



# Positive Trends & Pinch Points



## The State of Region 4



In completing in-depth analysis of the regional economic and demographic trends and statistics for the 2023 to 2028 Comprehensive Economic Development Strategy, the following data points have been informative key indicators in reaching the root of issues to be addressed and positive trends to be amplified. Generally, the analysis has been in two categories - rural counties (Nelson, Pembina, and Walsh) and the urban center (Grand Forks County).

### + Positive Trends



#### 90% of rural businesses are in growth mode; Region 4 #3 in job growth

130 rural businesses interviewed in 2020 and 2021 indicated growth plans, but cited lack of workforce, childcare and housing as key barriers. Projected need for 1,000 to 1,500 new employees over the next few years for growth and retirements.



#### Increased community spirit and engagement

Communities in the region have rallied with increased engagement and community pride:

- Planned more events with more volunteers
- Cleaned up their towns
- Initiated new projects
- Established Destination Our Town Teams
- Created stronger networks: Women's Network of Nelson County (445 members)



#### Rate of people loss has slowed

The rate of loss of population loss from rural counties has slowed from as much as 16% each decade from 1990 to a new high of 8% - losses have been cut by 50-75%. Grand Forks County experienced a 7% loss between 1990 to 9% growth between 2010 and 2020.

Notably, each of the counties have experienced considerable in-migration the past decade - demonstrating an ability to attract new residents.



#### New businesses on the rise

Newcomers are bringing renewed energy to main streets in the region. The 532 Hill Regional Innovation and CoWork space launching in 2024 aims to support emerging food and small businesses.

### X Pinch Points



#### Number of jobs has dropped

Total jobs in the rural counties dropped by 4 to 20% while Grand Forks County has increased 14%. The GF County growth overshadows the rural job losses making the region 3rd in job growth statewide.



#### Loss of people - especially workforce

The rural counties have lost 1,236 people in the past 10 years (the size of Cavalier) with 70% going to other ND counties. During the same period, the workforce went down 2,036 people.

Grand Forks has grown 6,309 people and lost 1,209 people.

Regional rural workforce attraction and development initiatives are underway yet lack long-term, sustainable funding.



#### Wage disparities

- Rural county wages generally lag behind Grand Forks County with avg weekly wages 1-25% less.
- Education and healthcare sector (70% women employees) wages are 29% to 58% less in the rural counties vs. Grand Forks County.
- Women earn 24% to 29% less than men in Region 4.



#### Loss of people is expensive

Losing people leaves less people to share the tax burden to operate cities, counties and school districts. Each student lost in K-12 equals a loss in state aid while school operating costs generally stay the same. Loss of commercial businesses deflates property tax base. An average of one federally-declared disaster per year for the past 30 years means constant repairs absorbing local budgets for floods, roads, bridges.



This summary information has been compiled and prepared by the Red River Regional Council with Dr. Kendra Rosencrans, Resiliency Specialist, leading data analysis.

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## The State of ND Region 4

The Region 4 five-year economic development strategy (2023 to 2028) is currently under development and will include specific strategies, action plans, and metrics aimed at multiplying the positive trends and addressing the pinch points.

### + Positive Trends



#### Economic growth continues

Agriculture, manufacturing healthcare, and finance/real estate sectors have continued to grow the regional economy. The unmanned aerial systems industry growth is unique and poised to add hundreds of new jobs in the next five years.

Farmers are taking advantage of the H2A agricultural worker visa to recruit foreign-born employees at increasing levels - from 323 employees in 2021 to 534 in 2023.



#### Housing development underway

Recent policy analysis will hopefully lead to increased funding availability for rural projects.

The Red River Community Housing Development Organization is being resurrected to spark new development with public and private partners.



#### More childcare support coming

HB1540 was signed into law this year. This bill puts \$66 million to support childcare services.

- \$22 million goes to expand the Child Care Assistance Program
- \$15 million to incentivize providers and \$3 million to increase monthly payments to providers that qualify
- \$5 million for a pilot project
- \$2 million in stipends for child care workers for training
- \$3 million to support providers to become quality-rated or increase current rating

### X Pinch Points



#### Despair

- Rural North Dakotans experience the most frequent mental distress and lack adequate mental health services.
- Suicide is the 2nd leading cause of death for people ages 15 to 44 in ND. The number of high school students seriously considering suicide has doubled in the past decade (now at 20%).
- Rate of suicides among farmers is 3.5 higher than the general population.
- ND is the second-leading state for binge drinking.



#### Resistance to change

Several surveys, public input, and experiences have shown a high level of resistance to change and negative perceptions of rural living. Lack of investment in quality of life amenities, and overall betterment are barriers to improving overall community health.

Increased awareness, positive leaders, new business starts and increased community engagement is shifting this pinch point.



#### Lack of housing and childcare

Only 6% of housing in rural communities have been built in the past 20 years in comparison to 25% in Grand Forks. Generally, the housing stock in rural communities is old.

Lack of contractors, appraisal gaps, and depressed rental rates are barriers to new housing development that is affordable to area residents.

The region is experiencing a lack of childcare. Generally, licensed childcare slots should be at 50% or greater of potential demand. The counties range from 26 to 43% - with Pembina County showing the greatest need. Small centers struggle to cash flow and pay adequate wages to attract and retain employees.