



September 2016

Labor Market Information Center

SD Department of Labor & Regulation

Annualized Summary of South Dakota Workers

Each year the Labor Market Information Center (LMIC) publishes a comprehensive annual summary online containing a wealth of information on South Dakota establishments, workers and pay. The program which produces this data is the Quarterly Census of Employment and Wages (QCEW).

The source of data in this program is the employment and wage data reported by employers to the South Dakota Department of Labor and Regulation's Unemployment Insurance (UI) program and to the Unemployment Compensation for Federal Employees (UCFE) program. Employment covered by these UI programs represents about 96 percent of all wage and salary civilian employment in the state.

The recently published annual summary covers 2015 data. The online summary covers each National American Industry Classification System (NAICS) industry group, subsector, sector and supersector, detailing number of establishments, worker levels and wage data, along with previous year comparisons. (Please see our definitions web page for more information on the NAICS.) There are a series of graphs, charts and tables displayed, helping portray a picture of South Dakota's economy. QCEW employment and wage data is also tabulated for the Metropolitan Statistical Areas (MSA) of Rapid City and Sioux Falls, by county and by size class of employer. This is the only program from which data by size class is available.

While the online summary mentioned above focuses on an annual tabulation of the QCEW data, quarterly data is also available on the LMIC website through the virtual labor market data system. In fact, the number of workers data is available for each month included in the quarter.

The QCEW program originated in the 1930s and was known as the ES-202 program until 2003, when the current QCEW name was adopted. It is a cooperative program involving the U.S. Department of Labor's Bureau of Labor Statistics (BLS) and the State Employment Security Agencies (SESAs). LMIC is South Dakota's agency responsible for the QCEW program.

The QCEW series have broad significance in evaluating labor trends and major industry developments. They are used in time series analyses, industry comparisons and in special studies such as analysis of wages by size of establishment. The data accurately reflect the extent of coverage of state unemployment laws and are used to measure UI revenues; national, state and local area employment; and total and taxable wage trends.

The QCEW program serves as a near census of monthly employment and quarterly wage information by six-digit NAICS industry at the national, state and county levels. At the national level, the QCEW program publishes employment and wage data for nearly every NAICS industry. At the state and area level, the QCEW program publishes employment and wage data down to the six-digit NAICS industry level, if disclosure restrictions are met. In accordance with BLS policy, data provided to the Bureau in confidence are not published and are used only for specified statistical purposes. BLS withholds publication of UI-covered employment and wage data for any industry level when necessary to protect the identity of cooperating employers.

Employment data under the QCEW program represent the number of covered workers who worked during, or received pay for, the pay period including the 12th of the month. Excluded are members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers and railroad workers covered by the railroad unemployment insurance system. Wages represent total compensation paid during the calendar quarter, regardless of when services were performed. Included in wages are pay for vacation and other paid leave, bonuses, value of meals and lodging, and in some states, contributions to deferred stock options, tips and cash compensation plans (such as 401(k) plans). The QCEW program does provide partial information on agricultural industries and employees in private households, providing they are liable for unemployment insurance tax.

Concentrating on South Dakota, the table below shows the number of establishments, average number of workers, total wage, average weekly wage and average annual wage for the past 15 years. This data takes into account private and government ownership categories. With the exception of a few recessionary years, the data shows stable growth statewide each year. The average number of workers experienced a gain of 5,078 workers or 1.2 percent from 2014. At the same time average annual pay increased by \$1,492 or 3.9 percent.

South Dakota Covered Worker Annual Data 2001-2015					
Year	Number of Establishments	Average Employment	Total Wage	Average Weekly Wage	Average Annual Wage
2001	29,381	364,716	\$ 9,336,850,554	\$492	\$25,600
2002	29,366	363,325	\$ 9,576,884,320	\$507	\$26,359
2003	29,671	364,256	\$ 9,910,087,814	\$523	\$27,206
2004	30,213	369,627	\$10,453,754,789	\$544	\$28,282
2005	30,938	375,699	\$10,951,184,186	\$561	\$29,149
2006	31,368	383,856	\$11,623,744,419	\$582	\$30,282
2007	31,945	392,068	\$12,410,645,439	\$609	\$31,654
2008	32,306	397,109	\$13,033,404,203	\$631	\$32,821
2009	32,361	389,410	\$12,985,743,821	\$641	\$33,347
2010	32,493	389,199	\$13,361,396,655	\$660	\$34,331
2011	32,790	393,750	\$13,943,807,729	\$681	\$35,413
2012	33,088	400,473	\$14,630,431,511	\$703	\$36,533
2013	33,416	404,648	\$15,063,362,358	\$716	\$37,226
2014	33,761	410,939	\$15,898,891,588	\$744	\$38,689
2015	34,380	416,017	\$16,716,017,132	\$773	\$40,181

Source: Quarterly Census of Employment and Wages, Labor Market Information Center, South Dakota Department of Labor and Regulation, September 2016.

As we take a look at the 2015 data in the online summary, one can navigate through the breakdown of the numbers into specific sets. We are able to see supersector industry groups and industry. We also can see the number of establishments in each supersector industry group and also what industries are included within that group.

The trade, transportation and utilities supersector has the largest number of establishments (8,319) and workers (86,554). However, this supersector group does not have the highest annual pay. The supersector group with the highest annual pay is financial activities, at \$53,505 which includes finance and insurance and real estate, rental and leasing. The highest paid more detailed sector, management of companies and enterprises, has an annual wage of \$93,556 and is classified within the professional/business services supersector group.

It is also possible to break down the supersector data to the sector and subsector level. For instance, we can look up the supersector leisure and hospitality services, find sector arts/entertainment/recreation and accommodation and food services. At the subsector level, the establishments are broken out further to allow a more comprehensive look at what kinds of establishments are classified under each industry. The subsector level provides the most detailed industry information available. A comparison graph complements each subsector data table, illustrating 2014 and 2015 for a graphical look at the over-the-year trend.

Sometimes there may be sudden shifts in levels of employment or wages when comparing data year to year. Many major shifts in employment or wage levels are the result of various economic activities. Examples of what might cause these shifts are establishment openings or closings, and major establishment expansions or contractions.

Shifts can also be caused by changes in the dominant economic activity at a particular establishment. For example, an establishment may make two products properly classified in two different industries. The correct classification for the establishment as a whole is the dominant activity. If, over time, production of the secondary product increases beyond the initial dominant product, the industry classification of the establishment should be changed. Another factor is the relocation of an establishment from one area to another. The QCEW program includes built-in processes for monitoring these changes, as well as changes in ownership and physical location.

In addition to richly detailed employment and wage data, the QCEW program produces data on establishments, employment and wages stratified by size of establishment for the first quarter of each year. The size class of each establishment is determined by the March employment level. These size class data are available at the state, county and MSA level by NAICS sector for private ownership.

The QCEW and the detailed annual online summary is the most comprehensive data source available for detailed industry worker and wage information. The data is used daily by individuals, private businesses, government agencies and researchers to make informed decisions, particularly with regard to wage increases and industry growth. The QCEW maintains accuracy, quality, timeliness and relevancy.

Visit the Labor Market Information Center website at www.sdjobs.org/lmic for more information, or contact us at 605.626.2314.