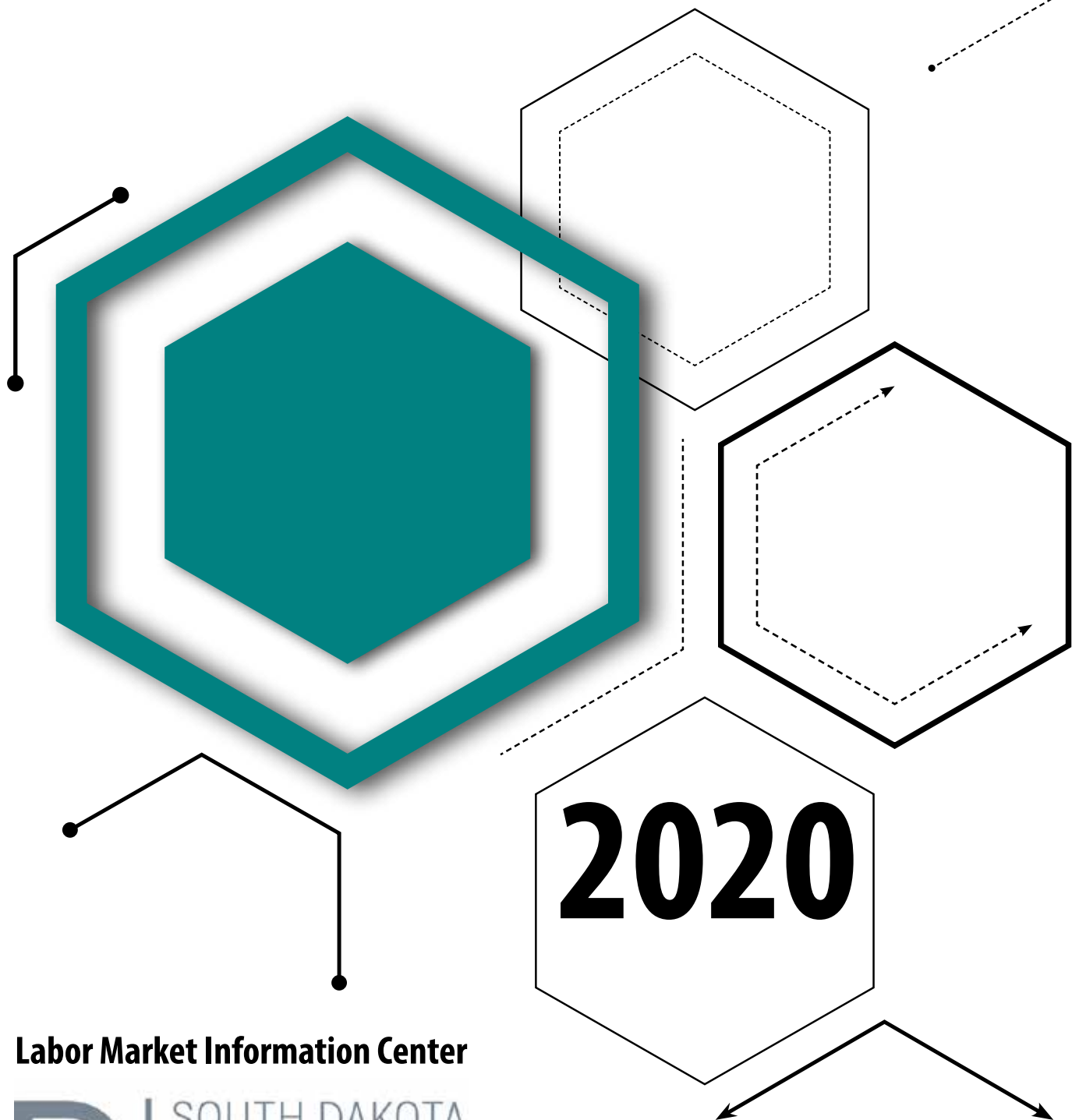


South Dakota Workforce Report



Labor Market Information Center



SOUTH DAKOTA
DEPT. OF **LABOR**
& **REGULATION**



dlr.sd.gov/lmic



605.626.2314



Table of Contents

Population/Workforce Demographics	Page 1
Language Spoken	Page 3
Gross Domestic Product	Page 5
Workforce	Page 7
Labor Force Participation Rate	Page 7
Labor Force	Page 9
2021 Update	Page 10
Unemployment and Educational Levels	Page 11
Total Employment	Page 13
Self Employment	Page 15
Worker Commuting	Page 17
Advertised Job Openings	Page 19
Nonfarm Wage and Salaried Workers	Page 21
2020 Industry Trends	Page 23
2021 Update	Page 27
Quarterly Census of Employment and Wages.	Page 29
Number of Covered Workers	Page 30
Annual Pay of Workers	Page 33
Noteworthy Industry Trends	Page 35
Establishment Size	Page 44
Personal Income	Page 47
Poverty	Page 49
Population Projections	Page 51
Employment Projections.	Page 53
Industry Employment Projections.	Page 53
Occupational Employment Projections	Page 62
Occupational Demand Projections	Page 69
Hot Careers (High Demand-High Wage Occupations)	Page 73
Top 30 Careers	Page 75
Hot Career and Top Career Resources.	Page 78

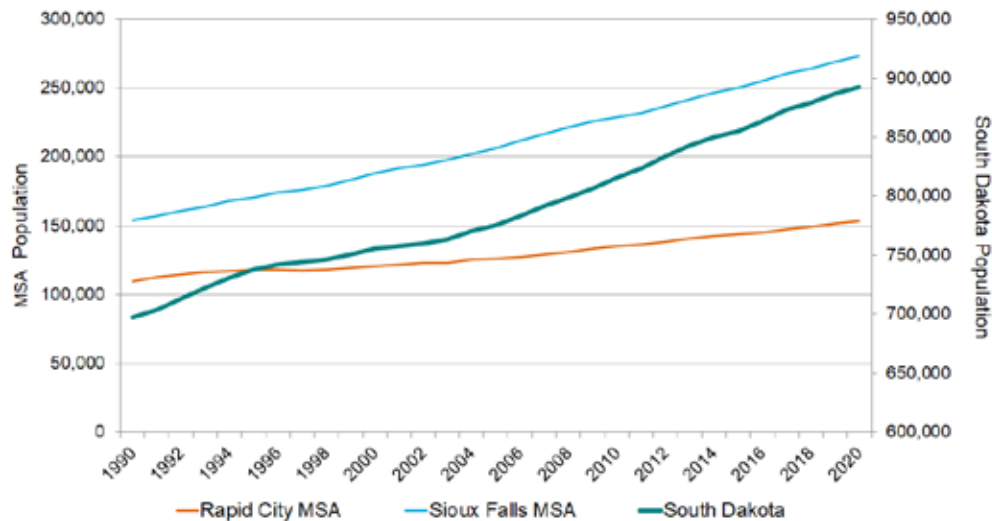
Population and Workforce Demographics

South Dakota's total population has been steadily increasing since 1990, growing by nearly 200,000 (29%) between 1990 and 2020. According to estimates published by the U.S. Census Bureau, our population increased by 77,000 or 9.4% between 2010 and 2020, exceeding the U.S. population increase of 6.5% over the same time period.

Much of the growth has taken place in our two Metropolitan Statistical Areas (MSAs), Rapid City and Sioux Falls. Population in those two metro areas increased by 13.7% and 19.4%, respectively, over the last 10 years. Nearly half of South Dakota's 427,100 population (47.8%) resides in either the Sioux Falls or Rapid City MSAs.

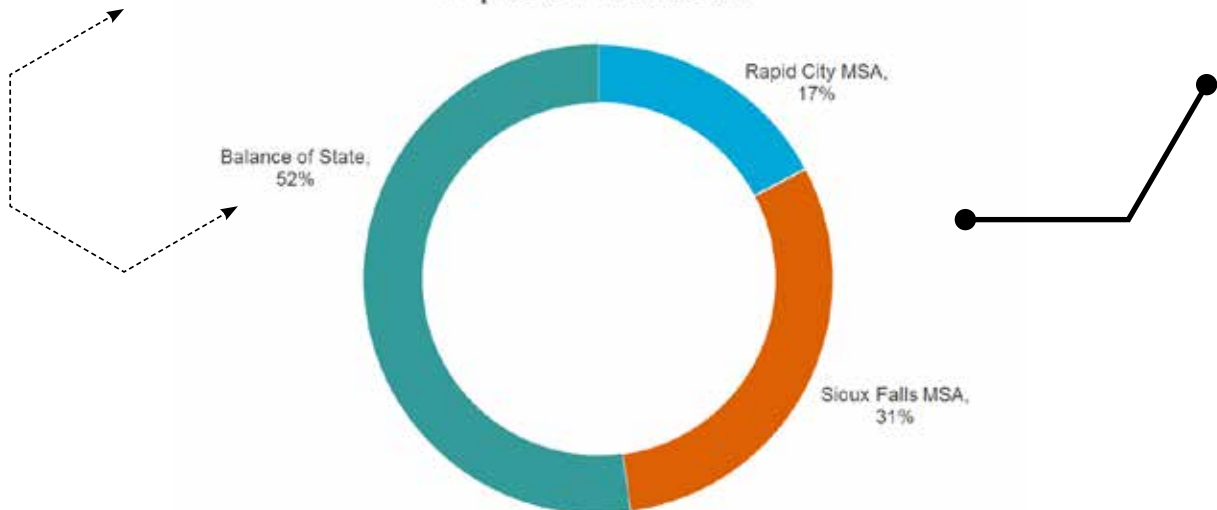
427,100

**South Dakota Population Estimates
1990-2020**



Source: U.S. Census Bureau, 2020 Population Estimates

Population Distribution



Source: U.S. Census Bureau, 2020 Population Estimates

Between 2019 and 2020 population growth remained consistent from previous years, with the MSAs growing at a slightly faster pace than the rest of the state.

South Dakota Population Estimates (as of July 1 each year)		
	2019	2020
South Dakota	887,100	892,700
Rapid City MSA	151,800	153,500
Sioux Falls MSA	269,300	273,600

Source: U.S. Census Bureau, 2020 population estimates

The 2019 American Community Survey (ACS) data produced by the U.S. Census Bureau shows the largest percent of the state population by race is comprised of White residents (86.7%), followed by American Indian and Alaskan (10.5%). Regarding ethnicity, 3.7% of South Dakota's population is Hispanic or Latino.

South Dakota Population by Race and Ethnicity		
	Number	Percent
Total population	884,659	100.0%
White	766,781	86.7%
Black or African American	26,679	3.0%
American Indian and Alaska Native	92,709	10.5%
Asian	14,395	1.6%
Native Hawaiian and Other Pacific Islander	2,868	0.3%
Some other race	6,973	0.8%
Hispanic or Latino (of any race)	33,018	3.7%

Source: U.S. Census Bureau, 2019 American Community Survey



Language Spoken

Data available from the 2019 American Community Survey (ACS) for the linguistics of our state population show that a large majority of state residents (94.2%) speak only English. Of those residents who have the ability to speak in other languages (47,700), some struggle with language barriers as an estimated 6,500 (13.7%) speak English 'not well' or 'not well at all'.

Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over					
Language Spoken	5 to 17 years	18 to 64 years	65+ years	Total	Percent of Total
Total	156,410	515,591	153,799	825,800	100.0%
Speak only English	149,331	481,365	147,365	778,061	94.2%
Speak Spanish:	2,137	12,047	1647	15,831	1.9%
Speak English "very well"	1,125	7,144	842	9,111	1.1%
Speak English "well"	646	2,244	98	2,988	0.4%
Speak English "not well"	366	1,946	615	2,927	0.4%
Speak English "not at all"	0	713	92	805	0.1%
Speak other Indo-European languages:	840	5,501	1,827	8,168	1.0%
Speak English "very well"	774	3,736	1,542	6,052	0.7%
Speak English "well"	0	912	205	1,117	0.1%
Speak English "not well"	66	853	80	999	0.1%
Speak English "not at all"	0	0	0	0	0.0%
Speak Asian and Pacific Island languages:	1145	6,081	514	7,740	0.9%
Speak English "very well"	390	2,467	335	3,192	0.4%
Speak English "well"	755	2,937	139	3,831	0.5%
Speak English "not well"	0	677	26	703	0.1%
Speak English "not at all"	0	0	14	14	0.0%
Speak other languages:	2,957	10,597	2,446	16,000	1.9%
Speak English "very well"	2,331	7,840	1,841	12,012	1.5%
Speak English "well"	626	1952	329	2,907	0.4%
Speak English "not well"	0	480	257	737	0.1%
Speak English "not at all"	0	325	19	344	0.0%

Source: U.S. Census Bureau, 2019 American Community Survey

Gross Domestic Product

Gross domestic product (GDP) by state is the market value of goods and services produced by the labor and property located in the state. It is the state counterpart of the nation's GDP, which is the Bureau of Economic Analysis' most comprehensive measure of U.S. economic activity. Analysis of the change in South Dakota GDP data from 2019 to 2020 reflects an overall decline (all industry total) of 0.2% which is a decrease from the previous year's 3.2% growth. Half of the 14 industries had increases in GDP between 2019 and 2020. The three industries with the most growth were the Agriculture, Forestry, Fishing and Hunting (11.8%), Construction (6.5%) and Utilities (4.2%).

The three industries which had the largest decrease in GDP were Mining, Quarrying, and Oil and Gas Extraction (26.7%), Transportation and Warehousing (17.5%) and Arts, Entertainment, Recreation, Accommodation and Food Services (15.6%). The Mining, Quarrying and Oil and Gas Extraction is the only industry which decreased over the past two years. It is also the smallest industry in South Dakota making up only 0.2% of total GDP which enhances the volatility of this industry from year to year.

South Dakota Gross Domestic Product (GDP) by Industry Sector (Millions of Dollars)					
Industry	2018 GDP	2019 GDP	2020 GDP	Change from 2018-2019	Change from 2019-2020
All Industry Total	53,239	54,941	54,852	3.2%	-0.2%
Private Industries	47,388	48,889	48,818	3.2%	-0.1%
Agriculture, Forestry, Fishing and Hunting	3,702	3,340	3,735	-9.8%	11.8%
Mining, Quarrying, and Oil and Gas Extraction	137	125	92	-8.6%	-26.7%
Utilities	880	928	967	5.5%	4.2%
Construction	2,049	2,168	2,308	5.8%	6.5%
Manufacturing	5,054	5,121	5,085	1.3%	-0.7%
Wholesale Trade	3,550	3,648	3,580	2.8%	-1.9%
Retail Trade	3,486	3,611	3,725	3.6%	3.2%
Transportation and Warehousing	1,218	1,271	1,048	4.4%	-17.5%
Information	1,292	1,383	1,414	7.1%	2.3%
Finance, Insurance, Real Estate, Rental and Leasing	14,396	15,030	15,067	4.4%	0.2%
Professional and Business Services	3,127	3,323	3,368	6.3%	1.4%
Educational Services, Health Care and Social Assistance	5,384	5,679	5,565	5.5%	-2.0%
Arts, Entertainment, Recreation, Accommodation and Food Services	2,019	2,093	1,767	3.7%	-15.6%
Other services, except Government	1,095	1,169	1,096	6.8%	-6.2%
Government	5,851	6,052	6,035	3.4%	-0.3%
Note: NAICS Industry detail is based on the 2012 North American Industry Classification System (NAICS). Last updated March 26, 2021, reflecting Census Bureau midyear population estimates available as of December 2020. Source: U.S. Bureau of Economic Analysis					

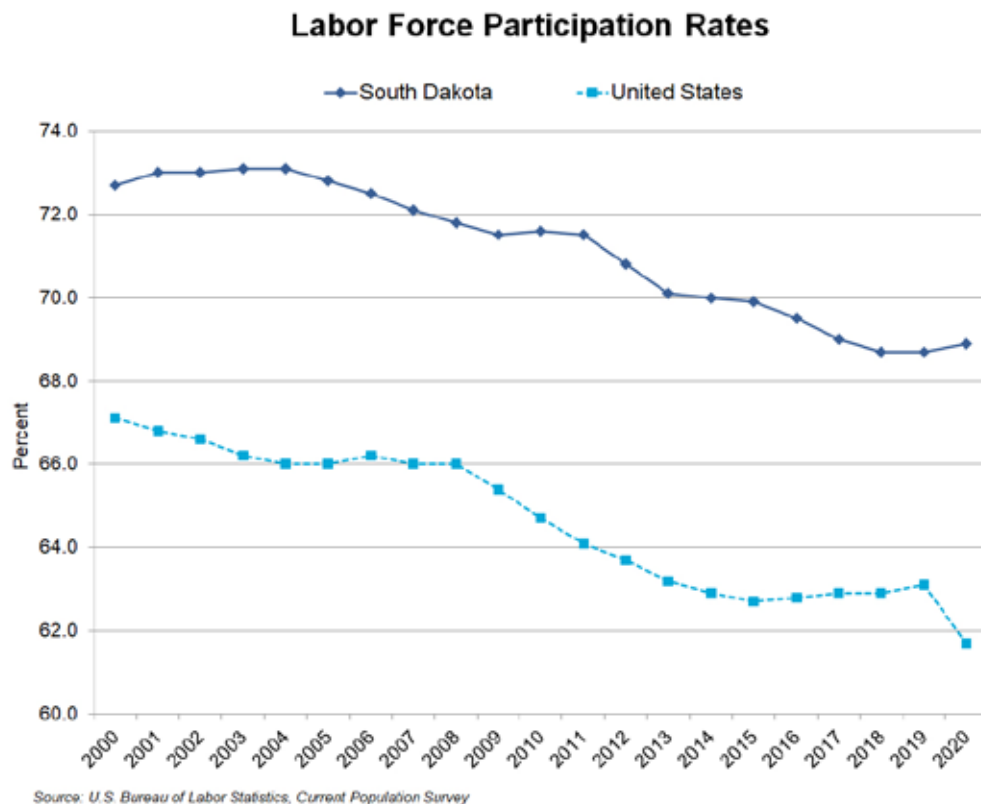
Workforce

Labor Force Participation Rate

Current Population Survey (CPS) figures from the Bureau of Labor Statistics show South Dakota's labor force participation rate was 68.9% in 2020. In other words, nearly 70% of all (non-institutionalized) residents age 16 years and older were in the labor force, either working or looking for work.



This compares to a 2020 national average of 61.7%. Historically, South Dakota consistently has higher rates of labor force participation than the nation as a whole.



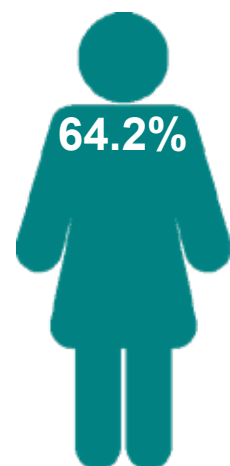
South Dakota's participation rate of 68.9% is the fourth highest rate of all states and the District of Columbia. Nebraska had the highest rate at 70.1%, followed by the District of Columbia at 69.5% and Minnesota at 69.2%.

Youth in South Dakota were also very active labor force participants. In 2020 64.6% of the state's young population (age 16-24 years) were in the labor force, compared to the national rate of 53.9%. At the other end of the age spectrum, South Dakota's labor force participation rate of 65 and over is 27.8% compared to the national average of 19.4%.



A closer look at some of the demographic groups shows South Dakota's percentage of residents in the labor force ranks near the top nationally in both the male and female categories. With a female labor force participation rate of 64.2%, South Dakota ranks as the fifth highest behind the District of Columbia at 66.7%, Minnesota at 65.6%, Nebraska at 65.0% and North Dakota at 64.5%. The national labor force participation rate for women in 2020 was 56.2%.

The states male labor force participation rate ranked fourth at 73.5% behind Utah at 75.6%, Nebraska at 75.4% and Colorado at 74.5%. The national labor force participation rate for men was 67.7% in 2020.



2020 Annual Average Labor Force Participation Rates by Age							
	Total	16-24	25-34	35-44	45-54	55-64	65+
United States	61.7	53.9	81.4	82.2	80.6	64.7	19.4
South Dakota	68.9	64.6	86.1	87.3	86.5	73.0	27.8
Source: U.S Bureau of Labor Statistics, Current Population Survey							

There can be several reasons why South Dakota civilians are not in the labor force. Approximately 93% of South Dakotans who are not in the labor force do not want a job at this time. Other reasons include specific barriers to employment such as discouragement and poor job prospects as detailed in the following table.

South Dakota Civilians Not in the Labor Force by Age and Sex						
		Age			Sex	
	Total	16 to 24	25 to 54	55 years	Men	Women
Total not in the labor force	211,200	35,200	42,100	134,000	89,700	121,600
Do not want a job now	195,700	29,900	36,000	129,800	81,300	114,500
Want a job	15,500	5,300	6,100	4,100	8,400	7,100
Did not search for work in previous year	11,900	4,000	4,100	3,700	6,100	5,800
Searched for work in previous year	3,600	1,300	1,900	400	2,200	1,300
Not available to work now	1,000	500	400	100	600	400
Available to work now	2,600	800	1,600	200	1,700	900
Reason not currently looking:						
Discouragement over job prospects	700	300	400	100	500	300
Reasons other than discouragement	1,900	500	1,200	100	1,200	700
Note: Subject to high rates of variability; January 2020 - December 2020 reference period.						
Source: Special tabulations of unpublished Current Population Survey (CPS), U.S. Bureau of Labor Statistics.						

Labor Force

$$\text{Employed} + \text{Unemployed} = \text{Labor Force}$$

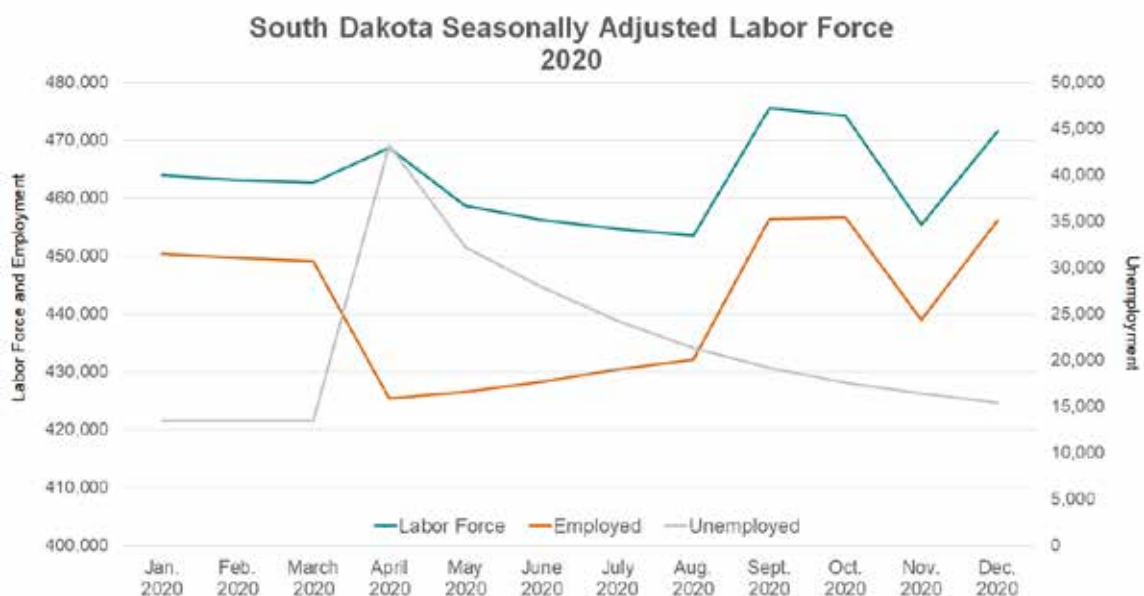
South Dakota's labor force, which consists of the employed and unemployed, continues to grow, indicating a healthy labor market. Using seasonally adjusted data for a more straightforward economic indicator over the long term, South Dakota's labor force had been increasing gradually since the recession ended in 2009. The number of unemployed began to increase in March 2016 and continued this movement until October 2017 when it began to decrease for the next 11 months. Another upward trend began in November 2018, which continued until November 2019.

Unemployment had stabilized in 2020 until the COVID-19 pandemic hit South Dakota's economy in April, sending the number of unemployed to unprecedented levels.

The unemployed data series consists of more than those people who have lost a job. It includes those who have quit their jobs to look for other employment, workers whose temporary jobs have ended, individuals looking for their first job, and experienced workers looking for jobs after an absence from the labor force (for example, stay-at-home parents who return to the labor force after their children have entered school).

The level of employed also took a big hit in April 2020 when the pandemic began. But as illustrated in the line graph below, South Dakota was quick to recover after the initial shock of COVID-19. Our state was one of seven that did not issue stay-at-home orders and the only one that did not require any businesses to close during the pandemic. This helped soften the blows the pandemic dealt; impacts in South Dakota were less severe than in other states and nation. By the end of 2020, the number of unemployed was close to pre-pandemic levels. And by December 2020, the number of employed South Dakotans actually exceeded 2019 levels.

The 2020 annual unemployment rate was 4.6% in South Dakota, compared to the national rate of 8.1%. After the unemployment rate spiked to 9.2% in April 2020, it declined rapidly and was back to 3.3% by December 2020.



2021 Labor Force Data Show Pandemic Recovery Continues

As mentioned, South Dakota's labor force had rebounded by the end of 2020 after several months of decline earlier in the year when the COVID-19 pandemic hit the state.

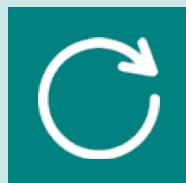
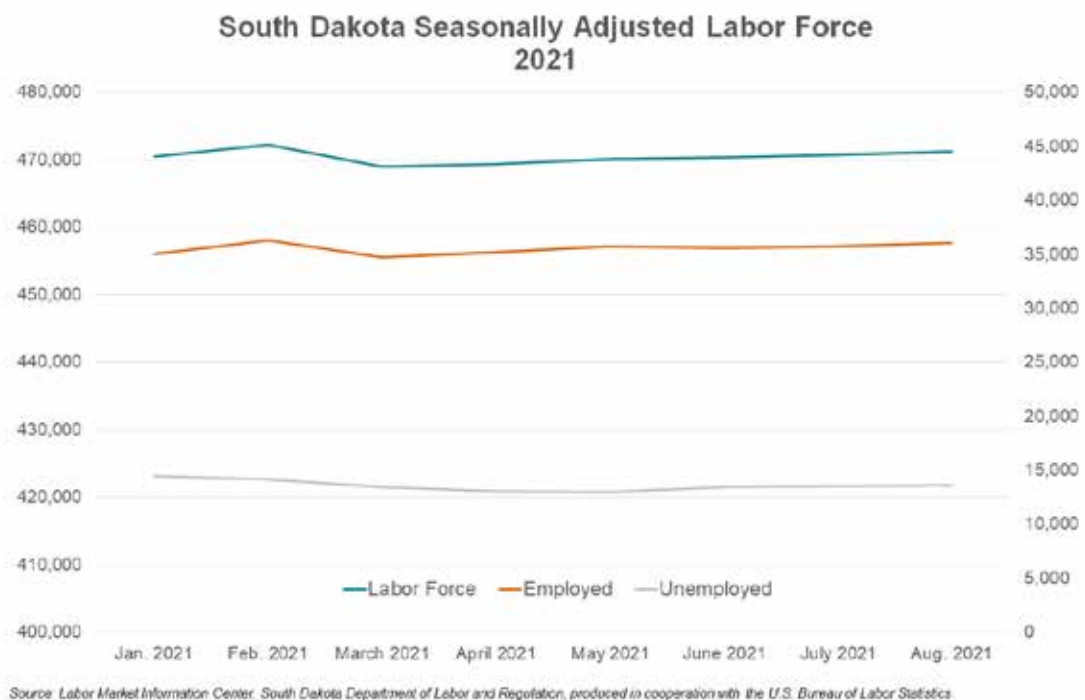
In fact, according to the most current labor force estimates available (August 2021), South Dakota's total labor force has grown beyond pre-pandemic levels. For the first three months in 2021 before the pandemic's impacts struck the labor market, South Dakota's seasonally adjusted labor force was averaging about 463,000. Using August 2021 data, South Dakota's seasonally adjusted labor force has grown to 471,300.

Although there is still some uncertainty in the labor market as we work our way out of

the pandemic (especially in light of recent resurgences due to COVID-19 variants), 2021 labor force data available so far looks promising for stabilization.

The number of unemployed has continued to decline since the initial surge in April 2020 when effects of the pandemic began distressing the labor market. Unemployment is back to pre-pandemic levels with the August 2021 estimate of 13,600, which is 7,800 less than a year ago and just slightly higher than the three-month 2020 average before the pandemic hit.

The August 2021 unemployment rate was 2.9%, much lower than the rate of 4.7% recorded in August 2020.



Labor force data is one of indicators analyzed in terms of the labor market's recovery from the COVID-19 pandemic. For the most current monthly information available, visit the [Pandemic Picture](#) page.

Unemployment and Educational Levels

Unemployment rates by educational attainment level indicate the highest unemployment rates in South Dakota correlate with residents who have an educational attainment level of 'high school graduates, no college' (4.0 %) and 'less than a high school diploma' (8.8 %).

In contrast, the lowest unemployment rates are for those residents which have an educational attainment level of 'Bachelor's degree and higher' (2.9 %). Higher levels of educational attainment also correlate with higher earnings levels.

South Dakota Employment Status of the Civilian Population 25 Years and Over by Educational Attainment							
		Civilian Labor Force		Employment		Unemployment	
	Population*	Total	Rate	Total	Rate	Total	Rate
Less than a High school diploma	30,400	14,500	47.9%	13,200	43.6%	1,300	8.8%
High school graduates, no college ¹	169,900	109,100	64.2%	104,700	61.6%	4,400	4.0%
Some college or associate degree	192,600	136,900	71.1%	131,900	68.5%	5,000	3.7%
Bachelor's degree and higher ²	186,100	142,400	76.5%	138,200	74.2%	4,200	2.9%

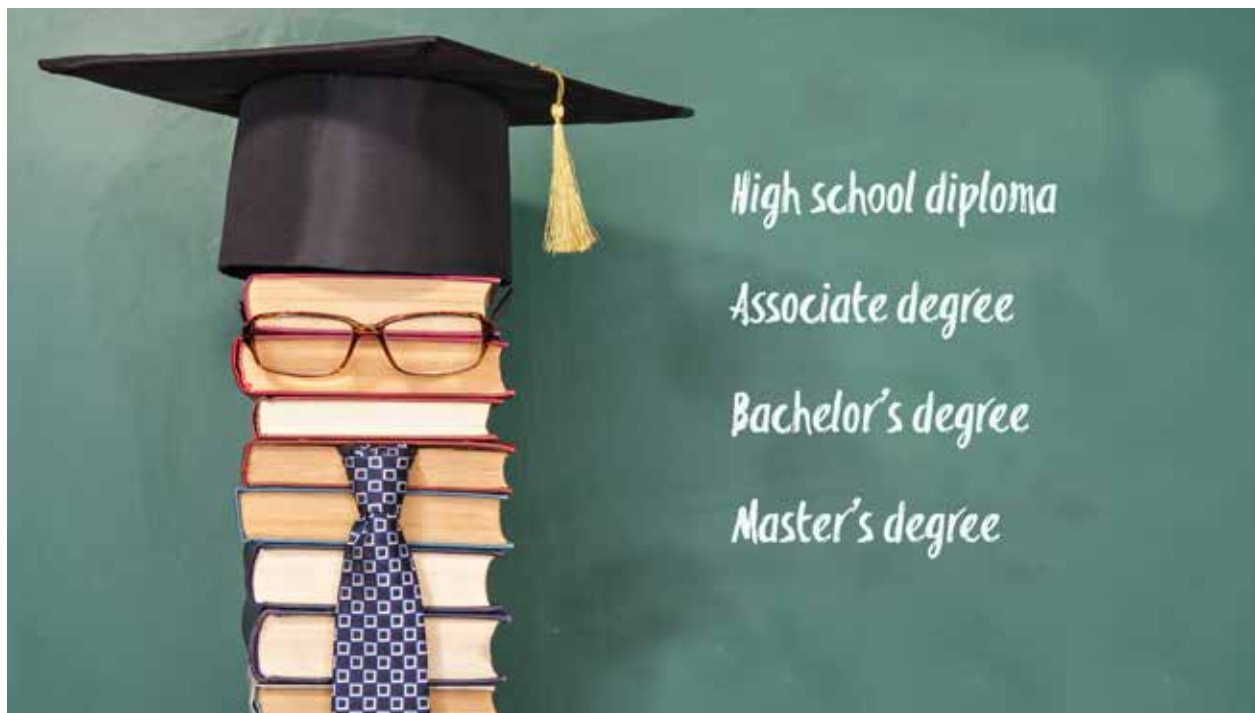
¹Includes persons with a high school diploma or equivalent

²Includes person with bachelor's, master's, professional and doctoral degrees

*Non-institutionalized population.

Note: Subject to high rates of variability; January 2020 - December 2020 reference period.

Source: Special tabulations of unpublished Current Population Survey (CPS), U.S. Bureau of Labor Statistics

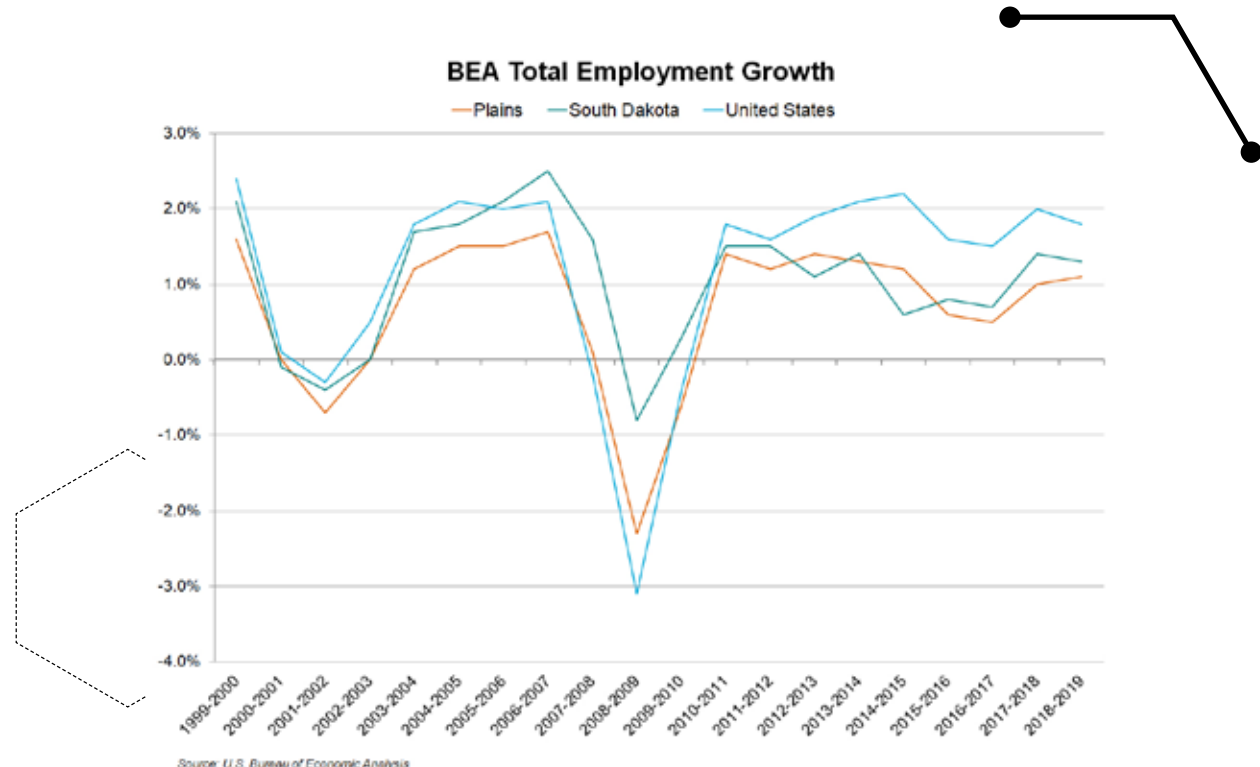


Total Employment

The U.S. Bureau of Economic Analysis (BEA) also publishes employment data for state and local areas, which includes an estimate of the total number of jobs, including detail by full-time or part-time status (full-time and part-time jobs are counted at equal weight) and by place of work. Employees, sole proprietors and active partners are all included, but unpaid family workers and volunteers are not. Proprietors are those workers who own and operate their own businesses and are reported as either farm or nonfarm workers.

The number of workers covered by unemployment insurance is a key component of the employment data published by the BEA and in information compiled by the U.S. Bureau of Labor Statistics. More [information regarding covered workers in South Dakota](#) is available on the Labor Market Information Center website.

The graph below shows annual employment change during the 2000-2019 period, using the BEA data. Comparative data is included for the United States, South Dakota and the Plains Region (Iowa, Kansas, Missouri, Nebraska, North Dakota and South Dakota).



For the 2008-2009 period, which reflected the worst impact of the recession, South Dakota had a total employment loss rate of 0.8%, compared to a loss rate of 2.3% for the Plains Region and 3.1% for the nation. South Dakota's total employment growth began an uphill trend after 2008-2009 which continued through 2018. Total employment increases between 2018 and 2019 in South Dakota and the Plains Region were steady at 1.3% and 1.1%, respectively; but they continue to grow at slower rates than the nation as a whole, which had growth of 1.8%.

The two employment sectors which comprise total employment include proprietor employment and wage and salary employment. Total employment for all three areas had positive growth between

2014-2019. The largest percent employment increases have come from proprietor employment; however, wage and salary employment has also had positive growth annually.

In South Dakota, total employment growth from 2018-2019 outpaced the Plains Region by 0.2 percentage points but was behind the United States as a whole by 0.5 percentage points. South Dakota was also slightly ahead of the Plains Region in wage and salary employment growth. South Dakota's proprietor employment grew at a faster rate of 2.6% than wage and salary employment at 0.8% over the most recent period. Both the Plains Region and the United States experienced this trend.

Growth by Employment Sector					
Total Employment	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
South Dakota	0.6%	0.8%	0.7%	1.4%	1.3%
Plains Region	1.2%	0.6%	0.5%	1.0%	1.1%
United States	2.2%	1.6%	1.5%	2.0%	1.8%
Proprietor Employment	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
South Dakota	0.2%	0.9%	0.7%	2.5%	2.6%
Plains Region	0.9%	0.7%	0.2%	1.7%	2.7%
United States	2.8%	1.8%	2.3%	3.3%	3.1%
Wage and Salary Employment	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
South Dakota	0.7%	0.8%	0.6%	1.0%	0.8%
Plains Region	1.3%	0.6%	0.6%	0.8%	0.7%
United States	2.0%	1.5%	1.3%	1.6%	1.3%
<i>Source: U.S. Bureau of Economic Analysis</i>					

Self Employment

The Bureau of Labor Statistics (BLS) also publishes national estimates of the self-employed, for both the agriculture (and related industries) and the nonfarm industry sectors. The data is from the Current Population Survey (CPS) data. Total self-employed workers decreased by 287,000 or 3.0% in 2020, following a decrease of 1.7% in 2019. Total self-employed workers are comprised of two components: agriculture, forestry, fishing and hunting industries and nonagricultural industries. The agricultural, forestry, fishing and hunting industries increased by 1,000 (0.1%) while the nonagricultural industries decreased by 288,000 (3.3%).

United States Self-Employed Workers			
Year	Total	Agriculture, Forestry, Fishing and Hunting	Nonagricultural Industries
2016	9,604,000	853,000	8,751,000
2017	9,526,000	790,000	8,736,000
2018	9,707,000	766,000	8,941,000
2019	9,540,000	741,000	8,799,000
2020	9,253,000	742,000	8,511,000
Net Change 2016-2020	-351,000	-111,000	-240,000
Percent Change	-3.7%	-13.0%	-2.7%
Source: U.S. Bureau of Labor Statistics, Current Population Survey			



Worker Commuting

Inflow and Outflow of Workers

At the beginning of the second quarter of 2018 (most current data available), 385,534 people were employed in South Dakota. Of this total, 360,336 (93.5%) lived and worked in the state while 21,198 (6.5%) worked in the state but lived outside its borders.

5.0%

During the same period, 379,412 individuals with jobs lived in the state, but not all of them were employed in South Dakota. Of this total, 360,336 (95.0%) called South Dakota home. The remaining 19,076 (5.0%) of workers lived in South Dakota but commuted to another state for work.

These figures count only primary jobs. Primary jobs are public and private-sector jobs, one job per worker. A primary job is the highest paying job for an individual worker. Workers who have more than one job in the selected area are counted only once.

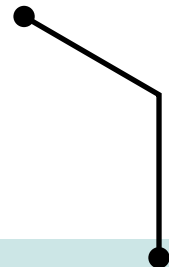
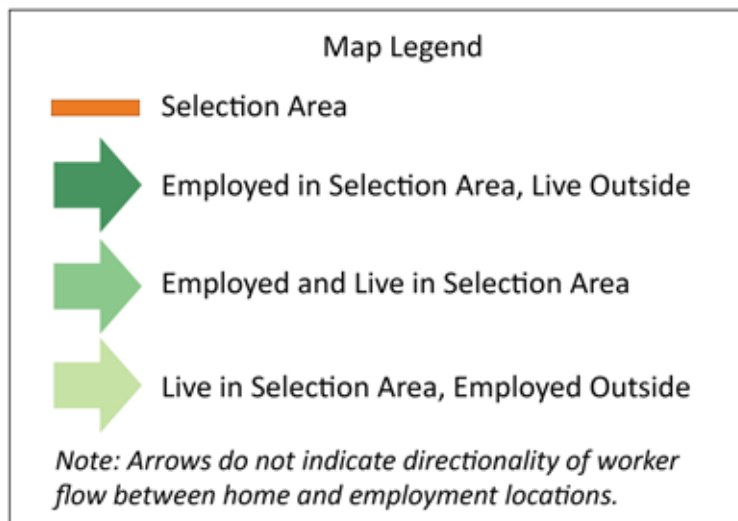
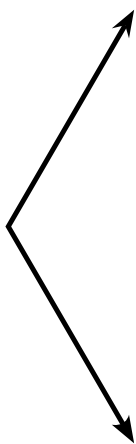
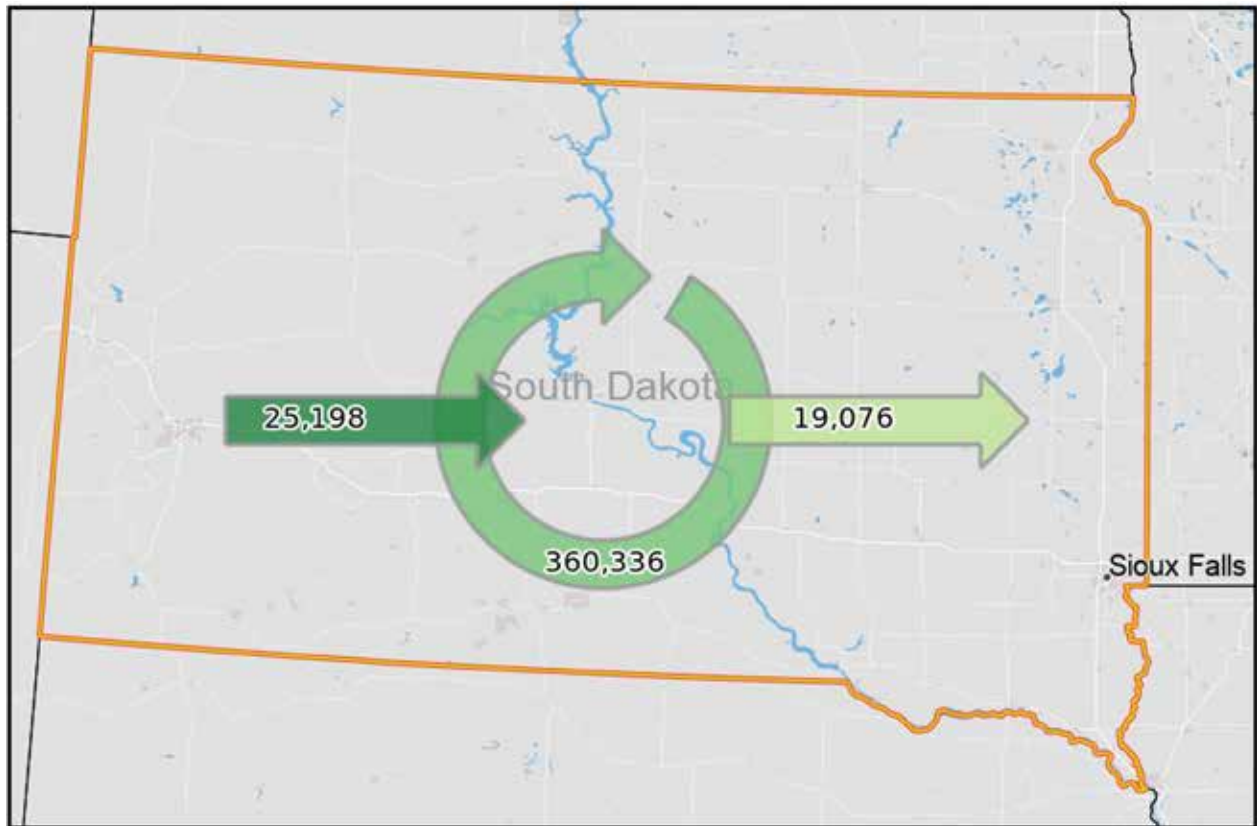
Home Destination Report Home Location of Workers Employed in South Dakota Job Counts by State Second Quarter 2018			Work Destination Report Work Location of Workers living in South Dakota Job Counts by State Second Quarter 2018		
States	Count	Share	States	Count	Share
South Dakota	360,336	93.5%	South Dakota	360,336	95.0%
Iowa	7,041	1.8%	Iowa	5,314	1.4%
Minnesota	6,631	1.7%	Minnesota	3,764	1.0%
Nebraska	4,416	1.1%	North Dakota	3,146	0.8%
North Dakota	1,579	0.4%	Nebraska	2,628	0.7%
Wyoming	1,220	0.3%	Wyoming	1,632	0.4%
Colorado	502	0.1%	Colorado	575	0.2%
California	356	0.1%	Montana	293	0.1%
Texas	322	0.1%	California	218	0.1%
Illinois	285	0.1%	Texas	172	0.0%
All Other Locations	2,846	0.7%	All Other Locations	1,334	0.4%
Total Primary Jobs	385,534	100.0%	Total Primary Jobs	379,412	100.0%

Notes: Numbers may not sum due to rounding.

Primary Jobs: Public and private-sector jobs, one job per worker. A primary job is the highest paying job for an individual worker. This data does not include Federal Employment.

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2018)

South Dakota Working Commuting Flows



Commuting to work data is possible through a partnership between the U.S. Census Bureau and the Labor Market Information Center (LMIC) on the Longitudinal Employer-Household Dynamics program. Call the Labor Market Information Center at 605.626.2314 if you are interested in similar data for your specific area of the state.

Advertised Job Openings

This data is developed by Geographic Solutions, Inc., the vendor of the virtual labor market data system. It uses “spidering” to collect content from job openings posted by a wide variety of entities, from major job boards to employers’ websites.

Although a rather erratic measure, data on the number of job openings advertised online (available in the virtual labor market data system) provides an indicator of more recent activity in the labor market than the more traditional workforce data sets allow. This measure includes all job openings advertised online, whether those openings are advertised on employer websites or major job boards, including SDWORKS, the state’s jobs database.

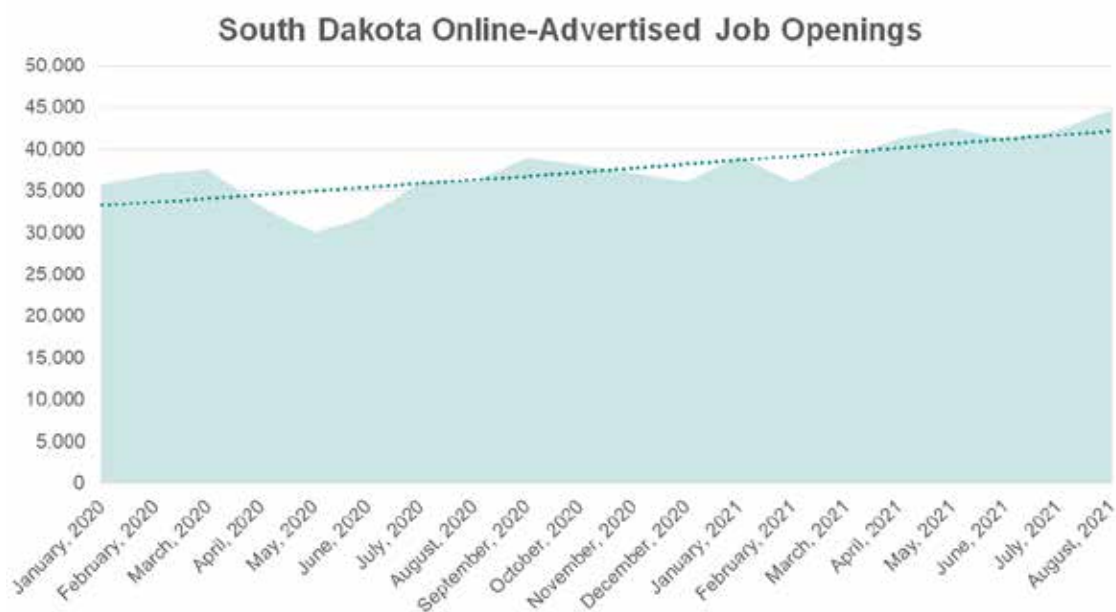
There were 177,118 South Dakota jobs advertised online in 2020. As the line graph below shows, the lowest pandemic-related slump in advertised job openings was in May 2020, at just under 30,000. Job opening

numbers then began rebounding, climbing to September 2020. Numbers then began a downslide to December’s level of 36,108, which was likely more of a seasonal reflection.

Job openings data downloaded daily from the virtual system during the worst of the pandemic shows the very lowest point for jobs being advertised online was in late April 2020.

Monthly data available as of August 2021 show job openings climbing from January to May, hitting a new high mark of 42,468 in May 2021 before dropping slightly in June 2021.

177,118



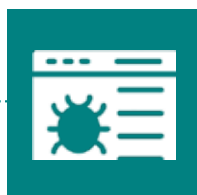
Source: Virtual labor market data system, Labor Market Information Center, South Dakota Department of Labor and Regulation



The level of job openings advertised online bounced back in July, nearly meeting the May high point. August brought a new peak in job openings at 44,704.

The top 10 counties in South Dakota with the highest number of job openings in 2020 were:

- Minnehaha County (52,083)
- Pennington County (31,840)
- Lincoln County (9,513)
- Brookings County (7,948)
- Brown County (7,548)
- Hughes County (7,340)
- Codington County (5,925)
- Lawrence County (5,695)
- Davison County (5,032)
- Yankton County (4,509)



Historical and current (prior day) data on job openings are available in the virtual system by specific area (statewide, metro areas and county), industry, occupation and educational level required.

From the left-hand menu of [LMIC's website](#), see the "Virtual Labor Market Data System" options.

- Direct link to the virtual system.
- instructions for using the system, including those for finding current job openings data.
- Job Openings Data option for links to the historical data.

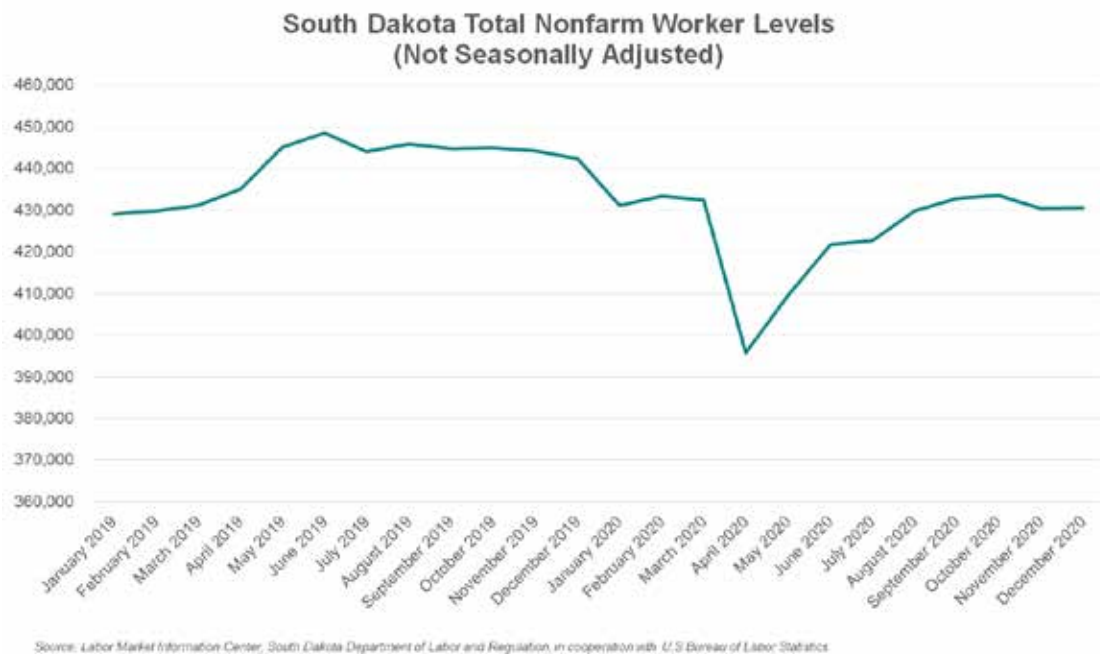
Nonfarm Wage and Salaried Workers

This sample-based data set is a leading economic indicator nationally, providing employment levels by industry each month.

South Dakota's nonfarm worker levels had significant declines in 2020, dropping 15,100 workers (3.4%). The 2020 annual average number of workers was 425,400. Statewide, privately owned nonfarm establishments had an average annual loss of 11,800 workers (3.3%), dropping to 348,700 workers in 2020.

The Sioux Falls Metropolitan Statistical Area (MSA) nonfarm worker level decreased 4,300 workers (2.7%) for a 2020 annual average of 155,800 workers. The Rapid City MSA also declined, with a loss of 2,600 workers (3.8%). The bulk of the over-the-year worker level losses were due to COVID-19, with many establishments having reduced staffing in 2020 compared to 2019.

South Dakota Statewide Nonfarm Wage & Salaried Workers by Industry (Not Seasonally Adjusted)				
Industry	2019 Annual Average	2020 Annual Average	Actual Change	Percent Change
Total Nonfarm	440,500	425,400	-15,100	-3.4%
Total Private	360,500	348,700	-11,800	-3.3%
Goods Producing	69,600	68,300	-1,300	-1.9%
Service Providing	370,900	357,000	-13,900	-3.7%
Mining, Logging and Construction	24,600	25,200	600	2.4%
Manufacturing	45,000	43,200	-1,800	-4.0%
Wholesale Trade	21,100	21,000	-100	-0.5%
Retail Trade	51,200	49,600	-1,600	-3.1%
Transportation, Warehousing and Utilities	13,500	13,300	-200	-1.5%
Information	5,500	5,000	-500	-9.1%
Financial Activities	29,000	28,400	-600	-2.1%
Professional and Business Services	33,200	32,700	-500	-1.5%
Education and Health Services	73,200	73,100	-100	-0.1%
Leisure and Hospitality	47,400	40,700	-6,700	-14.1%
Other Services (except Public Administration)	16,800	16,600	-200	-1.2%
Government	80,000	76,700	-3,300	-4.1%
Note: Numbers may not add due to rounding.				
Source: Labor Market Information Center, South Dakota Department of Labor and Regulation, in cooperation with U.S. Bureau of Labor Statistics				

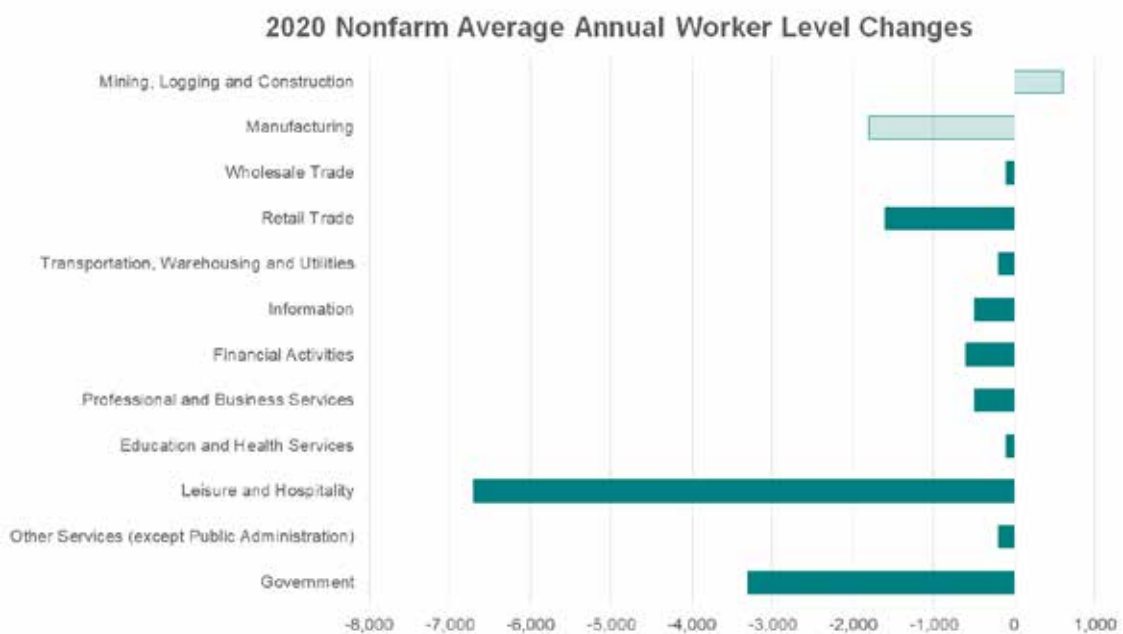


Nonfarm worker levels can be divided into two major components:

- ◆ Goods Producing
- ◆ Service Providing

Goods Producing industries (including the Mining, Logging and Construction and the Manufacturing sector, designated in the lighter color in the bar graph below), decreased by 1,300 workers (1.9%) from 2019 to 2020.

Service Providing industries (all other sectors listed in the table above) had a loss of 13,900 workers (3.7%).



Source: Labor Market Information Center, South Dakota Department of Labor and Regulation, in cooperation with U.S. Bureau of Labor Statistics

2020 Industry Trends

Mining, Logging and Construction

Mining, Logging and Construction increased 600 workers (2.4%) for a 2020 annual average of 25,200. Construction paved the way to this increase, adding 600 workers and reaching an annual average of 24,200 workers in 2020.

Heavy and Civil Engineering Construction accounted for the majority of the growth in construction with the addition of 500 workers (12.5%).

This growth was related to infrastructure improvements as locations throughout the state continue to grow or need repairs. Highway and street construction, land development, development or repair of utilities systems (including water, sewer, power and communication networks) are a few of types of projects undertaken.

Specialty Trade Contractors had a modest growth of 100 workers (0.7%), and Construction of Buildings remained unchanged at 5,800 workers.

Mining and Logging remained unchanged from 2019 to 2020 with 1,000 workers.



Manufacturing

Manufacturing declined 1,800 workers (4.0%) over the year, dropping to a 2020 annual average of 43,200 workers. **Durable Goods Manufacturing** accounted for all of this decline (6.3%).

Durable goods produced in South Dakota, such as trailers, furniture and electronic equipment, are not immediately consumed and can be kept for a longer time. This drop was related to small worker level declines throughout many establishments, along with challenges intensified by COVID-19 (such as supply chain issues and demand fluctuations).

Non-Durable Goods

Manufacturing remained unchanged with a 2020 annual average of 16,300 workers. Non-durable goods are immediately consumed in one use or have a lifespan of less than three years. Examples of non-durable goods produced or processed in South Dakota include food and beverage products, paper products and fuel.



Wholesale Trade

Wholesale Trade had a modest loss of 100 workers (0.5%), dropping to a 2020 annual average of 21,000 workers. Losses in Wholesale Trade took place outside of the Sioux Falls and Rapid City MSAs.

The Wholesale Trade sector consists of establishments engaged in wholesaling merchandise and rendering services incidental to merchandise. The merchandise in this sector consists of the outputs of agriculture, mining, manufacturing and certain information industries like publishing. Wholesale Trade worker levels tend to follow the same path as Manufacturing; however, South Dakota's strong agriculture economy helped keep this sector's loss minimal during 2020.

Retail Trade

Retail Trade continued a downward trend during 2020, dropping 1,600 workers (3.1%). This sector went from 51,200 workers in 2019 to a 2020 annual average of 49,600 workers. Clothing boutiques, web retailers, home furnishing stores, department stores, hardware stores, supermarkets, gasoline stations, antique shops and souvenir stores are examples of some of the establishments in this sector.

Losses in Retail Trade were related to COVID-19 as establishments adjusted their procedures to fight the spread. In the beginning of the pandemic, some establishments temporarily closed with others shortening shopping hours.

While some establishments in Retail Trade remained busy as people searched for basic needs (toilet paper, hand sanitizer and food), others had to adjust their services to deal with demand fluctuations. Many establishments offered various options for pickup and delivery to ease customers' COVID-19 concerns, increased their online presence, added phone apps for customers to shop safely, and increased use of social media to keep customers engaged.

Transportation, Warehousing and Utilities

Transportation, Warehousing and Utilities had a decline of 200 workers (1.5%) over the year, dropping to a 2020 annual average of 13,300 workers. Examples of establishments in this industry include tow truck services, natural gas distribution, taxicab services, local and long-distance trucking, scheduled air passenger transportation and general warehousing.

Declines in Transportation, Warehousing and Utilities are attributed to COVID-19. As some establishments remained stable, other areas, such as air transportation and transit and ground passenger transportation, had drops in demand, affecting the number of workers needed.

Information

Information continued a downward trend with an average annual loss of 500 workers (9.1%) from 2019 to 2020. The Sioux Falls and Rapid City MSAs each had a loss of 100 workers. The Information sector is comprised of establishments engaged in publishing, internet publishing, motion picture and sound recording, broadcasting, telecommunications, internet service providers, data processing and all other information services.

Losses in the Information sector are due to advancements in technology combined with challenges caused by the current pandemic. Some establishments in this sector temporarily



closed when the pandemic began, with some dealing with a decline in demand. Consumers now have more opportunities to stream new entertainment releases once available only at movie theaters. The opportunities are endless when it comes to what you can do with your phone, computer, tablet or smart TV. Pandemic-induced sheltering at home further intensified use of such options for remote entertainment. As technology continues to evolve, the demand for workers in this sector will continue to fluctuate.

Financial Activities

Financial Activities had a loss of 600 workers (2.1%) over the year. This supersector went from a 2019 annual average of 29,000 to a 2020 annual average of 28,400 workers.

Over half of the workers in the Financial Activities supersector are located in the Sioux Falls MSA (15,400 workers). This supersector had a loss of 300 workers in the Sioux Falls MSA and 200 workers in the Rapid City MSA.

Credit card banks, saving institutions, portfolio fund managing, insurance claims adjusting, real estate agencies, residential property management and home health equipment rental are examples of establishments in this supersector.

During 2020, many establishments in this industry made significant changes in how they operate due to COVID-19. These changes included switching from in-person appointments to online meetings, temporarily closing lobby areas to the public and the increased utilization of electronic signatures, all which impacted the demand for workers.

Professional and Business Services

Professional and Business Services decreased 500 workers (1.5%), dropping to an average of 32,700. A bulk of this decline took place in the Sioux Falls MSA (500 workers or 3.2%).

The Professional and Business Services supersector is broken down into the following sectors:

- Professional, Scientific and Technical Services
- Management of Companies and Enterprises
- Administrative and Support and Waste Management and Remediation Services



As travel decreased and events were canceled in 2020 due to COVID-19, the demand for services in establishments involved in areas such as travel planning, sports ticket offices, security guard services and temporary help services decreased.

Education and Health Services

Education and Health Services had a modest decline with the loss of 100 workers (0.1%). Worker level losses in Educational Services accounted for this decline, dropping 400 workers (5.7%). This number includes private educational services, as public educational services are included in government worker levels.

Health Care and Social Assistance added 300 workers (0.5%), reaching an annual average of 66,500 in 2020. Establishments in Health Care and Social Assistance include dentist offices, chiropractors, childcare centers, assisted living facilities and vocational rehabilitation agencies.

Hospitals had significant gains from 2019 to 2020, adding 1,100 workers (4.3%). Increases may be related to establishments increasing worker levels due to increased patient load as well as safety procedures (such as temperature checks and even more extensive cleaning and disinfecting) to combat the spread of COVID-19.

Leisure and Hospitality

Leisure and Hospitality had the largest decrease of all supersectors in 2020 with a loss of 6,700 workers (14.1%). Establishments included in this supersector include hotels, restaurants, performing arts, fitness centers, museums and parks.

COVID-19 significantly affected Leisure and Hospitality establishments, with patronage of such businesses down drastically among both local residents and visitors from outside the area due to health concerns. Both leisure and business travel were limited during the worst of the pandemic. According to the South Dakota Department of Tourism, 12.6 million visitors traveled to South Dakota in 2020 compared to 14.5 million visitors 2019.

Had it not been for the resiliency and adaptability of South Dakota employers, declines in this supersector would have been even worse. Establishments made every effort to remain open, reassuring patrons to keep their business during the pandemic. Businesses increased cleaning efforts and made changes to promote social distancing, such as limited seating. Many restaurants offered only drive-through service, curbside pick-up or delivery. Lodging facilities offered contactless check-in and switched breakfast offerings to only pre-packaged items.

Other Services

Other Services (except Public Administration) declined 200 workers (1.2%) over the year, dropping from 16,800 workers in 2019 to 16,600 in 2020. A majority of the losses were due to the pandemic. Many establishments



reduced their workforce to lower the impact, with some temporary closing in the beginning of the pandemic. Examples of establishments in this sector include beauty salons, car washes, wedding planning services, civic and social organizations, general automotive repair shops and pet boarding services.

Government

Government decreased 4.1% from 2019 to 2020 with the loss of 3,300 workers. **Federal Government** added 300 workers (2.7%). **State Government** lost 1,200 workers (6.5%), with the bulk (1,100 workers, 11.7%) in State Government Educational Services.

Local Government declined 2,400 workers (4.8%). Tribal, city and county governments, along with public and tribal school districts, are included in Local Government. Local Government Educational Services decreased 1,100 workers (4.2%) over the year, and Local Government excluding Educational Services declined 1,300 workers (5.4%).

Worker declines in both State and Local Government Education were due to schools adapting operations to lower the spread of COVID-19, which in turn impacted the demand for workers. Changes included moving from in-person classes to an online format, canceling sports and social activities, and closing on-campus facilities like recreation centers and food service. Losses in other Local Government were due to city programs and services put on hold to slow COVID-19's impact.

Measuring industry recovery from pandemic using most current data



As mentioned earlier, the nonfarm wage and salaried worker series provides the most current data available on industry employment levels. Although the main focus of this publication is calendar year 2020, the pandemic heightened the value of the nonfarm estimates as the latest indicators of monthly trends in South Dakota's industries.

Using not seasonally adjusted data, let's start with a look at what transpired month to month during the height of the pandemic in 2020. While the number of nonfarm workers rose by 2,300 from January to February 2020, worker levels began declining by March (down 1,100).

Even though establishments began altering their processes or closing temporarily in March 2020 as the pandemic first hit South Dakota, April brought far more pronounced worker declines. Worker levels plummeted from March to April 2020, dropping an unprecedented 36,600 workers (8.5%) to hit a low of 395,800.

May estimates hinted a recovery was beginning, with worker levels up 13,700 from April. Worker levels continued trending upward to October 2020, reaching 433,700. Many nonfarm establishments throughout South Dakota had adopted new procedures

in order to combat the spread while trying to get back on track with their business operations. Some increased worker levels as demand for products and services resumed.

Worker levels dipped in November (3,200 workers) and had a modest increase in December 2020 (100 workers), reaching 430,600 workers.

In January 2021, worker levels declined 9,300. Worker level drops are common this time of year as many seasonal establishments

(Retail Trade, Construction and Leisure and Hospitality) reduce their workforce after the winter holidays and as the weather turns cold.

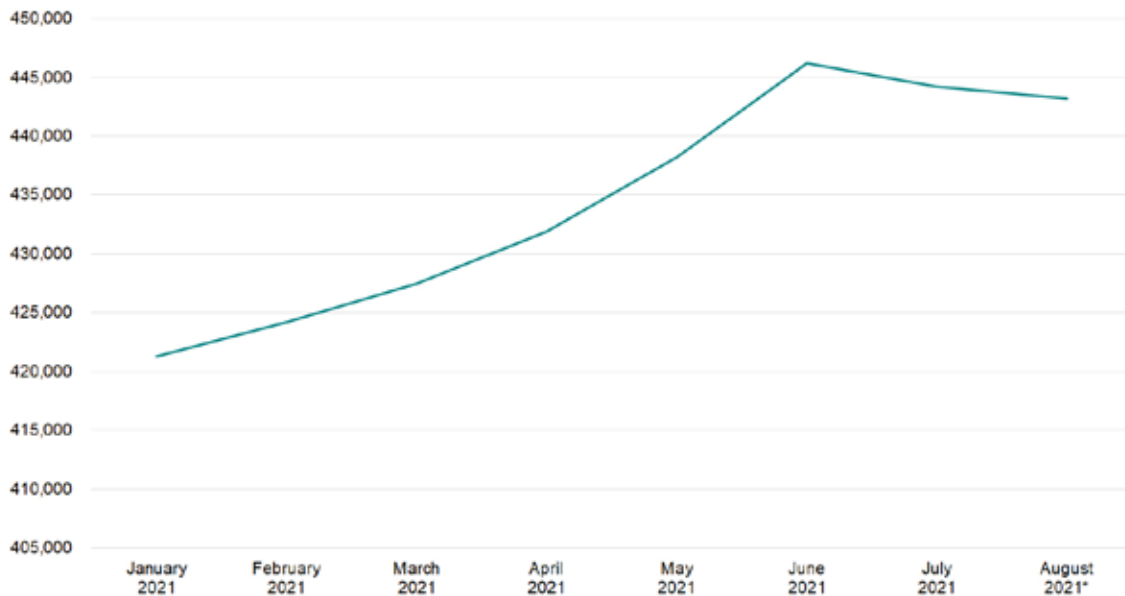
2021

As the line graph on the following page illustrates, South Dakota nonfarm worker levels have trended upward for the most part in 2021. Thankfully, many events canceled in 2020 due to COVID-19 are back on the calendars in 2021. Stores expanded hours, restaurants reopened dining rooms, and establishments increased capacity—all increasing the demand for workers.

From January to February 2021, the total nonfarm level increased 2,900. Government accounted for much of the growth, a typical seasonal pattern as state education returned to normal staffing levels after winter break.

In March 2021, worker levels gained 3,300, with relatively small increases throughout many of the industries. The upward climb continued to April 2021 with the addition of 4,400 workers, half in Construction. Construction worker levels typically start ticking up along with

South Dakota Total Nonfarm Worker Levels (Not Seasonally Adjusted)



*Data is preliminary and subject to revision.
Source: Labor Market Information Center, South Dakota Department of Labor and Regulation, in cooperation with U.S. Bureau of Labor Statistics

temperatures in the spring as crews begin repairing roads, and building construction activity picks up.

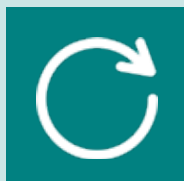
May brought a continued upswing of nonfarm worker levels (6,300); the total reached 438,200. Leisure and Hospitality had the largest over-the-month growth (4,100), a positive sign as businesses ramped up staffing to prepare for the inflow of visitors over the summer.

In June 2021, worker levels shot up another 8,000, reaching 446,200 workers. This gain was again largely in Leisure and Hospitality (3,900 workers); but Construction (2,000 workers); Retail Trade (1,100 workers); and Professional and Business Services (1,000 workers) also made considerable contributions to the growth. Seasonal gains are common in the summer as establishments hire more part-time workers during the summer.

These jobs provide many high school and college students opportunities to gain work experience and earn money during summer break.

South Dakota nonfarm worker levels dipped in July, to 444,200 workers; but the drop was largely seasonal and not unexpected. Government dropped 5,200 workers in July, with educational workers dropping off school payrolls for the summer break.

Worker levels continued to trend downward in August, dipping to 443,200. Other Services (except Public Administration) had the largest over-the-month drop with the loss of 900 workers (4.9 percent). Losses in Other Services (except Public Administration) are due to small worker declines throughout many types of establishments in this sector.



Nonfarm worker data is one of indicators analyzed in terms of the labor market's recovery from the COVID-19 pandemic. For the most current monthly information available, visit the [Pandemic Picture](#) page.

Quarterly Census of Employment and Wages (QCEW)

As implied by “census” in the title, this is the most comprehensive data set on employment and pay.



The Quarterly Census of Employment and Wages program provides information about workers covered by South Dakota unemployment insurance law and the Unemployment Compensation for Federal Employees (UCFE) program. Covered workers include employees who are paid a wage or salary during the year; it excludes the self-employed and unpaid family workers.

Wage and salaried workers are covered regardless of type of ownership. Employees working at privately owned businesses and

federal, state and local government agencies are all included.

However, not all employees are covered workers. South Dakota wage and salaried workers not covered by South Dakota unemployment insurance laws include railroad employees, government elected officials, election workers, work-study students and religious organization employees. (Some religious organizations opt to provide unemployment insurance coverage to their employees; those organizations are included in this publication.) Nonprofit organizations

may or may not be covered by unemployment insurance, depending upon whether they meet specific employment requirements.

Smaller businesses may also be exempted from coverage if they do not meet unemployment insurance law minimum payroll and employment criteria. Businesses who hire only a few workers on a part-time or seasonal basis, such as agricultural businesses, make up a large part of the exempted group.

The data on workers covered by South Dakota unemployment insurance law is collected through the quarterly employment and wage reports submitted by South Dakota employers to the Division of Reemployment Assistance of the South Dakota Department of Labor and Regulation. Each employer is assigned an industry classification and a county code. The industry classification is determined by the business activity and type of ownership. The county code is determined by worksite location (store, branch, office, etc.).

The Labor Market Information Center (LMIC) also collects supplemental data from employers in cooperation with the U.S. Bureau of Labor Statistics. For example, although the quarterly reports submitted by liable employers are based on employer serial number, the LMIC gathers additional data by establishment. A covered employer could include one or more establishments. Those establishments could be conducting business at one or more worksite locations. Each establishment is given an industry and county code.

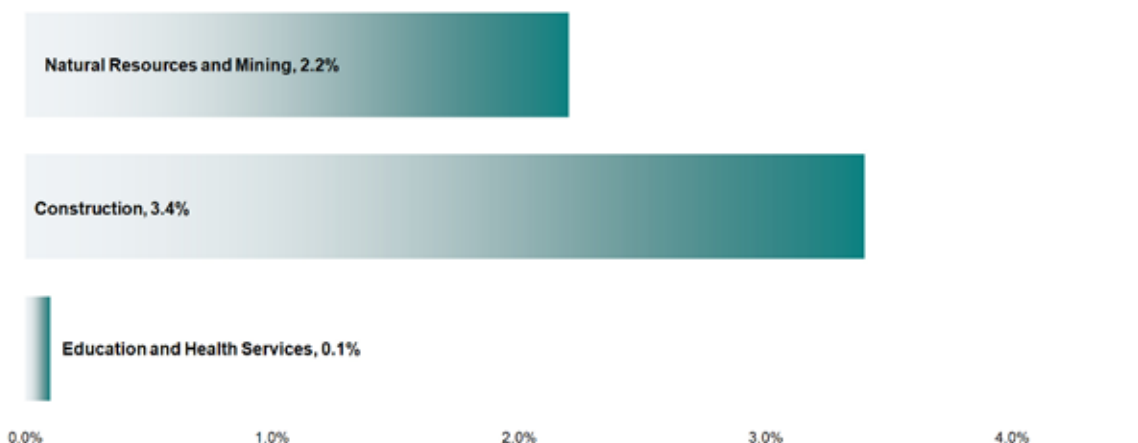
In 2020 the number of covered wage and salaried workers equaled 96.0% of South Dakota's wage and salaried workers. Covered workers are counted at their place of work. A person who works for more than one covered employer is counted at each job.

96%

Number of Covered Workers

The number of employees covered by unemployment insurance in 2020 was 417,110, a decrease of 3.0% from 2019. As the bar graph below illustrates, just three supersectors showed worker gains (one increasing just 0.1%) during the year. Illustrating the plight of the pandemic more commonly experienced by South Dakota employers, employment in eight supersectors decreased during 2020, as shown in the table and graph at the right.

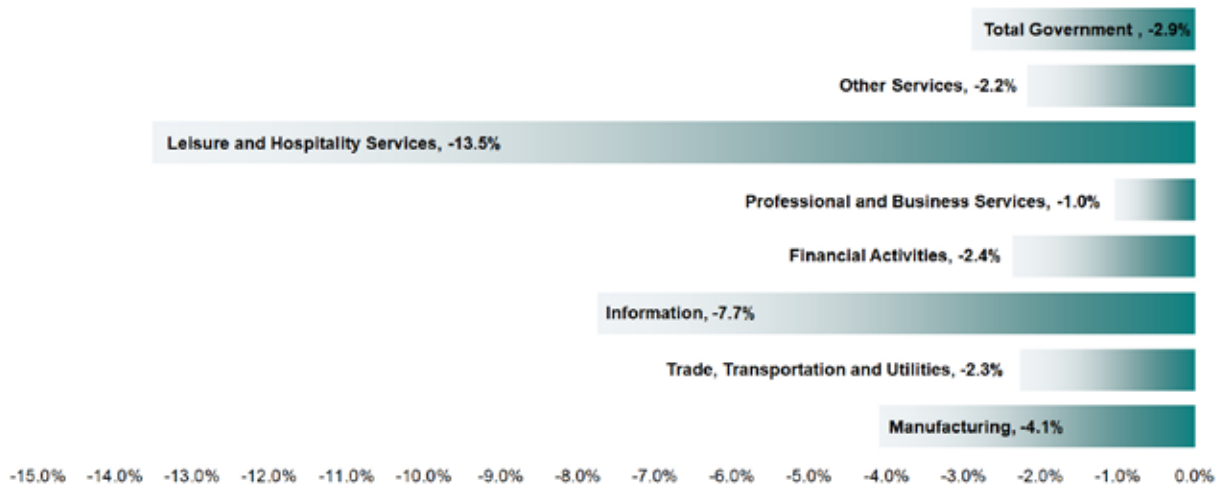
South Dakota Covered Workers
Percent Change from 2019 to 2020



Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation

South Dakota Average Number of Covered Workers by Ownership and Supersector			
Private Ownership	2019	2020	Percent Change 2019-2020
Natural Resources and Mining	6,985	7,137	2.2%
Construction	23,609	24,411	3.4%
Manufacturing	44,972	43,131	-4.1%
Trade, Transportation and Utilities	85,125	83,190	-2.3%
Information	5,500	5,074	-7.7%
Financial Activities	28,483	27,810	-2.4%
Professional and Business Services	33,118	32,773	-1.0%
Education and Health Services	68,913	68,991	0.1%
Leisure and Hospitality Services	47,413	41,003	-13.5%
Other Services	11,324	11,078	-2.2%
Total Private Ownership	355,442	344,598	-3.1%
Public Administration			
Federal Government	11,291	11,569	2.5%
State Government	14,933	14,371	-3.8%
Local Government	48,452	46,573	-3.9%
Total Government	74,676	72,512	-2.9%
Statewide Total	430,117	417,110	-3.0%
Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation in cooperation with the U.S. Bureau of Labor Statistics			

South Dakota Covered Workers Percent Losses from 2019 to 2020



Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation

Construction •-----•

Construction led the pack among the three supersectors showing growth during 2020 with an increase of 802 workers (3.4%). At the sector level, Construction had more establishments than any other in 2020. The number of establishments increased by 54, bringing the total to 4,202 establishments in 2020. The Construction employment growth was spread throughout all three of its subsectors listed below.

- Heavy and Civil Engineering Construction
- Construction of Buildings
- Specialty Trade Contractors

Learn more about Construction's performance during 2020 on page 37, where it is featured as one of the year's most noteworthy industries.

Natural Resources and Mining •-----•

Most of the growth in the Natural Resources and Mining supersector during 2020 was in the Agriculture, Forestry, Fishing and Hunting sector, which added 152 workers (2.2%). Soil preparation and planting firms added workers for help with crop planting, cultivation, spraying and dusting. Workers were also hired, some in new establishments, for animal production activities such as beef cattle ranching and farming. Beef cattle farming can be a very profitable business, but raising dairy cattle for herd replacement, and breeding and raising beef cattle for eventual consumption are labor-intensive operations.

Education and Health Services •-----•

Although it was the third and final supersector to show growth during 2020, employment growth in Education and Health Services was nearly negligible, at 78 workers (0.1%). Slowing growth in Healthcare and Social Services (336 or 0.5%) offset a decline (258 workers, 7.0%) in Educational Services.

Because of its significance to total covered employment in South Dakota, the Education and Health Services supersector is also featured as one of the state's noteworthy

industries in 2020. See page 41 for more information.

Pandemic's Impact •-----•

Employment trends detected by the Quarterly Census of Employment and Wages program during 2020 were much more erratic than normal because of the impacts of the COVID-19 pandemic.

Employment levels started out strong in early 2020 before the pandemic hit South Dakota. In fact, when comparing South Dakota QCEW employment data for the first quarter of 2020 to the first quarter of 2019, there was actually very slight growth in early 2020.

As expected, first quarter 2020 data did not reflect pandemic-related economic impacts on South Dakota industry employment. March 2020 data began showing the pandemic's impacts on South Dakota—but it was slight at first. Employment dropped just 405 from 421,268 in February 2020 to 420,863 in March. The big hit came in April 2020, with employers reporting nearly 34,000 fewer workers in April than for March. In fact, April 2020 levels were the lowest point seen throughout the pandemic, at 387,234.

The rebound began in May 2020, with a strong boost of 15,260 workers added back to payrolls. June brought just about as strong of bounce-back, with employment up 13,394. Although the rate of recovery slowed, employment continued to climb in July and August, reaching 422,802.

September brought a minimal and seasonally expected decline of 334 workers (0.1%). Continuing to demonstrate the volatility of the pandemic's impact, October brought a gain of 0.8% followed by a 0.7% decline in worker levels in November. Worker levels grew slightly in December, ending the year at 423,927—higher than before the pandemic hit.

More recent QCEW data available indicates South Dakota's strong recovery from the pandemic has continued. See the "QCEW Data Show Pandemic Recovery Continues" section on page 46 for more information.

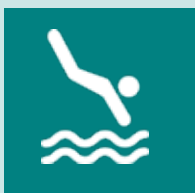
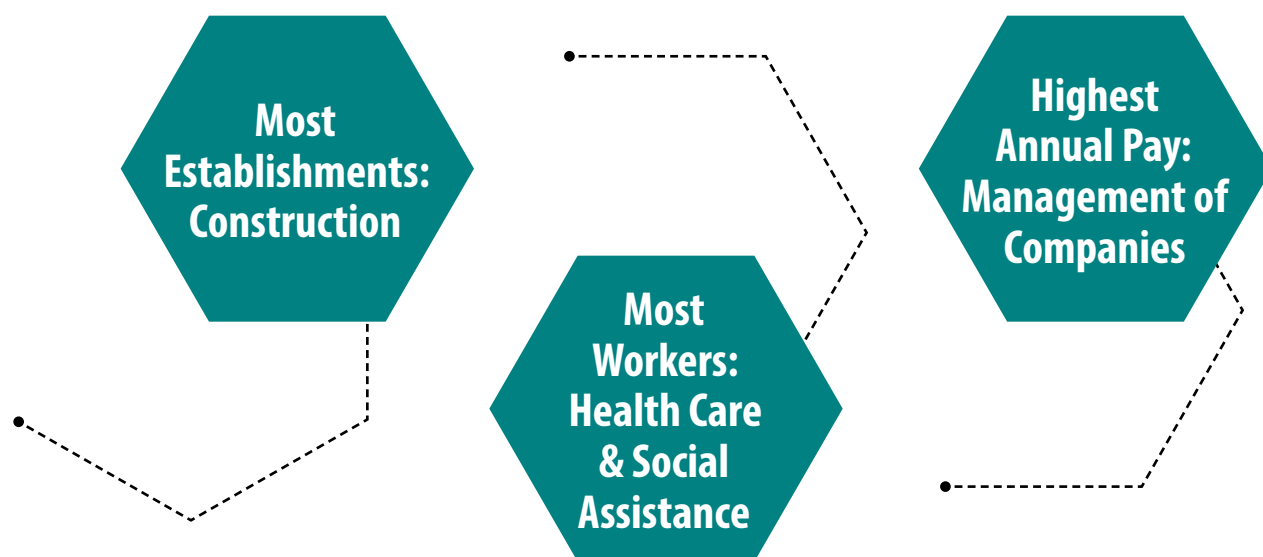
Annual Pay

Annual pay reflects total compensation paid to covered workers in the form of wages, salaries, bonuses, commission and overtime pay during the year. Annual pay is calculated by dividing total payroll by the average number of workers. The 2020 statewide annual pay for workers was \$49,165, an 8.9% increase from 2019.

Annual pay figures for 2020 were impacted to some extent by government programs designed to provide payroll assistance to businesses negatively impacted by the COVID-19 pandemic. As mentioned above, annual pay figures include bonuses. In some cases, bonuses distributed to upper management positions were substantial enough to impact average pay figures.

Annual pay is affected by the number of hours worked and the rate of pay. Full-time workers normally have higher annual pay than part-time workers do. Many of the industries with the lowest annual pay have a sizable percentage of part-time jobs. Industry-specific annual pay is determined by the mix of full-time and part-time workers and high-paying and low-paying jobs.

The **Leisure and Hospitality** supersector had the lowest industry annual pay of \$18,828 in 2020; these types of businesses typically hire many part-time workers. Federal government workers had the highest 2020 annual pay among the supersectors at \$70,047.



Greater industry detail (at the 3-digit NAICS sector level) allows a deeper dive into the types of business activities taking place in the state. The table on the following page shows the number of establishments, number of workers and annual pay at that level. (Each different employer worksite location is counted as a separate establishment.)

South Dakota Establishments, Covered Workers and Pay by Supersector and Sector 2020			
Supersector and Sector	Number of Establishments	Average Number of Workers	Annual Pay
Natural Resources and Mining	1,140	7,137	\$45,582
Agriculture, Forestry, Fishing and Hunting	1,071	6,226	\$42,395
Mining	69	911	\$67,361
Construction	4,202	24,411	\$54,005
Construction	4,202	24,411	\$54,005
Manufacturing	1,107	43,131	\$53,290
Manufacturing	1,107	43,131	\$53,290
Trade, Transportation and Utilities	8,510	83,190	\$44,154
Wholesale Trade	2,952	20,919	\$66,278
Retail Trade	3,898	49,682	\$32,259
Transportation and Warehousing	1,482	10,664	\$47,706
Utilities	178	1,926	\$90,993
Information	666	5,074	\$58,065
Information	666	5,074	\$58,065
Financial Activities	3,608	27,810	\$69,344
Finance and Insurance	2,392	23,894	\$73,624
Real Estate and Rental and Leasing	1,216	3,917	\$43,217
Professional and Business Services	6,509	32,773	\$63,709
Professional, Scientific and Technical Services	4,157	14,867	\$68,229
Management of Companies and Enterprises	232	5,144	\$112,088
Administrative & Support & Waste Management & Remediation Services	2,120	12,762	\$38,942
Education and Health Services	3,090	68,991	\$57,051
Educational Services	414	3,450	\$31,037
Health Care and Social Assistance	2,676	65,541	\$58,421
Leisure and Hospitality Services	3,352	41,003	\$18,828
Arts, Entertainment and Recreation	756	6,168	\$20,748
Accommodation and Food Services	2,596	34,835	\$18,488
Other Services	2,470	11,078	\$38,161
Other Services, except Public Administration	2,470	11,078	\$38,161
Public Administration	2,521	72,513	\$47,578
Federal Government	759	11,569	\$70,047
State Government	914	14,371	\$53,128
Local Government	848	46,573	\$40,282
Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation in cooperation with the U.S. Bureau of Labor Statistics			



Noteworthy Industry Trends

Four industry supersectors are being highlighted below as having especially noteworthy trends during 2020, the year of the COVID-19 pandemic. The highlights below identify North American Industry Classification System (NAICS) codes. [Learn more about NAICS.](#)

- ◆ Leisure and Hospitality
- ◆ Construction
- ◆ Trades, Transportation and Utilities
- ◆ Education and Health Services



Leisure and Hospitality Services

The Leisure and Hospitality supersector is comprised of the **Arts, Entertainment and Recreation** sector (NAICS 71), and the **Accommodation and Food Services** sector (NAICS 72). The number of Leisure and

Hospitality establishments dropped by 43 (1.3%) from 2019 to 2020, while employment declined 6,410 (13.5%). Much of this supersector is heavily reliant upon tourism and local residents being “out and about,” which explains its challenges during the pandemic.

Accommodation and Food Services

The **Accommodation and Food Services** sector accounts for the lion’s share of both establishments (77.4%) and employment (85.0%) in Leisure and Hospitality (2020 data). Employment in the Accommodation and Food Service sector declined from 40,494 workers in 2019 to 34,835 workers in 2020.

The range of activities in Accommodation and Food Services varies from providing lodging facilities to preparing meals, snacks and beverages to patrons for immediate consumption. Since both types of services are often found in the same establishment, they are included in the same sector.

The **Accommodation** (NAICS 721) subsector's employment level declined by 1,713 workers (19.5%) to 7,084 during 2020. The average annual wage increased 8.9% to \$22,050. Establishments within this subsector provide lodging or short-term accommodations for travelers, vacationers and others.

The biggest employment losses during 2020 were in hotels and motels. Prior to the pandemic, hotels and motels had shown relatively stable employment over the past few years, either decreasing or increasing slightly during a certain year.

Casinos with lodging facilities had also shown consistent employment totals in prior years. Their employment level dropped in spring 2020 but has almost reached pre-pandemic

levels. Employment levels in more seasonally-impacted accommodations, such as bed-and-breakfast inns and other traveler accommodations, have seen no significant changes to in the past few years; this remained the case in 2020.

The RV Parks and Recreational Camps industry group saw only a slight decrease in employment in 2020. This group is also seasonal and has had consistent employment levels over the years.

The **Food Services and Drinking Places** (NAICS 722) subsector declined in employment but saw an increase in wages from 2019 to 2020. The subsector decreased by 3,946 workers (12.4%) to 27,751. The average annual wage increased 6.4% to \$17,579.



The three industry groups in this subsector are:

- Special Food Services (food service contractors, caterers, mobile food services)
- Drinking Places alcoholic beverages)
- Restaurants and Other Eating Places

South Dakota Covered Workers and Pay 2020 Leisure and Hospitality Services			
Supersector, Sector and Subsector	Number of Establishments	Average Number of Workers	Annual Pay
Leisure and Hospitality Services	3,352	41,003	\$18,828
Arts, Entertainment and Recreation	756	6,168	\$20,748
Performing Arts and Spectator Sports	170	1,016	\$23,717
Museums, Historical Sites, Zoos and Parks	54	511	\$30,536
Amusements, Gambling and Recreation	532	4,641	\$19,021
Accommodation and Food Services	2,596	34,835	\$18,488
Accommodation	632	7,084	\$22,050
Food Services and Drinking Places	1,964	27,751	\$17,579

Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation in cooperation with the U.S. Bureau of Labor Statistics

Establishments prepare meals, snacks and beverages to customer order for immediate on/off premises consumption. Some provide food and drink only, while others provide various combinations of seating space, waiter/waitress services and incidental amenities, such as limited entertainment.

All three industry groups contributed to the employment decline. Based on longer-term trends, employment in the Special Food Services industry group would likely have shown growth had it not been for the pandemic. Availability of workers to staff restaurants and bars is especially challenging, which was heightened by the pandemic.



Construction

As noted earlier, Construction was one of only three supersectors which showed growth during 2020. There were 54 establishments added during 2020, and employment increased by 802 (3.4%) over 2019 levels. The Construction sector had more establishments than any other sector in 2020 at 4,202.

The Construction industry is divided into three subsectors.



- Construction of Buildings (NAICS 236) – perform new building work, additions, alterations, maintenance and repairs.
- Heavy and Civil Engineering Construction (NAICS 237) – construct entire engineering projects. Also included are contractors whose primary activity is the production of a specific component for such projects--such as the design and installation of the power structure for a project.
- Specialty Trade Contractors (NAICS 238) – perform detailed activities involved in building construction such as pouring concrete, site preparation, plumbing, painting, etc.

All three Construction subsectors had worker level increases during 2020. The Heavy and

South Dakota Covered Workers and Pay 2020 Construction			
Supersector, Sector and Subsector	Number of Establishments	Average Number of Workers	Annual Pay
Construction	4,202	24,411	\$54,005
Construction	4,202	24,411	\$54,005
Construction of Buildings	1,349	5,889	\$50,969
Heavy and Civil Engineering Construction	440	4,535	\$67,976
Specialty Trade Contractors	2,413	13,986	\$50,757

Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation in cooperation with the U.S. Bureau of Labor Statistics

Civil Engineering subsector gained the most establishments at 32, followed by Specialty Trade, which added 18.

The average annual pay for this industry sector increased by \$3,008 (5.9%) during 2020, bringing the average annual pay to \$54,005 in 2020. Annual pay increased in all three subsectors.

The **Heavy and Civil Engineering Construction** subsector gained 555 workers (13.9%) in 2020. Utility System Construction was accountable for about two-thirds of this growth. Many water, sewer, power and communication systems needed replacing due to age and damage.

Infrastructure remains at the forefront of many construction projects, and the trend is expected to continue. Many of these projects require assistance from Specialty Trade Contractors, as they have the necessary skill sets for parts of the system development, such as concrete work and electrical wiring.

The **Construction of Buildings** subsector increased by 97 workers (1.7%) in 2020 to bring the subsector's total to 5,889 workers.

Specialty Trade Contractors added 150 workers (1.1%). While sheltering at home during the pandemic, many homeowners showed heightened interest in having house and yard improvement projects completed. Projects ranged from home offices and kitchen remodeling to decks and fences. Building and specialty trade contractors alike commonly report having projects lined up for months out. These sectors also continue to benefit from a booming housing market.



Trade, Transportation and Utilities

Businesses within this supersector sell or arrange the sale of goods and supplies and retail merchandise to the public, provide transportation of passengers or cargo or generate and/or distribute electricity, gas or water.

Although employment in this supersector declined slightly during 2020 (1,934 workers, 2.3%), it remained the largest-employing of South Dakota's supersectors at 83,191.

This supersector includes the following:

- Wholesale Trade (NAICS 42)
- Retail Trade (NAICS 44-45)
- Transportation and Warehousing (NAICS 48-49)
- Utilities (NAICS 22)

Wholesale Trade

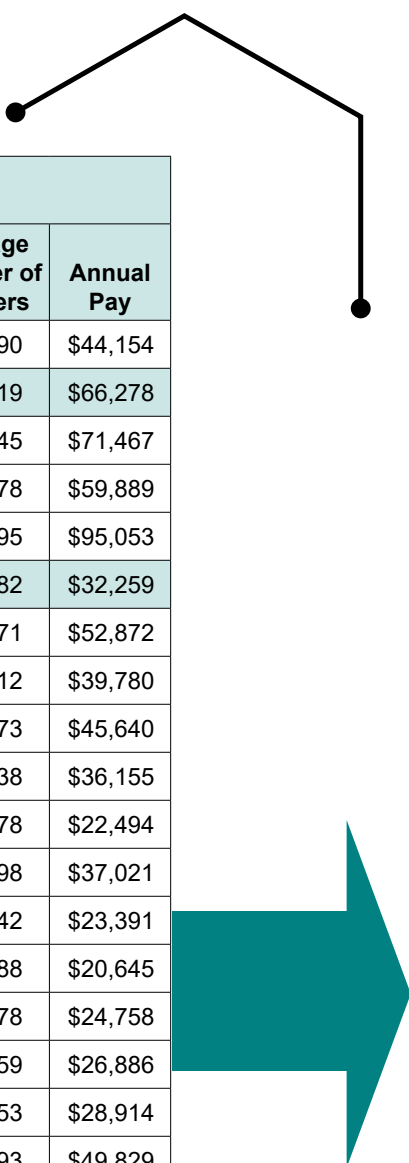
Wholesale Trade had a loss of 196 workers (0.9%) from 2019 to 2020, dropping to 20,919 in 2020. This modest loss can be related to establishments adjusting their staffing levels throughout 2020 as a result of pandemic-related challenges, including supply chain issues, rapidly shifting demand, transportation restrictions in other states and economic uncertainty.

The number of establishments jumped up 64 from the previous year to 2,952 in 2020. The average annual pay increased by \$4,127 (6.6%), climbing to \$66,278.

The Wholesale Trade sector comprises establishments engaged in wholesaling merchandise and rendering services incidental to the sale of merchandise. The wholesaling process is an intermediate step in the distribution of merchandise as they sell merchandise to other businesses and normally operate from a warehouse or office.

Merchant Wholesale, Durable Goods added 87 establishments in 2020, climbing to 1,450 establishments. Worker levels fell 37 (0.4%).

Businesses in this subsector sell capital or durable goods to other businesses. Durable goods are new or used items that have a normal life expectancy of three years or more, producing utility over time rather than consumption after a few uses. They include motor vehicles, furniture, sporting goods, jewelry, toys, construction materials and recyclable materials.



South Dakota Covered Workers and Pay 2020 Trade, Transportation and Utilities			
Supersector, Sector and Subsector	Number of Establishments	Average Number of Workers	Annual Pay
Trade, Transportation and Utilities	8,510	83,190	\$44,154
Wholesale Trade	2,952	20,919	\$66,278
Merchant Wholesalers, Durable Goods	1,450	10,045	\$71,467
Merchant Wholesalers, Nondurable Goods	1,295	10,378	\$59,889
Electronic Markets and Agents and Brokers	207	495	\$95,053
Retail Trade	3,898	49,682	\$32,259
Motor Vehicle and Parts Dealers	545	7,871	\$52,872
Furniture and Home Furnishings Stores	182	1,412	\$39,780
Electronics and Appliance Stores	151	1,273	\$45,640
Building Material and Garden Supply Stores	391	5,638	\$36,155
Food and Beverage Stores	342	9,178	\$22,494
Health and Personal Care Stores	262	1,898	\$37,021
Gasoline Stations	626	6,542	\$23,391
Clothing and Clothing Accessories Stores	361	2,188	\$20,645
Sporting Goods, Hobby, Book and Music Stores	184	1,978	\$24,758
General Merchandise Stores	189	8,259	\$26,886
Miscellaneous Store Retailers	446	2,353	\$28,914
Nonstore Retailers	219	1,093	\$49,829
Transportation and Warehousing	1,482	10,664	\$47,706
Air Transportation	27	239	\$43,123
Truck Transportation	1,070	5,239	\$53,123
Transit and Ground Passenger Transportation	89	1,118	\$23,301
Pipeline Transportation	13	124	\$110,949
Scenic and Sightseeing Transportation	14	100	\$29,778
Support Activities for Transportation	141	959	\$51,500
Postal Service	11	27	\$20,192
Couriers and Messengers	75	2,003	\$44,555
Warehousing and Storage	42	856	\$44,570
Utilities	178	1,926	\$90,993
Utilities	178	1,926	\$90,993
Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation in cooperation with the U.S. Bureau of Labor Statistics			

The **Merchant Wholesale, Nondurable Goods** subsector had the largest drop in the number of workers within this sector with the loss of 135 workers (1.3%). Establishments in this industry sell nondurable goods to other businesses. Nondurable goods or consumables are the opposite of durable goods. They may be defined as goods that are nearly consumed in one use or those that have a lifespan of less than three years. They include paper and paper products, chemicals, drugs, petroleum, food, apparel and newspapers. Most of the losses in this subsector occurred in Grocery and Related Product Merchant Wholesalers and Farm Product Raw Material Merchant Wholesalers.



2019 to 2020. Worker losses in the **Transit and Ground Passenger Transportation** (NAICS 485) subsector accounted for a majority of the decline in this sector.

Transportation and Warehousing

The **Transportation and Warehousing** sector includes industries that provide passenger and cargo transportation, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. It is common for a business in this sector to operate a network of facilities, workers and equipment over a widespread area.

The Transportation and Warehousing sector splits into several subsectors:

- Each mode of transportation (Air, Rail, Water, Truck, Transit and Ground Passenger, and Pipeline (NAICS 481-486)
- Warehousing and Storage (NAICS 493)
- Support Activities for Transportation (NAICS 488)
- Scenic and Sightseeing Transportation (NAICS 487)
- Postal Services (NAICS 491)
- Courier Services (NAICS 492)

Despite a gain of 16 establishments, employment in Transportation and Warehousing dropped 163 workers (1.5%) from

While most of the subsectors in Transportation and Warehousing had worker level declines from 2019 to 2020, two subsectors had gains. The **Couriers and Messengers** added 138 workers, reaching 2,003 workers in 2020. Couriers and Messengers provide intercity and/or local delivery of parcels and documents without operating under a universal service obligation. The restriction to small parcels partly distinguishes these establishments from those in the transportation industries. Worker level gains can be tied to increases in Couriers and Express Delivery Services. As more consumers increased their online shopping, deliveries to consumers also grew.

Pipeline Transportation also had increases in establishments, worker levels and the average annual pay from 2019 to 2020. Establishments in this subsector use transmission pipelines to transport products, such as crude oil, natural gas, refined petroleum products and slurry or a semi-liquid mixture of fine particles.

Worker levels in **Truck Transportation** fell 75 (1.4%) from 2019 to 2020. This subsector accounts for almost half of the workforce in this sector, with 5,239 workers in 2020. Establishments included in this subsector haul a variety of goods, including used furniture, farm products (both locally and long-distance) and trucking containers (local and long-distance).

Transit and Ground Passenger

Transportation had the largest 2020 decline in worker levels in this sector, dropping 173 workers (13.4%). This subsector provides passenger transportation in vehicles such as charter buses, limousines, school buses and taxi cabs. Declines were related to the pandemic, as many people postponed or canceled travel plans.

Utilities

The **Utilities** sector added seven establishments but decreased 24 workers (1.2%) over the year for a level of 1,926. The Utilities sector experiences one of the highest annual pay statistics, at \$90,993 in 2020, increasing \$3,793 (4.3%) from 2019. This sector ranked second overall in annual wage in 2020, following only the Management of Companies and Enterprises (NAICS 55).

Establishments in this subsector provide electric power, natural gas, steam supply, water supply and sewage removal through a permanent infrastructure of lines, mains and pipes. Within this sector, the specific activities associated with the utilities services provided vary by utility. Electric power encompasses transmission and distribution; natural gas includes distribution; steam supply involves distribution; water supply offers treatment and distribution; while sewage removal includes collection and disposal of waste. Waste management services are excluded from this sector since they do not use sewer systems or

sewage treatment facilities; however, they do collect, treat and dispose waste materials.

Although the overall total employment and establishment numbers in Utilities are ranked toward the bottom of all sectors, the importance of the workers and their unique knowledge and skill sets remain critical (helping explain their high annual pay). In essence, the rest of the economy is reliant upon the smooth and constant operation of this sector since it provides vital infrastructures needed for a full range of other industry operations.



Education and Health Services

The Education and Health Services supersector is comprised of the Education

Services sector (NAICS 61) and the Health Services and Social Assistance sector (NAICS 62). Businesses within this supersector provide instruction and training or provide health care and social assistance to individuals.

This subsector is highlighted here because it was South Dakota's second largest employing industry and contributed the most to total wages paid out in the state in 2020.

Educational Services

The private **Educational Services** sector saw a loss in employment during 2020, decreasing by 258 workers (7.0%) to a level of 3,450. The average annual wage increased \$2,268 (7.9%)

from 2019 to 2020 to a new average of \$31,037.

The Educational Services sector is made up of schools, colleges, universities and training centers providing instruction and training in a wide variety of subjects. These establishments may also offer food and accommodation services to their students.

Establishments in this sector are privately owned and operated for profit or not for profit.



Publicly owned establishments, usually owned and operated by state and local governments, are not included in this analysis. Statistics for those types of establishments are analyzed under the Public Administration supersector. Roughly 10% of the employment in Education falls in privately owned establishments.

Educational Services is comprised of only one subsector. Within the subsector are the following industry groups:

- Elementary and Secondary Schools (NAICS 6111)
- Junior Colleges (NAICS 6112)
- Colleges and Universities (NAICS 6113)
- Business, Computer and Management Training (NAICS 6114)
- Technical and Trade Schools (NAICS 6115)
- Other Schools and Instruction (NAICS 6116)
- Educational Support Services (NAICS 6117)

Colleges and Universities lost the most employment, with Technical and Trade Schools and Other Schools and Instruction also losing employment. The other four industry groups had slight employment gains in 2020. Most colleges sent students home at the beginning of the pandemic, and instruction was done online. Remaining staff like food service and facility workers were not needed to the extent they had been, and their hours were greatly reduced or they were temporarily laid off.

The Educational Services sector is widely considered counter-cyclical. Typically, when the economy is doing well and unemployment is at a very low rate, more working adults decide to go to work. More career and job prospects available for working adults, in turn, leads to lower enrollment, decreased profit and a lower need for teachers/instructors at schools.



Health Care and Social Assistance

The **Health Care and Social Assistance** sector saw both employment and wages rise in 2020. Compared to other sectors, this sector has the highest employment and largest amount of total wages paid out in South Dakota. The number of workers in 2020 increased by 336 (0.5%) to 65,541. Average annual wages increased \$4,664 (8.7%) to \$58,421.

This sector includes both health care and social assistance, because sometimes it is difficult to distinguish between the boundaries of the two. The Health Care and Social Assistance sector is made up of four subsectors:

- Ambulatory Health Care Services (NAICS 621)
- Hospitals (NAICS 622)
- Nursing and Residential Care Facilities (NAICS 623)
- Social Assistance (NAICS 624)

Establishments in **Ambulatory Health Care Services** provide services directly or indirectly to ambulatory patients and do not usually provide inpatient services. The subsector lost 88 workers (0.5%) in 2020 for an employment level of 17,902. The average annual wage increased \$4,252 (5.5%) to \$81,891.

Health practitioners in this subsector provide outpatient services, with facilities and equipment not usually the most significant part of the service. One example is home health care, where skilled nursing services

South Dakota Covered Workers and Pay 2020 Education and Health Services			
Supersector, Sector and Subsector	Number of Establishments	Average Number of Workers	Annual Pay
Education and Health Services	3,090	68,991	\$57,051
Educational Services	414	3,450	\$31,037
Educational Services	414	3,450	\$31,037
Health Care and Social Assistance	2,676	65,541	\$58,421
Ambulatory Health Care Services	1,591	17,902	\$81,891
Hospitals	63	26,809	\$64,978
Nursing and Residential Care Facilities	344	12,829	\$31,674
Social Assistance	678	8,001	\$26,822

Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation in cooperation with the U.S. Bureau of Labor Statistics

such as physical therapy, medication help, counseling, dietary guidance, speech therapy and intravenous therapy are provided in the patient's residence.

Establishments in the **Hospitals** subsector provide medical, diagnostic and treatment services that include physician, nursing and other health services to inpatients and the specialized accommodation services required by inpatients. Hospitals may also provide outpatient services as a secondary activity. Some of the largest establishments in South Dakota belong to the Hospitals subsector. The number of workers in 2020 increased by 4.1% to 26,809. This subsector's average annual wage increased \$5,842 (9.9%) to \$64,978.

The **Nursing and Residential Care Facilities** subsector saw employment decline 2.8% to 12,829 workers. The average annual wage increased 9.2% to \$31,674 per worker. This subsector's establishments provide residential care combined with either nursing, supervisory or other types of care as required by the residents. Examples are nursing homes, and assisted and unassisted

continuing care retirement community facilities.

Establishments in the **Social Assistance** subsector provide a wide variety of social assistance services directly to their clients. Vocational rehabilitation services belong to this subsector. Business activities include providing job counseling, job training and employment for persons with disabilities. Some of the 266 loss (3.2%) of workers in this subsector during 2020 can be attributed to child day care services, as many daycare services were limited due to COVID-19.

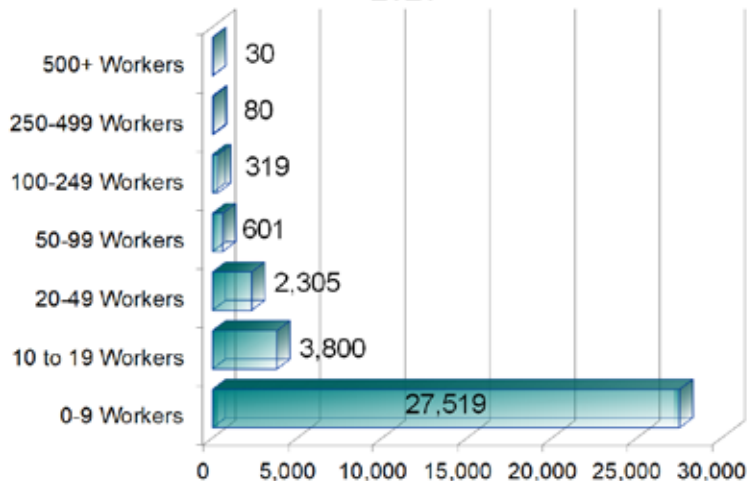


Individual and family services and services for the elderly and disabled also had some worker loss.

Establishment Size

Establishment size data provides a comparison of the number of small and large businesses in South Dakota. The average number of workers at the worksite location determines establishment size. A worksite is generally defined as a single physical location at which predominantly one type of economic activity is conducted.

**Number of Establishments by Establishment Size
2020**



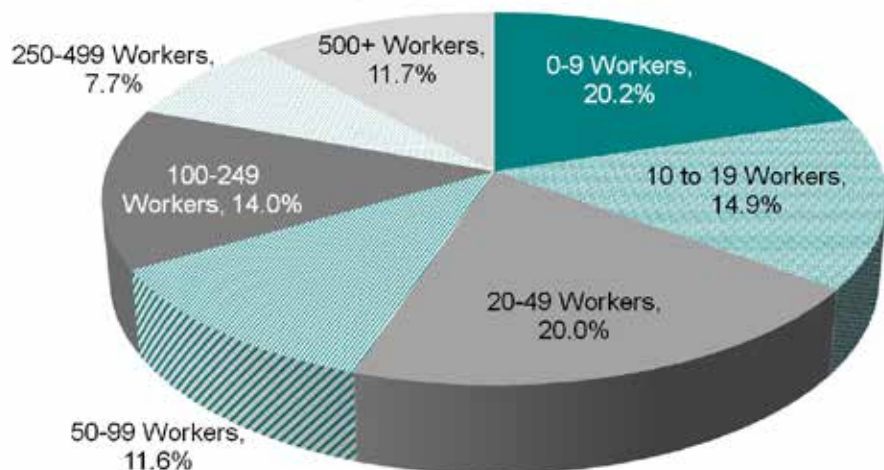
The graph at the left displays the number of South Dakota establishments by establishment size, showing the predominance of small businesses in South Dakota. During 2020 the 0-9 workers size class had the largest number of establishments, accounting for 79.4 percent of all establishments.

The distribution of employees by establishment size shows a different picture than the distribution of establishments. Smaller businesses have a much smaller slice of the pie.

The pie graph at the right indicates smaller businesses (with fewer than 10 workers) employed only 20.2 percent of the covered workers in South Dakota in 2020. The number of workers is evenly dispersed among the establishment size groups.

The table on the next page provides detailed data on establishment size by industry supersector.

Distribution of Employees by Establishment Size



Number of Establishments, Workers and Pay by Establishment Size and Supersector 2020							
Supersector	0-9	10-19	20-49	50-99	100-249	250-499	500+
Natural Resources and Mining							
Establishments	981	94	48	14	3	0	0
Workers	3,138	1,306	1,359	857	477	0	0
Annual Pay	\$40,488	\$44,790	\$47,487	\$53,402	\$61,785	\$0	\$0
Construction							
Establishments	3,612	337	192	42	19	0	0
Workers	8,786	4,550	5,561	2,867	2,647	0	0
Annual Pay	\$42,203	\$52,327	\$60,256	\$67,712	\$68,085	0	0
Manufacturing							
Establishments	617	160	158	84	56	21	11
Workers	1,999	2,222	5,009	5,888	9,691	6,921	11,399
Annual Pay	\$39,527	\$46,132	\$51,248	\$52,807	\$53,053	\$56,115	\$56,741
Trade, Transportation and Utilities							
Establishments	6,408	1,222	630	150	75	25	0
Workers	18,403	16,472	19,051	9,823	11,040	8,402	0
Annual Pay	\$46,604	\$41,916	\$47,857	\$48,026	\$44,345	\$29,994	\$0
Information							
Establishments	550	59	43	8	4	*	*
Workers	1,023	810	1,337	503	486	*	*
Annual Pay	\$64,665	\$45,988	\$52,223	\$56,992	\$63,373	*	*
Financial Activities							
Establishments	3,153	251	133	32	25	9	5
Workers	7,469	3,275	3,872	2,122	3,972	3,225	3,876
Annual Pay	\$59,592	\$68,441	\$81,295	\$84,651	\$79,653	\$59,164	\$66,470
Professional and Business Services							
Establishments	5,823	375	234	40	30	4	3
Workers	9,982	5,016	6,955	2,608	4,628	1,317	2,268
Annual Pay	\$64,330	\$53,922	\$57,173	\$54,945	\$67,710	\$46,555	\$114,503
Education and Health Services							
Establishments	2,122	434	293	136	76	19	10
Workers	5,805	5,888	8,912	8,999	11,182	6,011	22,192
Annual Pay	\$42,946	\$41,410	\$44,236	\$44,801	\$48,990	\$57,466	\$78,960
Leisure and Hospitality Services							
Establishments	2,027	691	522	87	24	0	0
Workers	7,219	9,658	15,165	5,644	3,011	0	0
Annual Pay	\$16,870	\$17,514	\$18,899	\$19,960	\$25,245	\$0	\$0
Other Services							
Establishments	2,226	177	52	8	7	0	0
Workers	5,672	2,258	1,533	574	1,039	0	0
Annual Pay	\$36,060	\$38,798	\$39,556	\$38,408	\$46,118	\$0	\$0
Total Private Ownership							
Establishments	27,519	3,800	2,305	601	319	80	30
Workers	69,497	51,455	68,754	39,887	48,173	26,487	40,345
Annual Pay	\$45,520	\$41,239	\$44,968	\$47,936	\$52,845	\$47,706	\$73,329
Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation in cooperation with the U.S. Bureau of Labor Statistics							

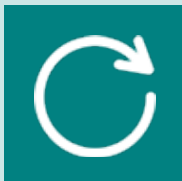
2021 QCEW Data Show Pandemic Recovery Continues

One of the greatest strengths of the QCEW program is the “census” concept; it is considered the most accurate and complete source of wage and salaried employment data. One of the downsides of that powerful data set is the inherent time lag involved with data availability.

Because of the various processes and procedures to ensure QCEW data is accurate and appropriately reflects the recent labor market, it generally takes a minimum of five months after the close of a quarterly reporting cycle until the new QCEW data can be published. For example, first quarter 2021 (January, February and March) data became available at a summary level in July 2021; more detailed data by industry became available in mid-August 2021.

The most current data available (for second quarter 2021) indicate South Dakota’s strong recovery from the pandemic is continuing in 2021. Employment has been rebounding, steadily increasing to a preliminary employment high of 442,089 in June 2021, which is 105.0% of the level recorded in March 2020.

COVID-19’s impact on the total number of establishments reporting employment and wages was not nearly as severe overall as on employment levels. In fact, the reported number of establishments reached a historical high of 36,241 in the second quarter of 2021.



QCEW data is another of the indicators analyzed in terms of the labor market’s recovery from the COVID-19 pandemic. For the most current monthly information available, visit the [Pandemic Picture](#) page.

Personal Income

The Bureau of Economic Analysis (BEA) releases personal income data. The personal income of an area is the income received by, or on behalf of, all the individuals who live in a specific geographic area.

Personal income includes income from all sources, including not only salaries, wages and bonuses received from employment or self-employment, but income from sources such as investments and government social benefits (including unemployment benefits, Medicare, Medicaid, Social Security and pandemic-related payments).

Dividing the total personal income of an area by the residents of that given area produces a widely used economic indicator called per capita personal income. South Dakota's per capita personal income has trended upward since 2000 except for a small setback in 2009 following the recession. Between 2019 and 2020, South Dakota's per capita personal income increased \$3,461 (6.4%).

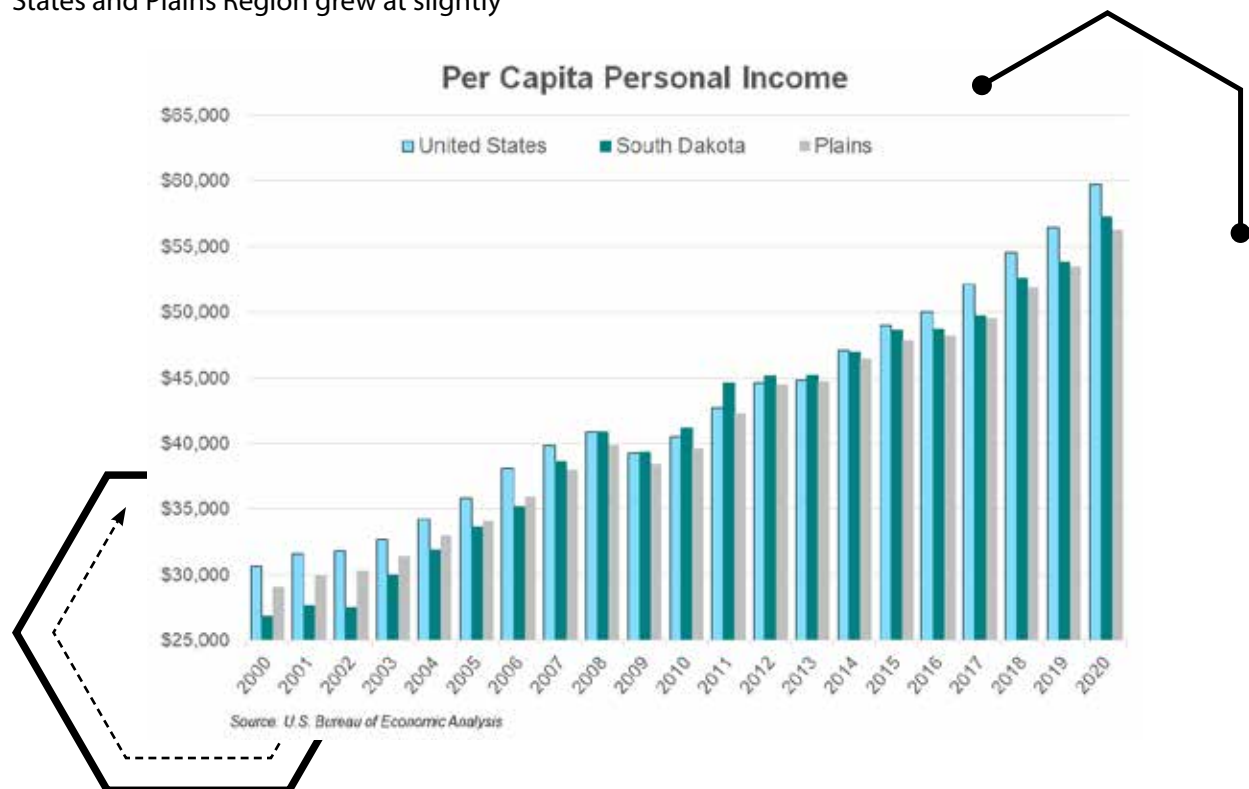
During that same time frame, the United States and Plains Region grew at slightly

slower rates of 5.8% and 5.3%, respectively. South Dakota ranked 22nd out of the 50 states and the District of Columbia with a per capita personal income of \$57,273 in 2020.

\$57,273

Looking further back, South Dakota's personal income grew steadily for several years prior to the recession. In fact, South Dakota's growth in personal income for the 2000-2009 period surpassed the rate for the Plains Region (Iowa, Kansas, Missouri, Nebraska, North Dakota and South Dakota) and the nation. South Dakota's personal income grew by 46.8% from 2000 to 2009, compared to a rate of 32.4% for the Plains Region and 28.1% for the nation.

Since the recession and during the economic recovery phase, South Dakota's personal income has grown comparably to the Plains Region and the nation. From 2010 to 2020, the nation's personal income increased 47.3%, followed by the Plains Region at 42.1% and South Dakota at 39.1%.



Poverty

Poverty status is determined by comparing annual income to a set of dollar values called thresholds that vary by family size, number of children and the age of the householder. If a family's before-tax money income is less than the dollar value of their threshold, then that family and every individual in it is considered to be in poverty. For people not living in families, poverty status is determined the comparing the individual's income to his or her threshold.

**11.9%
of South
Dakotans live
in poverty**

The poverty thresholds are updated annually to allow for changes in the cost of living using the Consumer Price Index (CPI-U). The thresholds do not vary geographically.

The percent of families in South Dakota with incomes below the poverty level decreased slightly by 0.7% from 2018 to 2019.

**7.3%
of South Dakota
Families live in
Poverty**

The percentage of South Dakota families in poverty is consistently below the number of families living in poverty at the national level. Nationally the percent of all families in poverty in 2019 decreased 0.7% to 8.6%, which is 1.3 percentage points higher than South Dakota at 7.3%.

The percent of 'all people' in the U.S. and South Dakota with incomes below the poverty threshold was 12.3% and 11.9%, respectively, in 2019.

American Community Survey South Dakota and U.S. Comparative Poverty Estimates Percentage of Families and People Whose Income in the Past 12 Months Is Below the Poverty Level							
All Families	2013	2014	2015	2016	2017	2018	2019
United States	11.6%	11.3%	10.6%	10.0%	9.5%	9.3%	8.6%
South Dakota	9.2%	9.4%	8.3%	8.2%	8.4%	8.0%	7.3%
All People	2013	2014	2015	2016	2017	2018	2019
United States	15.8%	15.5%	14.7%	14.0%	13.4%	13.1%	12.3%
South Dakota	14.2%	14.2%	13.7%	13.3%	13.0%	13.1%	11.9%

Source: U.S Census Bureau, 2019 American Community Survey

The number of people living below the poverty level in South Dakota for the population in which poverty status was measured is approximately 101,900 or 11.9%. This is according to the 2019 American Community Survey (ACS). The races with the highest percentage of their population living below the poverty level is American Indian and Alaska Natives at 46.8% and Black or African Americans at 19.9%.

Females in South Dakota are slightly more likely to be living below the poverty level with 13.1% versus 10.8% of the male population.

Children under the age of five are the most likely age demographic to be living below the poverty level. The table on the following page shows poverty status by age demographic.



Population for Whom Poverty Status is Determined			
	Population	Population Below Poverty Level	Percent of Population Below Poverty Level
Total	854,648	101,946	11.9%
Under 5 years	57,292	9,887	17.3%
5 to 17 years	152,486	21,538	14.1%
18 to 64 years	497,445	59,134	11.9%
65 years and over	147,425	11,387	7.7%
Source: U.S. Census Bureau, 2019 American Community Survey			



Because of the close interrelationship between population demographics and workforce data, Labor Market Information Center staff are well versed in demographic information available from the U.S. Census Bureau. They are also proficient using the Census Bureau's website and other online tools. Contact LMIC at 605.626.2314 when you need demographic data.

Population Projections

Population projections for the 2010-2035 time period released by the South Dakota State Data Center show South Dakota's total population will reach 922,748 by the year 2025. This reflects an increase in the core potential workforce (age 16-64) of approximately 16,600 (3.2%).

Although most of the counties in South Dakota are expected to show population declines, the Rapid City (Custer, Meade and Pennington counties) and Sioux Falls (Lincoln, McCook, Minnehaha and Turner counties) Metropolitan Statistical Areas (MSAs) will be the fastest growing areas in the state.

Population growth in the state's metro areas is projected to continue outpacing the state as a whole.

South Dakota Population Projections						
Medium Series						
Age	2010	2015	2020	2025	2030	2035
0-4	59,621	57,567	60,089	60,941	61,413	62,656
5-9	55,531	60,094	58,068	60,533	61,386	61,846
10-14	53,960	56,098	60,651	58,650	61,067	61,925
15-19	57,628	54,556	56,625	61,169	59,196	61,570
16-19	46,102	43,645	45,300	48,935	47,357	49,256
20-24	57,596	58,030	54,948	56,947	61,468	59,533
25-29	55,570	57,993	58,423	55,332	57,268	61,771
30-34	49,859	55,883	58,336	58,765	55,672	57,548
35-39	45,766	50,101	56,111	58,593	59,024	55,935
40-44	47,346	45,997	50,260	56,250	58,759	59,194
45-49	57,519	47,587	46,109	50,294	56,253	58,785
50-54	59,399	57,326	47,491	45,904	49,988	55,879
55-59	54,231	58,790	56,783	47,102	45,429	49,393
60-64	43,573	52,854	57,344	55,432	46,037	44,314
65-69	31,944	41,677	50,577	54,920	53,134	44,182
70-74	25,683	29,666	38,624	46,897	50,971	49,357
75-79	21,724	22,873	26,368	34,250	41,616	45,283
80-84	18,004	18,084	18,985	21,837	28,282	34,401
85+	19,226	27,449	33,655	38,932	44,922	54,002
Total	814,180	852,624	889,447	922,748	951,885	977,574
Source: South Dakota State Data Center, South Dakota State University						

Employment Projections

Industry Projections

Industry employment projections for 2018 to 2028 were completed and published by the Labor Market Information Center (LMIC) in July 2020. Long-term projections (for a 10-year period) are completed every other year and published on even-numbered years.

State and national economic trends, along with a historical time-series employment data set, were incorporated in various statistical models to project employment levels. The projections are not intended to be precise point estimates of employment for each industry or occupation. It is unlikely the projections data will precisely predict actual employment developments due to unforeseen state, national and international trends and policies. However, the basic trends should prove accurate and aid in successful decision making. Users should view the projected worker estimates as indicators of relative magnitude and direction rather than estimates of absolute values and use the data as a starting point when studying expected occupational employment levels.



A special note about the COVID-19 pandemic: The projections methodology includes a general assumption no major catastrophic event or natural disaster will significantly affect economic activities during the projections period. The COVID-19 pandemic is a perfect example. It rocked the United States and the world in 2020. But even though projections would not and could not account for the ramification of this pandemic, it is important to remember the pandemic had not yet struck by 2018. The long-term

2018-2028 employment projections round has a base year of 2018; in other words, 2018 employment estimates were used when modeling employment to 2028.

Only time will tell for sure whether or not future long-term projections series will be significantly impacted by the 2020 pandemic. However, based on South Dakota's relatively rapid and strong recovery indicated by the various employment measures included elsewhere in this report, it appears hopeful the pandemic's long-term impact on South Dakota's industry landscape will be minor.

A look at which types of industries are growing, and which are not, over the long-term provides great insights on the economy. Based on the 2018-2028 projections, the outlook for South Dakota can be categorized by healthy job growth in the next 10 years. Some factors playing a role in certain industries' growth or decline are an aging and growing population, technological improvements, tourism and an ever-increasing demand driven by consumers for information and goods via computer or mobile device.



Industry employment projections for 2018 to 2028 were completed and published by the Labor Market Information Center (LMIC) in July 2020. Long-term projections (for a 10-year period) are completed every other year and published on even-numbered years.

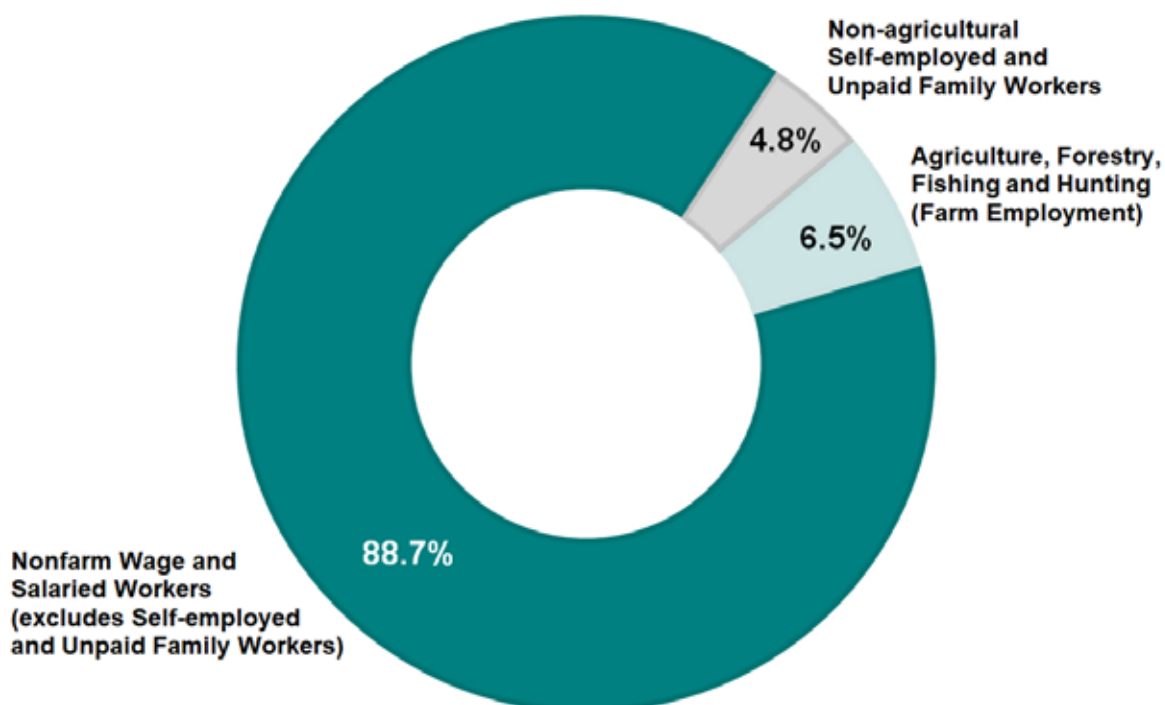
State and national economic trends, along with a historical time-series employment data set, were incorporated in various statistical models to project employment levels. The projections are not intended to be precise point estimates of employment

for each industry or occupation. It is unlikely the projections data will precisely predict actual employment developments due to unforeseen state, national and international trends and policies. However, the basic trends should prove accurate and aid in successful decision making. Users should view the projected worker estimates as indicators of relative magnitude and direction rather than estimates of absolute values and use the data as a starting point when studying expected occupational employment levels.

South Dakota Wage and Salaried Workers by Employment Category 2018-2028				
Industry Title	2018 Workers	2028 Workers	Actual Change	Percent Growth
Total of All Industries	491,588	526,251	34,663	7.1%
Non-agricultural Self-employed and Unpaid Family Workers	23,441	24,711	1,270	5.4%
Agriculture, Forestry, Fishing and Hunting (Farm Employment)	31,955	33,077	1,122	3.5%
Nonfarm Total Wage and Salaried Workers (excludes Self-employed and Unpaid Family Workers)	436,192	468,463	32,271	7.4%

Notes: Data is preliminary and subject to revision.
Source: Labor Market Information Center, South Dakota Department of Labor and Regulation

Distribution of South Dakota Nonfarm Wage and Salaried Workforce by Employment Category



Source: Labor Market Information Center, South Dakota Department of Labor and Regulation

Categories of Employment

Nonfarm Wage and Salaried Workers

The Nonfarm Wage and Salaried Workers employment category consists of only those wage and salaried workers who are covered under the South Dakota Reemployment Assistance (unemployment insurance) program and those who work for non-profit organizations, such as private colleges and religious organizations. Overall, nonfarm wage and salaried workers are the major element of South Dakota's labor force, making up 88.7%. This group is also projected to have the highest growth, with a 7.4% rise projected by 2028.

Farm Employment

Another important element of South Dakota's labor force is Agriculture, Forestry, Fishing and Hunting (sometimes referred to as farm employment). This category is expected to grow slightly in South Dakota, from 31,955 to 33,077 by 2028 (3.5%). The slow growth can be

attributed to the sluggish employment growth in the crop production industry, mainly due to increased productivity. South Dakota farms have been trending toward larger operations for years, with consolidation of smaller farms and greater production expected to continue.

Non-agricultural Self-employed and Unpaid Family Workers

The final component of South Dakota's labor force is the Non-agricultural Self-employed and Unpaid Family Workers category. According to BLS and based on data from the Current Population Survey and the American Time Use Survey, self-employed persons are individuals who work for profit or fees in their own business, profession, trade or farm. The smallest portion (4.8%) of South Dakota's labor force is expected to have a growth rate of 5.4% (0.5% annually) in the coming decade. On a national level, this category is expected to have annual growth of 0.6%.

Top Ten Fastest Growing Industries to 2028

Among industries at the three-digit North American Industry Classification (NAICS) NAICS level, those projected to grow the fastest to 2028 are shown in the table at the top of the following page.

●➔ Museums, Historical Sites and Similar Institution

The number of workers employed in South Dakota's Museums, Historical Sites and Similar Institutions subsector is projected to increase by 131 workers (or 20.6%). Industries in this subsector engage in the preservation and exhibition of objects, sites and natural wonders of historical, cultural and/or educational value. Some examples of South Dakota entities in this industry are the Crazy Horse Memorial, Children's Museum of South Dakota, Reptile Gardens and other zoos and museums around the state. The demand in this subsector is driven by tourism and visitor spending.

Visitor spending increased statewide by \$272.72 million (7.4%) from 2014 to 2018 in South Dakota, according to the South Dakota

Department of Tourism. In particular, the Black Hills and Badlands Region made up almost 40% of total statewide visitor

spending, increasing \$101.96 million or 7% since 2014. Sightseeing in the Black Hills and Badlands and the Sturgis Bike Rally and similar events generate visitor spending, positively impacting this industry and driving the need for more workers on a seasonal basis.

●➔ Management of Companies and Enterprises

The Management of Companies and Enterprises subsector is projected to add 815 workers in South Dakota (15.5% increase) over the projections cycle. This subsector is comprised of establishments that administer, oversee and manage the strategic or organizational planning and decision-making



South Dakota Industry Employment Projections 2018-2028 Top Ten in Employment Growth Rate					
NAICS Code	Industry Title	2018 Workers	2028 Workers	Actual Change	Percent Growth
712	Museums, Historical Sites and Similar Institution	635	766	131	20.6%
551	Management of Companies and Enterprises	5,265	6,080	815	15.5%
492	Couriers and Messengers	1,684	1,944	260	15.4%
493	Warehousing and Storage	831	955	124	14.9%
562	Waste Management and Remediation Service	929	1,062	133	14.3%
336	Transportation Equipment Manufacturing	3,594	4,099	505	14.1%
488	Support Activities for Transportation	988	1,122	134	13.6%
541	Professional, Scientific and Technical Services	14,053	15,894	1,841	13.1%
621	Ambulatory Health Care Services	17,468	19,711	2,243	12.8%
311	Food Manufacturing	10,280	11,593	1,313	12.8%
Notes: Data is preliminary and subject to revision. Data for industries with 2018 employment less than 200 not included. Data presented for industries will not sum to totals due to non-publishable data for additional industries being included in totals. NAICS Codes and Industry Titles are based largely on the North American Industry Classification System (NAICS). Learn more about NAICS codes. Source: Labor Market Information Center, South Dakota Department of Labor and Regulation					

role of a company or enterprise. South Dakota experienced a 23.2% increase in the number of companies in this subsector from 2008 to 2018. The favorable business and tax environment and central geographic location has played a role in attracting businesses to headquarter their corporate offices and establishments in South Dakota. According to the South Dakota Governor's Office of Economic Development, South Dakota's private business sector has seen 136.6% growth in Gross Domestic Product since 2000, the sixth highest growth in the nation.

●➔ **Couriers and Messengers**

The number of workers in South Dakota's Couriers and Messengers subsector is projected to increase by 260 workers (or 15.4%) over the next 10 years. This subsector is comprised of entities that provide intercity, local and/or international delivery of parcels and documents (including express delivery services) without operating under a universal service obligation. Since 2008 the number of workers has dramatically risen from 1,287 to 1,684 in 2018. The increasing demand from consumers shopping online has a direct

relationship with the increase in demand for workers to deliver those goods. Retail is trending more toward online services rather than the brick and mortar stores of the past. Shoppers tend to prefer the convenience of shopping online via mobile devices or computers rather than having to make a trip to a store to obtain goods.

●➔ **Warehousing and Storage**

Establishments in this industry group are engaged in operating warehousing and storage facilities for general merchandise, refrigerated goods and other warehouse products. Warehousing and storage establishments may also provide a range of services, often referred to as logistics, related to the distribution of goods. The number of workers employed in the Warehousing and Storage subsector is projected to rise by 124 workers (or 14.9%) over the next 10 years in South Dakota. As companies try to get their products to their final destinations in the most cost effective, convenient and organized way, the demand grows for workers to help accomplish this goal. This subsector is not driven by the goods they are selling

or retailing, but rather by sales from other companies for which this subsector stores and arranges the distribution of those goods.

●➔ **Waste Management and Remediation Service**

The Waste Management and Remediation Services subsector in South Dakota is expected to increase by 133 workers (or 14.3%) by 2028. This subsector is engaged in the collection, treatment and disposal of waste materials. Waste collection and remediation are expected to be driving forces. The U.S. Census Bureau estimates South Dakota's population rose from 816,166 to 878,698 from 2010 to 2018, an increase of 62,532 (7.7%) people. An increasing population generates more waste and an increased need for workers to pick up and properly dispose of that waste.

●➔ **Transportation Equipment Manufacturing**

The Transportation Equipment Manufacturing subsector is projected to add 505 workers in South Dakota (a 14.1% increase) over the next decade. This subsector is comprised of businesses that produce equipment for transporting people and goods. An entire subsector is devoted to this activity because of the significance of its economic size. Driving the growth within this subsector are three four-digit NAICS industries expected to have double digit employment growth in the coming decade:

- Motor Vehicle Body and Trailer Manufacturing (NAICS 3362).
- Motor Vehicle Manufacturing (NAICS 3361).
- Motor Vehicle Parts Manufacturing (NAICS 3363).

The growth can be attributed to the needs of consumers purchasing the products this subsector manufactures as well as a growth in disposable income. According to the U.S. Bureau of Economic Analysis (BEA), South Dakota's per capita disposable personal income increased from \$37,513 in 2008 to \$47,947 in 2018.

●➔ **Support Activities for Transportation**

The Support Activities for Transportation subsector is projected to increase by 134 workers (or 13.6%) over the next 10 years in South Dakota. The Support Activities for Transportation industry group is comprised of entities that provide services which support transportation. Services such as motor vehicle towing or railroad switching are examples of the support provided. There is a direct relationship to the growth of manufacturing of transportation equipment, sale and the services providing support for the end users of that equipment. The continued need for workers to support the transportation subsector can be traced back to an increase in consumer demand for transportation equipment. From 2008 to 2018, the number of companies in this subsector increased 25.9%, and the number of workers employed in these companies increased 19.3% to keep up with the demand in South Dakota.

●➔ **Professional, Scientific and Technical Services**

The Professional, Scientific and Technical Services subsector is projected to add 1,841 workers (13.1% increase) over the next decade in the state. This industry is one of the largest and most diverse industries in South Dakota, and workers are selling knowledge and expertise rather than a good. This subsector is comprised of establishments that make available the knowledge and skills of their employees, often on an assignment basis, where an individual or team is responsible for the delivery of services to the client.

The individual industries of this subsector are defined by the particular expertise and training of the services provider. At the four-digit NAICS level, there are four industries projected to have substantial growth:

- Computer System Design and Related Services (NAICS 5415).
- Management, Scientific and Technical Consulting Services (NAICS 5416).

- ◆ Scientific Research and Development Services (NAICS 5417).
- ◆ Architectural, Engineering, and Related Services (NAICS 5413).

The increasing demand in this subsector can be attributed to efficiencies gained by advancements in science and technology. An establishment that manufactures a good could contact an expert in this subsector to automate a process or get technical advice to gain a competitive edge, for example. As long as businesses continue to strive for reduced costs through technology and greater productivity to produce the best products at the lowest prices, the demand for experts and consultants in this industry will remain high.

●➔ **Ambulatory Health Care Services**

The number of workers in South Dakota's Ambulatory Health Care Services subsector is projected to increase by 2,243 workers (or 12.8%) over the next 10 years. Based on employment size, this subsector was the sixth largest of South Dakota's three-digit subsectors in 2018, with 17,468 workers. This subsector is comprised of entities providing health care services directly or indirectly to ambulatory patients and which do not usually provide inpatient services. The ongoing healthcare

needs and preferences of an aging population will continue to drive the need for employment in this industry in South Dakota.

According to the U.S. Census Bureau, South Dakota's population 65 years and older rose 25.2% from 2010 to 2018. At the four-digit NAICS level it's expected six of the eight categories under Ambulatory Health Care Services will have double digit growth in the coming decade. Leading the way is Home Health Care Services, due to continually increasing demand for outpatient care rather than inpatient care. Treatments such as physical therapy and certain medications can be administered by a healthcare professional at home rather than in a clinical environment. According to BLS, the aging of the population correlates with an expected rise in chronic conditions like diabetes, helping increase the demand for all types of healthcare services and social services geared toward older people.

●➔ **Food Manufacturing**

The Food Manufacturing subsector is projected to add 1,313 workers in South Dakota (12.8% increase) over the next decade. This subsector consists of entities that transform livestock and agricultural products into products for intermediate or final consumption. The industry groups are distinguished by the raw materials (generally of animal or vegetable origin) processed into food products.

Declining and Slowest Growth Industries to 2028

Several factors can contribute to the declining or slow growth of an industry not only in South Dakota but also nationally. According to BLS, the labor force and changing demographics of the population affect employment growth, just as they affect Gross Domestic Product (GDP) and other macroeconomic measures.

Since the base year (2018) occurs after a long economic expansion, growth rates can be expected to be somewhat lower than in the previous projections cycles. In addition, an aging population leads to a declining labor force participation rate, limiting the number of workers available for employment.

Nationally, the largest employment declines are expected to be in Manufacturing, Agriculture and the Federal Government sectors to 2028. In South Dakota, the only sector expected to decline overall is the Information sector.

Two of the top 10 declining or slowest growing South Dakota subsectors at the three-digit NAICS level are within the Information sector.



South Dakota Industry Employment Projections 2018-2028 Declining or Slowest Growing Industries					
NAICS Code	Industry Title	2018 Workers	2028 Workers	Actual Change	Percent Growth
511	Publishing Industries (except Internet)	1,212	1,057	-155	-12.8%
443	Electronics and Appliance Stores	1,428	1,335	-93	-6.5%
323	Printing and Related Support Activities	1,320	1,237	-83	-6.3%
515	Broadcasting (except Internet)	979	941	-38	-3.9%
453	Miscellaneous Store Retailers	2,567	2,485	-82	-3.2%
425	Wholesale Electronic Markets and Agents and Brokers	541	529	-12	-2.2%
452	General Merchandise Stores	9,323	9,218	-105	-1.1%
322	Paper Manufacturing	637	635	-2	-0.3%
454	Nonstore Retailers	1,089	1,095	6	0.6%
221	Utilities	1,978	1,990	12	0.6%
<p>Notes:</p> <p>Data is preliminary and subject to revision.</p> <p>Data for industries with 2018 employment less than 200 not included. Data presented for industries will not sum to totals due to non-publishable data for additional industries being included in totals.</p> <p>NAICS Codes and Industry Titles are based largely on the North American Industry Classification System (NAICS). Learn more about NAICS codes.</p> <p>Source: Labor Market Information Center, South Dakota Department of Labor and Regulation</p>					

The industry declines in South Dakota are projected to be very minimal at the subsector level. Since many South Dakota industries are considered small, even a small employment loss in the projected 2028 level can substantially impact a subsector. Technological improvements, content displayed via internet, business classifications changes (NAICS code) and consumer shopping preferences are some of the factors which have played a role in the declines in some industries in South Dakota.

● Publishing Industries (except Internet)

The Publishing Industries (except Internet) subsector is projected to decrease by 155 workers (or 12.8%) through 2028 in South Dakota. This subsector is found in the Information sector, mentioned above as South Dakota's only sector expected to show an overall decline. This subsector contains establishments engaged in the publishing of newspapers, magazines, periodicals and books, as well directory and mailing lists and software publishing. The availability of information

online has had a huge influence on this subsector. Consumers favor the convenience of getting information such as news, sports and other content in the convenience of their own home using computers or streaming television services, or on their smart phones and other mobile devices while on the go, wherever they are. According to the U.S. Census Bureau, an estimated 86.8% of South Dakota households had a computer from 2014-2018, and an estimated 78.0% had a broadband internet subscription. The pervasiveness of smart phones in today's society is evident.

● Electronics and Appliance Stores

The Electronics and Appliance Stores subsector in South Dakota is projected to decline 93 workers (6.5%) by 2028. Industries in the Electronics and Appliance Stores subsector retail new electronics and appliances from point-of sale locations. Establishments in this subsector often operate from locations with special provisions for floor displays requiring special electrical capacity to accommodate

the proper demonstration of the products. The growth of e-commerce and rapidly evolving technology have had a negative impact on this industry. In South Dakota, the number of companies in this subsector declined 12.6% over the last 10 years, and employment has declined 11.8%.

● **Printing and Related Support Activities**

The number of workers employed in the Printing and Related Support Activities subsector is expected to decrease by 83 (or 6.3%) in South Dakota by 2028. The Printing and Related Support Activities industry is comprised of establishments that print products such as newspapers, books, labels, business cards, stationery, business forms and other materials, and perform support activities such as data imaging, platemaking services and bookbinding. Consumer preferences have changed over the last few decades, and with information such as books, magazines and newspapers available online, the demand has decreased for physically printed information. South Dakota worker levels in this subsector showed a double-digit percent decline from 2008 to 2018.

● **Broadcasting (except Internet)**

Worker levels in the Broadcasting (except Internet) subsector are projected to decrease 38 workers (or 3.9%) by 2028 in South Dakota. This subsector includes establishments that create content or acquire the right to distribute content and subsequently broadcast the content. A decrease of 38 workers is small; but it represents a larger impact in percent change due to very little employment within this industry statewide. This subsector is contained within the Information Sector, which, as mentioned above, is expected to have an overall decline in the next decade in South Dakota. From 2008 to 2018, South Dakota noted decreases in both the number of companies and employment in this subsector, at 17.2% and 15.6%, respectively.

● **Miscellaneous Store Retailers**

In South Dakota, the Miscellaneous Store Retailers subsector is projected to decrease

by 82 workers (or 3.2%) over the next 10 years. This retail trade subsector is a catch-all for retailers who sell specific products not otherwise categorized in a specified retail code. Examples of these unique retailers are florists, used merchandise stores, gift stores, office supply stores, and pet and pet supply stores. From 2008 to 2018, the number of companies and employment in this subsector in South Dakota showed double-digit percentage loss. The losses can be attributed to several factors such as: competition from large retailers, the rise of online shopping and NAICS coding changes of particular establishments. Large box store retailers usually offer the same types of goods and have less overhead, therefore offering lower prices and taking demand away from specialty stores.

● **Wholesale Electronic Markets and Agents and Brokers**

The level of workers employed in the Wholesale Electronic Markets and Agents and Brokers subsector is projected to decrease by 12 (or 2.2%) in South Dakota by 2028. Businesses in this subsector arrange for the sale of goods owned by others, generally on a fee or commission basis. They act on behalf of the buyers and sellers of goods. This subsector contains agents and brokers as well as business-to-business electronic markets that facilitate wholesale trade. The decline in this subsector can be traced primarily to a national industry coding change. Most of the businesses once coded as Wholesale Electronic Markets and Agents and Brokers are now instead classified as Merchant Wholesalers for Durable or Nondurable Goods.

● **General Merchandise Stores**

General Merchandise Stores are expected to decrease by 105 workers (or 1.1%) over the next 10 years. Businesses contained in this subsector retail new general merchandise from fixed point-of-sale locations. Establishments are unique in that they have the equipment and staff capable of retailing a large variety of goods from a single location. This includes a variety of display equipment and staff trained to provide information on many lines of products. From 2008 to 2018, the number of

South Dakota companies increased; however, the employment level decreased by 5.9%. The expected continued decrease in the number of workers is in correlation with the advancements in technology. Large retailers are embracing technology and saving money by replacing workers with machines that can accomplish the same task but costing the retailer less overhead. An illustrative example is the implementation of self-checkouts at larger retailers like Walmart and Target, lowering the number of cashiers needed.

● **Paper Manufacturing**

Worker levels in the Paper Manufacturing subsector are projected to decrease by two workers (or 0.3%). This subsector includes establishments that make pulp, paper or converted paper products. The manufacturing of pulp involves separating the cellulose fibers from other impurities in wood or used paper. The manufacturing of paper involves matting these fibers into a sheet. Converted paper products are made from paper and other materials by various cutting and shaping techniques. Several factors, such as the transition from print to online information, consumer demand and improved manufacturing and automation processes, can be pointed to for declining employment in this industry. Paper manufacturers have tried to reduce costs through automation processes and logistics, reducing the need for workers to accomplish the same tasks.

● **Nonstore Retailers**

Worker levels in South Dakota's Nonstore Retailers subsector are projected to increase by just six workers (or 0.6%) over the next decade. These establishments retail merchandise

using methods such as the broadcasting of infomercials, the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogs, door-to-door solicitation, in-home demonstrations, selling from portable stalls and distribution through vending machines. The availability of goods and convenience of shopping online has had a negative impact on employment levels in this subsector. Since 2008 in South Dakota, this subsector has shown an overall employment decline as consumer preference has trended away from this industry.

● **Utilities**

The Utilities subsector is projected to slightly increase by 12 workers (or 0.6%) over the next 10 years. Industries in the Utilities subsector provide electric power, natural gas, steam supply, water supply and sewage removal through a permanent infrastructure of lines, mains and pipes. Establishments are grouped together based on the utility service provided and the system or facilities required to perform the service. In South Dakota over the last decade, the Utilities industry saw a slight decline in employment levels as well as companies.

The driving factor in modest projected growth can be seen at the four-digit NAICS level. In the base year (2018), the Electric Power Generation, Transmission and Distribution industry made up 77.7% of the Utilities subsector and is expected to generate a slight increase in the number of workers employed in the next ten years. Technology has been a contributing factor in the stagnant trend in employment levels. Energy companies used to employ more people; however, now jobs such as a meter reading and bill paying can be done online.



Employment projections data for 2018 to 2028 is available for all three-digit NAICS industries in on the virtual labor market data system and on our website in Adobe PDF and Microsoft Excel format. Please visit our [Industry Employment Projections menu page](#) for the latest options and data at any point in time.



Occupational Projections

Data by occupation provides a more focused picture of skills in demand than data by industry. A look at the occupations projected to grow the most rapidly in South Dakota in the future provides insight into the skills that may be most needed.

South Dakota's occupational growth is projected to be faster (at 7.1%) than the nation (5.2%) for the 2018-2028 decade. LMIC released projections for 531 detailed occupations in July 2020. Employment for 480 occupations is projected to increase or remain the same, while 51 occupations are projected to decline.

LMIC completed 2018-2028 statewide projections using the nationally adopted projections methodology, which allows for comparability of this data across states and to the nation. This methodology incorporates historical time-series employment data as well as state and national economic trends and utilizes a variety of statistical models.

It is important to note: a general assumption is made no major catastrophic event or natural disaster will significantly affect the economic activities of the occupations during the projections period. An example of a catastrophic event would be the COVID-19 pandemic, which rocked the United States and the world in 2020. However, even though projections would not and could not account for the ramification of this pandemic, it is important to remember this event had not taken place by 2018. This employment projections round has a base year of 2018; in other words, 2018 employment estimates were used when modeling employment to 2028.

Whether or not the pandemic of 2020 will significantly impact future rounds of projections will depend on how long the downturn in the economy lasts and how well state and national labor markets recover from its affects. Whether or not future projections

series will be significantly impacted by the 2020 pandemic remains unclear at this time.

Monthly employment estimates from data sets such as labor force and nonfarm wage and salaried worker series since the COVID-19 pandemic first struck South Dakota indicate a strong and relatively quick recovery. They imply a hopefulness the pandemic's long-term impact on South Dakota's industry landscape will be minor.

At a macro level, two factors affect employment change in an occupation:

- Changes in industry employment. This is easy to understand. If an industry's employment grows or contracts, occupations within the industry will do the same.
- Changes in the mix of occupations (commonly known as staffing pattern) in an industry. This factor is more complicated and requires more research and analysis. Research includes examining historical staffing pattern data and analyzing factors which may affect occupations within the given industry.

Some examples of micro level factors include, but are not limited to, demographics, technology, replacement of one product or service for another, outsourcing and organizational/work restructuring.

Because occupational employment and demand projections are impacted by both industry employment trends and changes in staffing patterns, it is especially difficult to predict the pandemic's long-term impact.

Many of the occupations on South Dakota's top 10 fastest growing list are growing due to one or more of the micro-factors mentioned above.

Demographics

Demographic data refers to data which is statistically socio-economic in nature, such as age of the population, race, income, education and employment. The data vary by geographic location and often over time. South Dakota's

demographics play a definite role in the state's economic landscape.

Technology

Changes in technology, such as new machines or software, can affect the growth of an occupation. Technology can increase productivity, which usually leads to the need for fewer workers, or in some cases even eliminate the need for workers all together. However, on the flip-side, technology can bring with it the advent of new or emerging occupations, which creates new jobs. Very often, technology can cause a decrease in one occupation while creating a demand for a different occupation within the same staffing pattern. An industry may expand or contract, or it may remain at the same employment level, but because of technological changes in the industry, the occupational composition can change significantly.

Replacement of one service or product for another. Changes in the need or preference for different services and products by consumers can also affect the growth of an occupation.

Organizational/Work Restructuring

A change in job duties can result in the same output but increase or decrease the utilization of some occupations relative to others within the same industry. These changes cause occupations to grow at different rates. Many times, organizational/work restructuring results in the consolidation of job duties.

South Dakota's Major Occupational Groups

There are 22 major occupational groups. All of South Dakota's major occupational groups are expected to add jobs over the projected decade. Fourteen of these groups are projected to show growth faster than the state average.

South Dakota's computer and mathematical occupations (12.3%), personal care and service occupations (11.6%) and health care practitioners and technical occupations (11.3%) are projected to be among some of the fastest growing occupational groups during the 2018-2028 projections decade.

When combined, these three major groups account for half of the top 10 fastest growing occupations in South Dakota, including the number one spot.

Factors such as the increased need by individuals and businesses for information security and technology and an aging population, longer life expectancies and growing rates of chronic conditions will continue to be driving forces in the demand for computer technology and health related occupations. Another reason health care services in South Dakota will continue to see fast occupational growth is the influx of population.

According to an [article by United Van Lines](#) regarding the top 10 places to move in 2018, South Dakota tied with North Carolina for 8th and 9th position (at just over 57%). (For more information, see the [2018 United Van Lines National Movers Study](#).) According to Eily Cummings, director of corporate communications at United Van Lines, the 42nd annual United Van Lines study not only accurately reflects where Americans are moving to and from, but also the reasons

why. Unlike its neighboring states (which were either balanced or experienced medium outbound population during 2018), South Dakota experienced a medium inbound population. The statistics indicate 57% of those moving into to South Dakota moved here for employment or to look for a job. Other groups relocating to South Dakota were those looking to or had already retired (20%), those looking to live closer to family (17%) and those who moved here for the lifestyle (11%).

According to an [article by the American Association for Retired Persons \(AARP\)](#), more retirees are calling smaller, less-populated states like South Dakota home. This article cites findings from the National Movers Study, which is an annual report of migration patterns in the United States. The article indicates while the larger warm-weather states still draw many retirees, the smaller, more sparsely populated states with a retirement-income-friendly tax environment are becoming more popular. With South Dakota's population growth, occupations in health services will continue to grow to meet the demand for these services.



South Dakota Occupational Employment Projections 2018-2028 Top 10 in Employment Growth Rate					
Ranking	Occupation	2018 Estimated Employment	2028 Projected Employment	Numeric Change	2018-2028 Percent Change
1	Information Security Analysts	253	342	89	35.2%
2	Computer Numerically Controlled Machine Tool Programmers, Metal and Plastic	77	102	25	32.5%
3	Respiratory Therapists	336	430	94	28.0%
4	Nursing Instructors and Teachers, Postsecondary	245	312	67	27.3%
5	Nurse Practitioners	549	697	148	27.0%
6	Personal Care Aides	2,981	3,783	802	26.9%
7	Physician Assistants	544	685	141	25.9%
8	Software Developers, Applications	1,041	1,300	259	24.9%
9	Health Specialties Teachers, Postsecondary	161	201	40	24.8%
10	Occupational Therapy Assistants	119	147	28	23.5%
Notes: For descriptions of the Standard Occupational Classification (SOC) occupations above, please visit our website. Data is preliminary and subject to revision. Source: Labor Market Information Center, South Dakota Department of Labor and Regulation					

South Dakota's 10 Fastest Growing Occupations for 2018-2028

Occupational employment is expected to increase by 7.1% in South Dakota between 2018 and 2028. The table above features the 10 occupations projected to grow the fastest. The following narrative explores the reasons for the predicted growth.



➡ Information Security Analysts

Information Security Analysts work in a variety of industries to plan and carry out security measures to protect an organization's computer networks and systems. Their responsibilities are continually expanding as the number and types of cyberattacks and skills of hackers continue to increase.

These analysts take the number one spot in South Dakota's fastest growing occupations list. This projected growth is outpacing the nation's projected growth for this occupation. South Dakota is projecting growth of 35%, and nationally information security analysts are projected to grow by 32%.

Over the 2018-2028 decade, demand for this occupation is expected to be very high. As cyberattacks have grown in frequency, the demand for managed security has increased. These analysts will be depended upon for innovative solutions to prevent hackers from stealing critical information or creating problems for networks.

➡ Computer Numerically Controlled (CNC) Machine Tool Programmers, Metal and Plastic

Metal and Plastic Computer Numerically Controlled (CNC) Machine Tool Programmers moved from its respectable fifth place in

the 2016-2026 projections to second place in the 2018-2028 round, with a growth rate of 32%. This is a small occupation; however, because it is relatively new it is significant to the economic landscape of South Dakota's production industry. These workers develop computer programs which control the machining or processing of metal or plastic parts by automatic machine tools, equipment or systems.

Although CNC machine tool operators have been around for a while, CNC machine tool programmers are fairly new to production. South Dakota employers are finding value in staffing workers who are capable of writing CNC programs which are specific to the products their company produces. Making changes on the fly is perhaps one of the biggest advantages companies who employ these workers have. There is less down time, because employers can modify products in a more efficient way and are therefore able to produce unique products for their clients.

In addition, in the production industry, down time for machines not working as they should equates to lost money. If the CNC machine's preloaded program fails, having a programmer on staff is invaluable. There is generally less down time, because these programmers either know how to correct the issue or can troubleshoot the issues with programmers from the vendor company in an expedite fashion, saving the company precious time.

Finally, some companies have found they can recoup part of the cost of these positions by subcontracting to develop plastic and metal parts for other producers. Many producers, some of which are too small to have a CNC programmer on staff, or are doing a special one-time product run, will subcontract with these companies to either have the their CNCs set up to do a special run, or in some cases, have the company produce the unique part.

South Dakota's production industry is restructuring to embrace new technologies which will require the skills of CNC programmers rather than machine setters, operators and tenders. Therefore, demand for manual machine tool operators and

tenders is likely to be reduced by these new technologies, and conversely, demand for CNC machine programmers is expected to be strong in the 2018-2028 decade in South Dakota.

●➔ **Respiratory Therapists**

Health related occupations take up several of the top 10 fastest growing occupational slots in South Dakota. The first of the health-related occupations is respiratory therapists, number three on the list. Respiratory therapists are expected to grow at four times the state rate for all occupations at 28% from 2018 to 2028. Respiratory therapists care for patients who have trouble breathing for a variety of reasons, ranging from chronic respiratory disease such as asthma or emphysema, to premature infants with under-developed lungs, to patients suffering from heart attacks, drowning or shock.

South Dakota is following the national trend of much faster than the average growth in this occupation. Continued growth of the middle-aged and elderly population is anticipated to lead to increased incidence of respiratory conditions such as chronic obstructive pulmonary disease (COPD) and pneumonia, which are lifelong disorders and permanently damage lungs and restrict lung function.

And finally, growth in this occupation is occurring because these therapists are increasingly found in more types of establishments. Just a few years ago most respiratory therapists worked in hospitals; today it is becoming common to find these workers in nursing homes, doctors' offices and clinics. Not only is it more convenient for residents and patients, it cuts down on hospital readmissions, which lowers medical expenses for treatment.

●➔ **Nursing Instructors and Teachers, Postsecondary**

Although not found in the health care industry, postsecondary nursing instructors and teachers have definite ties to the strong occupational growth occurring in health care. This occupation is the fourth fastest-growing occupation at 27%. Because of the high

demand for health care workers, and especially nursing occupations, it should come as no surprise this occupation made the top 10 fastest growing occupations list.

Remember, although registered nurses did not make the list of fastest growing occupations, it does not mean this occupation is not growing. The registered nurse occupation is a large occupation in South Dakota, so although this occupation is growing at a fast pace (13%), because of the sheer number of workers in this occupation, the percentage is not high enough to make the top 10 fastest growing occupations. Because of the need to train new workers to enter nursing occupations, postsecondary nursing instructors and teachers are projected to grow rapidly from 2018-2028.

●➔ **Nurse Practitioners**

Rounding off the top five fastest growing list is the nurse practitioner occupation, boasting a 27% change in employment. Demographics certainly play a part in the fast-paced growth of this occupation. Nationally, the aging population is playing a huge role. In South Dakota, just as important as the aging of the population is the size of the population in South Dakota. Because it is such a rural state, nurse practitioners are pivotal to services provided.

Many nurse practitioners work in small towns, sometimes in remote locations. These workers are the first-line of defense in staving off everyday ailments, treating common injuries and broken bones. They are often the eyes and ears which detect more serious sicknesses and disease. These workers generally work at a satellite clinic or office for the larger, regional medical centers in the state. Using internet and satellite communications they serve their clients right where they are, most of the time.

Many patients who used to travel great distances for medical treatment can now do most of their doctoring, even for serious illnesses, right in their own hometown thanks, in part, to nurse practitioners. Some of these workers even take their services right to their patients. The elderly, shut-ins and those recovering from serious illnesses, injuries or

operations often have nobody to take them to appointments. This is where the traveling nurse practitioners come in. Some of these workers travel great distances to see and treat their patients.

Practitioners who work in the state's larger and/or more specialized clinics also provide vital services. These workers allow both doctors and patients to make the most of their medical visits by handling the more run-of-the-mill appointments. They also perform initial patient consultation and medical check-ups on patients recovering from surgery, illnesses or injury. This frees up time of physicians, specialists and surgeon so they can deal with the more serious cases requiring their attention.

Many nursing home and elderly care facilities also have nurse practitioners on staff. By employing these workers, they can save their residents trips to the doctor for common illnesses or injuries.

●➔ **Personal Care Aides**

Personal care aides, also called care givers or personal attendants, generally provide non-medical services such as cleaning, cooking, shopping, driving their clients to appointments and in general being companions to people with disabilities, chronic illnesses or the elderly. As the baby boom generation continues to age, the need for these workers will increase. Personal care aides are often the difference between individuals remaining in their home or having to go to nursing homes.

Not only is it more economical to pay for the services of a personal care aid than to live in a nursing home, but most generally people prefer to remain in their homes; so it is not surprising the demand for these workers is strong. Nationally, personal care aides are growing at a faster pace (36%) than South Dakota. However, this occupation came in as the sixth fastest growing occupations in South Dakota at (27%).

●➔ **Physician Assistants**

Physician assistants provide health care services typically performed by a physician, under the supervision of a physician or a

surgeon. They conduct complete physicals, provide treatment and counsel patients. They may, in some cases, prescribe medication. These workers must graduate from an accredited educational program for physician assistants. The training they receive is the primary difference between physician assistants and nurse practitioners.

Like nurse practitioners, physician assistants fill gaps in medical services physicians and/or surgeons are either too busy to complete, or the demand for services is higher than the supply of physicians and surgeons. Physician assistant employment is projected to grow fast, increasing by 26% from 2018 to 2028. The reasons for the fast growth in employment are mirroring nurse practitioners in South Dakota.

●➔ **Software Developers, Applications**

Applications software developers are projected to grow 25% from 2018 to 2028. This growth nearly mirrors the nation's growth for this occupation (26%). Although at first this might not seem like an occupation prevalent in health care, the health and medical insurance and reinsurance carrier's industry will need the innovative software these programmers write to manage new health care policy enrollments and administer existing policies digitally.

However, unlike most of the occupations we have just looked at, as well as those yet to come, applications software developers work in a wide variety of industries, not just one industry. Therefore, the fast pace at which this occupation is growing is caused by many different reasons.

First and foremost, this occupation is growing due to technological changes occurring in nearly every industry and aspect of our lives. Conveniences ranging from personal assistants like Alexa or Google Nest, to home security services, to the latest streaming services being offered, all run off electronic applications.

Not only do the ways we use these applications continue to grow, but so do the different types of platforms on which these applications must work. Each of these various applications and platforms require the skill of someone who

can develop the apps that make them work. In South Dakota, many government and private employers hire these workers to develop software relevant to their business or the services they offer. Some developers work on a contract basis and may enjoy living in South Dakota while programming for a client halfway around the world.

Technology is here to stay and filtering into everyday life in ways few would have thought of just a few years ago. Because this occupation can be found in so many industries (including workers who are self-employed and work on a contract basis) and virtually in any location, this occupation is projected to see strong growth nationally and in South Dakota for a long time to come.

●➔ **Health Specialties Teachers, Post-Secondary**

With South Dakota's health care industry booming, post-secondary health specialties teachers are also growing much faster than the average at 25%. These instructors teach courses in fields such as dentistry, laboratory technology, medicine, pharmacy, public health, therapy and veterinary medicine.

With the increased demand for these types of health workers, South Dakota's schools of higher education will be meeting these demands by offering more training opportunities from 2018-2028. This trend is again closely mirroring the national trend, where post-secondary health specialties teachers are projected to grow 23% during the same time.

●➔ **Occupational Therapy Assistants**

Rounding out the list of the 10 fastest growing occupations in South Dakota to 2028 is Occupational therapy assistants. They work with patients and help them develop, recover, improve and maintain the skills needed for daily living after a traumatic event like an accident, stroke, heart attack or surgery.

Some of the growth in this occupation will be due to the graying of South Dakota's population; however, some of it because of

the influx of people migrating into South Dakota. Regardless of age, a larger population equates to more health care needs. In addition to an older and larger population, some of the growth in this occupation is because of the availability of these workers to patients.

As more insurance companies cover the expense of this therapy, the demand for these

workers has increased. Not too many years ago a broken hip would likely have resulted in a move to a nursing home. However, with medical advancements and treatments, today after a successful surgery many people can return to their everyday lives with the help of these assistants to rehabilitate.



Employment projections data for 2018 to 2028 is available for more than 500 detailed occupations in the virtual labor market data system and on our website in Adobe PDF and Microsoft Excel format. Please visit our [Occupational Employment Projections menu page](#) for the latest options and data at any point in time.

Occupational Demand Projections

The previous section on occupational employment projections focused on employment growth through 2028, specifically on those occupations projected to grow the fastest. However, growth is only one portion of the demand for workers in each occupation. In fact, when considering future workforce needs, employment growth is a relatively minor factor in the number of workers who will be needed. The second component of demand is created when workers leave one occupation for a job in another occupation (this is known as transfer) or leave the workforce entirely (this is called exit).

The table at the top of the next page shows the occupations projected to have the greatest demand for workers in South Dakota each year, on average, through 2028. As you can see, annual demand (for workers) due to employment growth accounts for a relatively small portion of the total annual demand for workers.

The methodology used for employment projections at the national level and by all state agencies like ours in South Dakota is developed by the U.S. Bureau of Labor Statistics (BLS). Use of the BLS methodology ensures not only statistically sound, reliable and unbiased data, but also allows for comparability of the data among geographic areas.

BLS continuously strives to improve the methodology to ensure projections are accurately reflecting the dynamics of the current labor market. This latest improvement to the BLS methodology, which was released for the first time during the 2016-2026 statewide round of projections, allows for a more comprehensive measure of the demand for workers. National employment projections for 2018 to 2028 based on the new methodology were released in September 2019; state projections were rolled out in June 2020.

Prior to the 2016-2026 occupational projections round, the BLS methodology focused on replacement demand created by workers exiting the labor force completely—for reasons such as retirement and death. In today's workforce it is more common for workers to leave an occupation for reasons other than retirement, such as changing careers, being promoted into management or completing a training program to enter a different occupation.

For this reason, BLS established a new methodology which is known as separations. The separations methodology was designed to better understand and project what will happen within the dynamic new economy in which workers will likely have multiple occupations in a lifetime. This methodology

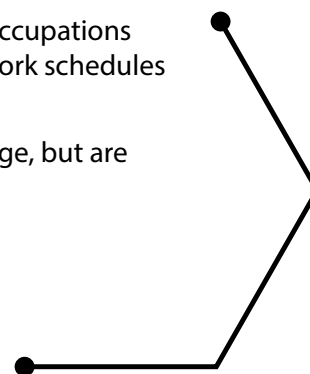
South Dakota Occupational Projections 2018-2028 Top 10 in Demand							
Occupational Title	2018 Workers	2028 Workers	Numeric Change 2018 to 2028	Annual Demand Due to			
				Employment Growth	Labor Force Exits	Occupational Transfers	Total
Total, All Occupations	491,588	526,251	34,663	3,466	23,129	36,069	62,664
Retail Salespersons	16,138	17,072	934	93	954	1,471	2,518
Cashiers	12,654	12,868	214	21	1,139	1,268	2,428
Combined Food Preparation and Serving Workers, including Fast Food	8,845	10,432	1,587	159	768	948	1,875
Waiters and Waitresses	7,511	7,963	452	45	537	948	1,530
Janitors and Cleaners, except Maids and Housekeeping Cleaners	9,650	10,623	973	97	620	715	1,432
Bookkeeping, Accounting and Auditing Clerks	10,986	11,000	14	1	669	612	1,282
Customer Service Representatives	8,693	8,702	9	1	418	742	1,161
Heavy and Tractor-Trailer Truck Drivers	8,645	9,399	754	75	371	654	1,100
Laborers and Freight, Stock and Material Movers, Hand	6,517	7,198	681	68	310	643	1,021
Counter Attendants, Cafeteria, Food Concession and Coffee Shop	4,066	4,319	253	25	472	438	935
Source: Labor Market Information Center, SD Department of Labor and Regulation							

incorporates past data, patterns and trends to general employment projections and captures two types of separations:

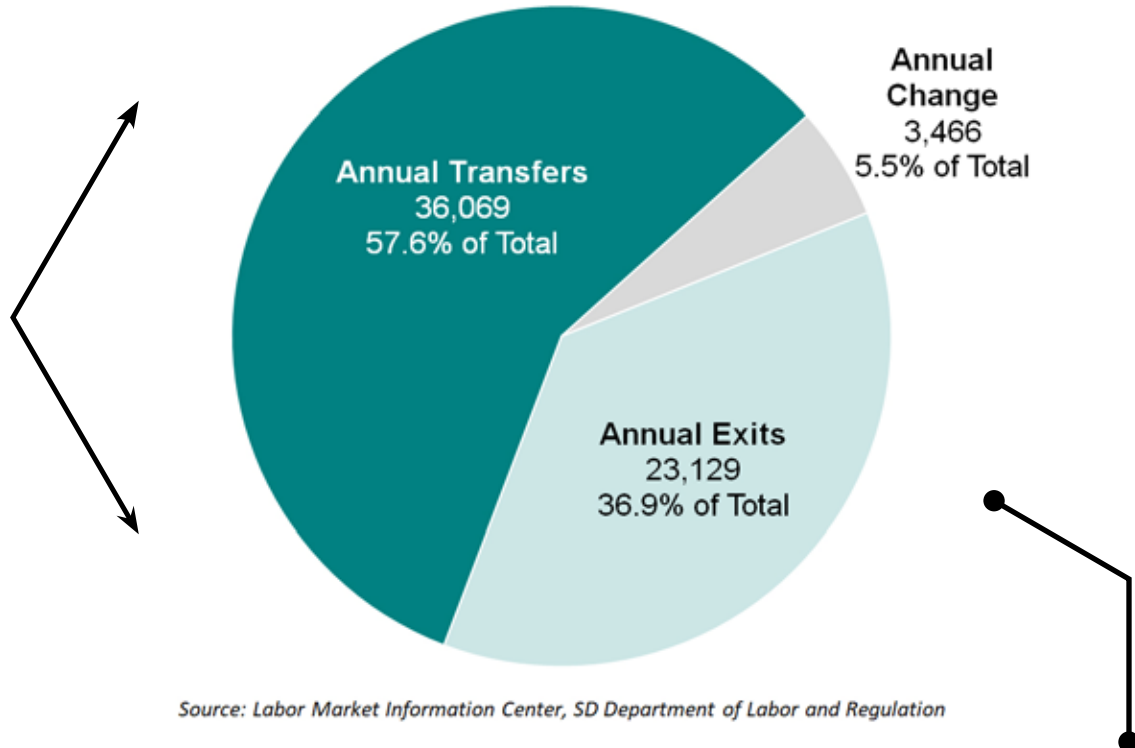
- Workers who leave the labor force entirely (shown in the table above as “Annual Demand Due to Labor Force Exits”).
- Workers who leave one major occupational group for another one (shown in the table above as “Annual Demand Due to Occupational Transfers”).

Every person’s career journey varies, but certain trends are common.

- Transfers between occupational groups are more common at younger ages, as workers explore possible careers.
- Transfers between occupations also tend to be more common in occupations often considered “entry level,” where working conditions such as work schedules and employee benefits are less desirable.
- Movements out of the labor force, known as exits, happen at any age, but are more common at older ages, when workers typically retire.



South Dakota Projected Annual Total Openings 2018-2028



How occupational transfers and exits impact projected outlook

As the pie graph above illustrates, nearly all of South Dakota's annual demand for workers during the 2018-2028 projections decade will be due to occupational transfers and labor force exits, at 57.6% and 36.9%, respectively. Just 5.5% of the state's annual openings are projected to be new growth.

South Dakota virtually mirrors the nation in these breakouts for the 2018-2028 projections period. Nationally, transfers (59%) and exits (37%) will make up the lion's share of annual demand for occupations, with just 4% being caused by growth.

Exits

In 2018, 48.6% of South Dakota's civilian noninstitutionalized population age 55 and over were in the state's labor force. In 2016, 50.3% of South Dakota's civilian noninstitutionalized population age 55 and over were in the state's labor force. This is a decrease of 1.7% in the labor force participation rate for this age cohort from 2016

to 2018. This indicates these workers exited the labor force at a faster clip in 2018 than 2016. It is anticipated as this population continues to age over the 10-year-projection period, workers will continue to retire, exiting the labor force.

Retirement is not the only reason workers exit the labor force. Many workers are in the labor force on a temporary basis. People enter the labor force temporarily for a variety of reasons. Once those reasons have been met, they may exit the labor force, causing a demand for the opening they have left behind.

Reasons vary for entering an occupation for a limited amount of time. For some, it might be a necessity because family events mandate a lifestyle change. Events such as a family member losing a job or becoming unable to work, a divorce or perhaps the death of a loved one sometimes create the need for a temporary cash flow. Therefore, people not normally involved in the labor force will enter it for a while and then exit again once the situation is resolved.



In other cases, individuals drop out of the labor force to stay home with their children until they start school, or to home school them. Other reasons for not participating in the labor force for a time include taking care of an aging or chronically ill relative or pursuing education.

Annual Occupational Transfers

Another portion of occupational demand comes from occupational transfers. This important component of occupational demand hinges on a worker's attachment to, or a lack thereof, to an occupation. Most workers have multiple jobs throughout their career. When different jobs fall into completely separate occupations, the result is an occupational transfer.

The South Dakota occupations with the highest projected demand due to occupational transfers are all large occupations with many workers. Examples include Retail Salespersons; Cashiers; Combined Food Preparation and Serving Workers, Including Fast Food; Waiters and Waitresses; Customer Service Representatives; Janitors and Cleaners; Heavy and Tractor-Trailer Truck Drivers; and Laborers and Hand Material Movers.

With a few exceptions, most of the occupations with the greatest demand due to occupational transfers are transitory in nature. By transitory, we mean these occupations tend to work well as stepping stones for employees who plan to be in the occupation for a brief time, want or need part-time work, or simply need basic work experience before finding employment in another occupation.

Young or new labor force entrants create many openings when they transfer from one occupation to another occupation in a different vocation. These workers tend to accept employment in many of the occupations in the table above to gain work experience and begin creating a resume. Most employers who hire these workers know it is unlikely they will retain them long-term, but also realize they are helping develop the workforce. When a special worker comes along, if possible, an employer makes room in the business to retain the skills the worker has acquired. However, usually in this situation, the worker advances in the ranks, moving into a different occupation with the same employer. The result is still an opening created by an occupational transfer.

Hot Careers

When decision-makers are analyzing labor market data to make determinations of occupational training or educational programs to fund or provide assistance with, the Department of Labor and Regulation encourages the use of both occupational demand and wage estimates. This helps ensure an adequate return on investment—with a greater likelihood of a trainee or graduate finding employment in an occupation related to the program and also being able to improve his or her earning potential.

To that end, and also to help individual career planners and job seekers identify occupations with the most favorable job outlook from a labor market perspective, the Labor Market Information Center identifies high demand-high wage occupations, or “Hot Careers.”

The current Hot Careers were identified in fall 2020 using the latest employment projections (2018-2028) and wage data (2019) available at the time. With 2020 wage estimates becoming available since, the criteria was updated accordingly. To be on the Hot Careers list, an occupation has to meet each of the three following criteria:

- Be projected to show employment growth to 2028.
- Have projected annual openings (a measure of demand for workers) greater than the average across all occupations (85) for 2018-2028.
- Have an average/mean wage greater than the median wage across all occupations in 2020 (\$34,754).

The 69 South Dakota occupations meeting the Hot Careers criteria are listed on the following pages.



Hot Careers



Accountants and Auditors	Farm Equipment Mechanics and Service Technicians
Automotive Service Technicians and Mechanics	First-Line Supervisors of Construction Trades and Extraction Worker
Bus and Truck Mechanics and Diesel Engine Specialists	First-Line Supervisors of Housekeeping and Janitorial Workers
Business Operations Specialists, All Other	First-Line Supervisors of Mechanics, Installers and Repairers
Buyers and Purchasing Agents	First-Line Supervisors of Non-Retail Sales Workers
Carpenters	First-Line Supervisors of Office and Administrative Support Workers
Cement Masons and Concrete Finishers	First-Line Supervisors of Production and Operating Workers
Chief Executives	First-Line Supervisors of Retail Sales Workers
Child, Family and School Social Workers	Food Service Managers
Civil Engineers	General and Operations Managers
Clergy	Graphic Designers
Clinical Laboratory Technologists and Technicians	Heating, Air Conditioning and Refrigeration Mechanics and Installers
Coaches and Scouts	Heavy and Tractor-Trailer Truck Drivers
Coating, Painting and Spraying Machine Setters, Operators and Tenders	Highway Maintenance Workers
Compliance Officers	Human Resources Specialists
Computer User Support Specialists	Industrial Machinery Mechanics
Correctional Officers and Jailers	Industrial Truck and Tractor Operators
Cost Estimators	Insurance Sales Agents
Cutting and Slicing Machine Setters, Operators and Tenders	Licensed Practical and Licensed Vocational Nurses
Cutting, Punching and Press Machine Setters, Operators and Tenders, Metal and Plastic	Light Truck or Delivery Services Drivers
Dental Assistants	Loan Interviewers and Clerks
Educational, Guidance, School and Vocational Counselors	Loan Officers
Electricians	Machinists
Elementary School Teachers, except Special Education	Maintenance and Repair Workers, General

Management Analysts
 Market Research Analysts and Marketing Specialists
 Middle School Teachers, except Special and Career/Technical Education
 Network and Computer Systems Administrators
 Operating Engineers and Other Construction Equipment Operators
 Painters, Construction and Maintenance
 Parts Salespersons
 Pesticide Handlers, Sprayers and Applicators, Vegetation
 Plumbers, Pipefitters and Steamfitters
 Police and Sheriff's Patrol Officers
 Property, Real Estate and Community Association Managers
 Registered Nurses
 Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products

Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products
 Secondary School Teachers, except Special and Career/Technical Education
 Software Developers, Applications
 Soil and Plant Scientists
 Structural Iron and Steel Workers
 Substance Abuse, Behavioral Disorder and Mental Health Counselors
 Water and Wastewater Treatment Plant and System Operators
 Welders, Cutters, Solderers and Brazers

**69
Hot
Careers**

Top 30 Careers

Additionally, the Top 30 occupations were identified. In addition to meeting the criteria for the Hot Careers, South Dakota's Top 30 Careers are those which additionally meet this criteria:

- Rank in the top 30 for projected annual openings (a measure of demand for workers).

For each of the Top 30 careers, the table on the following pages shows the 2018-2028 projected employment and outlook information and the 2020 wage data. Also on the following page is a legend explaining the row colors.

South Dakota Top 30 Occupations 2018-2028 Employment and Demand Projections and 2020 Wage Estimates							
Rank	Occupational Title	Annual Openings	2018 Employment	2028 Employment	Numeric Change	Percent Change	Average Wage
1	Heavy and Tractor-Trailer Truck Drivers	1,100	8,645	9,399	754	8.7%	\$46,232
2	Registered Nurses	907	12,940	14,643	1,703	13.2%	\$60,956
3	Carpenters	659	5,696	6,160	464	8.2%	\$38,094
4	Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products	655	5,449	6,003	554	10.2%	\$65,925
5	Accountants and Auditors	538	4,998	5,491	493	9.9%	\$69,174
6	First-Line Supervisors of Retail Sales Workers	466	4,059	4,190	131	3.2%	\$49,305
7	Light Truck or Delivery Services Drivers	447	3,387	3,777	390	11.5%	\$36,996
8	Welders, Cutters, Solderers and Brazers	432	3,321	3,758	437	13.2%	\$40,874
9	General and Operations Managers	404	4,038	4,412	374	9.3%	\$131,895
10	Management Analysts	377	3,334	3,762	428	12.8%	\$75,916
11	Elementary School Teachers, except Special Education	349	4,264	4,516	252	5.9%	\$44,793
12	Maintenance and Repair Workers, General	334	3,007	3,294	287	9.5%	\$40,319
13	Electricians	322	2,464	2,696	232	9.4%	\$47,672
14	Insurance Sales Agents	296	2,562	2,882	320	12.5%	\$72,640
15	Secondary School Teachers, except Special and Career/ Technical Education	275	3,502	3,718	216	6.2%	\$45,810
16	Loan Interviewers and Clerks	245	2,001	2,282	281	14.0%	\$39,104
17	Automotive Service Technicians and Mechanics	244	2,321	2,441	120	5.2%	\$42,841
18	Cement Masons and Concrete Finishers	239	2,010	2,195	185	9.2%	\$37,562
19	Clergy	225	1,860	2,008	148	8.0%	\$47,240
20	Parts Salespersons	224	1,616	1,800	184	11.4%	\$39,169
21	Plumbers, Pipefitters and Steamfitters	219	1,684	1,896	212	12.6%	\$45,333
22	Operating Engineers and Other Construction Equipment Operators	213	1,702	1,805	103	6.1%	\$46,576
23	Highway Maintenance Workers	211	1,796	1,870	74	4.1%	\$37,319

South Dakota Top 30 Occupations, continued
2018-2028 Employment and Demand Projections and 2020 Wage Estimates

Rank	Occupational Title	Annual Openings	2018 Employment	2028 Employment	Numeric Change	Percent Change	Average Wage
24	First-Line Supervisors of Office and Administrative Support Workers	198	1,824	1,875	51	2.8%	\$51,636
25	Industrial Truck and Tractor Operators	197	1,533	1,693	160	10.4%	\$37,187
26	Child, Family and School Social Workers	195	1,846	1,947	101	5.5%	\$41,940
27	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	191	1,600	1,753	153	9.6%	\$104,815
28	Coaches and Scouts	178	1,081	1,201	120	11.1%	\$39,623
29	Substance Abuse, Behavioral Disorder and Mental Health Counselors	176	1,352	1,603	251	18.6%	\$44,195
30	Loan Officers	175	1,703	1,930	227	13.3%	\$70,141

Notes:

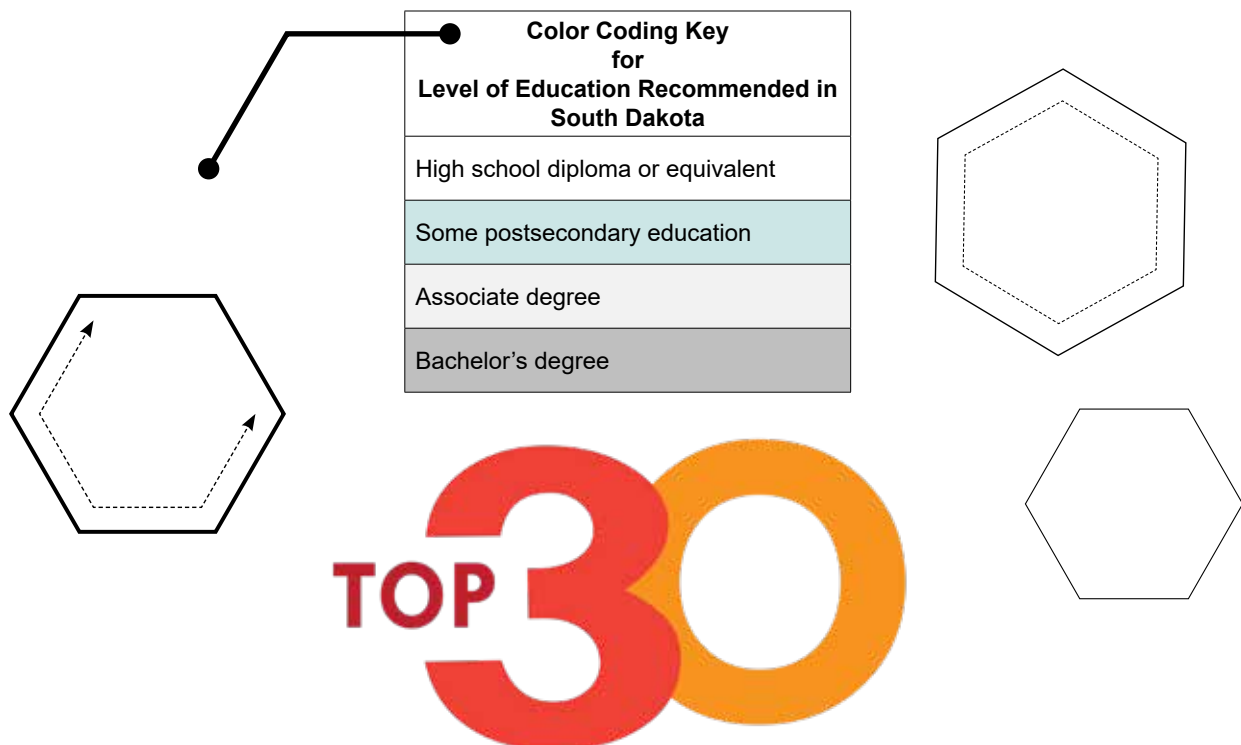
For more information on average annual openings and other employment projections data used in the table above (2018 workers, 2028 workers, percent change 2018-2028), see our [Employment Projections Technical Notes](#) page.

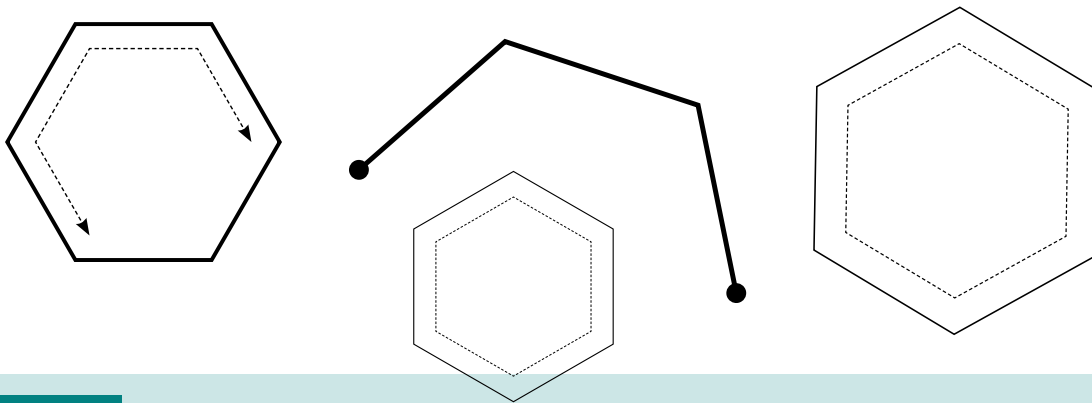
For more information on average annual wages, please see our [Occupational Wages Technical Notes](#) page.

Employment projections for additional occupations are available in the virtual labor market data system; please see our [Occupational Projections](#) menu.

Wage data is also available for additional occupations in the virtual labor market data system; please see our [Occupational Wages](#) menu.

Source: Labor Market Information Center, South Dakota Department of Labor and Regulation





A number of resources on the Hot Careers and Top 30 Careers are available, as listed below. To learn more, visit our [Hot Careers](#) web page or call the Labor Market Information Center at 605.626.2314

Hot Career Resources

[Current Job Openings in Hot Careers](#)

[Top 30 Hot Careers flier](#) (Adobe PDF format; also available in print upon request.)

[Learn even more about each Hot Career in the virtual labor market data system](#)

[Occupational Profiles](#)

The Top 30 Careers and many of the 69 Hot Careers are also featured in the career awareness and exploration materials LMIC develops for K-12 students. The materials are available in PDF format for downloading from the website, and are also available in print upon request.

[Career Peeks](#) (activity packet for students in kindergarten through second grade)

[Career Aware](#) (activity booklet for students in grades three through five)

[Career Cluster Poster Series](#)



Published by
Labor Market Information Center
South Dakota Department of Labor and Regulation
September 2021

Auxiliary aids and services are available upon request to individuals with disabilities. State and federal laws require the Department of Labor and Regulation to provide services to all qualified persons without regard to race, color, creed, religion, age, sex, ancestry, political affiliation or belief, national origin, or disability.

This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. The product was created by the recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other uses require the prior authorization of the copyright owner.



Printed on Recycled Paper