



# South Dakota e-Labor Bulletin

February 2011

Labor Market Information Center

South Dakota Department of Labor

## South Dakota Nonfarm Worker Trends in 2010

*Please note: Unless otherwise noted, the following highlights are based on a comparison of annual average data for 2009 and 2010.*

South Dakota total nonfarm employment declined by 900 workers (or 0.2 percent) from 2009 to 2010. The loss would have been 1,100 workers (or 0.3 percent) if temporary U.S. census workers and the temporary summer youth program (which was funded by stimulus money) were factored out.

It is quite evident South Dakota hit a turning point in the recession during 2010, as 2010 losses were minimal compared to the 2009 loss of 7,700 workers (or 1.9 percent). Other data supporting the notion of a South Dakota recovery was gross state sales (based on data from the South Dakota Department of Revenue) hitting new record highs in November and December 2010. An additional promising sign was new hire counts which started to recover in August 2010. Another indicator of strong economic growth is employment numbers for temporary help agencies, which have been growing since February 2010.

South Dakota fared relatively well during the recession, as our state unemployment rate was consistently well below the national rate. South Dakota's recessionary period was also much shorter and is currently recovering faster than the nation as a whole.

Good producing industries (which includes mining, logging and construction plus manufacturing) in South Dakota had a loss of 1,700 workers (or 2.9 percent) during 2010. This loss comprised the majority of the total private worker loss of 1,800 (or 0.6 percent).

<b>South Dakota Statewide Nonfarm Wage &amp; Salaried Workers by Industry</b>				
<b>Industry</b>	<b>2009 Annual Average</b>	<b>2010 Annual Average</b>	<b>Absolute Change</b>	<b>Percent Change</b>
<b>Total nonfarm</b>	<b>403,700</b>	<b>402,800</b>	<b>-900</b>	<b>-0.2%</b>
Total private	325,900	324,100	-1,800	-0.6%
Goods producing	59,500	57,800	-1,700	-2.9%
Service providing	344,200	345,000	800	0.2%
Mining, logging and construction	21,800	20,900	-900	-4.1%
Manufacturing	37,700	36,900	-800	-2.1%
Wholesale Trade	18,300	18,500	200	1.1%
<i>(continued on next page)</i>				

<b>South Dakota Statewide Nonfarm Wage &amp; Salaried Workers by Industry, continued</b>				
<b>Industry</b>	<b>2009 Annual Average</b>	<b>2010 Annual Average</b>	<b>Absolute Change</b>	<b>Percent Change</b>
Retail Trade	49,600	49,600	0	0.0%
Transportation, Warehousing & Utilities	12,800	12,500	-300	-2.3%
Information	6,700	6,600	-100	-1.5%
Financial Activities	30,400	28,700	-1,700	-5.6%
Professional & Business Services	26,900	27,300	400	1.5%
Educational & Health Services	63,200	64,400	1,200	1.9%
Leisure & Hospitality	42,900	43,100	200	0.5%
Other Services (except Public Administration)	15,700	15,700	0	0.0%
Government	77,800	78,700	900	1.2%
<i>Note: Numbers may not add due to rounding.</i>				
<i>Source: Labor Market Information Center, South Dakota Department of Labor, February 2011.</i>				

**Mining, logging and construction** showed a 900 worker (4.1 percent) loss. The end of the federal first-time homebuyer tax credit in 2010 plus the reduction in new housing construction reduced the demand for construction workers. (Data published by the U.S. Census Bureau shows new privately owned housing permits in South Dakota dropped from 3,529 in 2009 to only 2,913 in 2010.)

**Manufacturing** lost 800 workers (2.1 percent) from 2009 to 2010. The good news is manufacturing started to turn losses around in January 2010, and then started showing over-the-year gains by July 2010.

**Wholesale trade** worker levels increased by 200 workers (1.1 percent). The strong agriculture economy in South Dakota served as solid source of support to the wholesale trade industry.

**Retail trade** remained unchanged with zero worker growth (0.0 percent) from 2009 to 2010.

**Transportation, warehousing and utilities** decreased by 300 workers (or 2.3 percent), with 200 of the worker loss due to an administrative adjustment from a non-economic code change.

The **information** super sector decreased by 100 workers (1.5 percent) as the industry streamlined from reduced consumer demand.

Worker levels in the **financial activities** industry dropped by 1,700 workers (5.6 percent). Most of the losses came from national and local credit card operations which were affected by consumer financial woes and legislated restrictive credit card laws. Banks not deeply involved with credit card operations remained stable.

**Professional and business services** grew by 400 workers (1.5 percent) on an annualized basis. The professional and business service industry increase was the result of other industry businesses increasing output and therefore needing a higher level of services being provided by professional and business services.

**Education and health services** increased by 1,200 workers (1.9 percent). Some of this gain (200 workers) came from private education, as educational institutions expand their educational curriculum to incorporate new or expanding technologies (such as newly developed medical procedures and equipment, the coming of nano-manufacturing, genetic engineering, etc.). (*Note: public education is classified within government.*)

The health care and social services industry increased by 1,000 workers and is continuing a lengthy growth trend. South Dakota healthcare worker numbers have increased every year since the data was first recorded in 1972 and at comparable percentages. The demand for more workers in this industry is related to several factors, including continued population growth in South Dakota and new medical discoveries and specialized procedures which require additional staff. As many of these new discoveries increase life expectancy, people are living longer; the older population typically uses health care services more often.

**Leisure and hospitality** increased by 200 workers (0.5 percent), faring better than the nation, which lost 0.4 percent of workers in this sector. South Dakota's gain is likely related to our state providing a good value for money spent on vacations or shorter get-aways, especially popular during the recession among visitors watching their spending. It may be interesting to note leisure and hospitality did not lose employment during the 2001 recession either, but remained relatively stable with a 100 worker gain.

**Other services** remained unchanged with a loss of zero workers (0.0 percent) from 2009 to 2010. Total government produced a growth of 900 workers (or 1.2 percent). Temporary census workers and the temporary summer youth program workers (funded by stimulus dollars) contributed 200 of the growth. Most of government's growth was related to educational services.

### Rapid City Metropolitan Statistical Area (RCMSA) Nonfarm Worker Trends

The Rapid City MSA's total nonfarm worker level dropped by 400 (0.7 percent) from 2009 to 2010. The Rapid City MSA was hit particularly hard in mining, logging and construction, and in manufacturing. However, the MSA's leisure and hospitality industry had the strongest growth in the state.

<b>Rapid City MSA Nonfarm Wage &amp; Salaried Workers by Industry (Meade &amp; Pennington Counties)</b>				
<b>Industry</b>	<b>2009 Annual Average</b>	<b>2010 Annual Average</b>	<b>Absolute Change</b>	<b>Percent Change</b>
<b>Total nonfarm</b>	<b>60,800</b>	<b>60,400</b>	<b>-400</b>	<b>-0.7%</b>
Total private	50,300	49,600	-700	-1.4%
Goods producing	7,400	6,800	-600	-8.1%
Service providing	53,500	53,600	100	0.2%
Mining, logging and construction	4,700	4,300	-400	-8.5%
Manufacturing	2,700	2,500	-200	-7.4%
Wholesale Trade	2,100	2,000	-100	-4.8%
Retail Trade	8,900	8,700	-200	-2.2%
Transportation, Warehousing & Utilities	1,800	1,700	-100	-5.6%
Information	1,000	1,000	0	0.0%
Financial Activities	3,800	3,800	0	0.0%
Professional & Business Services	4,800	4,700	-100	-2.1%
Educational & Health Services	9,500	9,600	100	1.1%
Leisure & Hospitality	8,400	8,600	200	2.4%
Other Services (except Public Administration)	2,700	2,700	0	0.0%
Government	10,600	10,800	200	1.9%
<i>Note: Numbers may not add due to rounding.</i>				
<i>Source: Labor Market Information Center, South Dakota Department of Labor, February 2011.</i>				

### Sioux Falls Metropolitan Statistical Area (SFMSA) Nonfarm Worker Trends

The Sioux Falls MSA total nonfarm worker level decreased by 600 (0.4 percent) from 2009 to 2010. The Sioux Falls MSA was also hit hard in mining, logging and construction, as well as in manufacturing. However, the MSA's financial industry felt most of the pain with a loss of 1,000 workers (or 6.1 percent). The educational and healthcare industry had the highest growth with a 1,000 worker (3.9 percent) increase.

<b>Sioux Falls MSA Nonfarm Wage &amp; Salaried Workers by Industry (Lincoln, Minnehaha, McCook &amp; Turner Counties)</b>				
<b>Industry</b>	<b>2009 Annual Average</b>	<b>2010 Annual Average</b>	<b>Absolute Change</b>	<b>Percent Change</b>
<b>Total nonfarm</b>	<b>133,600</b>	<b>133,000</b>	<b>-600</b>	<b>-0.4%</b>
Total private	120,800	120,000	-800	-0.7%
Goods producing	19,400	18,500	-900	-4.6%
Service providing	114,200	114,400	200	0.2%
Mining, logging and construction	7,100	6,600	-500	-7.0%
Manufacturing	12,300	12,000	-300	-2.4%
Wholesale Trade	6,700	6,700	0	0.0%
Retail Trade	16,400	16,600	200	1.2%
Transportation, Warehousing & Utilities	5,000	4,900	-100	-2.0%
Information	3,000	2,900	-100	-3.3%
Financial Activities	16,300	15,300	-1,000	-6.1%
Professional & Business Services	10,900	11,200	300	2.8%
Educational & Health Services	25,500	26,500	1,000	3.9%
Leisure & Hospitality	12,900	12,700	-200	-1.6%
Other Services (except Public Administration)	4,700	4,800	100	2.1%
Government	12,800	13,000	200	1.6%
<i>Note: Numbers may not add due to rounding.</i>				
<i>Source: Labor Market Information Center, South Dakota Department of Labor, February 2011.</i>				

## Balance of State Nonfarm Worker Trends

The balance of state is comprised of all counties not defined as part of an MSA. Therefore, balance of state includes all counties except Pennington, Meade, Lincoln, Minnehaha, McCook and Turner. The remainder of state data allows one to see how industries are doing in the more rural areas of South Dakota.

Total nonfarm employment in this area grew by 100 workers (0.0 percent). If government growth is not factored, the balance of state showed over-the-year losses. It is noteworthy that balance of state's mining, logging and construction industry showed no loss. Evidently construction demand in the rural areas remained stable.

<b>Balance of State* Nonfarm Wage &amp; Salaried Workers by Industry</b>				
<b>Industry</b>	<b>2009 Annual Average</b>	<b>2010 Annual Average</b>	<b>Absolute Change</b>	<b>Percent Change</b>
<b>Total nonfarm</b>	<b>209,300</b>	<b>209,400</b>	<b>100</b>	<b>0.0%</b>
Total private	154,800	154,500	-300	-0.2%
Goods producing	32,700	32,500	-200	-0.6%
Service providing	176,500	177,000	500	0.3%
Mining, logging and construction	10,000	10,000	0	0.0%
<i>(continued on next page)</i>				

<b>Balance of State* Nonfarm Wage &amp; Salaried Workers by Industry, continued</b>				
<b>Industry</b>	<b>2009 Annual Average</b>	<b>2010 Annual Average</b>	<b>Absolute Change</b>	<b>Percent Change</b>
Manufacturing	22,700	22,400	-300	-1.3%
Wholesale Trade	9,500	9,800	300	3.2%
Retail Trade	24,300	24,300	0	0.0%
Transportation, Warehousing & Utilities	6,000	5,900	-100	-1.7%
Information	2,700	2,700	0	0.0%
Financial Activities	10,300	9,600	-700	-6.8%
Professional & Business Services	11,200	11,400	200	1.8%
Educational & Health Services	28,200	28,300	100	0.4%
Leisure & Hospitality	21,600	21,800	200	0.9%
Other Services (except Public Administration)	8,300	8,200	-100	-1.2%
Government	54,400	54,900	500	0.9%
<p><i>*Balance of State includes all counties of South Dakota except those included in the Metropolitan Statistical Areas (Pennington, Meade, Lincoln, Minnehaha, McCook &amp; Turner counties).</i></p> <p><i>Note: Numbers may not add due to rounding.</i></p> <p><i>Source: Labor Market Information Center, South Dakota Department of Labor, February 2011.</i></p>				