

Economic Outlook: Where are we, and where are we going?

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Acknowledgements

- Thank you all for joining us today.
- Thank you to my colleagues in extension for hosting this event and inviting me to speak.
- Thank you to our undergraduate research fellows that assisted with writing the Economic Outlook Reports

The views in this presentation belong to the presenters and do not reflect the views of North Dakota State University.

Outline

- Where are we?
 - National Economy
 - State Economy
- Where are we going?
 - National Economy
 - State Economy
 - Metro Areas



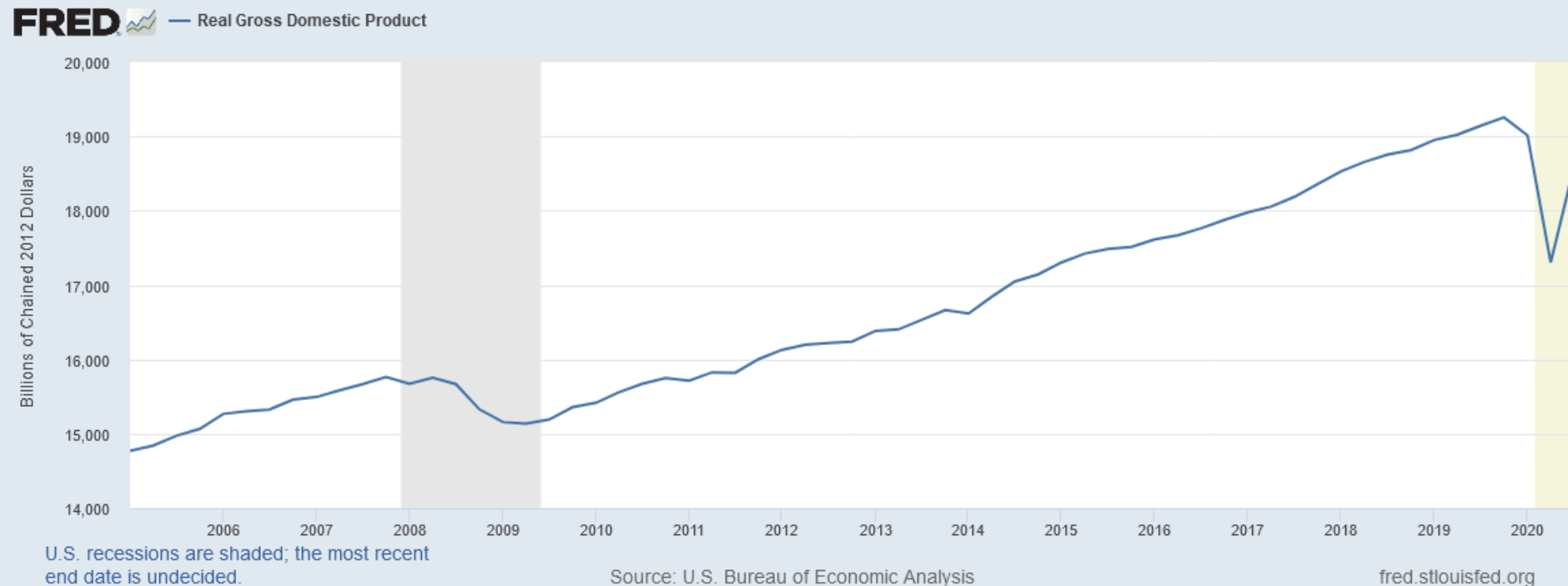
- Summary Points
- Questions



National Economy

- Gross Domestic Product
- Unemployment Rate
- Consumption
- Net Investment
- Corporate Profits
- Crude Oil

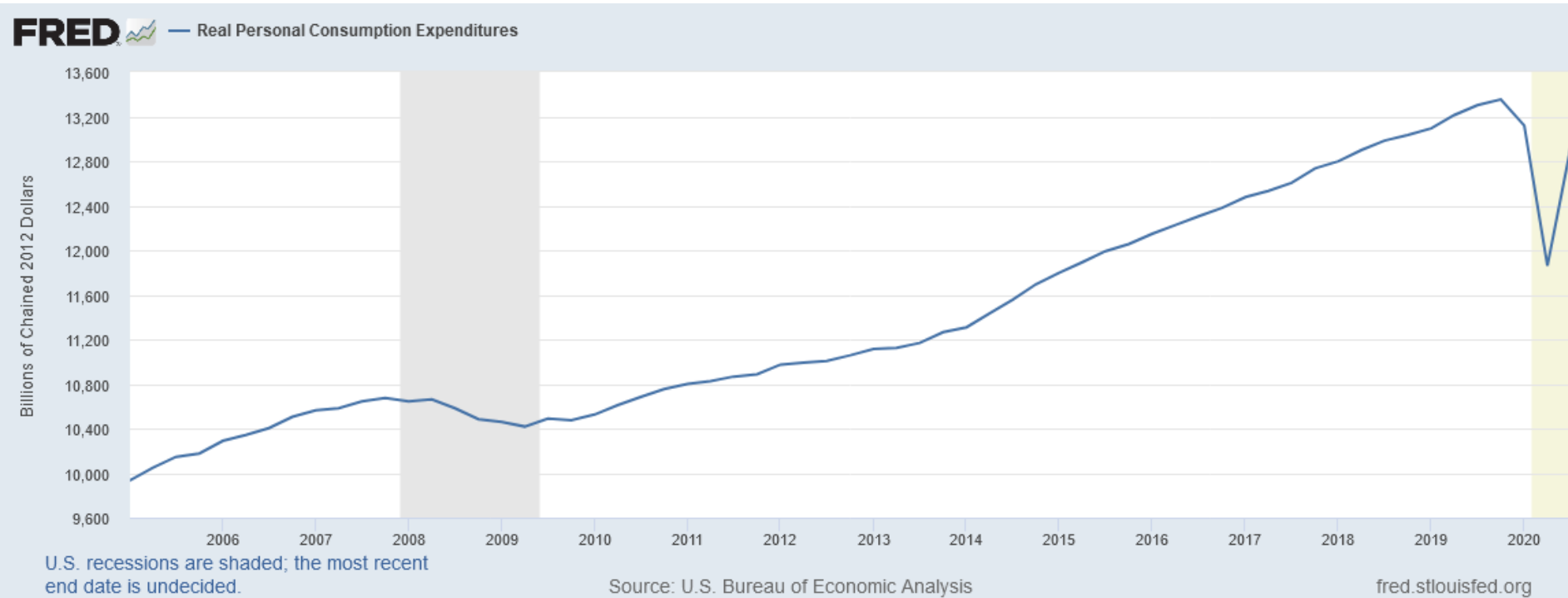
National GDP



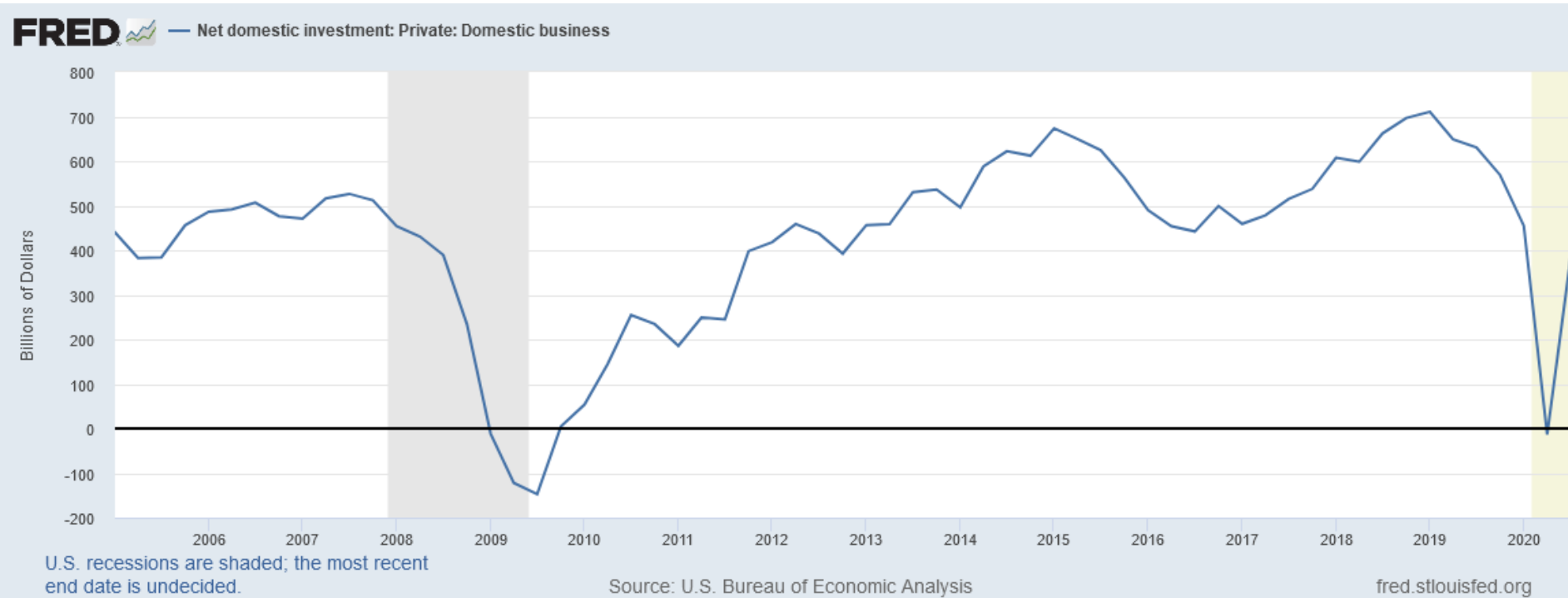
National UR



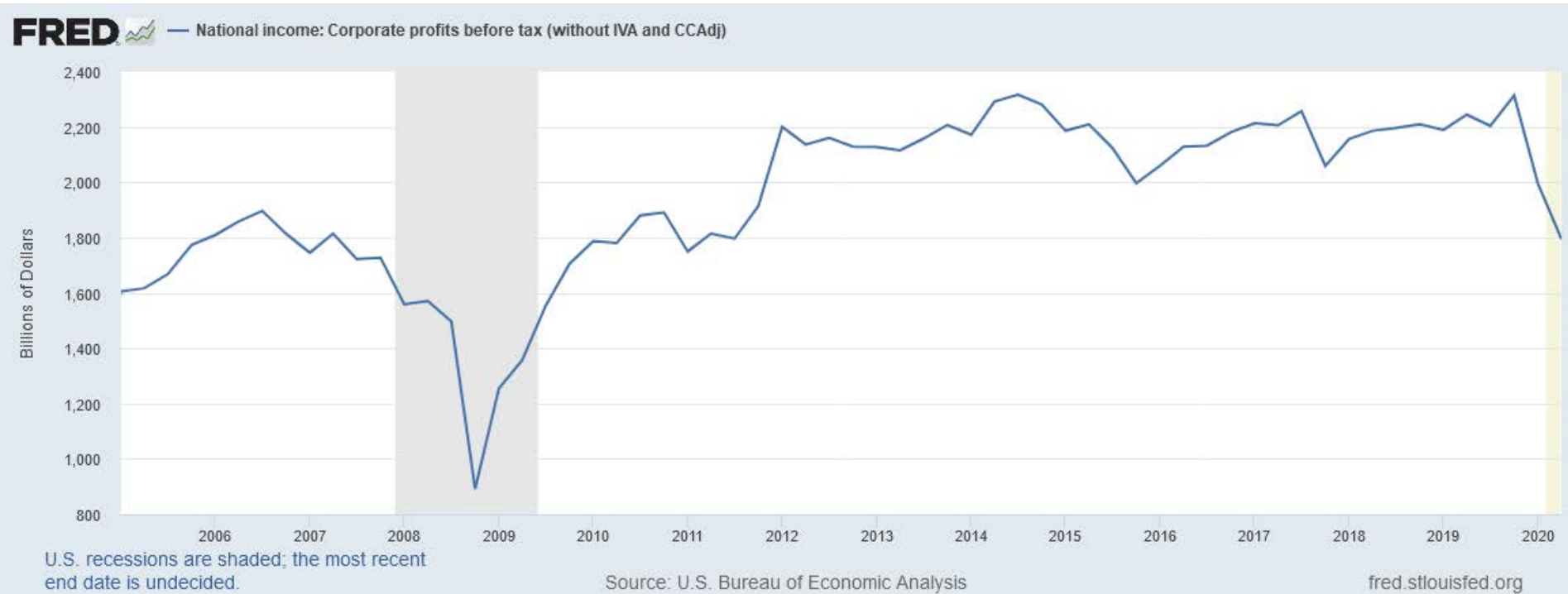
Consumption



Net Investment



Corporate Profits



WTI Crude Futures



State Economy

- ND Total Wages and Salaries
- ND Labor Force
- ND Unemployment Rate
- ND Gross State Product
- ND Total Tax Revenue

ND Total Wages and Salaries



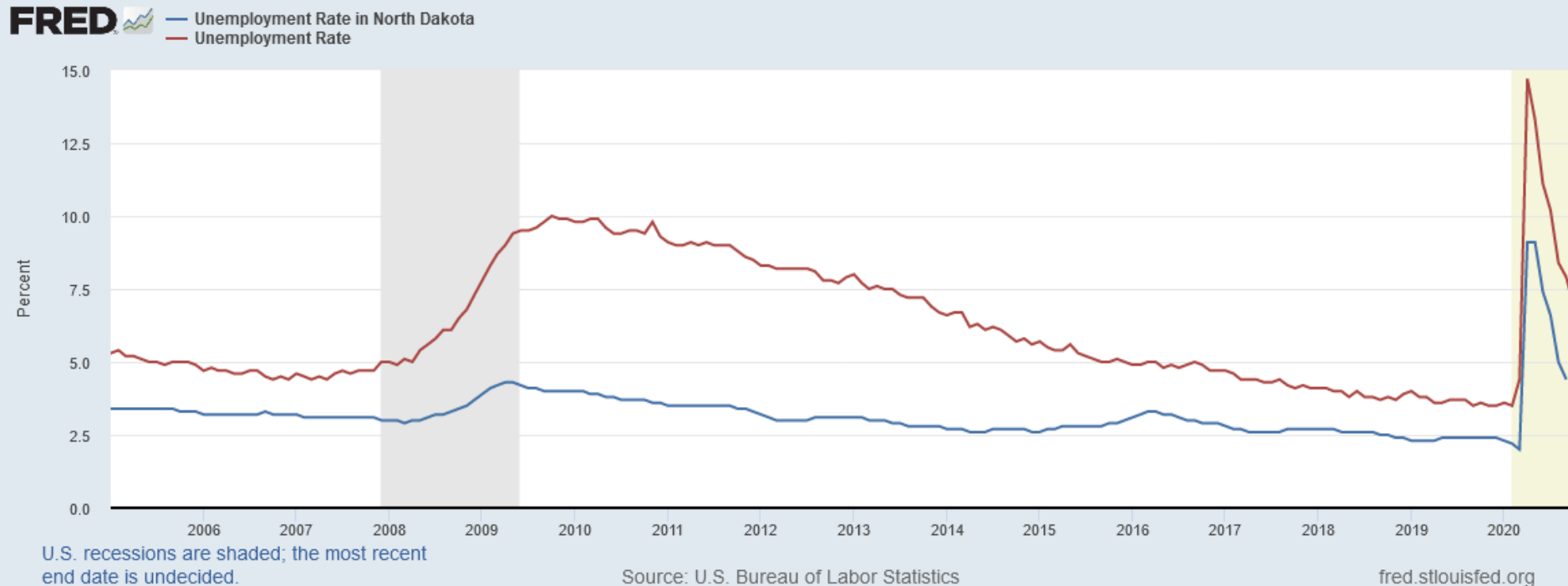
ND Labor Force




ND Unemployment Rate



ND Unemployment Rate



ND Gross State Product

FRED  — Total Real Gross Domestic Product by Industry for North Dakota

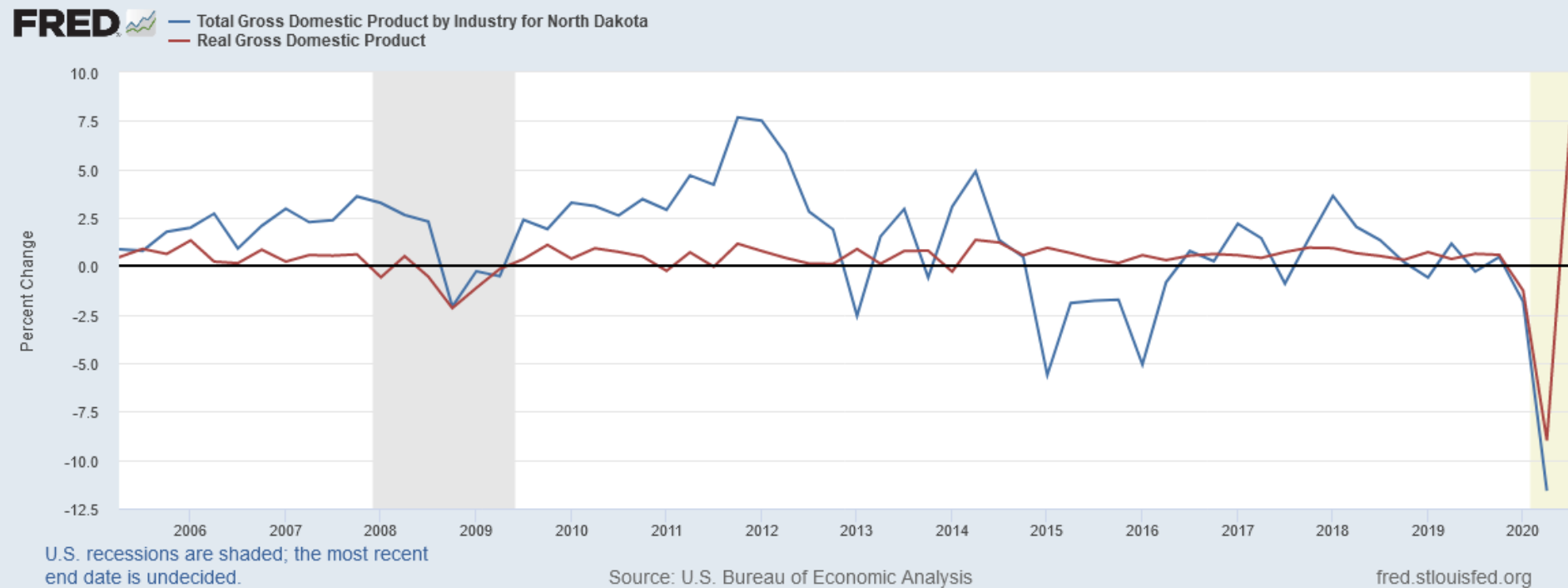


U.S. recessions are shaded; the most recent end date is undecided.

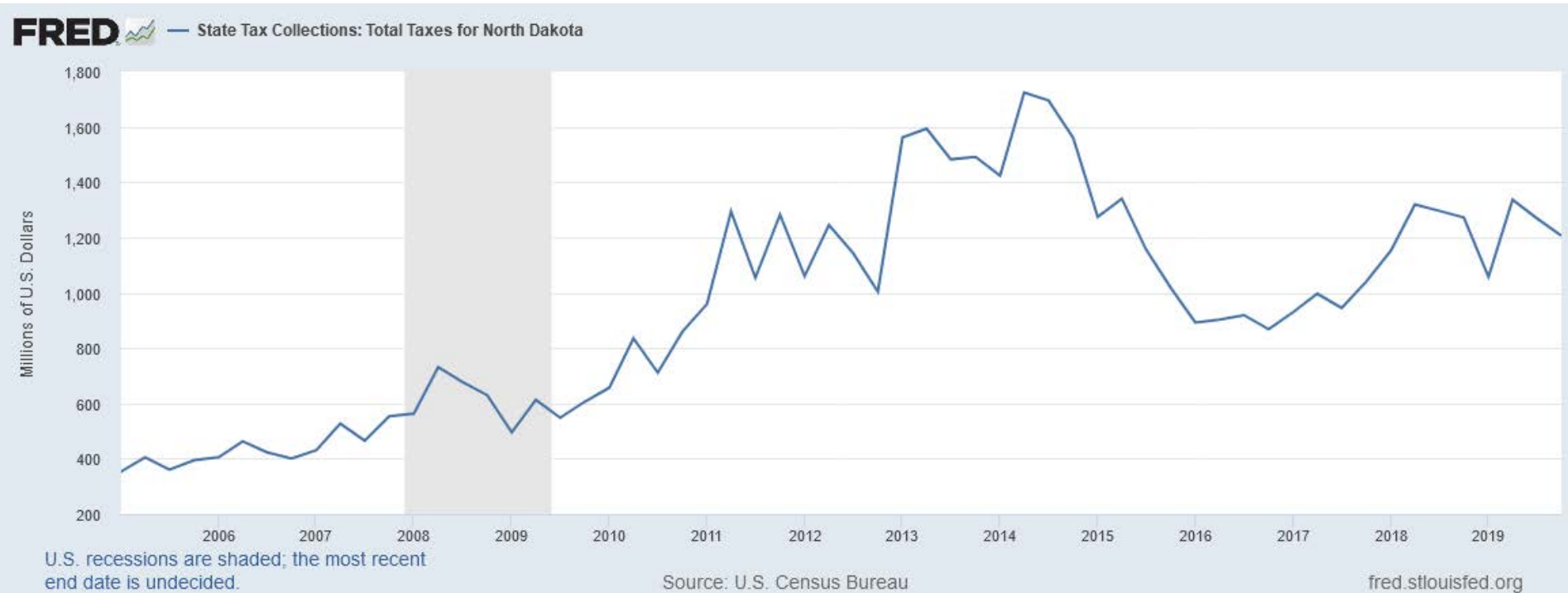
Source: U.S. Bureau of Economic Analysis

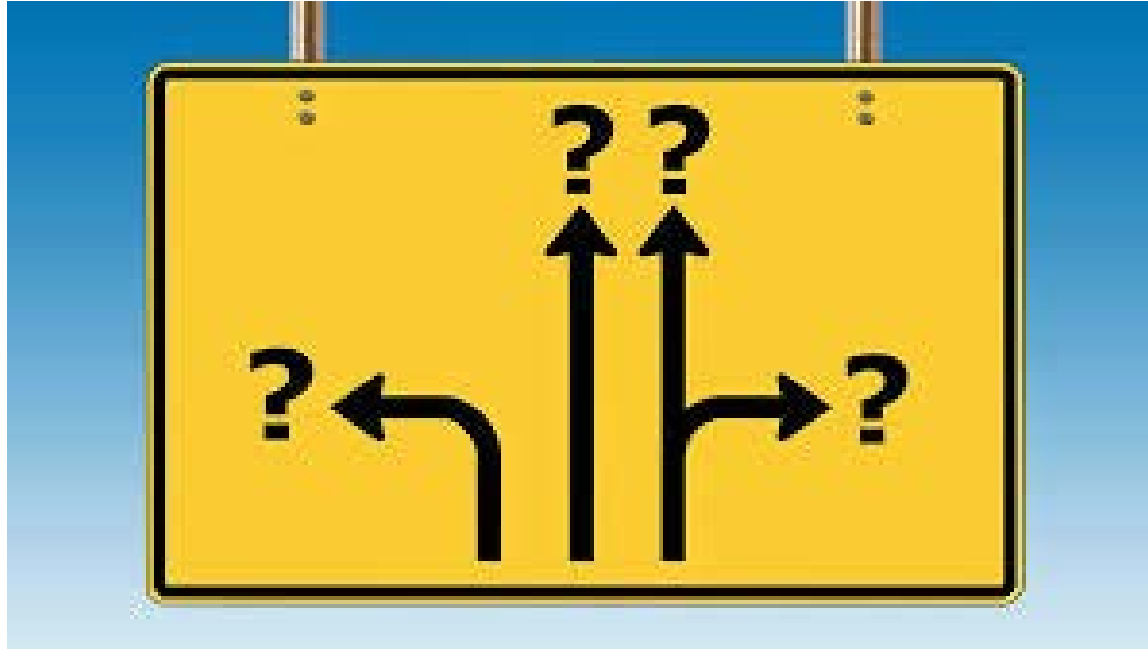
fred.stlouisfed.org

ND GSP and GDP (% Change)



ND Total Tax Collections





Where are we going?

ND Forecast Model

- We are publishing an Economic Outlook Quarterly Report using the North Dakota Forecast Model.
 - https://www.ndsu.edu/centers/pcpe/research/economic_outlook/
- The model requires regularly updated and accessible data.
 - Currently, all data used in the model is available from the Federal Reserve Economic Database (FRED) hosted by the St. Louis Federal Reserve Bank.
 - <https://fred.stlouisfed.org/>
- Methodology is Vector Auto Regression (VAR)



A word of caution...

Why Forecast?

- Even though wrong, forecasts give us useful information that can help us plan for the future.
- Forecasts can reveal trends and patterns that aren't readily evident in casual observance of the data.
- Forecast methods allow us to calculate what “may” happen in hypothetical scenarios.
- Forecasts, done properly, can reveal information about risk and the range of possible outcomes.

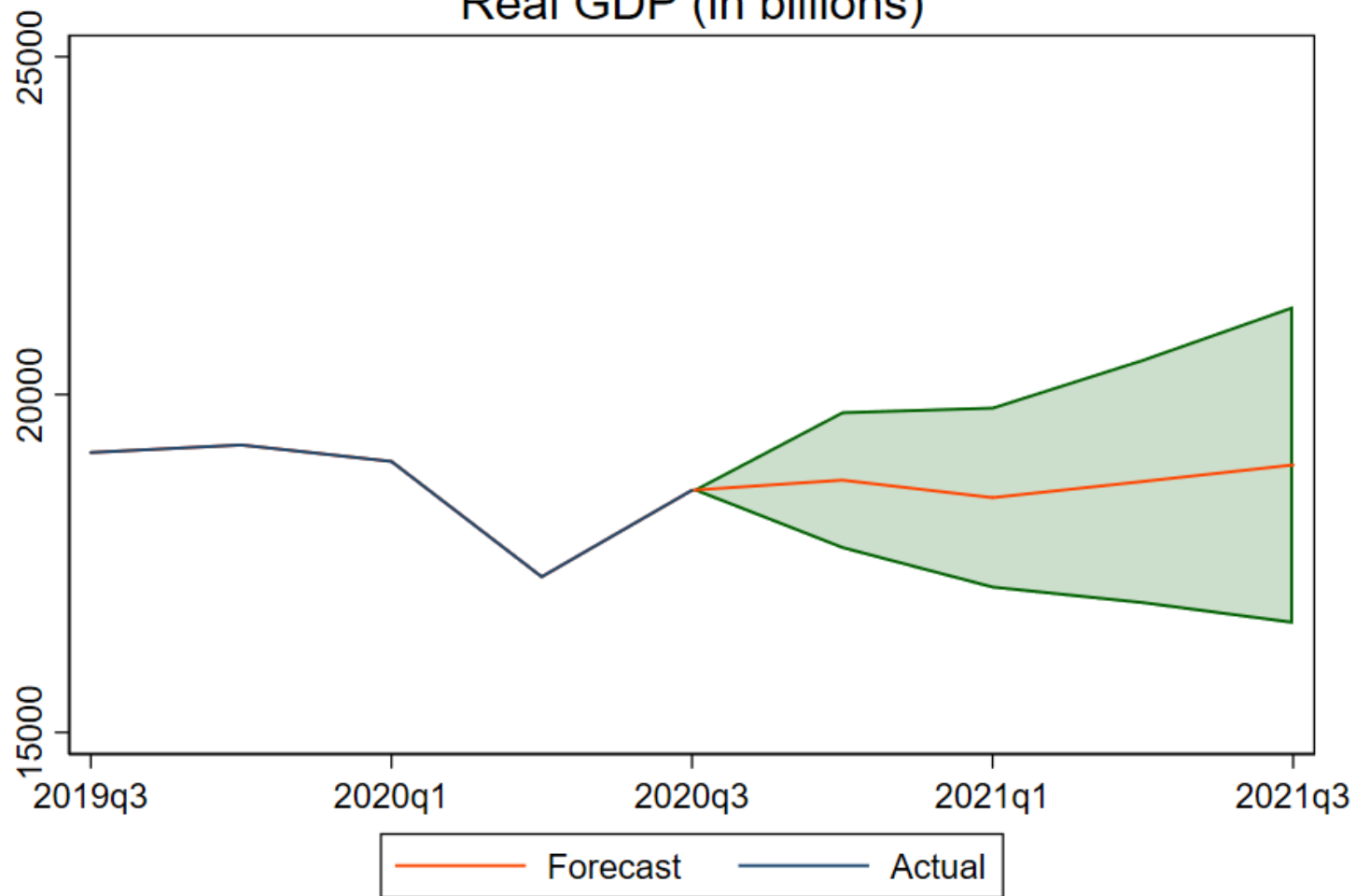


The Forecast – latest run 11/2/2020

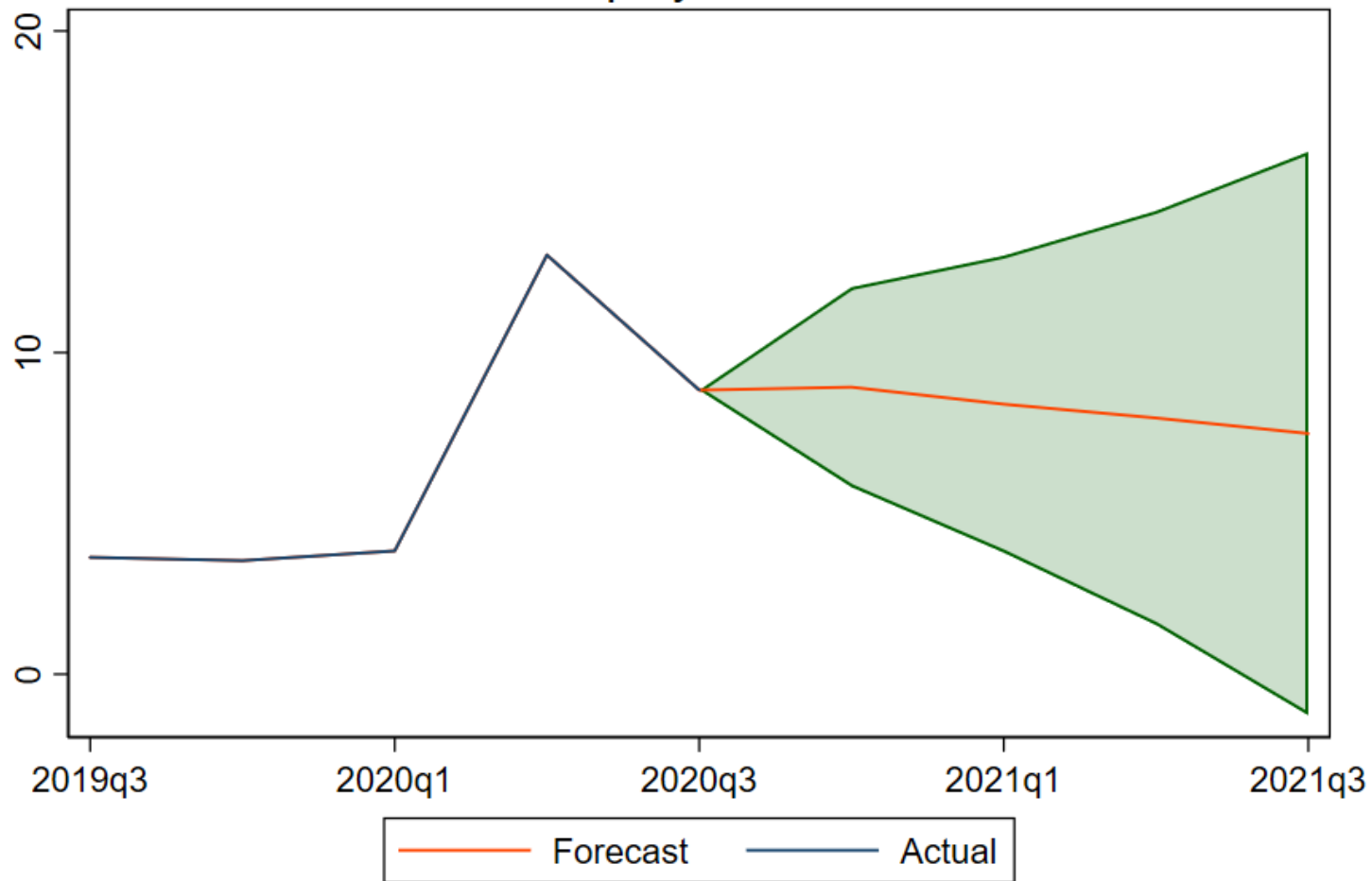
National Economy

- Gross Domestic Product
- Unemployment Rate
- Consumption
- Net Investment
- Corporate Profits
- Commodities

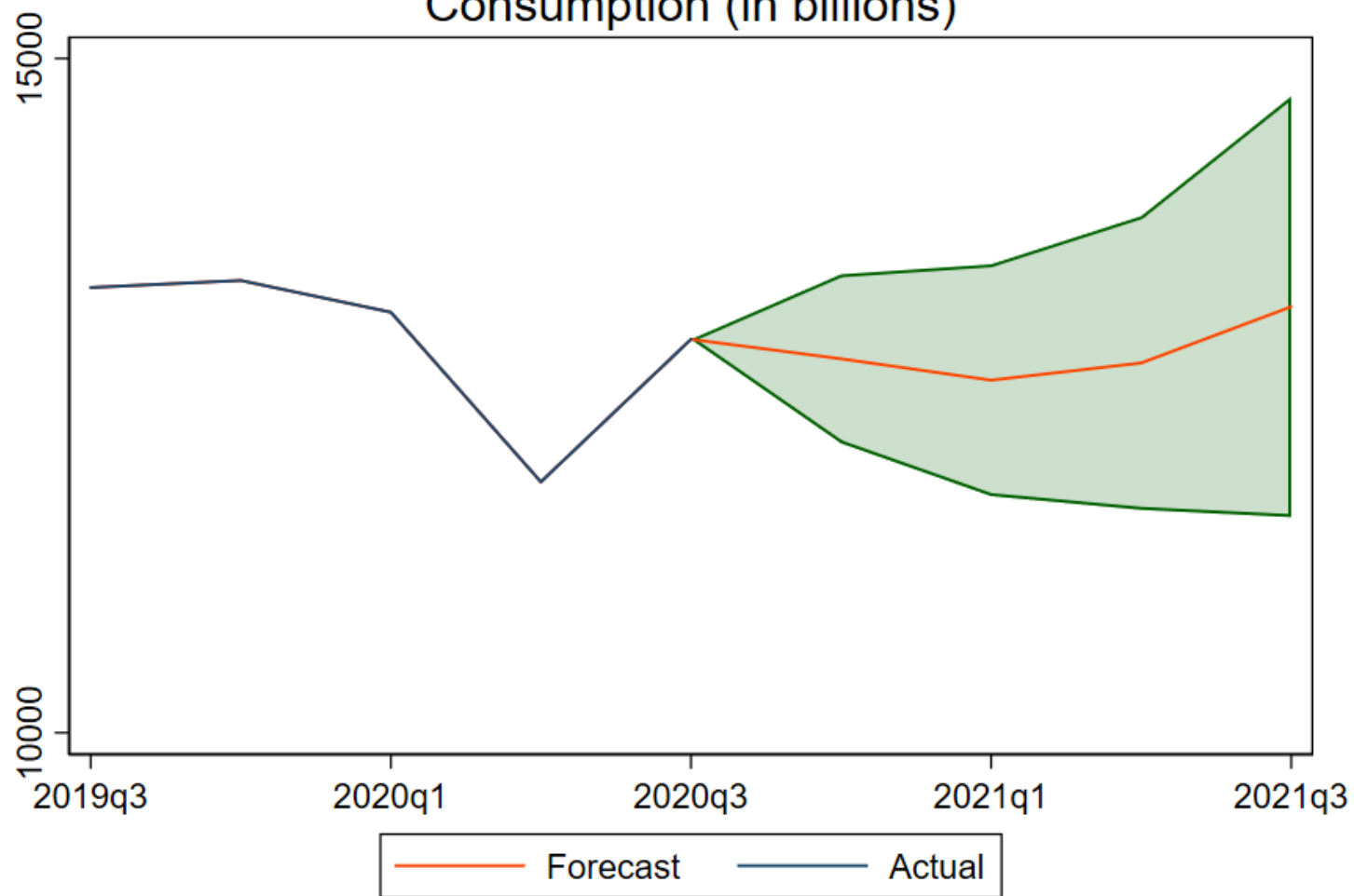
Real GDP (in billions)



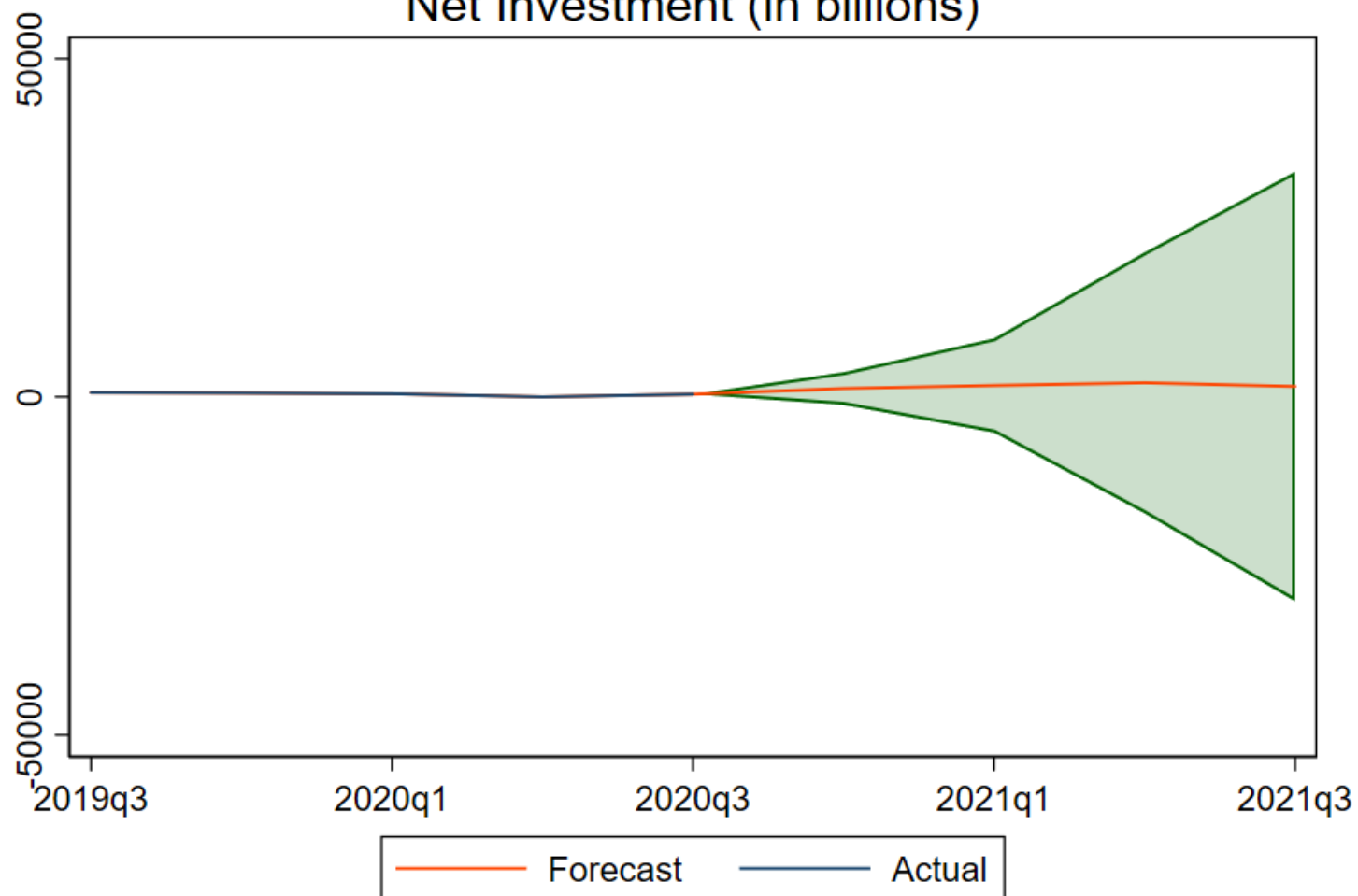
Unemployment Rate



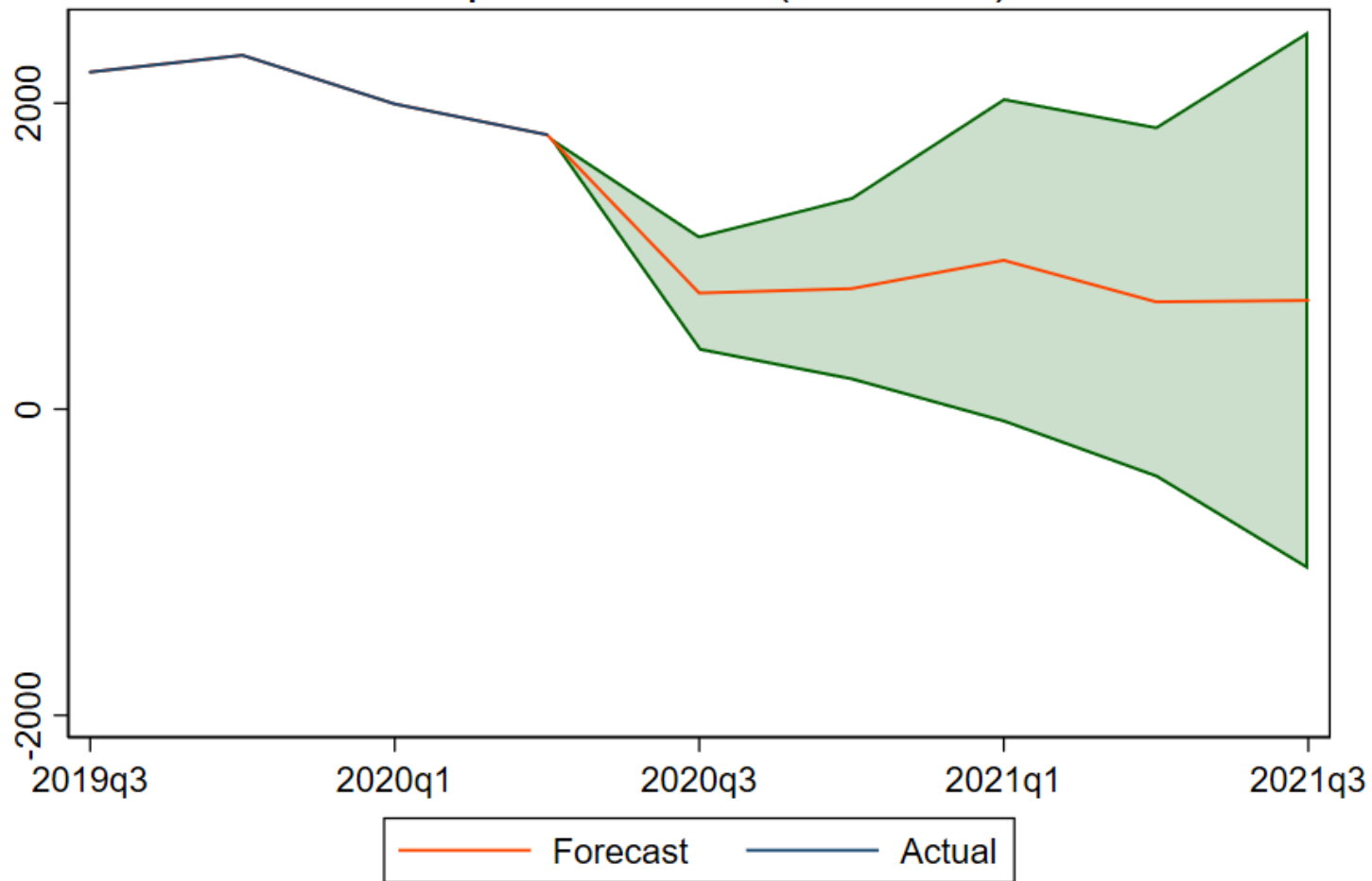
Consumption (in billions)



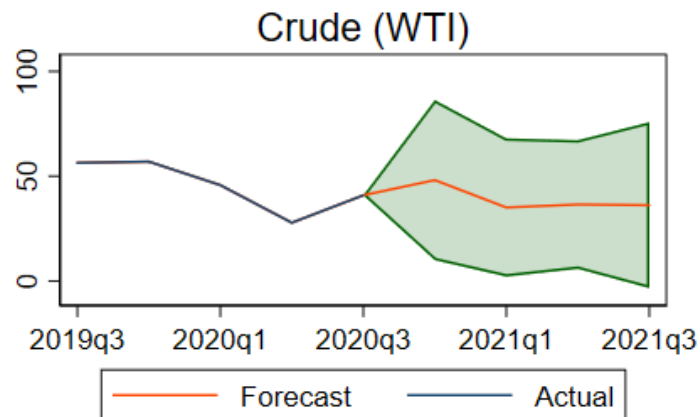
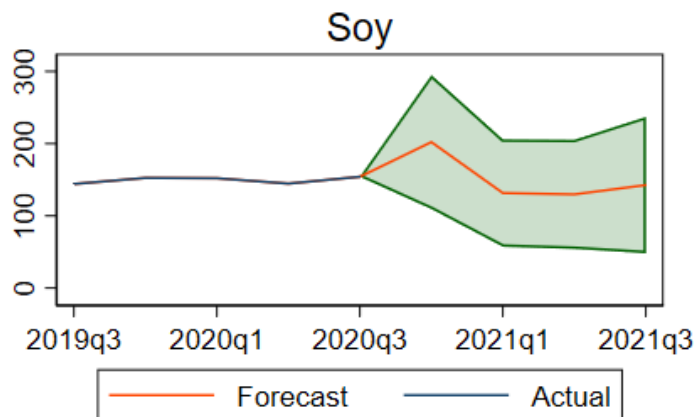
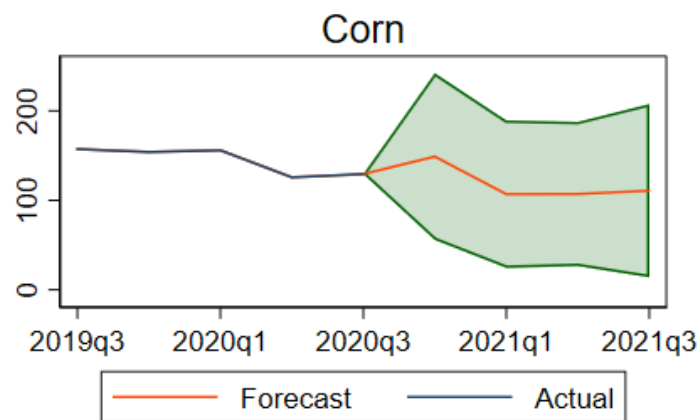
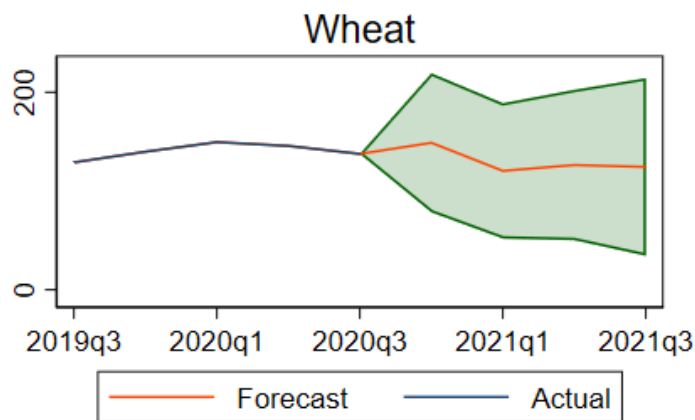
Net Investment (in billions)



Corporate Profits (in billions)



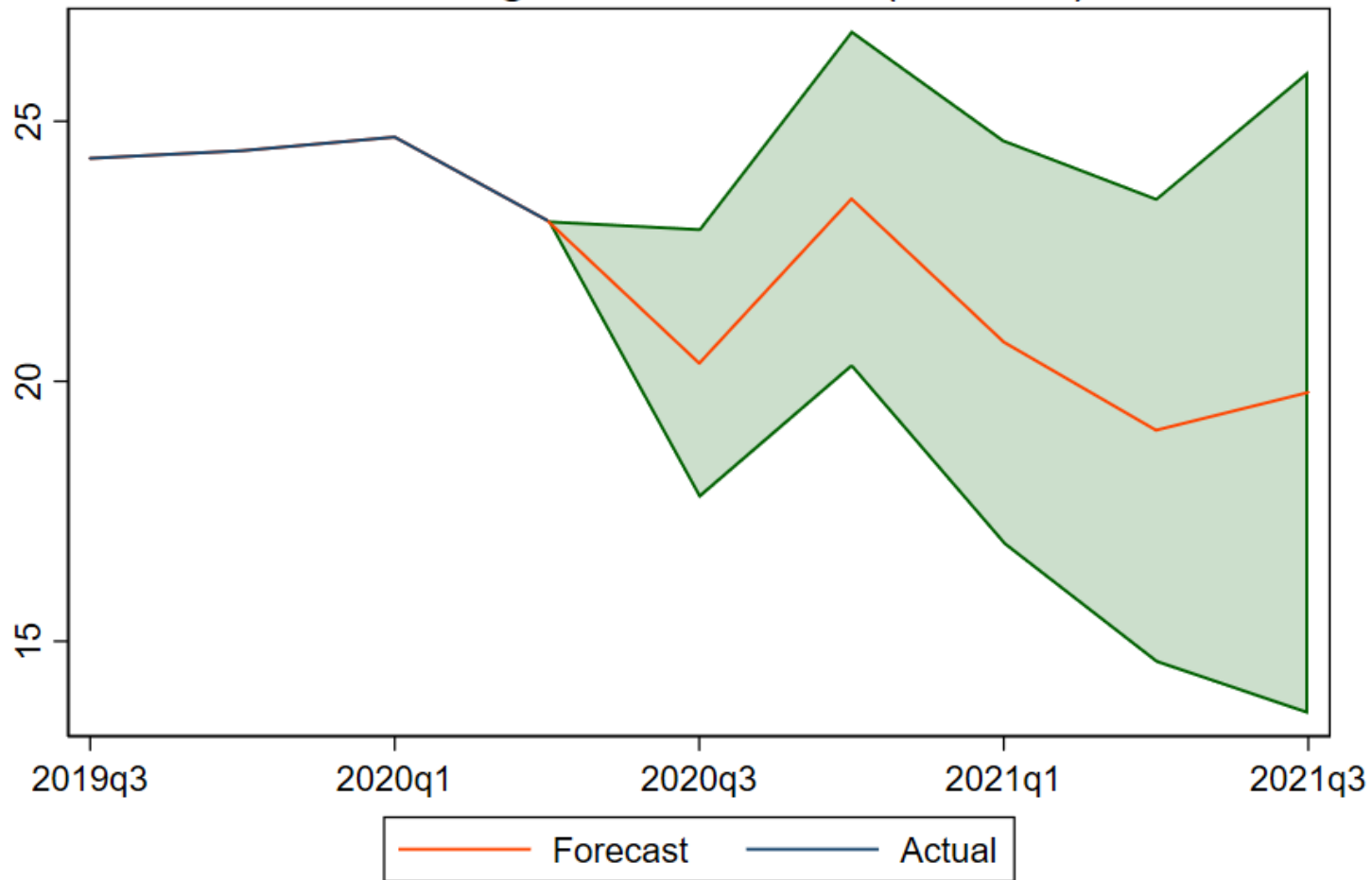
Commodity Quarterly Outlook



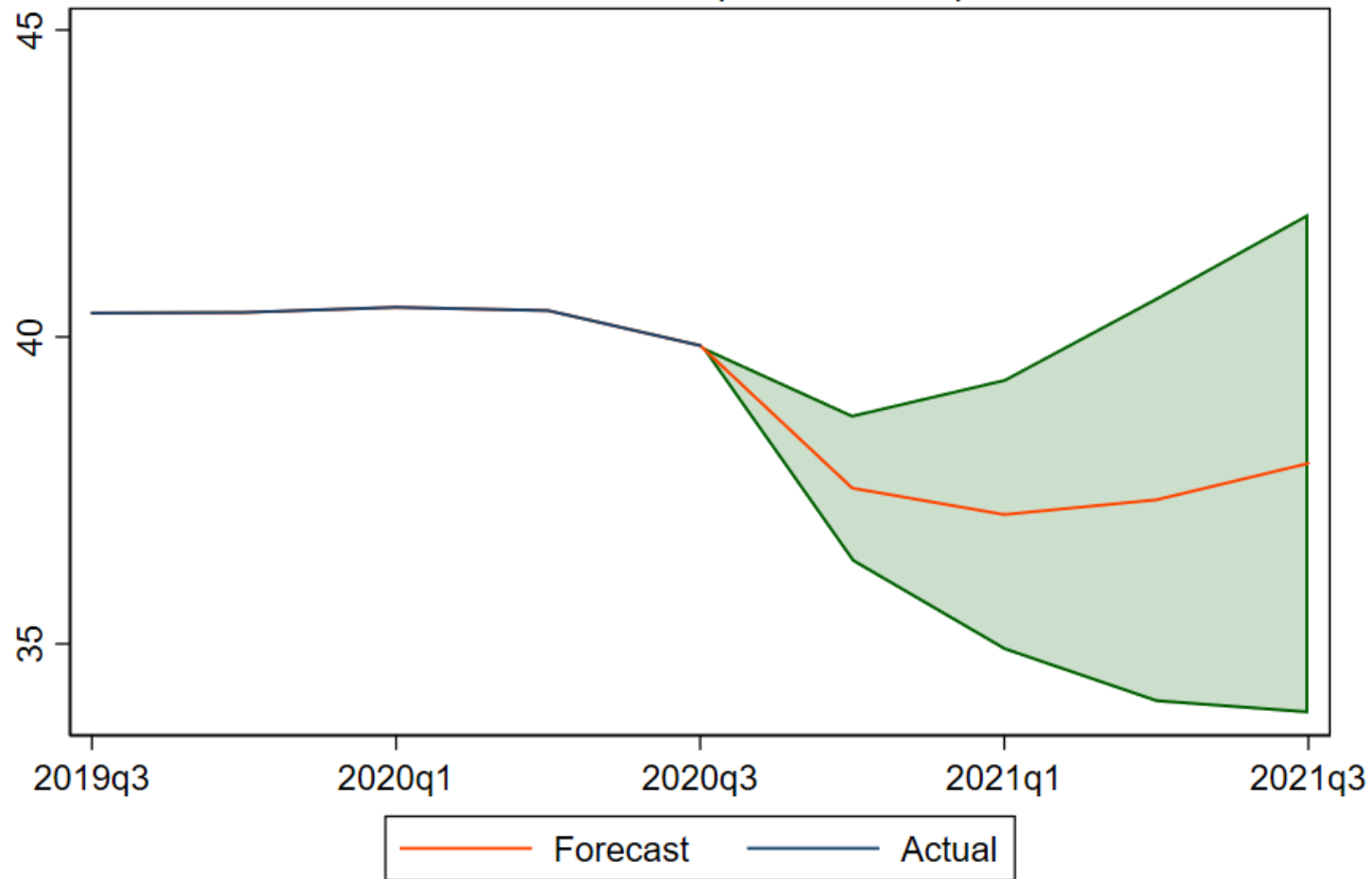
State Economy

- ND Total Wages and Salaries
- ND Labor Force
- ND Unemployment Rate
- ND Gross State Product
- ND Total Tax Revenue

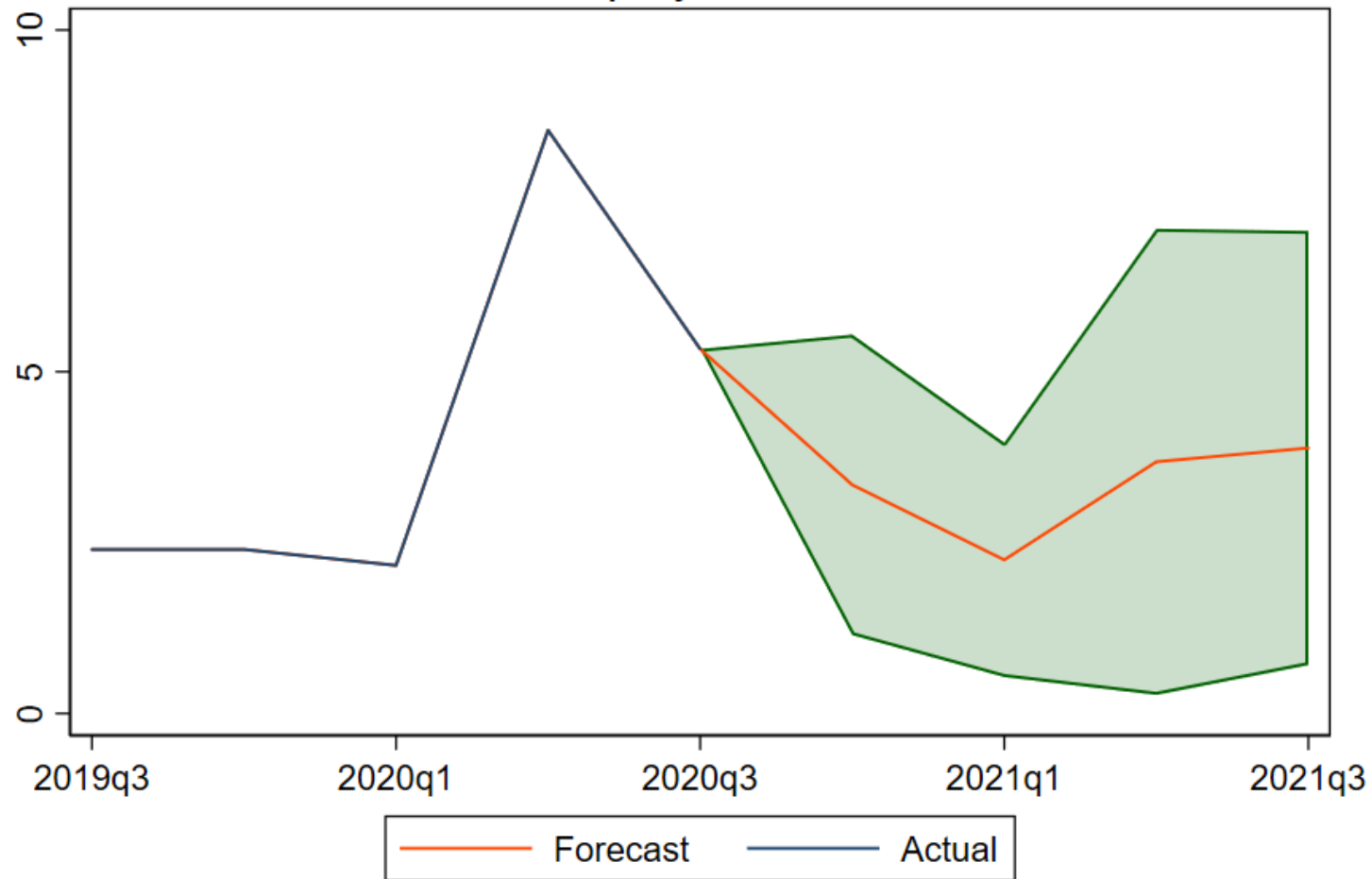
Total Wages and Salaries (in 100M)



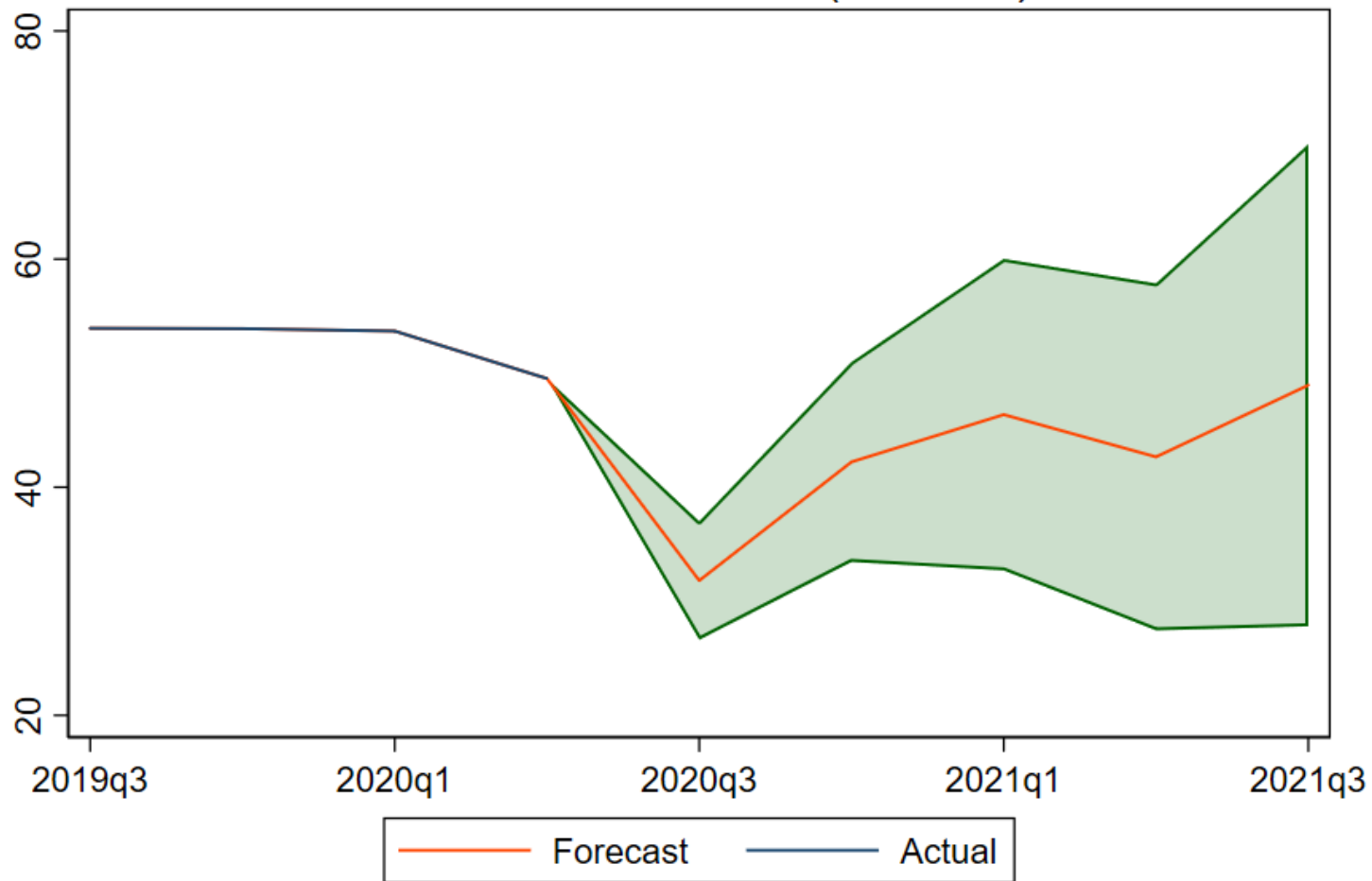
Labor Force (in 10,000s)



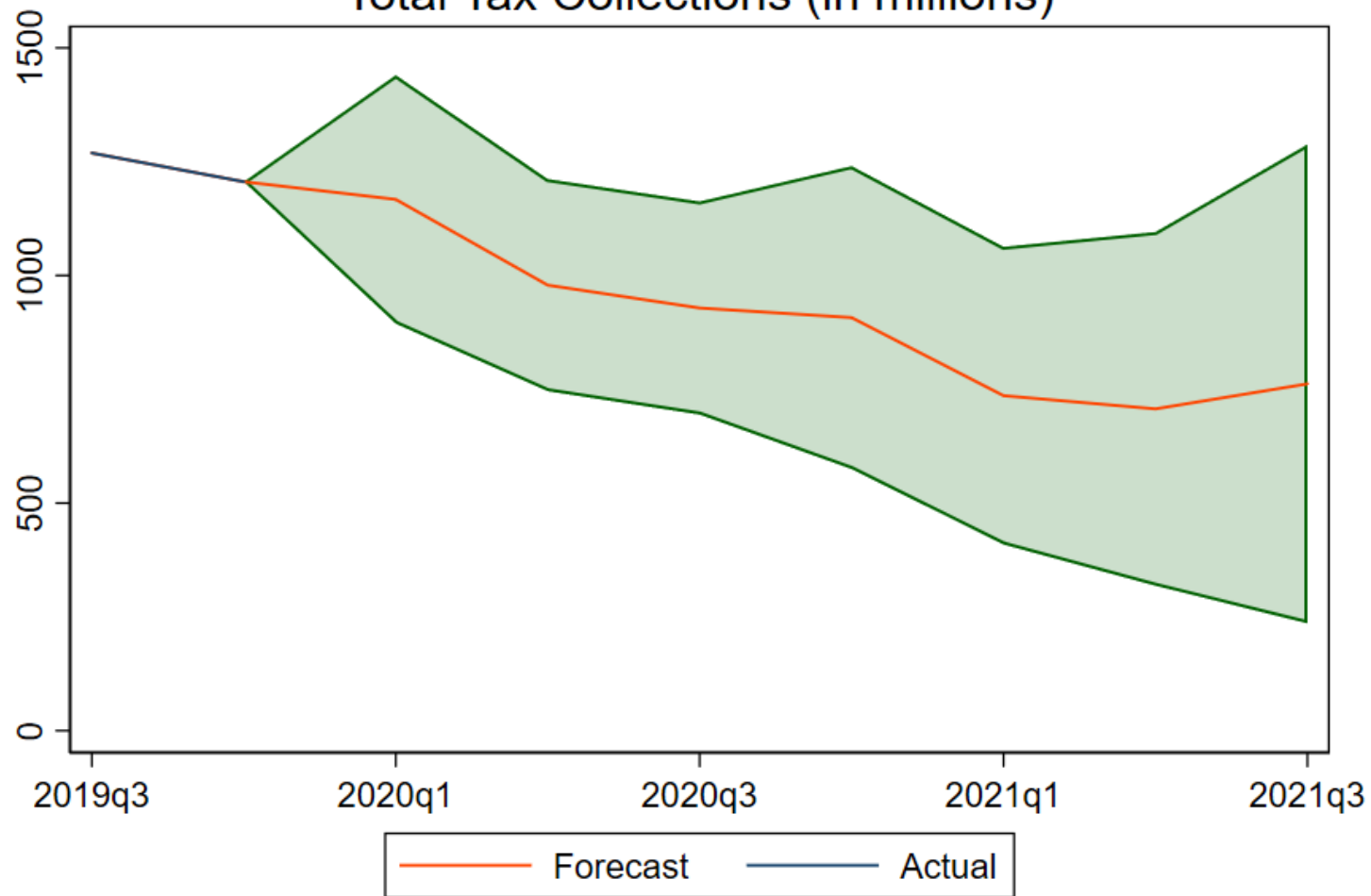
Unemployment Rate



Gross State Product (in 100M)



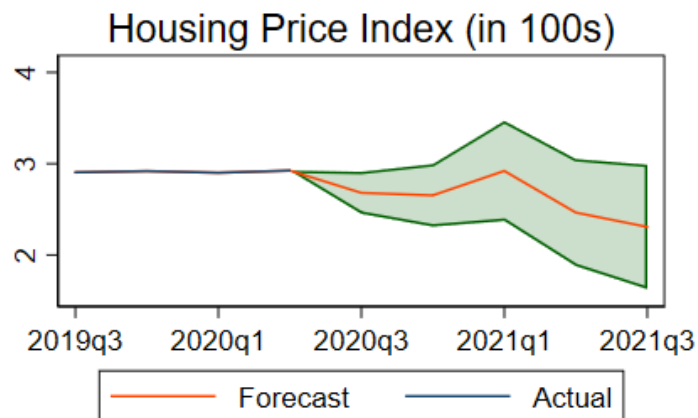
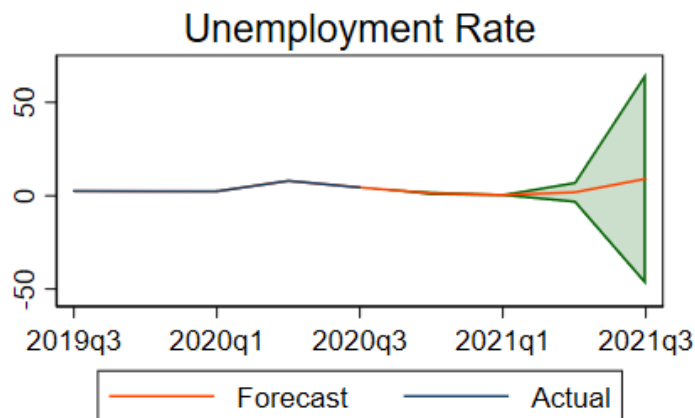
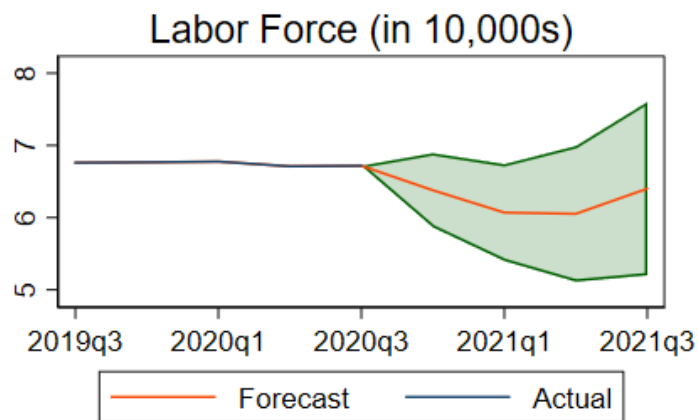
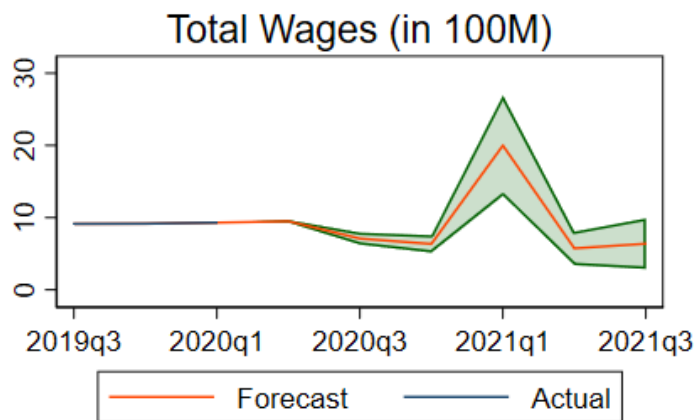
Total Tax Collections (in millions)



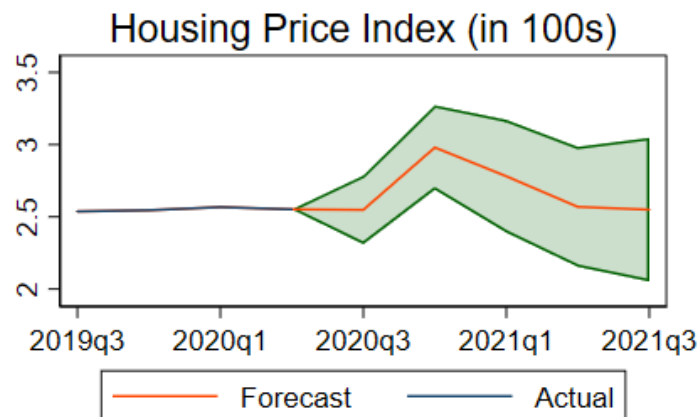
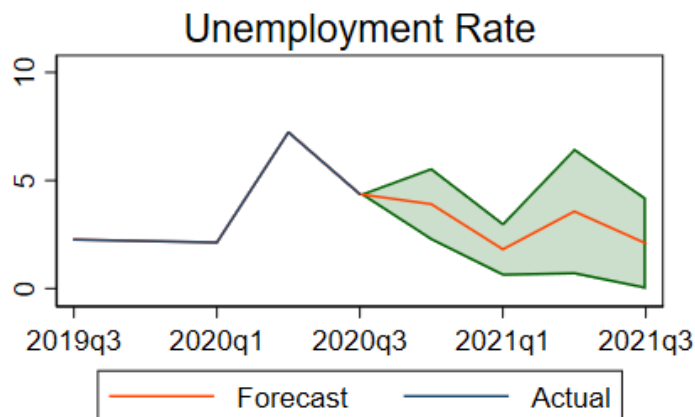
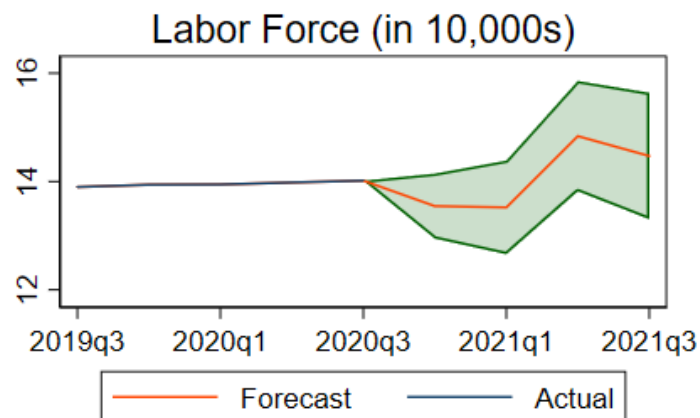
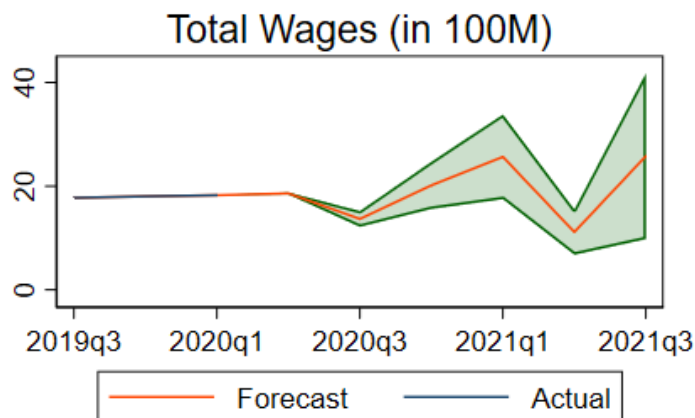
Metropolitan Areas

- Bismarck
- Fargo
- Grand Forks

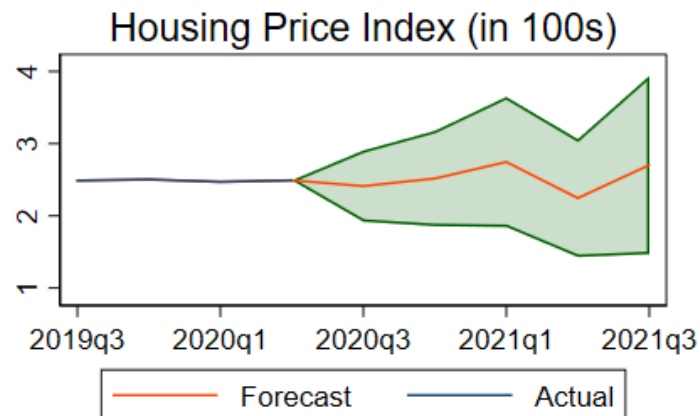
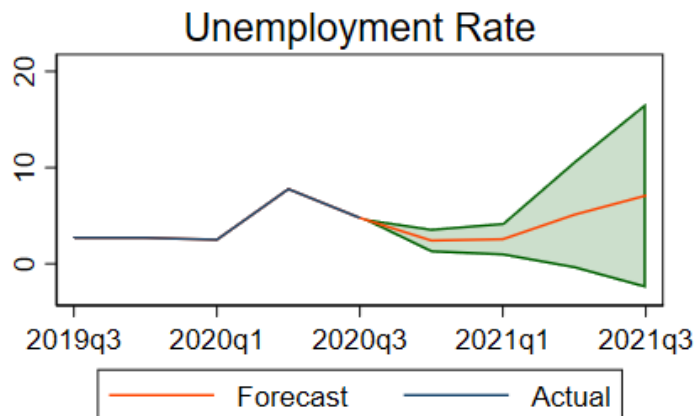
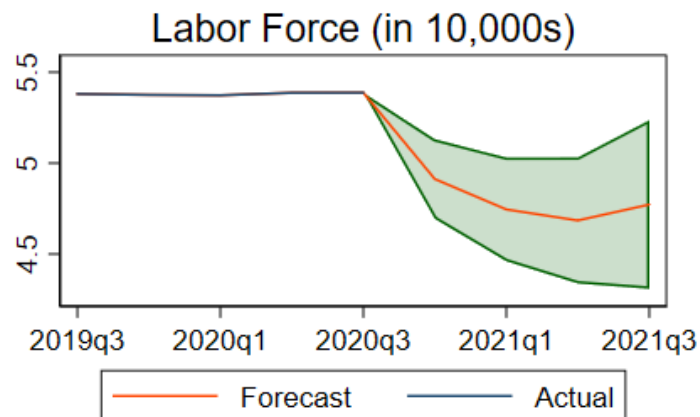
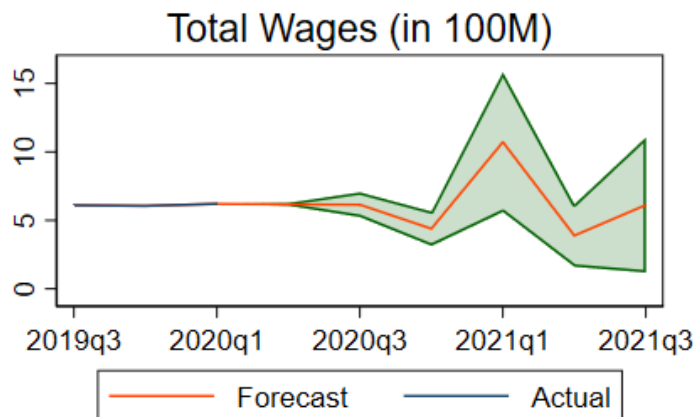
Bismarck Quarterly Outlook



Fargo Quarterly Outlook



Grand Forks Quarterly Outlook



Summary Points

- North Dakota is continuing to struggle amidst the COVID-19 economy.
 - Wages and Salaries, Labor Force, Gross State Product, and Tax Revenue all face declines and limited recovery over 2021.
 - The unemployment rate does appear to be coming back down.
 - Trends are less alarming than in previous forecast results.
- Metro areas are also facing difficulties ahead.
- Much uncertainty remains as the national and state responses to the pandemic remain fluid.

Center for the Study of Public Choice and Private Enterprise

Our Mission

- We engage in research and educational programs to explore the institutions and policies that promote human flourishing.

Current and Future Projects

- [Economic Outlook](#) quarterly report
- [COVID-19](#) economic research

Questions

Questions and comments are welcome

Email: jeremy.jackson@ndsu.edu

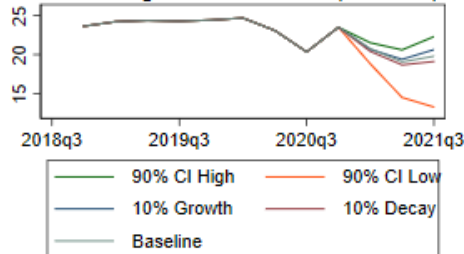


Social media: @NDSUpcpe

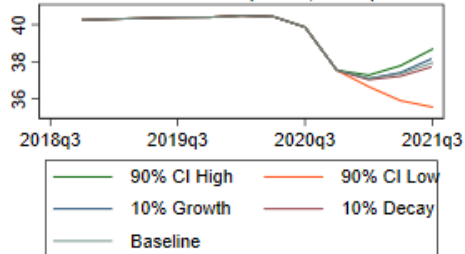


North Dakota Quarterly Outlook - Alternate Scenarios

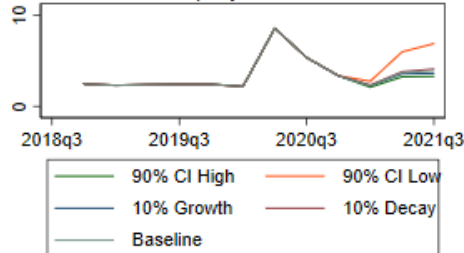
Total Wages and Salaries (in 100M)



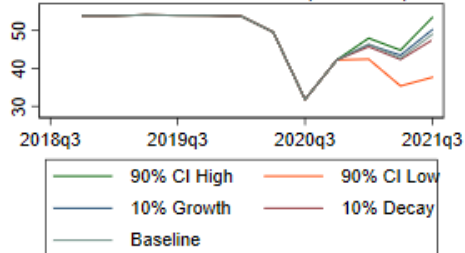
Labor Force (in 10,000s)



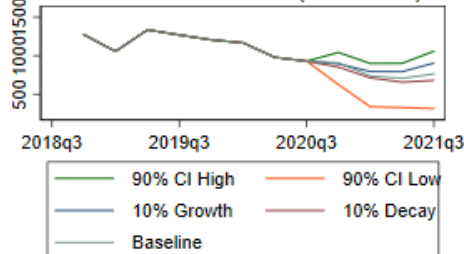
Unemployment Rate



Gross State Product (in 100M)



Total Tax Collections (in millions)



Crude (WTI)

