92.4 billion
- Seniors 60 and over owned 51% of the wealth
- In next 15 years, it is estimated that \$37.6 billion will be transferred
- Over the next 50 years, an estimated \$205.7 billion will be transferred

North Dakota Wealth Transfer 2001-2020



Dollar Value in Billions

Source: Havens and Schervish, 2006: Wealth Transfer in North Dakota

How to Position Communities for the Future

- Collaboration and interdependence
- Innovations through technology
- Visionary and risk-taking decisions

Visioning Presentation 2007

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