FACT SHEET

Social Determinants of Health: Economic Stability

UND SCHOOL OF MEDICINE & HEALTH SCIENCES
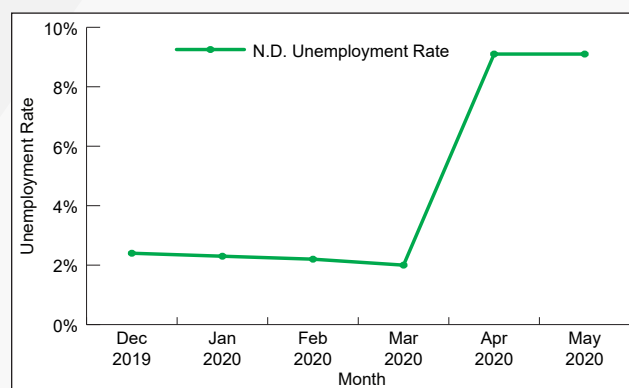UNIVERSITY OF NORTH DAKOTA

Economic stability can encompass numerous factors including the overall health of the economy for an area in which an individual lives, employment, poverty, and opportunities in various industries. Further, these factors can be sensitive to external economic events that may lead to changes in the status of the North Dakota economy.

Employment

An important factor that influences the health of an area's economy is the unemployment rate. Relatedly, an individual's employment status is a key indicator of their personal economic stability. According to The Bureau of Labor Statistics, in December of 2019, North Dakota had an unemployment rate of 2.4%.[1] A low rate such as this typically indicates a healthy economy for the state.

When there is prolonged economic stability, it is more likely that the unemployment rate will be lower, but the unemployment rate can increase based on outside economic influences. This type of sharp increase in the unemployment rate occurred during the spring of 2020. In March of 2020, North Dakota reported an unemployment rate of 2.0% but this rate jumped to 9.1% in April of 2020 (Figure 1).[1]

Figure 1. North Dakota Unemployment Rate by Month

It is also important to note that about 4.9% of individuals, aged 16-19, living in North Dakota are not attending school and are not employed. This is lower than the national level of 6.8% (ACS, 2018).[2]

It is also important to review which industries are the largest employers in North Dakota. According to Job

Service ND, Labor Market Information (2018) the largest employers in North Dakota include: [3]

- Healthcare and Social Assistance
- Educational services
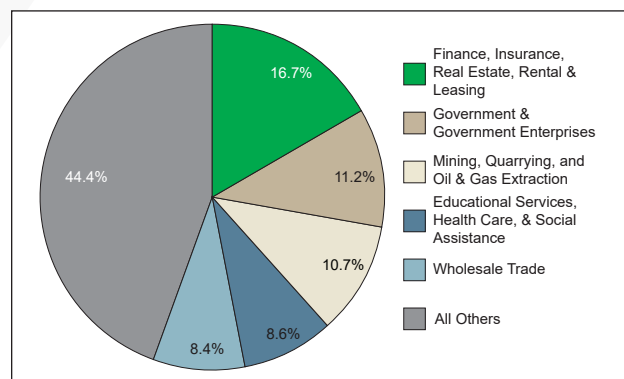- Public administration
- Retail Trade

Economy

Another way to examine the economy of North Dakota is through the state's Gross Domestic Product (GDP). In 2019, the five industries contributing the most to the GDP in North Dakota were:

- Finance, insurance, real estate, rental, and leasing (16.7%)
- Government and government enterprises (11.2%)
- Mining, quarrying, and oil and gas extraction (10.7%)
- Education services, healthcare, and social assistance (8.6%)
- Wholesale trade (8.4%)

These five industry sectors accounted for over half of North Dakota's GDP in 2019 (Figure 2).[4]

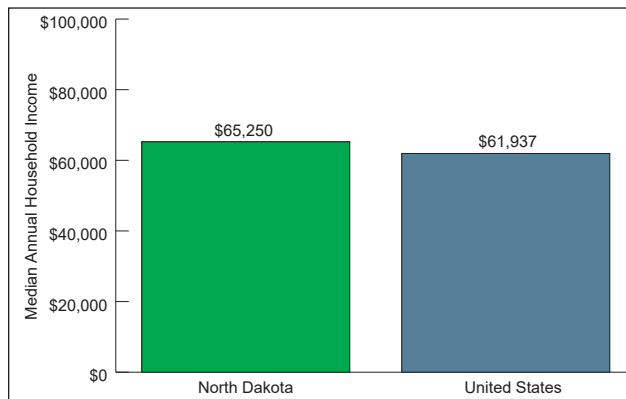**Figure 2. Economic Sector Contributions to North Dakota GDP in 2019**

Another economic measure to consider would be the Gini Index value, which is a summary value of income inequality. The Gini Index ranges from 0 to 1, with 0 indicating prefect income equality (everyone receives an equal amount) and 1 indicating perfect income inequality (one person or group receive all of the income).[5] North Dakota has a Gini Index value of 0.46 and the overall value in the U.S. is 0.48.[2]

Poverty

While employment and the health of the overall economy are important indicators, it is also important to consider an individual's income when examining their economic stability. The median household income in North Dakota is $65,250.00 while the median income for the U.S. is about $61,937.00 (Figure 3).[6]

Figure 3. Median Annual Household Income for North Dakota and the United States in 2018

Poverty can have a significant impact on an individual's health as it can limit access to services and resources including healthy foods, good housing, and healthcare. Often times the Federal Poverty Level (FPL) is used as a measurement of economic hardship for individuals and families. In 2020, the FPL was determined to be $12,760 for individuals, $17,240 for a family of 2, $21,720 for a family of 3, and $26,200 for a family of 4.[7] It is estimated that 10.6% of the total population of North Dakota is living in poverty while 11.0% of children under the age of 18 are living in poverty.[6]

Conclusion

There are many factors that can influence the economy of a state including unemployment rates, Gross Domestic Product, and poverty levels. Recently, unemployment rates have spiked, which may influence other factors, such as poverty rates. Examples such as these highlight how certain events can have a significant impact on the economic stability of North Dakota residents.

References

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