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October 2019

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Rent Costs for Older North Dakotans Below National Average

Both nationally and in North Dakota, about 22 percent of older residents rent their homes. The percentage does not appear to have changed much since 2005.

In 2017, older residents who rented paid an average of \$833 nationally compared to those in North Dakota, who paid on average \$674. North Dakota's rent rate for older residents has climbed more quickly than the national average but remains well below the rates found nationally. In no years between 2005 and 2017 did older residents in the state pay rents exceeding the national average. The 2017 rate was 81 percent of the national average. This appears to be consistent with previous years.

Source: Census Bureau: ACS 1-Year Table S0103 2005 through 2017

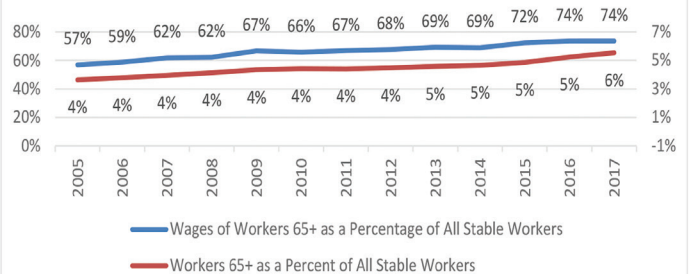
Economic Well-Being of Retirement-Age North Dakotans Improves Over Time

While North Dakota has tended to maintain an "overall" poverty rate below the national average, for several years the exception has been for individuals ages 65 and older.

In recent years - about the time the Baby Boomer generation began reaching retirement age - that exception appears to have been erased. Several sets of Census Bureau statistics now point to the state's senior citizens having caught up to national rates in several measurements of economic well-being.

Going back to data in the Census of 1970, 28 percent of North Dakotans age 65 and over were estimated to be below the poverty line for the preceding year, slightly worse than found nationally. A decade later, the national rate was nearly halved to 15 percent while North Dakota saw a decrease to 17 percent. The poverty rate continued to drop and by the 1990 Census, the national rate was down to 13 percent and North Dakota's was down two percentage points to 15 percent. Census 2000 showed a similar trend, as the previous two decennial censuses. Overall the poverty rate in this age range dropped to 10 percent nationally, with North Dakota showing a similar trend at 11 percent.

North Dakota Older Workers' Percentage of Total Stable Labor Force and Comparative Earnings



Individuals age 65 and older represent a small but growing segment of the workforce in the state. In 2005, the average number of working individuals in this age group was 11,500. By 2017, this figure had grown to 22,300, a growth of 94 percent while the overall stable workforce grew by 28 percent. Average earnings of individuals in this cohort, although less than younger workers, also increased. In 2005, older workers earned an average of \$1,468 per month, 57 percent of similarly stable employed workers of all ages. By 2017, that amount had more than doubled to \$3,158 per month, 74 percent of similarly stable employed workers of all ages. Source: Census Bureau: Local Employment Dynamics QWI indicators 2005-2017

The trend appears to continue with the start of the annual estimate provided in the American Community Survey (ACS) that began in 2005. That year, the estimated national rate was 10 percent with North Dakota, again, two percentage points higher at 12 percent.

Owner-Occupied Home Values of Older North Dakotans Catching Up

One area in which North Dakota's residents age 65 and older have caught up most with the national average is in the value the owner-occupied housing units.

In 2005, homeowners of this age group estimated the median value of their homes at \$75,000, 52 percent of the national median of \$143,500 that year. The median value of this age group's owner-occupied housing climbed over the next two years but remained at below 52 percent of the value of their cohorts nationally. That began to change around 2008, coinciding with the oil boom in North Dakota. Median home values for this age group reached \$99,300, or 60 percent of the national median value of \$166,600. By 2017, the last year for which data is available, the median value in North Dakota had reached \$174,900, just over 85 percent of the national average of \$204,000 for individuals in the same age range.

Prior to about 2010, the value of housing of Individuals age 65 and older tended to lag that of owner-occupied housing as a whole in North Dakota. More recently, the value tends to closely match the median value regardless of the owners age.

Source: Census Bureau: ACS 1-Year Tables GCT2510 and S0103 2005 through 2017

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From 2005 through 2017, the national rate of poverty in this age range appears to have changed only slightly to an average of 9.2 percent between 2015 and 2017. North Dakota's rate had dropped to match or be slightly below the national rate with an average of 8.9 for the years 2015 through 2017.

Data reported in 5-year increments is considered to be much more accurate than the annual report. The most recent 5-year American Community Survey data ending in 2017 shows the poverty rate for individuals age 65 plus in North Dakota edging slightly lower than that found nationally. Given the higher household income, regardless of age, found in North Dakota, this trend is likely to continue into the future.

Employment into Retirement Years

Throughout the timeframe 2005 through 2017, North Dakota's age 65 plus cohort were more likely to be employed or reside in households with earnings greater than their national counterparts. In 2005, 14 percent of this age group nationally reported being employed. Between 2005 and 2017, that rate grew to just over 17 percent. North Dakotans of this age range exceed the

national rate at every year between 2005 and 2017. In 2005, an estimated 18 percent of North Dakota's age 65 plus were employed. By 2017, that rate grew to 22 percent.

When one considers this age group has grown from about 87,000 in 2005 to about 113,000 by 2017, this cohort represents an important contribution to the growth of North Dakota's overall labor force in recent years. The implication of this observation is that many individuals may be delaying their retirement or at least appear to be working more after reaching age 65 both nationally and in North Dakota than was found in the past.

The result is greater income in households with residents of this age group than in the past. In 2005, 35 percent of households with individuals in this age group reported earnings in North Dakota. By 2007, that had grown to 40 percent, slightly over the rate found nationally at 38 percent.

Another observation is that the percentage of individuals age 65 and older receiving Social Security income appears to be declining with time, while the median amount received by households in North Dakota has grown at a rate greater than is

found nationally.

In 2005, 93 percent of this cohort nationally and 95 percent in North Dakota were estimated to have Social Security income. By 2017, the rates both nationally, at 90 percent, and in North Dakota, 88 percent, had steadily declined over time. Of those North Dakota households receiving Social Security, the amount rose at a rate greater than found nationally. Although North Dakota has not quite caught up with the national rate as of 2017, that appears likely in the future as household incomes in the state appear to have caught and passed the national rate starting in about 2013.

In 2005, the average household receiving Social Security received \$14,400. By 2017, that amount had grown to \$20,790 a change of 44 percent, while North Dakota households saw a 49 percent growth in the same timeframe from \$13,220 to \$19,728. North Dakota households saw the eighth-highest growth of the 50 states over this time frame.

Sources: Census 2000, Table P087, ACS 1-Year Tables S0103 and S1901 2005 through 2017 Local Employment Dynamics QWI indicators 2005-2017