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Labor Market Information Center

SD Department of Labor & Regulation

South Dakota Declining Industry Trends to 2024

July's article featured South Dakota industries projected to show employment growth to 2024. The analysis was based on the 2014-2024 round of South Dakota employment projections by industry and class of worker recently completed by the Labor Market Information Center (LMIC). A look at the industries where employment is projected to decline or grow the slowest provides insight into where the economy is headed.

Historical time-series data and state and national economic trends are incorporated in various statistical models to project employment levels. A general assumption is made no major catastrophic events or natural disasters would significantly affect economic activities of these industries during the projection period.

Declining industries are a result of several factors. Some South Dakota industries are in decline due to advances in technology, changes in business practices and other factors. According to the U.S. Bureau of Labor Statistics (BLS), there are several macroeconomic factors affecting the growth in total employment, such as labor force trends, gross domestic product (GDP) and its components, and labor productivity.

Nationally, a few sectors such as Manufacturing, Utilities, Information and Agriculture are projected to experience a slight decline in employment in the next 10 years. The slight decline in employment is due to productivity gains, international trade and consolidation of firms. In South Dakota, the slowest growing sectors are Information, Utilities and Agriculture. Contained within the slowest growing sectors are four of the top 10 most rapidly declining or slowest growing subsectors at the three-digit North American Industry Classification System (NAICS) level. The industry declines in South Dakota are projected to be minimal at the subsector level. But since many South Dakota industries are considered small, even a small loss in employment levels in the projected 2024 value can notably impact a subsector.

South Dakota Industry Employment Projections 2014-2024 Declining or Slowest Growing Industries				
Industry Title	2014 Workers	2024 Workers	Actual Change	Percent Growth
Publishing Industries (except Internet)	1,457	1,332	-125	-8.6%
Air Transportation	246	241	-5	-2.0%
Textile Product Mills	395	388	-7	-1.8%
Miscellaneous Store Retailers	2,790	2,760	-30	-1.1%
Broadcasting (except Internet)	1,069	1,061	-8	-0.7%
Paper Manufacturing	757	760	3	0.4%
Total Federal Government Employment	11,109	11,179	70	0.6%
Religious, Grantmaking, Civic, Professional and Similar Organizations	8,824	8,920	96	1.1%
Utilities	1,967	1,994	27	1.4%
Agriculture, Forestry, Fishing and Hunting	33,809	34,512	703	2.1%
Notes:				
<i>Data is preliminary and subject to revision.</i>				
<i>Data for industries with 2014 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.</i>				
<i>Industry codes and industry titles are based largely on the North American Industry Classification System (NAICS).</i>				
<i>Source: Labor Market Information Center, South Dakota Department of Labor and Regulation, July 2016.</i>				

Publishing Industries (except Internet)

Worker levels in the Publishing Industries (except Internet) subsector are projected to decrease by 125 workers (or 8.6 percent) through 2024 in South Dakota. This subsector contains establishments engaged in the publishing of newspapers, magazines, periodicals and books, as well directory and mailing lists and software publishing. The Publishing Industries subsector is under the Information sector, which is projected to be the slowest growing sector in South Dakota over the next 10 years. The contributing factor for the expected decline is due to advancements in technology. The demand for physical newspapers, magazines and books will continue to decline due to the availability of the same content on the internet.

Air Transportation

Worker levels in the Air Transportation subsector are projected to decrease by five workers (or 2 percent) through 2024 in South Dakota. Industries in the Air Transportation subsector provide air transportation of passengers and cargo using aircraft such as airplanes or helicopters. This subsector is contained in the Transportation and Warehousing sector. Nationally, the Air Transportation subsector is projected to increase slightly by 200 workers (or 0 percent) over the next 10 years. The slow growth and projected decline on the national and state levels can be attributed to consumer demand and technological innovation. In South Dakota, there were only 246 workers within this subsector for 2014, so the slight expected decrease notably impacts this particular subsector. Specifically, as airlines try to keep costs down while maintaining or gaining efficiencies, automated machines and software are replacing a portion of the workforce.

Textile Product Mills

Worker levels in the Textile Product Mills subsector are projected to decrease slightly by seven workers (or 1.8 percent) in the next decade. The Textile Product Mills industry is made up of establishments that make textile products, excluding apparel. On a national level, this subsector is projected to be one of the most rapidly declining industries as well, due to technological advances. Innovative machines are increasingly being utilized to replace the labor it once took to manufacture most textile goods.

Miscellaneous Store Retailers

The Miscellaneous Store Retailers subsector is projected to decrease by 30 workers (or 1.1 percent) over the next 10 years in South Dakota. This retail trade subsector is a catch-all subsector for retailers who sell specific products not otherwise categorized in a specified retail code. Establishments in this subsector include stores with unique characteristics, such as florists, used merchandise stores, and pet and pet supply stores. In South Dakota, we are experiencing a decline in this subsector due to coding changes and the ability to be more accurate when a particular business reports to the Quarterly Census of Employment and Wages (QCEW) program. (The QCEW program publishes a quarterly count of employment and wages reported by employers, covering 98 percent of U.S. jobs, with the resulting data available at the county, Metropolitan Statistical Area, state and national levels by industry.) A company once coded in the Miscellaneous Store Retailers subsector may now be coded in a more specific retailing NAICS code. Another driving factor for the decrease is due to large retailers increasingly retailing floral products, office products and other varieties. Specialty stores are in more competition as the large retailers are continuing to expand the wide range of products being offered.

Broadcasting (except Internet)

Worker levels in the Broadcasting (except Internet) subsector are projected to decrease by eight workers (or 0.7 percent) by 2024. This subsector includes establishments that create content or acquire the right to distribute content and subsequently broadcast the content. Nationally, the trend for this subsector is also on the decline. Much of this trend is attributed to the decrease in broadcasted information caused by the rise of available information on the internet, use of social media, etc.

That's it for projected industry employment declines in South Dakota through 2024, certainly a positive sign. Now we'll look at a few industries for which employment growth is projected to be minimal.

Paper Manufacturing

Worker levels in the Paper Manufacturing subsector are projected to increase slightly by three workers (or 0.4 percent). 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. The availability of information on the internet and improved efficiencies in manufacturing processes have contributed to the projected declines in paper manufacturing. The decline is also driven by personal and business "green" efforts to use less paper and reduce environmental impact.

Federal Government

The Federal Government subsector is projected to increase by 70 workers (or 0.6 percent) over the next 10 years in South Dakota. Establishments under this subsector are engaged in a variety of industry activities, and are classified under a federal government ownership by the QCEW program. The slight growth in this subsector is largely determined by the demand for the services provided and budgetary restrictions.

Religious, Grantmaking, Civic, Professional and Similar Organizations

Worker levels in the Religious, Grantmaking, Civic, Professional and Similar Organizations subsector are projected to increase by 96 workers (or 1.1 percent). Establishments included in this subsector organize and promote religious activities; support various causes through grant-making; advocate various social and political causes; and promote and defend the interests of their members. This subsector belongs to the Other Services (except Government) sector, which is projected to slowly grow 2.7 percent overall through 2024 in South Dakota.

Utilities

The Utilities subsector is projected to slowly increase by 27 workers (or 1.4 percent) over the next 10 years in South Dakota. Establishments in the Utilities subsector provide electric power, natural gas, steam supply and sewage removal through a permanent infrastructure of lines, mains and pipes. The Utilities subsector is the only industry under the Utilities sector; therefore, it has the same number of establishments and individuals at the three-digit and two-digit NAICS levels. The demand for workers in this subsector is created by the need to maintain and run an aging infrastructure; however, the demand is also limited due to efficiencies gained in technology.

Agriculture, Forestry, Fishing and Hunting

Worker levels in the Agriculture, Forestry, Fishing and Hunting sector are projected to increase by 703 workers (or 2.1 percent) by 2024. In South Dakota, we produce Agriculture, Forestry, Fishing and Hunting data at the two-digit NAICS sector level (NAICS 11) and roll up the subsector industry groups. This means subsectors dealing in crop, animal, forestry, fishing and support activities are combined, with employment levels creating an overall picture of the agriculture industry. Establishments in this sector are primarily engaged in growing crops, raising animals, harvesting timber and harvesting fish and other animals from a farm, ranch or natural habitats. This industry has been on a fairly steady decline the past couple of decades. Technology has been a key factor in lowering the demand for workers while maintaining or increasing output. Another reason for the conservative growth is due to the consolidation of farms.

The 2014-2024 [employment projections for all industries](#) are available in the virtual labor market data system using the menu on our website.