

BBER Bulletin

Pull Factors in ND

David T. Flynn
Daniel J. Owens
Kristofor Paulson

June 2016

The recent changes in North Dakota's budget showed significant downward revisions in the amount of retail sales. This raises a question about the state of the pull factors for the cities in North Dakota, and how they changed over this time period. *Pull factors* compare the per capita sales in a defined geography, in our case a city, to the per capita amount of a larger area, typically a state. We used 2015 population data from the American Community Survey¹ and the 2015 annual sales tax report from the North Dakota State Tax Commissioner's Office² for the data.

Cities can use these to examine whether they draw more sales in compared to state averages, or if they suffer from locals purchasing elsewhere. To the extent taxable sales and purchases indicate economic health or vibrancy these pull factors demonstrate that not all the top ten cities are faring the same. We will be posting the full list of 200 cities and their pull factors online. For now, we report for the top ten cities in terms of taxable sales and purchases.

The largest pull factors in the top ten list go to cities with ties to the economic expansion due to oil. Each of those Bakken area cities has a pull factor well above 1, indicating a significant amount of per capita sales above the average level for the state as a whole. A few cities of these top sales cities do have pull factors below 1, indicative of leakages of sales out of the geographic area.

Table 1: Pull factors for top taxable sales and purchases cities, 2015

City	Population	Taxables Sales & Purchases (\$)	Pull Factor
Fargo	118,523	2,738,758,575	1.25
Williston	26,977	2,264,499,283	4.54
Bismarck	71,167	1,827,763,720	1.39
Minot	49,450	1,419,438,778	1.55
Grand Forks	57,011	1,212,672,435	1.15
Dickinson	23,765	1,050,802,698	2.39
West Fargo	33,597	377,463,000	0.61
Mandan	21,382	276,368,166	0.70
Jamestown	15,422	252,277,489	0.88
Watford City	6,708	218,228,334	1.76

¹Population data from Annual estimates of the resident population, April 1, 2010 to July 1, 2015, Source U.S. Census Bureau, Population Division. Downloaded June 2016

²2015 Sales and Use Tax Statistical Report, Table 3, available at nd.gov/tax