# 2019

# South Dakota Workforce Report

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

Labor Market Information Center

*dlr.sd.gov/lmic*

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# POPULATION

South Dakota's total population began an upward trend in 1990 which continued through 2019. According to estimates published by the U.S. Census Bureau, our population increased by 77,600 or 9.6% between 2009 and 2019 which exceeded the U.S. population increase of 7.0% over the same time period. Some of the largest growth has taken place in our two Metropolitan Statistical Areas (MSAs), Rapid City and Sioux Falls. Population in those two metro areas increased by 13.4% and 18.7%, respectively, over the last 10 years. Nearly half of South Dakota's population 419,300 (47.4%) resides in either the Sioux Falls or Rapid City MSAs. Between 2018 and 2019 growth remained consistent in comparison to previous years with the MSAs growing at a slightly faster pace than the rest of the state.



**South Dakota Population Estimates 1990-2019**

Source: U.S. Census Bureau, 2019 Population Estimates
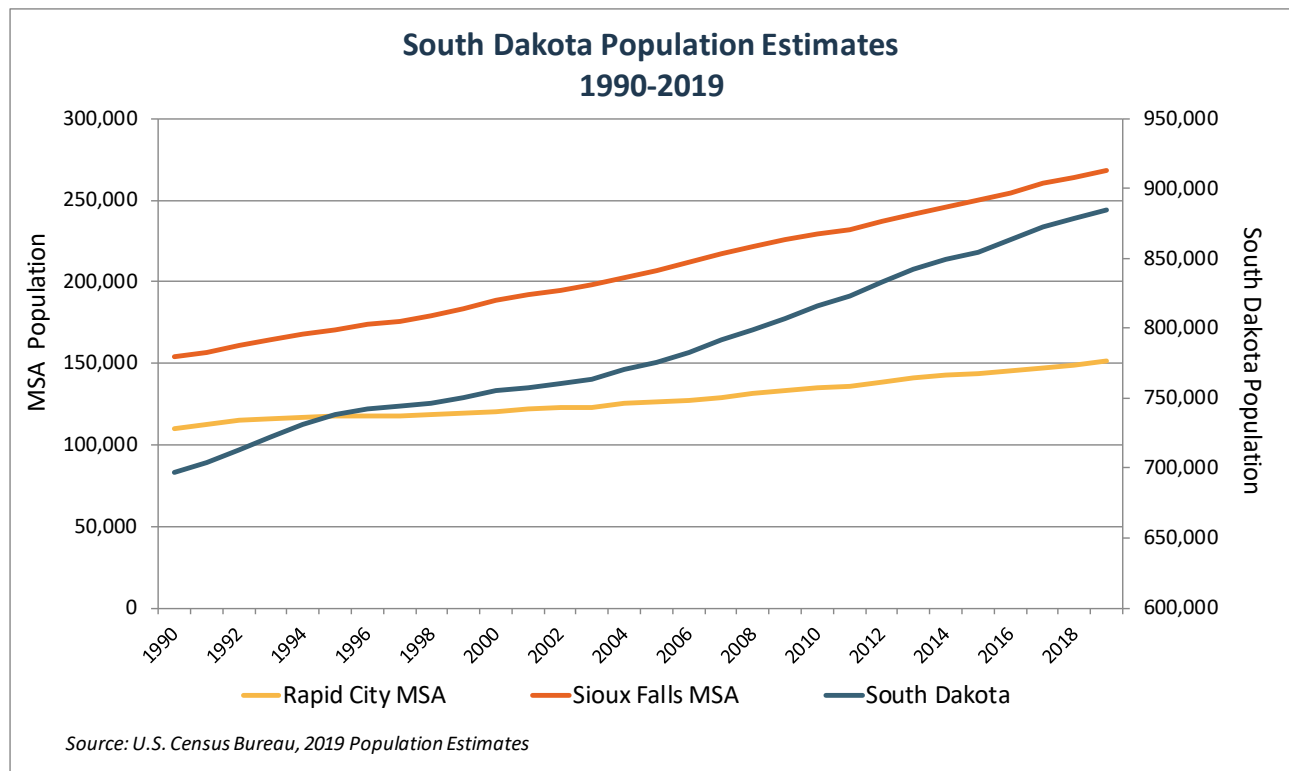
| South Dakota Population Estimates (as of July 1 each year) | | |
|---|---|---|
| | **2018** | **2019** |
| South Dakota | 878,700 | 884,700 |
| Rapid City MSA | 149,000 | 151,100 |
| Sioux Falls MSA | 263,800 | 268,200 |
| *Source: U.S. Census Bureau, 2019 Population Estimates.* | | |

## Population Distribution
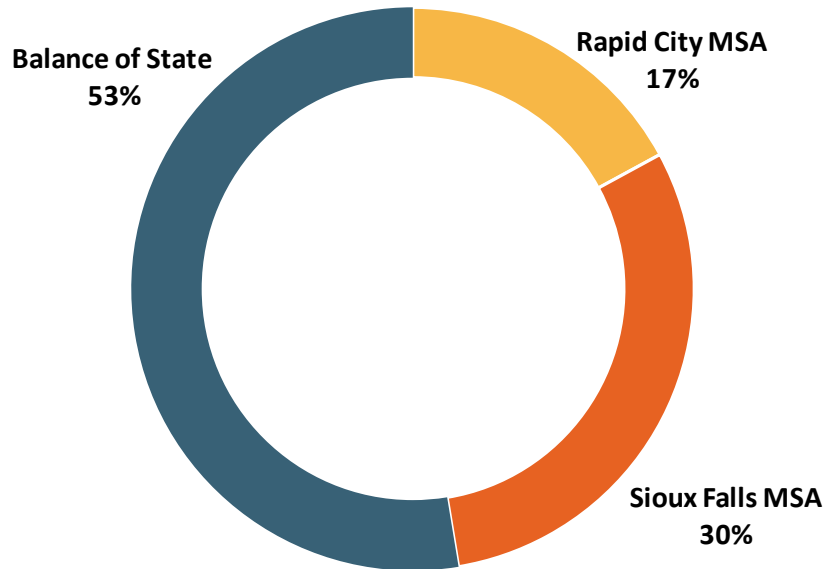


Source: U.S. Census Bureau, 2019 Population Estimates

American Community Survey (ACS) data for 2018 (most recent available) produced by the U.S. Census Bureau shows the largest percent of the state population by race is comprised of White residents (86.5%), followed by American Indian and Alaskan (10.4%). Regarding ethnicity, 3.9% of South Dakota's population is Hispanic or Latino.

| South Dakota Population by Race and Ethnicity | | |
|---|---|---|
| | **Number** | **Percent** |
| Total population | 882,235 | 100.0% |
| White | 763,432 | 86.5% |
| Black or African American | 26,781 | 3.0% |
| American Indian and Alaska Native | 92,049 | 10.4% |
| Asian | 17,534 | 2.0% |
| Native Hawaiian and Other Pacific Islander | 819 | 0.1% |
| Some other race | 6,550 | 0.7% |
| Hispanic or Latino (of any race) | 33,983 | 3.9% |
| Source: U.S. Census Bureau, 2018 American Community Survey | | |

Because of the correlation between demographic and workforce data, LMIC staff have extensive knowledge of and experience using data from the U.S. Census Bureau. Contact LMIC at 605.626.2314 for assistance.

# Language Spoken

Data available from the 2018 American Community Survey (ACS) for the linguistics of our state population show that a large majority of state residents (93.2%) speak only English. Of those residents which have the ability to speak in other languages (56,157), some struggle with language barriers as an estimated 7,355 (13.1%) speak English 'not well' or 'not well at all.'

| South Dakota 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 | 154,036 | 521,414 | 146,358 | 821,808 | 100.0% |
| Speak only English | 146,217 | 478,322 | 141,112 | 765,651 | 93.2% |
| Speak Spanish: | 3,297 | 12,983 | 664 | 16,944 | 2.1% |
| Speak English "very well" | 2,732 | 8,023 | 635 | 11,390 | 1.4% |
| Speak English "well" | 455 | 2,517 | 10 | 2,982 | 0.4% |
| Speak English "not well" | 110 | 1,756 | 19 | 1,885 | 0.2% |
| Speak English "not at all" | 0 | 687 | 0 | 687 | 0.1% |
| Speak other Indo-European languages: | 1,626 | 10,349 | 1,674 | 13,649 | 1.7% |
| Speak English "very well" | 1,167 | 7,262 | 1,332 | 9,761 | 1.2% |
| Speak English "well" | 393 | 2,091 | 262 | 2,746 | 0.3% |
| Speak English "not well" | 66 | 782 | 80 | 928 | 0.1% |
| Speak English "not at all" | 0 | 214 | 0 | 214 | 0.0% |
| Speak Asian and Pacific Island languages: | 422 | 6,019 | 351 | 6,792 | 0.8% |
| Speak English "very well" | 323 | 2,727 | 0 | 3,050 | 0.4% |
| Speak English "well" | 99 | 1,444 | 213 | 1,756 | 0.2% |
| Speak English "not well" | 0 | 1401 | 0 | 1,401 | 0.2% |
| Speak English "not at all" | 0 | 447 | 138 | 585 | 0.1% |
| Speak other languages: | 2,474 | 13,741 | 2,557 | 18,772 | 2.3% |
| Speak English "very well" | 2,241 | 10,987 | 1,777 | 15,005 | 1.8% |
| Speak English "well" | 145 | 1687 | 280 | 2,112 | 0.3% |
| Speak English "not well" | 88 | 1,067 | 448 | 1,603 | 0.2% |
| Speak English "not at all" | 0 | 0 | 52 | 52 | 0.0% |
| Source: U.S. Census Bureau, 2018 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 2018 to 2019 reflects an overall growth (all industry total) of 2.5%, which is a decrease from the previous year's growth of 4.6%. All but three industries experienced GDP growth from 2018-2019, with wholesale trade having the greatest percentage growth in GDP of 6.9%, followed closely by professional and business services with growth of 6.4%.

The three industries which had decreased GDP in 2019 were the Agriculture, Forestry, Fishing and Hunting industry, the Mining, Quarrying, and Oil and Gas Extraction industry, and the Utilities industry. The Agriculture, Forestry, Fishing and Hunting industry GDP decreased by 9.0% from $3.6 billion in 2018 to $3.2 billion in 2019. The Mining, Quarrying, and Oil and Gas Extraction industry declined by 18.5% from 2018 to 2019, and the Utilities industry decreased by 0.4%. The Mining, Quarrying and Oil and Gas Extraction industry is 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.
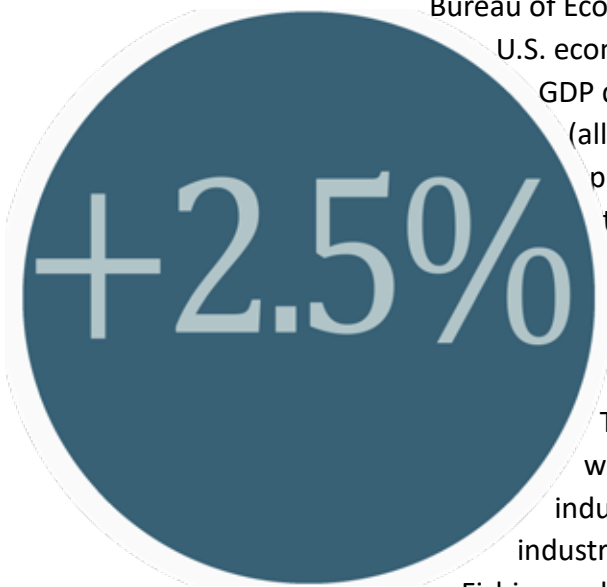
LMIC staff are experienced users of economic data from the U.S. Bureau of Economic Analysis. If you need such data or assistance using it, contact LMIC at 605.626.2314.

| Industry | 2017 GDP | 2018 GDP | 2019 GDP | Change from 2017-2018 | Change from 2018-2019 |
|---|---|---|---|---|---|
| **South Dakota Gross Domestic Product (GDP) by Industry Sector (Millions of Dollars)** | | | | | |
| **All Industry Total** | **49,739** | **52,015** | **53,306** | **4.6%** | **2.5%** |
| Private Industries | 44,064 | 46,091 | 47,225 | 4.6% | 2.5% |
| Agriculture, Forestry, Fishing, and Hunting | 3,267 | 3,611 | 3,287 | 10.5% | -9.0% |
| Mining, Quarrying, and Oil and Gas Extraction | 156 | 146 | 119 | -6.5% | -18.5% |
| Utilities | 878 | 906 | 902 | 3.2% | -0.4% |
| Construction | 1,907 | 2,005 | 2,049 | 5.1% | 2.2% |
| Manufacturing | 4,880 | 5,135 | 5,219 | 5.2% | 1.6% |
| Wholesale Trade | 3,584 | 3,704 | 3,960 | 3.4% | 6.9% |
| Retail Trade | 3,479 | 3,523 | 3,630 | 1.3% | 3.0% |
| Transportation and Warehousing | 1,187 | 1,255 | 1,283 | 5.8% | 2.2% |
| Information | 1,199 | 1,256 | 1,279 | 4.7% | 1.9% |
| Finance, Insurance, Real Estate, Rental, and Leasing | 12,421 | 12,937 | 13,385 | 4.2% | 3.5% |
| Professional and Business Services | 2,934 | 3,101 | 3,299 | 5.7% | 6.4% |
| Educational Services, Health Care and Social Assistance | 5,202 | 5,417 | 5,641 | 4.1% | 4.1% |
| Arts, Entertainment, Recreation, Accommodation and Food Services | 1,930 | 1,998 | 2,036 | 3.5% | 1.9% |
| Other services, except Government | 1,040 | 1,097 | 1,136 | 5.5% | 3.5% |
| Government | 5,675 | 5,924 | 6,080 | 4.4% | 2.6% |

*Note: NAICS Industry detail is based on the 2012 North American Industry Classification System (NAICS).*

*Last updated April 7, 2020, reflecting Census Bureau midyear population estimates available as of December 2019.*

*Source: U.S. Bureau of Economic Analysis.*

# LABOR FORCE

## Labor Force Participation Rate

Current Population Survey (CPS) figures from the Bureau of Labor Statistics show South Dakota's labor force participation rate was 69.5% in 2019. 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 2019 national average of 63.1%. Historically, South Dakota consistently has higher rates of labor force participation than the nation as a whole.

South Dakota's participation rate of 69.5% was the fifth-highest rate of all states and the District of Columbia. The District of Columbia had the highest rate at 71.1%, followed by Iowa at 71.0%, Nebraska at 70.5% and Minnesota at 70.1%.

### Labor Force Participation Rates
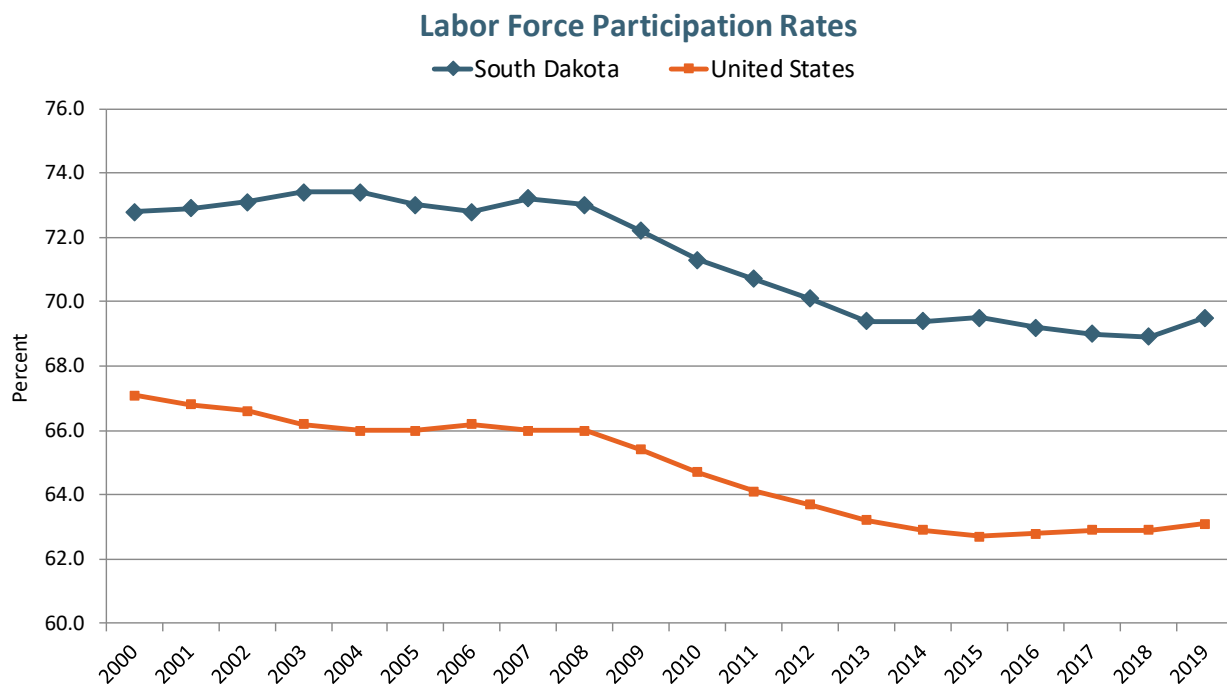


*Source: U.S. Bureau of Labor Statistics, Current Population Survey*

Youth in South Dakota were also very active labor force participants. In 2019, 63.8% of the state's young population (age 16-24 years) were in the labor force, compared to the national rate of 55.9%. At the other end of the age spectrum, South Dakota's labor force participation rate of 65 and over is 25.5% compared to the national average of 20.2%.

| 2019 Annual Average Labor Force Participation Rates by Age | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Total** | **16-24** | **25-34** | **35-44** | **45-54** | **55-64** | **65+** | **65+** |
| United States | 63.1 | 55.9 | 82.9 | 83.1 | 81.4 | 65.3 | 20.2 | 19.6 |
| South Dakota | 69.5 | 63.8 | 88.2 | 89.8 | 86.5 | 74.6 | 25.5 | 24.6 |
| *Source: U.S Bureau of Labor Statistics, Current Population Survey.* | | | | | | | | |

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 65.5%, South Dakota is tied for fourth with Maryland, behind the District of Colombia at 68.1%, Minnesota at 66.7% and Iowa at 66.4%. The national labor force participation rate for women in 2019 was 57.4%. The state's male labor force participation rate ranked eighth at 73.5%, behind highest ranking Utah at 76.1%. The national labor force participation rate for men was 69.2% in 2019.
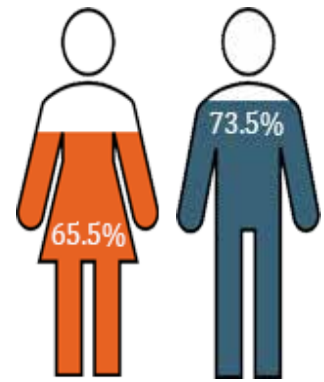
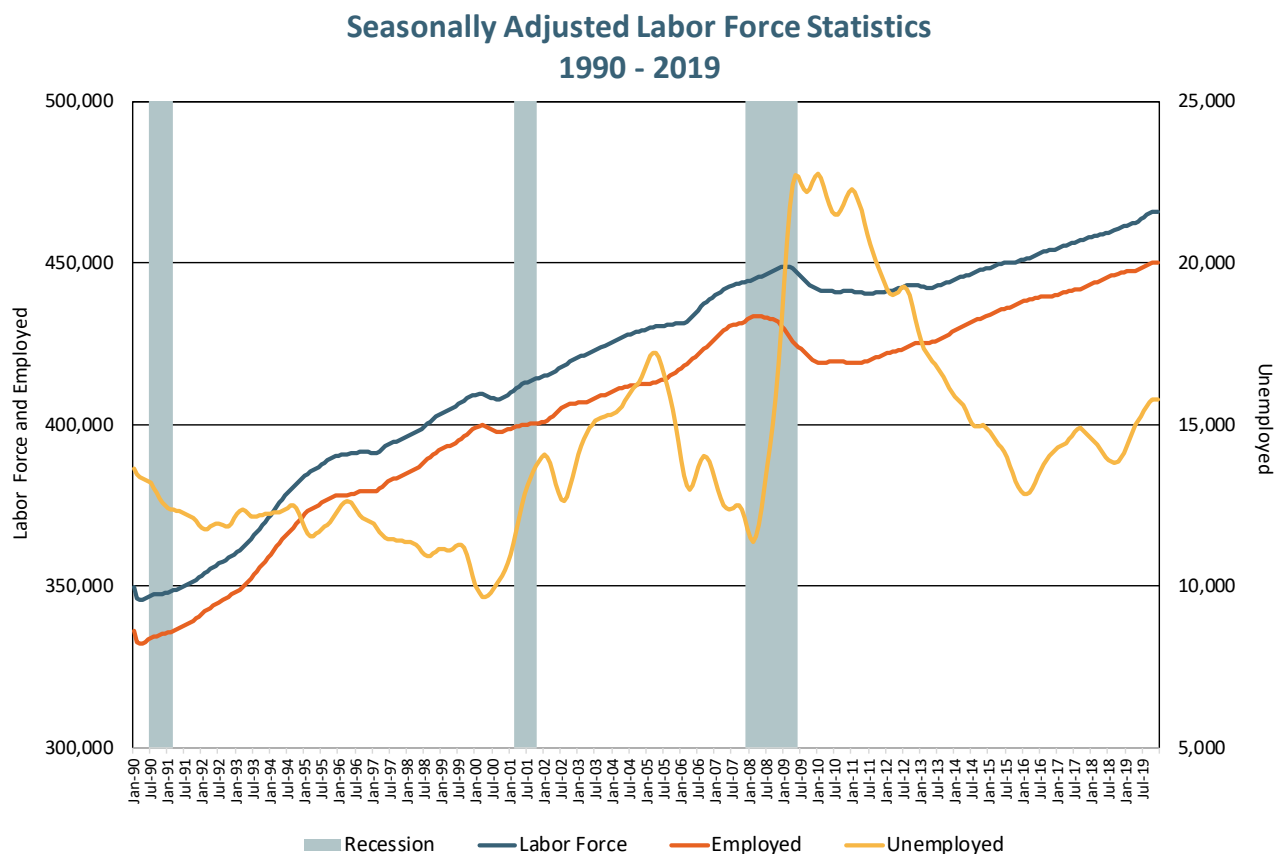## South Dakotans Not in the Labor Force

Another helpful metric to consider in workforce development is data on those people who do are not working, but are also not looking for work—so not in the labor force. There can be several reasons why South Dakota civilians are not in the labor force, a few of which 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** | **206,400** | **35,400** | **37,900** | **133,100** | **89,700** | **116,700** |
| Do not want a job now | 195,000 | 30,700 | 33,600 | 130,800 | 83,900 | 111,200 |
| Want a job | 11,400 | 4,700 | 4,300 | 2,400 | 5,800 | 5,500 |
| Did not search for work in previous year | 7,300 | 3,000 | 2,300 | 2,000 | 3,700 | 3,600 |
| Searched for work in previous year | 4,000 | 1,700 | 1,900 | 400 | 2,100 | 1,900 |
| Not available to work now | 1,300 | 700 | 400 | 100 | 900 | 400 |
| Available to work now | 2,800 | 1,000 | 1,500 | 300 | 1,300 | 1,500 |
| Reason not currently looking: | | | | | | |
| Discouragement over job prospects | 700 | 300 | 300 | 100 | 300 | 400 |
| Reasons other than discouragement | 2,100 | 700 | 1,200 | 200 | 1,000 | 1,100 |
| *Note:  Subject to high rates of variability; January 2019 - December 2019 reference period.* *Source: Special tabulations of unpublished Current Population Survey (CPS), U.S. Bureau of Labor Statistics.* | | | | | | |

# Unemployed

South Dakota's labor force, which consists of the employed and unemployed series continues to grow, indicating a healthy labor market. 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 eleven months. Another upward trend began in November 2018, which continued through 2019. The unemployed 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 began an upward trend about a year after the recession ended in May 2009 and has continued to increase gradually over the years.

The 2019 annual unemployment rate was 3.3% in South Dakota, compared to the national rate of 3.7%. South Dakota's annual unemployment rate has gradually decreased since the end of the recession, peaking at an annual average of 5.0% in 2010, and remained low through 2019.

## Seasonally Adjusted Labor Force Statistics
## 1990 - 2019



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

Labor force data for South Dakota and its sub-state areas are available in the virtual labor market data system. From the left-hand menu at dlr.sd.gov/lmic, choose Labor Force & Unemployment.

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' (3.6 percent) and 'less than a high school diploma' (8.8 percent). In contrast, the lowest unemployment rates are for those residents which have an educational attainment level of 'Bachelor's degree and higher' (0.9 percent). 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 | 37,300 | 17,000 | 45,600 | 15,500 | 41,600 | 1,500 | 8.8% |
| High school graduates, no college[1] | 174,800 | 109,800 | 62,800 | 105,900 | 60,600 | 3,900 | 3.6% |
| Some college or associate degree | 180,200 | 132,900 | 73,700 | 128,800 | 71,500 | 4,100 | 3.1% |
| Bachelor's degree and higher[2] | 186,900 | 148,400 | 79,400 | 147,000 | 78,700 | 1,400 | 0.9% |

[1]Includes persons with a high school diploma or equivalent

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

*Non-institutionalized population

Note: Subject to high rates of variability; January 2019 - December 2019 reference period

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

# South Dakota Labor Force, continued

## Labor Force Estimates Since the Coronavirus Pandemic Struck

South Dakota's seasonally adjusted labor force has been increasing gradually since the recession ended in 2009. This came to an unexpected end in April 2020 when the COVID-19 pandemic began affecting South Dakota. Total labor force has not dipped below 2019 levels, but there is definitely uncertainty in the labor market because of the pandemic. South Dakota was one of seven states that did not issue stay-at-home orders and the only one that did not require any businesses to close during the pandemic. Therefore, our labor market has not been as severely impacted by the pandemic as other states and the nation have experienced up to this point.
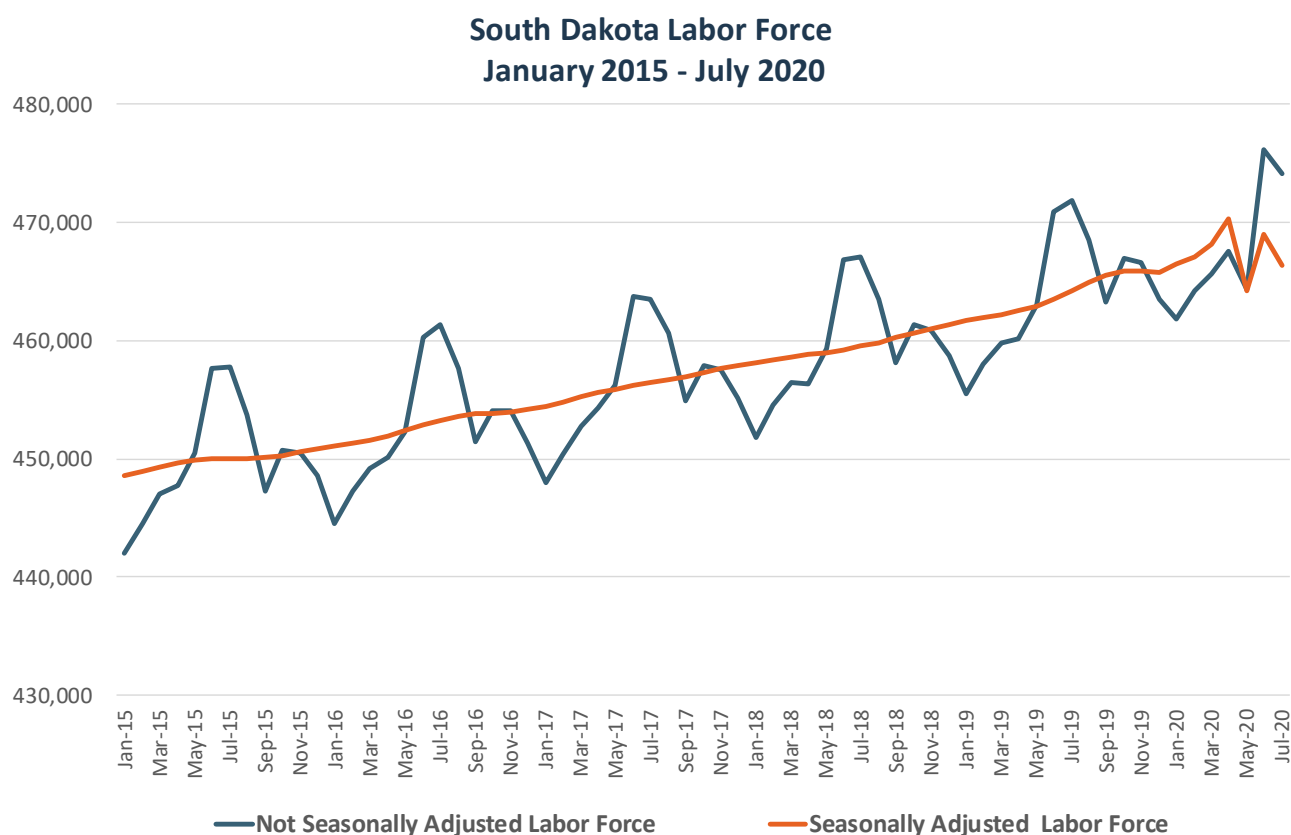
**South Dakota Labor Force**
**January 2015 - July 2020**



━━━ **Not Seasonally Adjusted Labor Force**     ━━━ **Seasonally Adjusted Labor Force**

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

Seasonally adjusted employment in South Dakota continued to increase until April 2020 when the effects of the pandemic began to impact the labor market. Between March 2020 and April 2020 South Dakota's employment decreased by 34,800 (7.7%) while during this same time period the U.S. employment decreased by 14.4%. Since the initial drop in April, employment has been continuing to increase as businesses begin to resume operations and implement new ways of providing services to customers. As of the July 2020 employment estimates, South Dakota has gained back roughly half (17,800) of the employment lost in April.

South Dakota's seasonally adjusted unemployment rose dramatically in April 2020 once the effects of the pandemic began to set in. The number of unemployed increased by 37,000 (258.6%) between March and April, and the unemployment rate jumped from 3.1% to 10.9%. Over that same time period, national unemployment increased 223.2%, and the unemployment rate surged from 4.4% to 14.7%. The pandemic began distressing the national labor market before South Dakota felt the effects. Between February 2020 and March 2020, unemployment in South Dakota had already increased by 23.4%, and the unemployment rate increased from 3.5% to 4.4%. The number of unemployed in South Dakota has decreased by 21,700 in the three months following the initial shock.

| South Dakota 2020 Seasonally Adjusted Labor Force Estimates | | | | |
|---|---|---|---|---|
| Month | Labor Force | Employed | Unemployed | Unemployed Rate |
| January | 466,500 | 450,689 | 15,811 | 3.4% |
| February | 467,108 | 451,498 | 15,610 | 3.3% |
| March | 468,175 | 453,878 | 14,297 | 3.1% |
| April | 470,300 | 419,024 | 51,276 | 10.9% |
| May | 464,195 | 420,530 | 43,665 | 9.4% |
| June | 468,994 | 435,141 | 33,853 | 7.2% |

| | Over-the-Month Actual Change | | | | Over-the-Month Percent Change | | |
|---|---|---|---|---|---|---|---|
| | Labor Force | Employed | Unemployed | Unemployed Rate | Labor Force | Employed | Unemployed |
| December '19 to January | 695 | 656 | 39 | 0.0% | 0.1% | 0.1% | 0.2% |
| January to February | 608 | 809 | -201 | -0.1% | 0.1% | 0.2% | -1.3% |
| February to March | 1,067 | 2,380 | -1,313 | -0.2% | 0.2% | 0.5% | -8.4% |
| March to April | 2,125 | -34,854 | 36,979 | 7.8% | 0.5% | -7.7% | 258.6% |
| April to May | -6,105 | 1,506 | -7,611 | -1.5% | -1.3% | 0.4% | -14.8% |
| May to June | 4,799 | 14,611 | -9,812 | -2.2% | 1.0% | 3.5% | -22.5% |
| June to July | -2,607 | 1,672 | -4,279 | -0.9% | -0.6% | 0.4% | -12.6% |

# 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. Learn more about data on covered workers in South Dakota on the Labor Market Information Center website.

The chart below shows, using the BEA data, annual employment change during the 2000-2018 period. Comparative data is included for the United States, South Dakota and the Plains Region (Iowa, Kansas, Missouri, Nebraska, North Dakota and South Dakota).

## BEA Total Employment Growth

Plains ■ South Dakota ■ United States
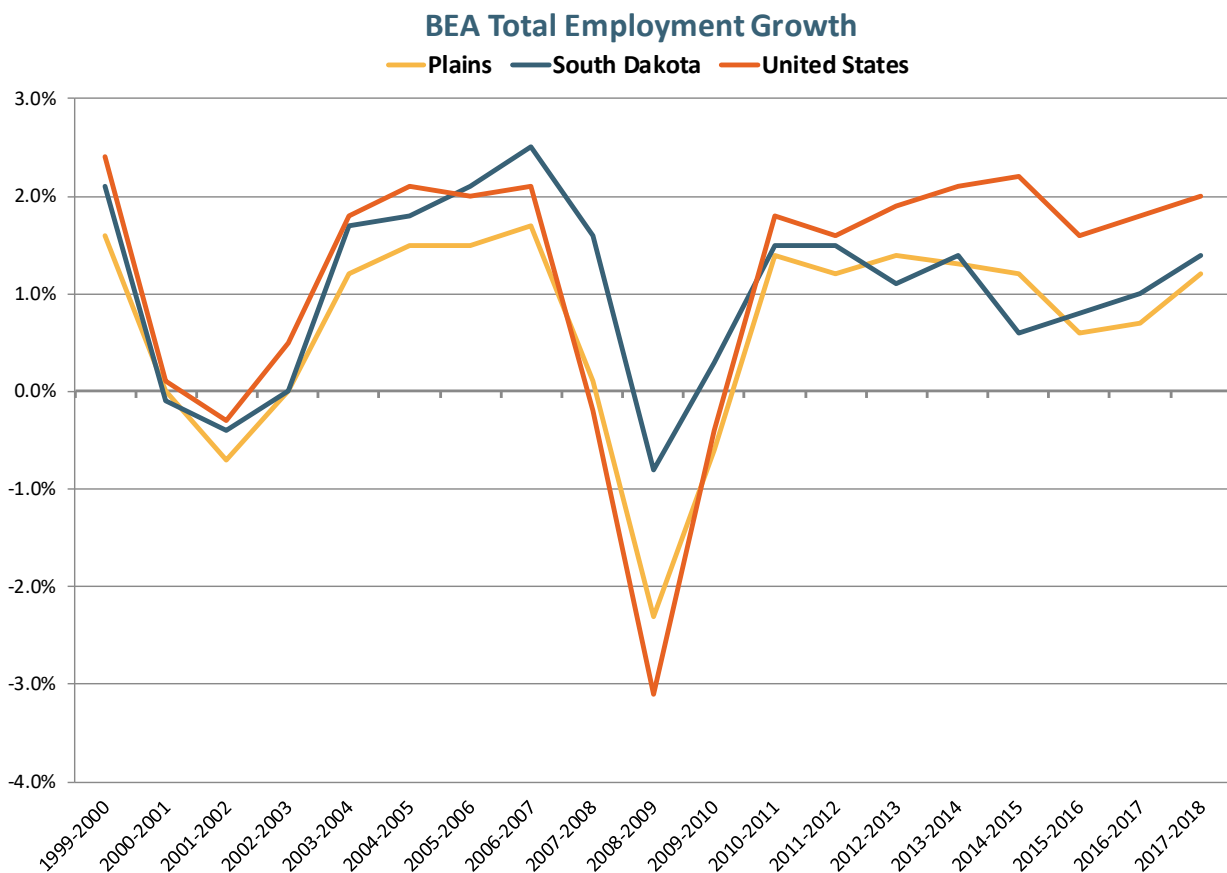
*Source: U.S. Bureau of Economic Analysis*

For the 2008-2009 period, which reflected the worst impact of the recession, South Dakota had a total employment loss rate of 0.8 percent, compared to a loss rate of 2.3 percent for the Plains Region and 3.1 percent for the nation. South Dakota's total employment growth began an uphill trend after 2008-2009 which continued through 2018. Total employment increases between 2017 and 2018 in South Dakota and the Plains Region were steady at 1.4 and 1.2 percent respectively but they continue to grow at slower rate than the nation as a whole which had growth of 2.0 percent.

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 2013-2018. The largest percent employment increases have come from proprietor employment; however, wage and salary employment has also had positive growth annually.

In South Dakota, employment growth from 2017-2018 outpaced the previous three years in all three categories, total employment, proprietor employment and wage and salary employment according to the most recently available BEA statistics. South Dakota's proprietor employment grew at a faster rate of 2.3 percent than wage and salary employment at 1.1 percent over the most recent period. Both the plains region and the United States experienced this trend.

| Employment Growth by Employment Sector | | | | | |
|---|---|---|---|---|---|
| **Total Employment** | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 |
| South Dakota | 1.4% | 0.6% | 0.8% | 1.0% | 1.4% |
| Plains Region | 1.3% | 1.2% | 0.6% | 0.7% | 1.2% |
| United States | 2.1% | 2.2% | 1.6% | 1.8% | 2.0% |
| **Proprietor Employment** | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 |
| South Dakota | 1.2% | 0.2% | 0.9% | 2.0% | 2.3% |
| Plains Region | 0.9% | 0.9% | 0.7% | 1.3% | 2.5% |
| United States | 2.8% | 2.8% | 1.8% | 3.5% | 3.1% |
| **Wage and Salary Employment** | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 |
| South Dakota | 1.4% | 0.7% | 0.7% | 0.6% | 1.1% |
| Plains Region | 1.3% | 1.3% | 0.6% | 0.6% | 0.8% |
| United States | 2.0% | 2.0% | 1.5% | 1.3% | 1.7% |
| *Source: U.S. Bureau of Economic Analysis.* | | | | | |

## 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, from the Current Population Survey (CPS) data.

Total self-employed workers decreased by 167,000 or 1.7 percent in 2019, following an increase of 1.9 percent in 2018. Total self-employed workers are comprised of two components the agriculture, forestry, fishing and hunting industries and nonagricultural industries. The agricultural, forestry, fishing and hunting industries decreased by 25,000 (3.3 percent) while the nonagricultural industries decreased by 142,000 (1.6 percent).

| United States Self-Employed Workers | | | |
|---|---|---|---|
| Year | Total | Agriculture, Forestry, Fishing and Hunting | Nonagricultural Industries |
| 2015 | 9,509,000 | 844,000 | 8,665,000 |
| 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 |
| Net Change 2015-2019 | 31,000 | -103,000 | 134,000 |
| Percent Change | 0.3% | -12.2% | 1.5% |
| *Source: U.S. Bureau of Labor Statistics, Current Population Survey* | | | |

As a cooperating agency of the U.S. Bureau of Labor Statistics, LMIC has extensive knowledge of and experience with data sources such as the Current Population Survey. For assistance, call 605.626.2314.

# WORKER COMMUTING

## Inflow and Outflow of Workers (Primary Jobs)

At the beginning of the second quarter of 2016 (most current data available), 375,494 people were employed in South Dakota. Of this total, 352,587 (93.9 percent) lived and worked in the state while 22,907 (6.1 percent) worked in the state but lived outside its borders.

During the same period, 369,534 individuals with jobs lived in the state, but not all of them were employed in South Dakota. Of this total, 352,587 (95.4 percent) called South Dakota home. The remaining 16,947 (4.6 percent) 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.

### South Dakota Worker Commuting Flows
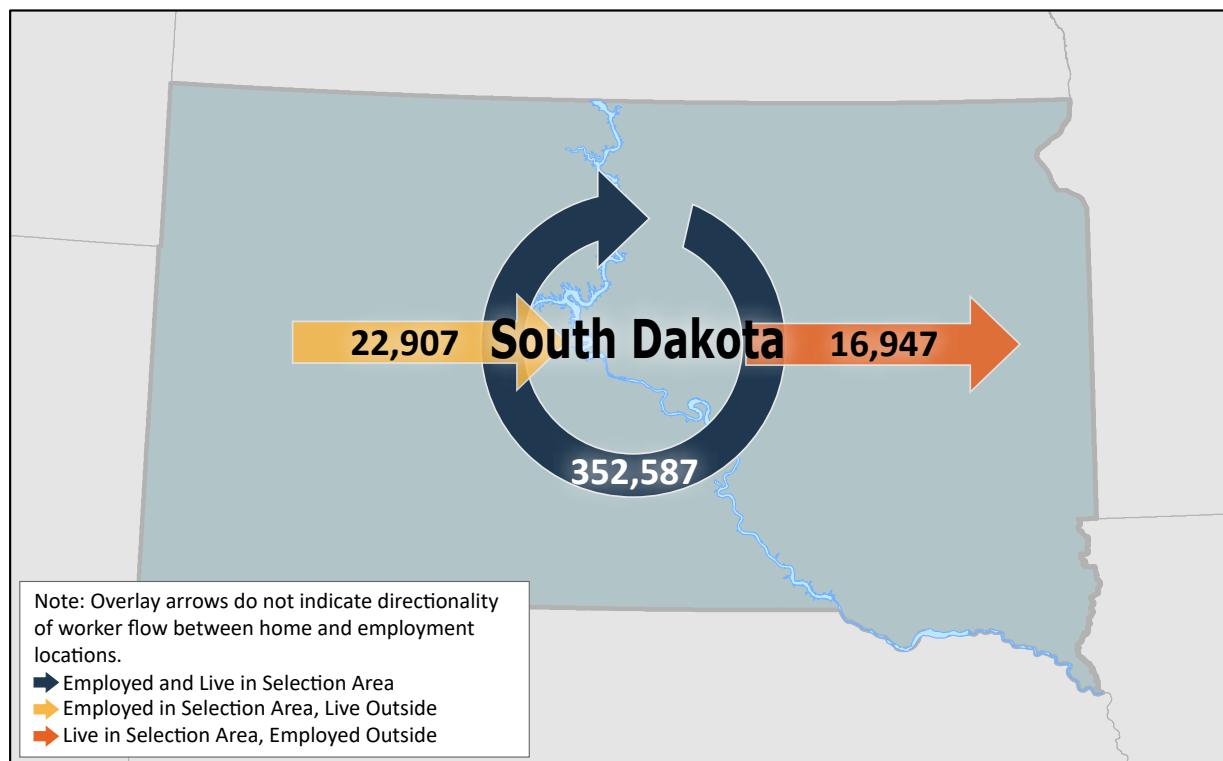


*Notes: Primary Jobs: Public and private sector jobs, one job per worker. A primary job is the highest paying job for an individual worker.*
*Source: On the Map Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, Second Quarter of 2002-2016); U.S. Census Bureau, downloaded August 2020.*

| Home Destination Report<br>Home Location of Workers Employed<br>in South Dakota | | | Work Destination Report<br>Work Location of Workers Living<br>in South Dakota | | |
|---|---|---|---|---|---|
| Job Counts by State | | | Job Counts by State | | |
| Second Quarter 2016 | | | Second Quarter 2016 | | |
| States | Count | Share | States | Count | Share |
| South Dakota | 352,587 | 93.9% | South Dakota | 352,587 | 95.4% |
| Iowa | 6,683 | 1.8% | Iowa | 4,702 | 1.3% |
| Minnesota | 6,213 | 1.7% | North Dakota | 3,253 | 0.9% |
| Nebraska | 4,033 | 1.1% | Minnesota | 2,978 | 0.8% |
| North Dakota | 1,326 | 0.4% | Nebraska | 2,414 | 0.7% |
| Wyoming | 1,076 | 0.3% | Colorado | 1,554 | 0.4% |
| California | 335 | 0.1% | Montana | 323 | 0.1% |
| Colorado | 329 | 0.1% | California | 216 | 0.1% |
| Texas | 277 | 0.1% | Kansas | 201 | 0.1% |
| Illinois | 199 | 0.1% | Texas | 139 | 0.0% |
| All Other Locations | 2,436 | 0.6% | All Other Locations | 1,167 | 0.3% |
| Total Primary Jobs | 375,494 | 100.0% | Total Primary Jobs | 369,534 | 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*

Worker commuting reports on customized geographic areas, used for economic development and business planning purposes, are available upon request from the Labor Market Information Center. For more information, call 605.626.2314.
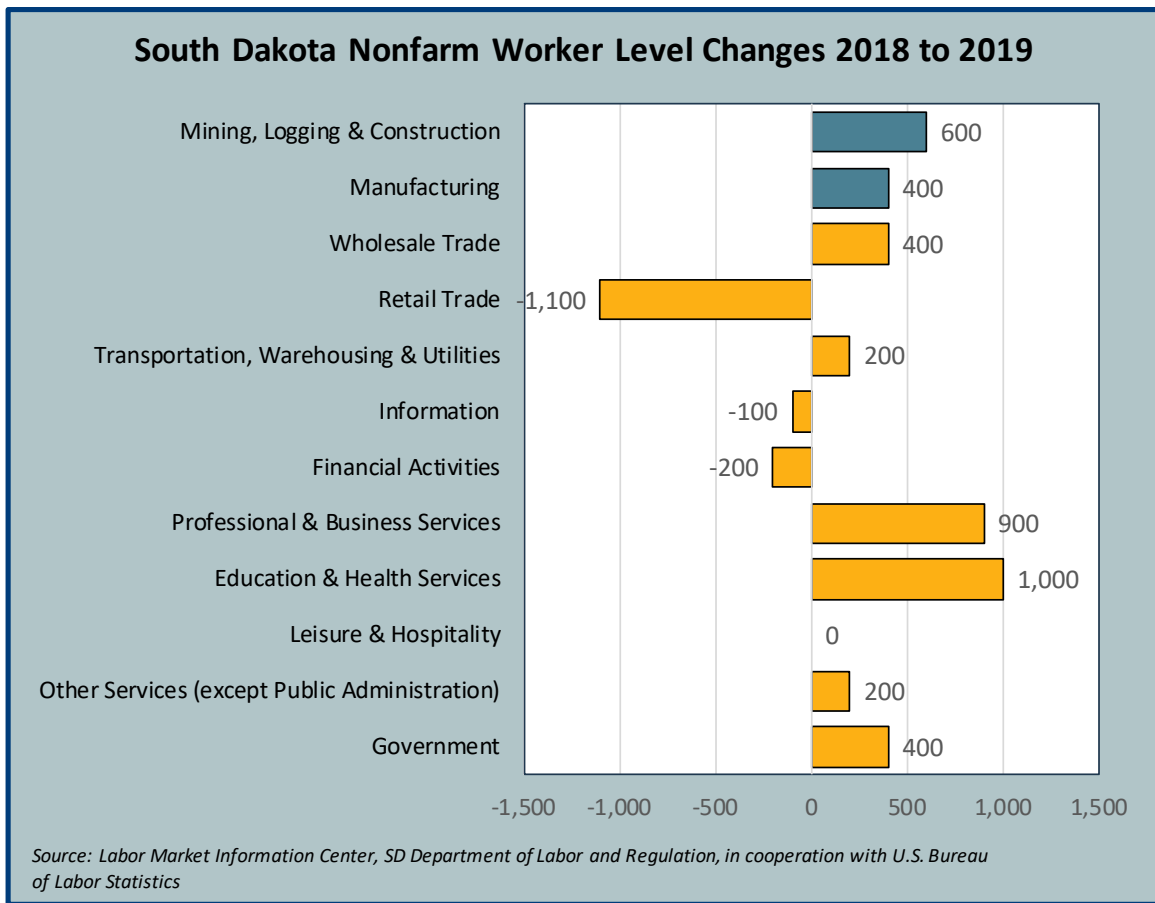
# WORKERS BY INDUSTRY

## Nonfarm Wage and Salaried Workers
### Calendar Year 2019

South Dakota's nonfarm worker levels grew modestly during 2019, increasing 2,500 workers (0.6%). The 2019 annual average number of workers was 440,600. The bulk of this growth was in privately owned industries. The Sioux Falls Metropolitan Statistical Area (MSA) nonfarm worker level increased 2,000 workers (1.3%) for a 2019 annual average of 159,900 workers. The Rapid City MSA showed growth on a smaller scale, adding 100 workers (0.1%) over the year. Statewide, privately owned nonfarm establishments had an average gain of 2,100 workers (0.6%) over the year.

| South Dakota Statewide<br><br>Nonfarm Wage & Salaried Workers by Industry (Not Seasonally Adjusted) | | | | |
| --- | --- | --- | --- | --- |
| **Industry** | **2018 Annual Average** | **2019 Annual Average** | **Actual Change** | **Percent Change** |
| Total Nonfarm | 438,100 | 440,600 | 2,500 | 0.6% |
| Total Private | 358,600 | 360,700 | 2,100 | 0.6% |
| Goods Producing | 68,400 | 69,400 | 1,000 | 1.5% |
| Service Providing | 369,700 | 371,200 | 1,500 | 0.4% |
| Mining, Logging & Construction | 24,000 | 24,600 | 600 | 2.5% |
| Manufacturing | 44,400 | 44,800 | 400 | 0.9% |
| Wholesale Trade | 20,800 | 21,200 | 400 | 1.9% |
| Retail Trade | 52,300 | 51,200 | -1,100 | -2.1% |
| Transportation, Warehousing & Utilities | 13,500 | 13,700 | 200 | 1.5% |
| Information | 5,600 | 5,500 | -100 | -1.8% |
| Financial Activities | 29,200 | 29,000 | -200 | -0.7% |
| Professional & Business Services | 32,300 | 33,200 | 900 | 2.8% |
| Education & Health Services | 72,500 | 73,500 | 1,000 | 1.4% |
| Leisure & Hospitality | 47,300 | 47,300 | 0 | 0.0% |
| Other Services | 16,700 | 16,900 | 200 | 1.2% |

## South Dakota Nonfarm Worker Level Changes 2018 to 2019

| Industry | Change |
|---|---|
| Mining, Logging & Construction | 600 |
| Manufacturing | 400 |
| Wholesale Trade | 400 |
| Retail Trade | -1,100 |
| Transportation, Warehousing & Utilities | 200 |
| Information | -100 |
| Financial Activities | -200 |
| Professional & Business Services | 900 |
| Education & Health Services | 1,000 |
| Leisure & Hospitality | 0 |
| Other Services (except Public Administration) | 200 |
| Government | 400 |

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

The nonfarm worker levels mentioned above can be divided into two major components: Goods Producing (illustrated in the bar graph above in dark green) and Service Providing industries (bright orange). Goods Producing industries (including the Mining, Logging and Construction sector and the Manufacturing sector), increased by 1,000 workers (1.5%) from 2018 to 2019. Service Providing industries (all other sectors listed in the table above) gained 1,500 workers (0.4%).

**Mining, Logging and Construction** had a gain of 600 workers (2.5%) for a 2019 annual average of 24,600 workers. A majority of the growth in Mining, Logging and Construction took place in the Sioux Falls MSA with an increase of 500 workers (5.7%). According to the City of Sioux Falls, the number of building permits in Sioux Falls increased to 7,355 building permits in 2019 from 6,873 in 2018. Construction in South Dakota had a 2.6% increase over the year with the addition of 600 workers reaching an annual average of 23,600 workers in 2019.

Heavy and Civil Engineering Construction had the largest annual growth, adding 400 workers (11.4%) over the year. Highway construction, land developers, natural gas pipeline construction, land drainage contractors, pole line construction and sewer construction are a few of examples of establishments included in Heavy and Civil Engineering Construction. Specialty Trade Contractors also showed gains, with the addition of 300 workers (2.2%). Construction of Buildings had a loss of 100 workers (1.7%), dropping to a 2019 annual average of 5,800 workers. Mining and Logging remained unchanged from 2018 to 2019 with 1,000 workers.

**Manufacturing** continued an upward trend, adding 400 workers (0.9%) from 2018 to 2019. The Sioux Falls and Rapid City MSAs showed growth over the year, adding 200 workers (1.4%) and 100 workers (3.6%), respectively. **Non-Durable Goods Manufacturing** had a 3.8% growth with the addition of 600 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. **Durable Goods Manufacturing** dropped 100 workers (0.3%) to a 2019 annual average of 28,600 workers. Durable goods produced in South Dakota include items such as trailers, furniture and electronic equipment. Growth in Manufacturing can be attributed to South Dakota's favorable business climate, which includes no corporate income tax and no business inventory tax.

**Wholesale Trade** had a 1.9% increase with the addition of 400 workers. This sector went from a 2018 annual average of 20,800 to a 2019 annual average of 21,200. 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.
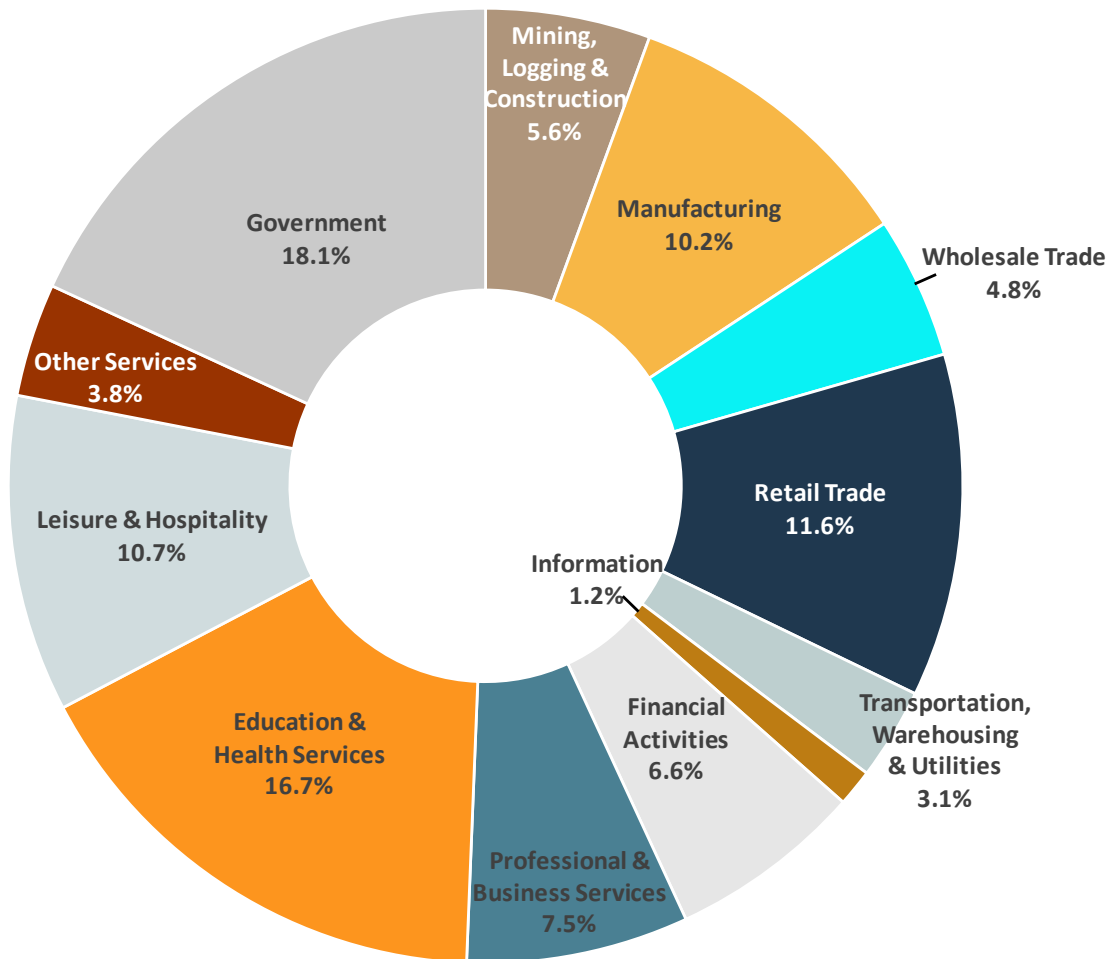
**Retail Trade** had the largest decrease with a loss of 1,100 workers (2.1%). The retail landscape is constantly evolving along with technology. As some establishments continue to increase their online presence, others have stepped away from store front locations. Some stores offer shopping on social media or offer quick delivery options, changing the way consumers shop. Clothing boutiques, web retailers, home furnishing stores, department stores, hardware stores, supermarkets, gasoline stations and souvenir stores are examples of the types of establishments in this sector. If the popularity of online shopping continues to grow as technology continues to advance, the demand for retail workers may continue to decline.

**Transportation, Warehousing and Utilities** added 200 workers (1.5%) over the year, reaching a 2019 annual average of 13,700 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. Transportation and warehousing accommodate the needs of Wholesale Trade and Manufacturing. As Wholesale Trade and Manufacturing increase, so does the demand for workers in Transportation, Warehousing and Utilities.

The **Information** sector continued a downward trend with the loss of 100 workers (1.8%). 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. As technology continues to change so does how people receive their information. For example, users are able to look online for news updates or turn to social media for birthday invites versus traditional print methods. The slight decrease in workers may be attributed to gains in technology and reduced consumer demand.

## 2019 South Dakota Nonfarm Worker Levels
## Percent Distribution by Industry



Mining, Logging & Construction 5.6%

Manufacturing 10.2%

Wholesale Trade 4.8%

Retail Trade 11.6%

Transportation, Warehousing & Utilities 3.1%

Information 1.2%

Financial Activities 6.6%

Professional & Business Services 7.5%

Education & Health Services 16.7%

Leisure & Hospitality 10.7%

Other Services 3.8%

Government 18.1%

*Source: Labor Market Information Center, SD Department of Labor and Regulation, September 2020.*

**Financial Activities** had a drop of 200 workers (0.7%) over the year to a 2019 annual average of 29,000 workers. Over half of the workers in the Financial Activities supersector are located in the Sioux Falls MSA (15,800 workers). Credit card banks, commercial banks, portfolio fund managing, insurance claims adjusting, real estate agencies, residential property management and home health equipment rental are examples of establishments in this supersector. Mobile banking and advances in automation have continued to change the landscape of Financial Activities. Consumers are able to complete many financial activities with 24/7 access, including deposit checks, transfer funds and apply for loans. Losses in Financial Activities may be related to restructuring as some establishments adapt to ongoing advancements.

**Professional and Business Services** added 900 workers (2.8%). This supersector went from a 2018 annual average of 32,300 to a 2019 annual average of 33,200 workers. A little over half of this growth took place in the Sioux Falls MSA. The Professional and Business Services supersector is broken down into the following sectors: **Professional, Scientific and Technical Services**; **Management of Companies and Enterprises**; and **Administrative and Support and Waste Management and**

**Remediation Services**. Examples of establishments in this supersector include temporary staffing services, payroll processing services, engineering services, landscaping services, travel agencies and security guard services. Gains in Professional and Business Services indicate other businesses are growing at a rate where additional professional services are required.

**Education and Health Services** had the largest over-the-year increase with a gain of 1,000 worker (1.4%). Education and Health Services make up 16.7% of the nonfarm workforce with a 2019 annual average of 73,500 workers. **Health Care and Social Assistance** accounted for majority of this growth with the addition of 900 workers (1.4%). Hospitals added 300 workers (1.2%) from 2018 to 2019. The continued growth in Health Care and Social Assistance is related to several factors, including an ongoing rise in new medical procedures and continued population growth which require additional staff. The U.S. Census Bureau estimated South Dakota's population at 884,659 in July 2019 compared to 882,235 in July 2018. Educational Services remained unchanged over the year with a 2019 annual average of 7,400 workers. This number includes private educational services, as public educational services are included in government worker levels.

**Leisure and Hospitality** remained unchanged from 2018 to 2019 with an annual average of 47,300 workers. Worker level trends for this sector have been fairly consistent, typically peaking in August and reflecting lower levels during January and February. Establishments included in this supersector include performing arts, museums, parks, hotels and restaurants. According to the South Dakota Department of Tourism, 14.5 million visitors traveled to South Dakota in 2019 compared to 14.1 million visitors 2018. Despite an influx of visitors to South Dakota, advancements in technology may have played a part with worker level demand. Phone apps to order food or make hotel reservations, along with kiosks to order are just a couple of the examples of technology advancements which may affect worker levels.

**Other Services** (except Public Administration) had a 1.2% increase with a gain of 200 workers from 2018 to 2019. This sector went from an annual average of 16,700 workers in 2018 to 16,900 workers in 2019. As population continues to increase, so does the demand for workers who provide a wide variety of services in this sector, including car repair, hair styling, dry cleaning, car washes and religious services.

**Government** added 400 workers (0.5%) over the year. Local Government was the driving force for this growth with a gain of 400 workers (0.8%). Tribal, city and county governments, along with public and tribal school districts, are included in Local Government. Gains in Local Government can be tied to increases in population. As the population rises, city programs and services also expand to meet the needs of the community. Federal Government and State Government remained unchanged from 2018 to 2019, with 11,300 workers and 18,500 workers, respectively.

# Nonfarm Wage and Salaried Workers, continued

## Since the Coronavirus Pandemic Struck

South Dakota nonfarm worker levels always fluctuate throughout the year; however, when the coronavirus hit the state, worker levels declined sharply. From January to February, the number of nonfarm workers increased 3,300 workers. March brought just a small drop of 1,900 workers. Please keep in mind, this data series is based on a reference week including the 12th of the month. Even though establishments began altering their processes or closing temporarily in March 2020, April brought by far more pronounced worker declines. South Dakota establishments quickly altered their plans to help lower the spread of the virus. Many establishments held off on hiring because of all the unknowns surrounding the virus.

The nonfarm wage and salaried worker level decreased 34,900 workers (8.1%) from March to April, dropping to 398,100. By May, establishments started to slowly increase worker levels, with some opening after temporary closures. Worker levels climbed 3.2%, up 12,900 workers. In June, worker levels continued an upward trend with the addition of 15,600 workers (3.8%).

In July 2020, the nonfarm worker level dropped 700 workers (0.2%). There is typically a decline from June to July though, with the loss over the last 10 years averaging 4,580. Many nonfarm establishments throughout South Dakota have adopted new procedures in order to combat the spread while trying to get back on track with their business operations.
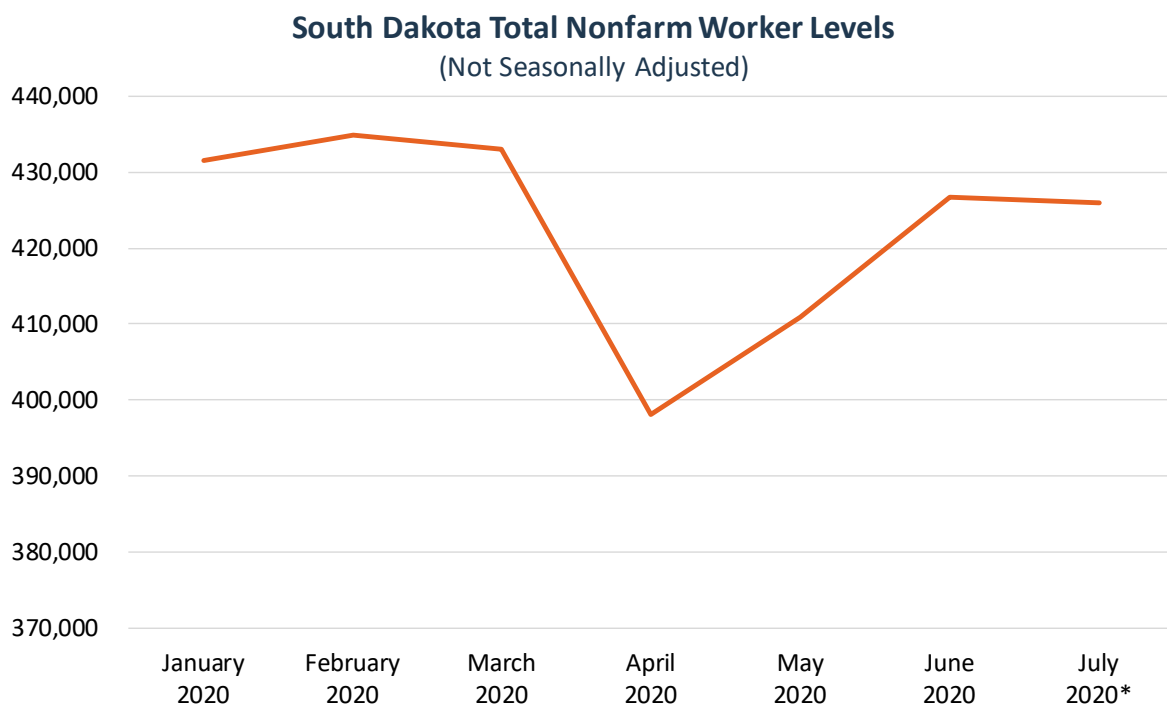
## South Dakota Total Nonfarm Worker Levels
### (Not Seasonally Adjusted)



*Data is preliminary and subject to revision.

Source: Labor Market Information Center, SD Department of Labor and Regulation, in cooperation wtih U.S. Bureau of Labor Statistics

The COVID-19 pandemic has had a huge impact on the **Leisure and Hospitality** sector. This supersector started 2020 the same as in previous years. In March, many establishments started to prepare for an increase of COVID-19 cases, dropping worker levels 1,900 (4.3%). During this time many seasonal establishments delayed opening and ramping up their workforce in order to slow the spread of COVID-19.

The largest decline in Leisure and Hospitality came in April 2020. Worker levels declined 15,800 workers (37.4%), dropping to 26,500 workers in April 2020. Some establishments in this supersector temporarily closed while others changed their processes to continue to serve their customers. In May, many establishments in Leisure and Hospitality began to increase worker levels, with some reopening after being temporarily closed. Leisure and Hospitality jumped up 8,300 workers (31.3%) in May 2020. Establishments adjusted their services to include additional cleaning, with some moving tables and chairs to promote social distancing.

Worker levels continued an upward trend, climbing to 46,100 workers in July 2020. This was largely due to many establishments increasing worker levels to prepare for the inflow of visitors. The summer is full of events that have a positive influence in this supersector. Establishments increased their workforce as business picked up, with some adjusting hours and others opening up areas that were temporarily closed, including restaurants opening dining areas.

**Education and Health Services** started 2020 trending upward. In the middle of March, this supersector adapted quickly in order to lower the spread of COVID-19. Educational Services and establishments in Health Care and Social Assistance focused on an online format, lowering staffing needs at physical locations, with some temporarily closing. Schools switched from on campus to online classes. Medical appointments transitioned to online appointments.

Worker declines continued through April. In May, Education and Health Services gained 900 workers (1.3%), rising to 69,700 workers. Health Care and Social Assistance contributed to the growth,  some reopening after temporarily closing. Worker levels in Education and Health Services remained at 69,700 from May to July. Educational Services worker levels then trended down as schools closed for summer break. Establishments in Health Care and Social Assistance had worker level gains as they continued to increase services and put protective measures in place to protect those entering each location. Some of the changes include encouraging use of masks, temperature checks, increased barriers and increased telehealth services.

**Retail Trade** worker levels are notoriously seasonal in South Dakota; however, when COVID-19 entered the state, this sector dropped to its lowest level of the last 10 years. Retail Trade decreased 4,000 workers (8.0%), dropping to 45,900 workers in April 2020. A little over half of the losses in Retail Trade took place in the Sioux Falls Metropolitan Statistical Area. Retail Trade gained 1,300 workers (2.8%) in May 2020, 2,300 workers (4.9%) in June and 300 workers (0.6%) in July 2020. This growth can be related to establishments increasing their workforce, with some establishments reopening after briefly closing due to COVID-19. As some retail establishments temporarily closed, others offered online shopping, delivery or curbside pickup options.

| South Dakota Nonfarm Wage & Salaried Workers by Industry 2020 (Not Seasonally Adjusted) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Industry | January 2020 | February 2020 | March 2020 | April 2020 | May 2020 | June 2020 | July 2020* |
| Total Nonfarm | 431,600 | 434,900 | 433,000 | 398,100 | 411,000 | 426,600 | 425,900 |
| Mining, Logging and Construction | 22,700 | 22,900 | 23,200 | 25,200 | 27,800 | 29,800 | 29,900 |
| Mining and Logging | 1,000 | 1,000 | 1,000 | 1,100 | 1,200 | 1,200 | 1,200 |
| Construction | 21,700 | 21,900 | 22,200 | 24,100 | 26,600 | 28,600 | 28,700 |
| Construction of Buildings | 5,400 | 5,500 | 5,600 | 5,800 | 6,300 | 6,800 | 6,900 |
| Heavy and Civil Engineering Construction | 3,200 | 3,200 | 3,400 | 4,200 | 5,000 | 5,400 | 5,500 |
| Specialty Trade Contractors | 13,100 | 13,200 | 13,200 | 14,100 | 15,300 | 16,400 | 16,300 |
| Manufacturing | 43,300 | 43,400 | 43,600 | 42,800 | 43,000 | 43,200 | 42,300 |
| Durable Goods | 27,100 | 27,300 | 27,400 | 27,000 | 27,400 | 27,600 | 26,900 |
| Non-Durable Goods | 16,200 | 16,100 | 16,200 | 15,800 | 15,600 | 15,600 | 15,400 |
| Trade, Transportation, and Utilities | 85,300 | 85,100 | 84,400 | 78,800 | 80,400 | 83,000 | 83,200 |
| Wholesale Trade | 21,200 | 21,200 | 21,200 | 20,700 | 20,900 | 21,100 | 20,900 |
| Retail Trade | 50,300 | 50,300 | 49,900 | 45,900 | 47,200 | 49,500 | 49,800 |
| Transportation, Warehousing, and Utilities | 13,800 | 13,600 | 13,300 | 12,200 | 12,300 | 12,400 | 12,500 |
| Information | 5,400 | 5,400 | 5,300 | 5,200 | 5,200 | 5,300 | 5,300 |
| Financial Activities | 28,900 | 28,900 | 28,900 | 28,900 | 29,100 | 29,400 | 29,200 |
| Professional and Business Services | 33,100 | 33,400 | 33,100 | 32,400 | 32,900 | 33,600 | 33,900 |
| Education and Health Services | 73,800 | 74,700 | 74,800 | 68,800 | 69,700 | 69,700 | 69,700 |
| Educational Services | 7,300 | 8,000 | 7,800 | 6,600 | 6,400 | 6,000 | 5,700 |
| Health Care and Social Assistance | 66,500 | 66,700 | 67,000 | 62,200 | 63,300 | 63,700 | 64,000 |
| Hospitals | 26,000 | 26,100 | 26,200 | 25,400 | 25,400 | 25,500 | 25,600 |
| Leisure and Hospitality | 43,600 | 44,200 | 42,300 | 26,500 | 34,800 | 42,900 | 46,100 |
| Other Services | 16,400 | 16,400 | 16,500 | 14,600 | 15,000 | 15,400 | 15,300 |
| Government | 79,100 | 80,500 | 80,900 | 74,900 | 73,100 | 74,300 | 71,000 |
| Federal Government | 11,200 | 11,100 | 11,300 | 11,400 | 11,500 | 11,700 | 11,300 |
| State Government | 17,600 | 19,000 | 18,700 | 16,800 | 16,400 | 15,800 | 15,500 |
| State Government Educational Services | 8,900 | 10,100 | 9,900 | 8,200 | 7,500 | 6,300 | 6,200 |
| Local Government | 50,300 | 50,400 | 50,900 | 46,700 | 45,200 | 46,800 | 44,200 |
| Local Government Educational Services | 27,400 | 27,700 | 27,900 | 26,100 | 23,500 | 23,200 | 20,500 |

*Data is preliminary and subject to revision.

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

**Manufacturing** worker levels have taken a hit since the pandemic struck South Dakota, with a loss of 1,000 (2.3%) from January 2020 to July 2020. The overall decline in Manufacturing is a culmination of small worker declines within a number of South Dakota companies simply outweighing workforce additions at other manufacturers. The pandemic could be tagged as partially responsible on both sides. While some manufacturers found opportunities for new or expanded product lines in response to COVID-19, others had to reduce production in response.

Worker levels in this industry are especially dynamic right now, as South Dakota employers endeavor to find their "new normal" in the face of the pandemic. Many are operating in a state of flux due not only to challenges directly tied to the pandemic (such as having to ramp up safety measures), but ongoing challenges exacerbated by COVID-19 (such as supply chain issues and fluctuating demand). One of the greatest strength's of South Dakota's Manufacturing industry has been establishing markets for their goods in other states and even internationally. But that means those areas' varying states of closure, mandates and regulations to combat the pandemic are impacting demand for South Dakota-produced goods.

**Government** worker levels were climbing upward over the first quarter of 2020, going from 79,100 workers in January 2020 to 80,900 workers in March 2020. In April, worker levels declined with a loss of 6,000 workers (7.4%). A little over half of the worker level drop was in Local Government Educational Services and State Government Educational Services. Declines in Educational Services are due to schools switching to online education in order to slow the spread of COVID-19, decreasing the demand for workers at physical locations. Worker levels fluctuated throughout May to July, dropping to 71,000 workers in July 2020. A majority of the decline during this time were due to losses in State Government Educational Services and Local Government Educational Services. Losses in Educational Services are common during the summer, as many schools are on summer break.

**Construction** worker levels climbed steadily from January to July 2020. In July 2020, Construction hit a 10 year high with 28,700 workers. Once COVID-19 hit the state, many people were encouraged to stay home to slow the spread. While spending more time at home, many South Dakotans focused on home improvements, increasing the demand for workers in Construction. Projects have included creating a home office for working remotely and updating outdoor spaces to relax at home.

Historical worker levels by industry are available in the virtual labor market data system using the link and instructions on our Nonfarm Wage and Salaried Workers menu. Monthly and annual average data back to 1990 are included. For the most current statewide nonfarm data available at any point in time, visit our Economic Snapshot and Overview pages. Or subscribe to the monthly *South Dakota e-Labor Bulletin*, where this leading economic indicator data is published for South Dakota and its metro areas.

# QUARTERLY CENSUS OF EMPLOYMENT AND WAGES

## About the Data

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 law 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.

Each employer in South Dakota covered by unemployment insurance is assigned an industry classification and a county code. The industry classification is determined by the business activity and type of ownership and the county code is determined by worksite location (store, branch, office, etc.).

The data in this section of the report is based on the quarterly employment and wage reports submitted by South Dakota employers liable under unemployment insurance laws to the Division of Reemployment Assistance of the South Dakota Department of Labor and Regulation. 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 2019, 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.
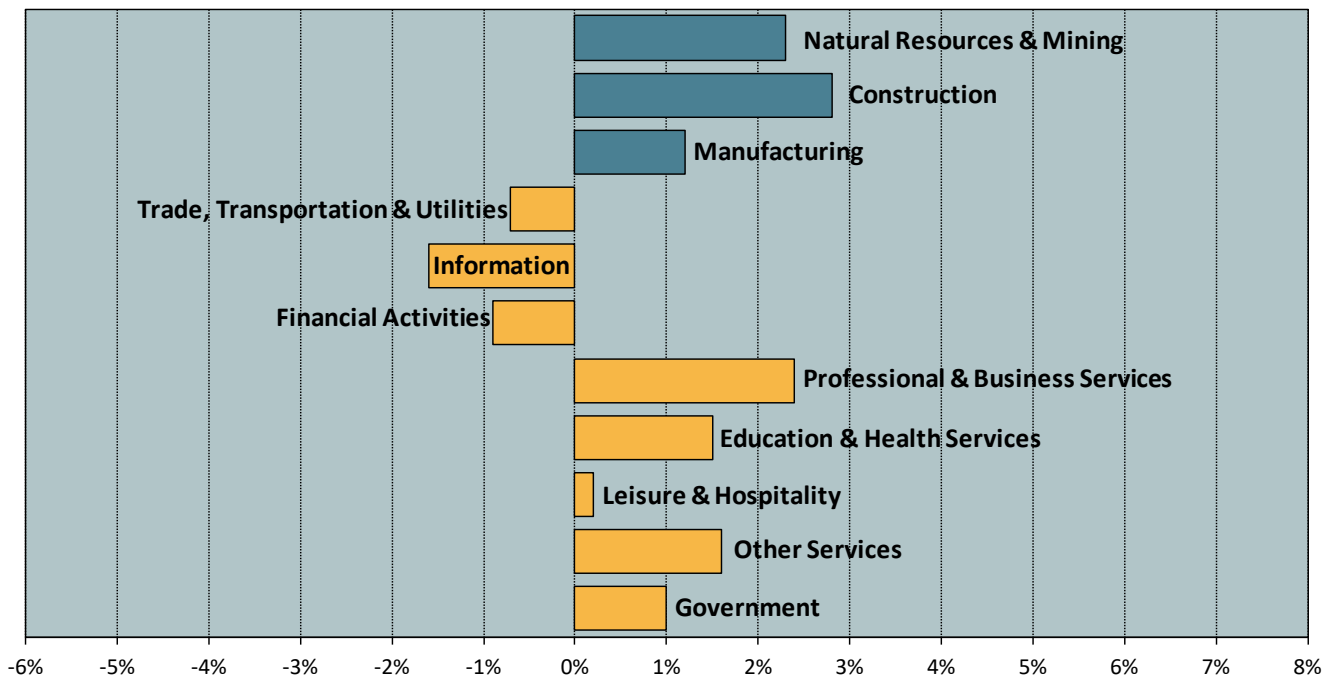
## Number of Covered Workers

The number of employees covered by unemployment insurance in 2019 was 430,118 workers. This represents an increase of 0.7% from 2018. As shown in the table below, eight industry supersectors showed worker gains while three supersectors decreased during 2019.

| South Dakota Average Number of Covered Workers by Ownership and Supersector | | | |
|---|---|---|---|
| **Private Ownership** | **2018** | **2019** | **% Change 2018-2019** |
| Natural Resources and Mining | 6,830 | 6,985 | 2.3% |
| Construction | 22,969 | 23,609 | 2.8% |
| Manufacturing | 44,442 | 44,972 | 1.2% |
| Trade, Transportation and Utilities | 85,733 | 85,125 | -0.7% |
| Information | 5,589 | 5,500 | -1.6% |
| Financial Activities | 28,739 | 28,483 | -0.9% |
| Professional and Business Services | 32,353 | 33,118 | 2.4% |
| Education and Health Services | 67,867 | 68,913 | 1.5% |
| Leisure and Hospitality Services | 47,315 | 47,413 | 0.2% |
| Other Services | 11,148 | 11,324 | 1.6% |
| **Total Private Ownership** | **352,984** | **355,442** | **0.7%** |
| **Public Administration** | | | |
| Federal Government | 11,270 | 11,291 | 0.2% |
| State Government | 14,969 | 14,933 | -0.2% |
| Local Government | 47,693 | 48,452 | 1.6% |
| Total Government | 73,932 | 74,676 | 1.0% |
| **Statewide Total** | **426,917** | **430,118** | **0.7%** |

*Data subject to revision.*

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

The graph on the following page further highlights industry worker level changes from 2018 to 2019. The bars on the graph are color-coded. Those supersectors in dark green are goods producing; those in orange are service-providing.

## South Dakota Covered Workers
## Percent Change from 2018 to 2019



Natural Resources & Mining
Construction
Manufacturing
Trade, Transportation & Utilities
Information
Financial Activities
Professional & Business Services
Education & Health Services
Leisure & Hospitality
Other Services
Government

-6%  -5%  -4%  -3%  -2%  -1%  0%  1%  2%  3%  4%  5%  6%  7%  8%

*Source: Labor Market Information Center, SD Department of Labor and Regulation.*

## Annual Pay of Covered Workers

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 statewide annual pay for workers covered by unemployment insurance for 2019 was $45,150. This represents an increase of 3.3% from 2018.

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 has the lowest industry annual pay of $17,519 because these types of businesses typically hire many part-time workers. Federal government workers have the highest annual pay at $67,528.

| South Dakota Annual Pay of Covered Workers by Ownership and Supersector | | | |
|---|---|---|---|
| **Private Ownership** | **2018** | **2019** | **% Change 2018-2019** |
| Natural Resources and Mining | $42,906 | $43,647 | 1.7% |
| Construction | $48,983 | $50,997 | 4.1% |
| Manufacturing | $49,320 | $50,218 | 1.8% |
| Trade, Transportation and Utilities | $39,650 | $40,980 | 3.4% |
| Information | $49,331 | $51,533 | 4.5% |
| Financial Activities | $60,159 | $63,499 | 5.6% |
| Professional and Business Services | $56,386 | $58,618 | 4.0% |
| Education and Health Services | $50,399 | $52,412 | 4.0% |
| Leisure and Hospitality Services | $16,957 | $17,519 | 3.3% |
| Other Services | $32,876 | $34,238 | 4.1% |
| **Total Private Ownership** | **$43,706** | **$45,350** | **3.8%** |
| Public Administration | | | |
| Federal Government | $66,786 | $67,528 | 1.1% |
| State Government | $49,933 | $50,869 | 1.9% |
| Local Government | $36,197 | $36,702 | 1.4% |
| Total Government | $43,641 | $44,196 | 1.3% |
| **Statewide Total** | **$43,695** | **$45,150** | **3.3%** |
| Data subject to revision. | | | |
| *Source: Labor Market Information Center, SD Department of Labor and Regulation, in cooperation with U.S. Bureau of Labor Statistics.* | | | |

The table on the following page shows the number of establishments, average number of workers and annual pay by supersector and sector. The sector tabulations provide more detailed information about the types of business activities taking place in the state. (Each different employer worksite location is counted as a separate establishment.)
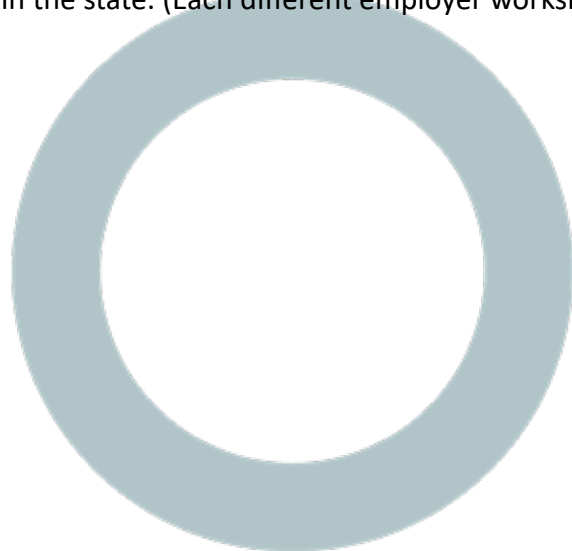
| South Dakota Covered Workers and Pay by Supersector and Sector 2019 | | | |
|---|---|---|---|
| **Supersector and Sector** | **Number of Establishments** | **Average Number of Workers** | **Annual Pay** |
| Natural Resources and Mining | 1,114 | 6,985 | $43,647 |
| Agriculture, Forestry, Fishing and Hunting | 1,044 | 6,078 | $40,612 |
| Mining | 70 | 908 | $63,912 |
| Construction | 4,148 | 23,609 | $50,997 |
| Construction | 4,148 | 23,609 | $50,997 |
| Manufacturing | 1,111 | 44,972 | $50,218 |
| Manufacturing | 1,111 | 44,972 | $50,218 |
| Trade, Transportation and Utilities | 8,456 | 85,125 | $40,980 |
| Wholesale Trade | 2,888 | 21,115 | $62,151 |
| Retail Trade | 3,931 | 51,233 | $29,654 |
| Transportation and Warehousing | 1,466 | 10,827 | $44,960 |
| Utilities | 171 | 1,950 | $87,207 |
| Information | 653 | 5,500 | $51,533 |
| Information | 653 | 5,500 | $51,533 |
| Financial Activities | 3,505 | 28,483 | $63,499 |
| Finance and Insurance | 2,318 | 24,442 | $67,510 |
| Real Estate and Rental and Leasing | 1,187 | 4,041 | $39,240 |
| Professional and Business Services | 5,999 | 33,118 | $58,618 |
| Professional, Scientific and Technical Services | 3,766 | 14,549 | $63,185 |
| Management of Companies and Enterprises | 232 | 5,328 | $103,996 |
| Administrative and Support and Waste Management and Remediation Services | 2,001 | 13,241 | $35,340 |
| Education and Health Services | 3,105 | 68,913 | $52,412 |
| Educational Services | 392 | 3,708 | $28,769 |
| Health Care and Social Assistance | 2,713 | 65,205 | $53,757 |
| Leisure and Hospitality Services | 3,395 | 47,413 | $17,519 |
| Arts, Entertainment and Recreation | 736 | 6,919 | $18,649 |
| Accommodation and Food Services | 2,659 | 40,494 | $17,326 |
| Other Services | 2,353 | 11,324 | $34,238 |
| Other Services, except Public Administration | 2,353 | 11,324 | $34,238 |
| Public Administration | 2,487 | 74,676 | $44,196 |
| Federal Government | 738 | 11,291 | $67,528 |
| State Government | 903 | 14,933 | $50,869 |
| Local Government | 846 | 48,452 | $36,702 |

Data subject to revision.

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

# Noteworthy Industry Trends

Employment trends during 2019 were noteworthy in several industry sectors due to their actual or percentage growth, or simply for the large number of South Dakotans they employ. The highlights below identify National American Industry Classification System (NAICS) codes. Learn more about NAICS.

## Construction

The **Construction** sector (NAICS 23) had the largest percentage worker increase (2.8%) of all the sectors during 2019, adding 640 workers for a level of 23,609.

| Supersector, Sector and Subsector | Number of Establishments | Average Number of Workers | Annual Pay |
|---|---|---|---|
| **South Dakota Covered Workers and Pay in Construction 2019** | | | |
| **Construction** | **4,148** | **23,609** | **$50,997** |
| **Construction** | **4,148** | **23,609** | **$50,997** |
| Construction of Buildings | 1,345 | 5,792 | $48,484 |
| Heavy and Civil Engineering Construction | 408 | 3,980 | $65,205 |
| Specialty Trade Contractors | 2,395 | 13,836 | $47,965 |

*Data subject to revision.*

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

The number of Construction establishments increased by 52, bringing the total to 4,148 establishments in 2019. In fact, this sector had the most establishments of all sectors during 2019. All three subsectors showed an increase or remained unchanged in the number of establishments. The Specialty Trade subsector gained 34 establishments, and the Construction of Buildings subsector added 18 establishments. The Heavy and Civil Engineering subsector remained unchanged in the number of establishments, totaling 408 in 2019.

Two of the three subsectors increased worker levels from 2018. The Specialty Trade Contractors (NAICS 238) subsector added 297 workers (2.2%). The Heavy and Civil Engineering Construction (NAICS 237) subsector gained 459 workers (13%) in 2019. The Construction of Buildings (NAICS 236) subsector decreased by 117 workers (2.0%) to bring the subsector's total to 5,792 workers.

Heavy and civil engineering realized their worker gains amongst firms involved in oil and gas pipeline construction. Construction companies had various large projects requiring additional labor. Highway, bridge and street construction had a similar situation as these establishments built new projects as well as performed rehabilitation and repair work. This meant additional workers were needed.

The average annual pay for this sector increased by $2,012 (4.1%), bringing the average annual pay to $50,997 in 2019. Annual pay increased in all three subsectors:

- Heavy and Civil Engineering increased by $5,315 (8.9%).

- Specialty Trade Contractors increased by $1,207 (2.6%).

- Construction of Buildings increased by $902 (1.9%).

## Education and Health Services

The supersector with the largest actual growth in worker levels during 2019 was Education and Health Services (NAICS 61-62). The number of workers increased 1,046 workers (1.5%) from 2018 to 2019, reaching 68,913 workers. Education and Health Services is the second largest supersector in South Dakota, behind Trade, Transportation and Utilities.

| South Dakota Covered Workers and Pay in Education and Health Services 2019 | | | |
|---|---|---|---|
| **Supersector, Sector and Subsector** | **Number of Establishments** | **Average Number of Workers** | **Annual Pay** |
| **Education and Health Services** | **3,105** | **68,913** | **$52,412** |
| **Educational Services** | **392** | **3,708** | **$28,769** |
| Educational Services | 392 | 3,708 | $28,769 |
| **Health Care and Social Assistance** | **2,713** | **65,205** | **$53,757** |
| Ambulatory Health Care Services | 1,599 | 17,990 | $77,639 |
| Hospitals | 63 | 25,746 | $59,136 |
| Nursing and Residential Care Facilities | 387 | 13,201 | $29,003 |
| Social Assistance | 664 | 8,267 | $24,566 |
| *Data subject to revision.* | | | |
| *Source: Labor Market Information Center, SD Department of Labor and Regulation, in cooperation with U.S. Bureau of Labor Statistics.* | | | |

After seeing employment decrease each year from 2016 to 2018, the private **Educational Services** sector showed a slight gain (five workers or 0.1%) during 2019. 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, with the rest being in publicly owned establishments.

The increase in employment can mostly be attributed to Elementary and Secondary Schools as well as Other Schools and Instruction. Colleges and Universities continue to lose employment in the private sector. Establishments providing basic preparatory education belong in this grouping. Other

schools and instruction offer their services in diverse settings such as educational institutions, the workplace or the home.

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 are deciding 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.

The **Health Care and Social Assistance** sector saw both employment and wages rise in 2019. Compared to other sectors, this sector has the highest level of employment and largest amount of total wages paid out in South Dakota. The number of workers in 2019 increased by 1,042 (1.6%) to 64,163. Average annual wage increased $2,173 (4.2%) to $53,757 per worker for the year. This sector includes both health care and social assistance, because sometimes it is difficult to distinguish between the boundaries of these two activities.

The Health Care and Social Assistance sector is made up of four subsectors, and each one had worker and pay increases during 2019. The Health Care and Social Assistance sector includes the following four subsectors:

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

Establishments in the **Ambulatory Health Care Services** subsector provide health care services directly or indirectly to ambulatory patients and do not usually provide inpatient services. The subsector gained the most workers of any subsector, 522 (3.0%), in 2019. The total employment was 17,990. The average annual wage increased $1,848 (2.4%) to $77,639. Health practitioners in this subsector provide outpatient services, with the facilities and equipment not usually being the most significant part of the production process. One example of such service is home health care. Establishments within home health care engage in providing skilled nursing services in the home such as physical therapy, medication help, counseling, dietary and nutritional service, speech therapy and intravenous therapy.

The **Hospitals** subsector is comprised of establishments providing 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. These establishments provide inpatient health services, many of which can only be provided using the specialized facilities and equipment that form a significant and integral part of the production process. Some of the largest establishments in South Dakota belong to the Hospitals subsector. The number of workers in 2019 increased by 1.4% to 25,746. This subsector's average annual wage increased $3,265 (5.8%) to $59,136.

The **Nursing and Residential Care Facilities** subsector also saw employment rise 0.3% to 13,201 workers. Average annual wage increased 2.6% to $29,003 per worker. This subsector's establishments provide residential care combined with either nursing, supervisory, or other types of care as required by the residents. Nursing homes who have a permanent core staff of nurses along with other staff provide nursing and continuous personal care services are examples of establishments belonging in this category. Assisted and unassisted continuing care retirement community facilities are part of this industry. Some of the residents need some nursing and personal care while others need limited services because they do not desire to live independently, so nursing care not as vital. Care typically includes room, board, supervision and assistance in daily living, such as housekeeping services.

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 gain in employment can be attributed to child day care services. In 2019, this subsector saw an increase of 116 workers (1.4%) for an employment total of 8,267. The annual average wage rose by 2.3% to $24,566.

## Trade, Transportation and Utilities Supersector

Although it noted an employment decline in 2019 of 608 (-0.7%), **Trade, Transportation and Utilities** is worthy of mention in this annual workforce report as South Dakota's largest employing supersector.

The Trade, Transportation and Utilities supersector employed 85,125 South Dakotans in 2019. It is comprised of the following sectors: Wholesale Trade, Retail Trade, Transportation and Warehousing, 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.

| Supersector, Sector and Subsector | Number of Establishments | Average Number of Workers | Annual Pay |
|---|---|---|---|
| **South Dakota Covered Workers and Pay in Trade, Transportation and Utilities 2019** | | | |
| **Trade, Transportation and Utilities** | **8,456** | **85,125** | **$40,980** |
| **Wholesale Trade** | **2,888** | **21,115** | **$62,151** |
| Merchant Wholesalers, Durable Goods | 1,363 | 10,082 | $66,307 |
| Merchant Wholesalers, Nondurable Goods | 1,291 | 10,513 | $56,825 |
| Electronic Markets and Agents and Brokers | 234 | 520 | $89,251 |
| **Retail Trade** | **3,931** | **51,233** | **$29,654** |
| Motor Vehicle and Parts Dealers | 551 | 7,964 | $49,323 |
| Furniture and Home Furnishings Stores | 181 | 1,481 | $35,736 |
| Electronics and Appliance Stores | 167 | 1,345 | $43,776 |
| Building Material and Garden Supply Stores | 391 | 5,609 | $33,432 |
| Food and Beverage Stores | 343 | 9,204 | $20,476 |
| Health and Personal Care Stores | 252 | 1,955 | $34,850 |
| Gasoline Stations | 603 | 6,648 | $21,612 |
| Clothing and Clothing Accessories Stores | 374 | 2,635 | $18,368 |
| Sporting Goods, Hobby, Book and Music Stores | 191 | 2,261 | $21,521 |
| General Merchandise Stores | 202 | 8,479 | $25,186 |
| Miscellaneous Store Retailers | 454 | 2,583 | $25,250 |
| Nonstore Retailers | 222 | 1,071 | $47,616 |
| **Transportation and Warehousing** | **1,466** | **10,827** | **$44,960** |
| Air Transportation | 30 | 246 | $47,805 |
| Truck Transportation | 1,051 | 5,314 | $50,085 |
| Transit and Ground Passenger Transportation | 89 | 1,291 | $21,745 |
| Pipeline Transportation | 12 | 116 | $107,121 |
| Scenic and Sightseeing Transportation | 14 | 105 | $23,375 |
| Support Activities for Transportation | 139 | 980 | $49,019 |
| Postal Service | 13 | 27 | $19,781 |
| Couriers and Messengers | 74 | 1,865 | $42,861 |
| Warehousing and Storage | 44 | 883 | $42,360 |
| **Utilities** | **171** | **1,950** | **$87,207** |
| Utilities | 171 | 1,950 | $87,207 |

*Data subject to revision.*

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

The **Wholesale Trade** sector during 2019 experienced its first gain in employment since 2016. This sector gained 257 employees (1.2%) from 2018 to 2019, increasing to 21,115 employees. The number of establishments was up by 69 from the previous year to 2,888 in 2019. The average annual pay increased by $1,368 (2.3%) to an average annual pay of $62,151 in 2019.

The **Merchant Wholesale, Nondurable Goods** (NAICS 424) subsector had the largest worker growth within this sector with the addition of 201 workers or 1.9%. Establishments in this industry sell non-durable goods to other businesses. Nondurable goods generally have a normal life expectancy of less than three years. They include paper and paper products, chemicals, drugs, petroleum, food, apparel and newspapers.

The **Retail Trade** sector continued a downward trend with a loss of 62 establishments and 1,030 workers (2.0%) from 2018 to 2019. Retail Trade ranked second in the number of establishments (3,931) and second in employment (51,233 workers) out of all sectors in 2019. Every subsector in Retail Trade had increases in annual pay, bumping the average for the sector up 3.7% to a 2019 annual average pay of $29,654. Just one of the subsectors experienced growth in all three areas.

The retail landscape has evolved over the years, changing how people shop. With the use of phone apps or social media to make purchases, consumers can make numerous purchases without stepping into a store. While some establishments in this sector closed their storefronts, others expanded their online presence. The demand for workers may continue to decline as technology evolves and consumers look to online shopping for more goods compared to shopping local.

Most of the losses in this sector occurred in the **General Merchandise Stores** (NAICS 452) subsector. This subsector dropped 844 workers (9.1%) to 8,479 workers in 2019. On a positive note, pay increased $1,042 (4.3%) to a 2019 average annual pay of $25,186. Establishments grouped in this subsector are unique in that they have the equipment and staff capable of retailing a large variety of products from a single location. Department stores, super centers, dollar stores and general stores are the types of establishments included in this subsector. A majority of the losses in the General Merchandise Stores subsector occurred in department stores.

**Motor Vehicle and Parts Dealers** (NAICS 441) had the largest over-the-year growth in employees in this sector. This subsector gained 204 workers (2.6%) to reach a level of 7,964 workers in 2019. This subsector also showed growth in annual pay with an increase of $1,530 (3.2%). Boat dealers, utility trailer dealers, new and used car dealers, motor home dealers and tire dealers are examples of establishments in this subsector. These retailers expanded throughout the year, hiring additional workers.
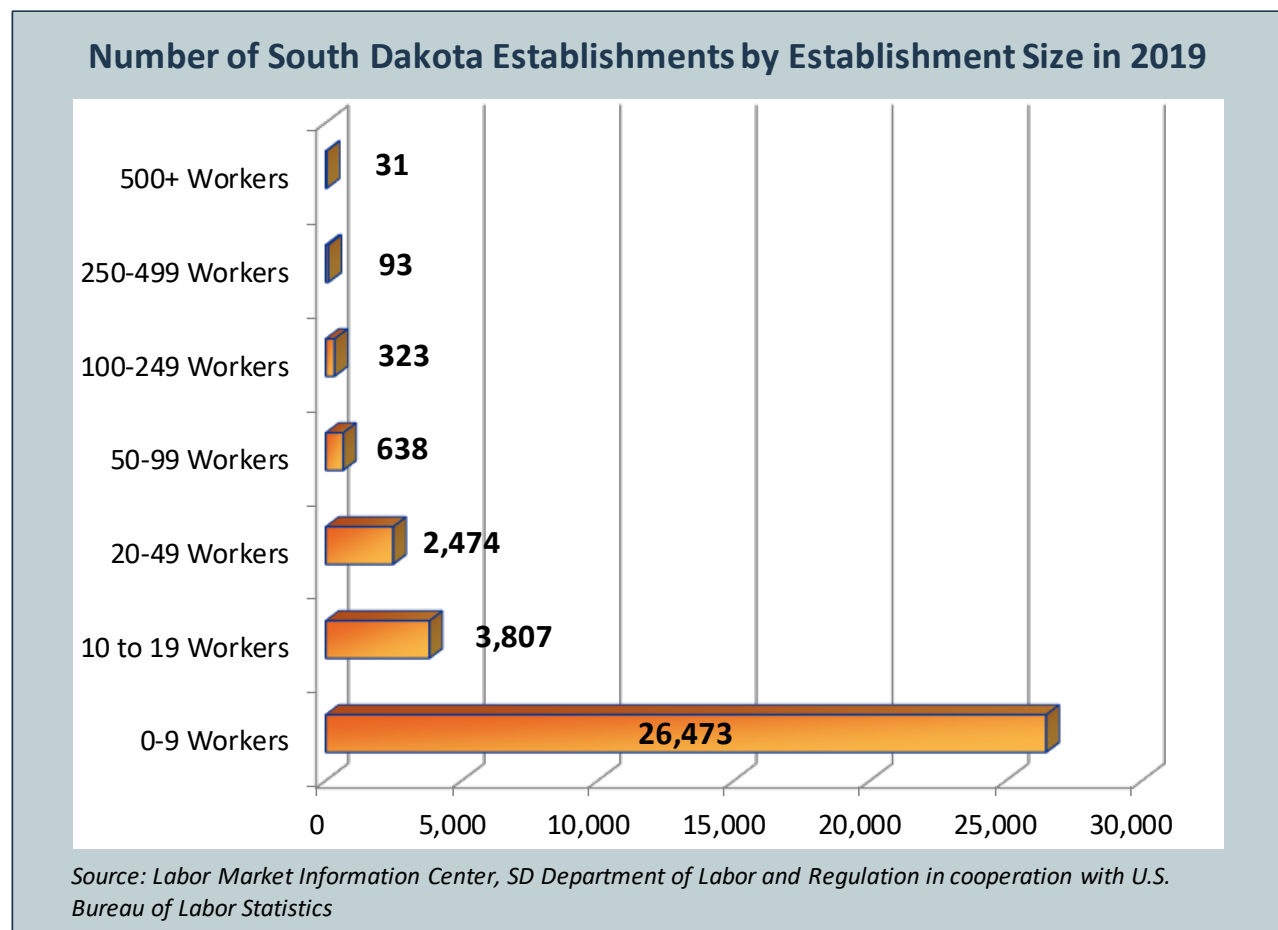
After four years of growth, the number of establishments in **Transportation and Warehousing** sector reversed course and declined by three to 1,466 establishments in 2019. Transportation and Warehousing had gains in worker levels despite a loss in establishments. This sector added 193 workers (1.8 percent) to 10,827 workers in 2019. The annual pay increased $753 to an average annual pay of $44,960 in 2019.

# 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.

The graph below displays the number of South Dakota establishments by establishment size. This graph shows small businesses are predominate in South Dakota. During 2019 the 0-9 workers size class had the largest number of establishments, accounting for 78.2% of all establishments.

## Number of South Dakota Establishments by Establishment Size in 2019

| Establishment Size | Number |
|---|---|
| 500+ Workers | 31 |
| 250-499 Workers | 93 |
| 100-249 Workers | 323 |
| 50-99 Workers | 638 |
| 20-49 Workers | 2,474 |
| 10 to 19 Workers | 3,807 |
| 0-9 Workers | 26,473 |

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

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 chart on the following page indicates smaller businesses (fewer than 10 workers) employed only 19.4% of the covered workers in South Dakota in 2019. The number of workers is evenly dispersed among the establishment size groups.

A table beginning below the pie chart (pages 38 and 39) shows the number of establishments, workers and annual pay by size group, within each industry sector.

## Distribution of South Dakota Employees by Establishment Size in 2019
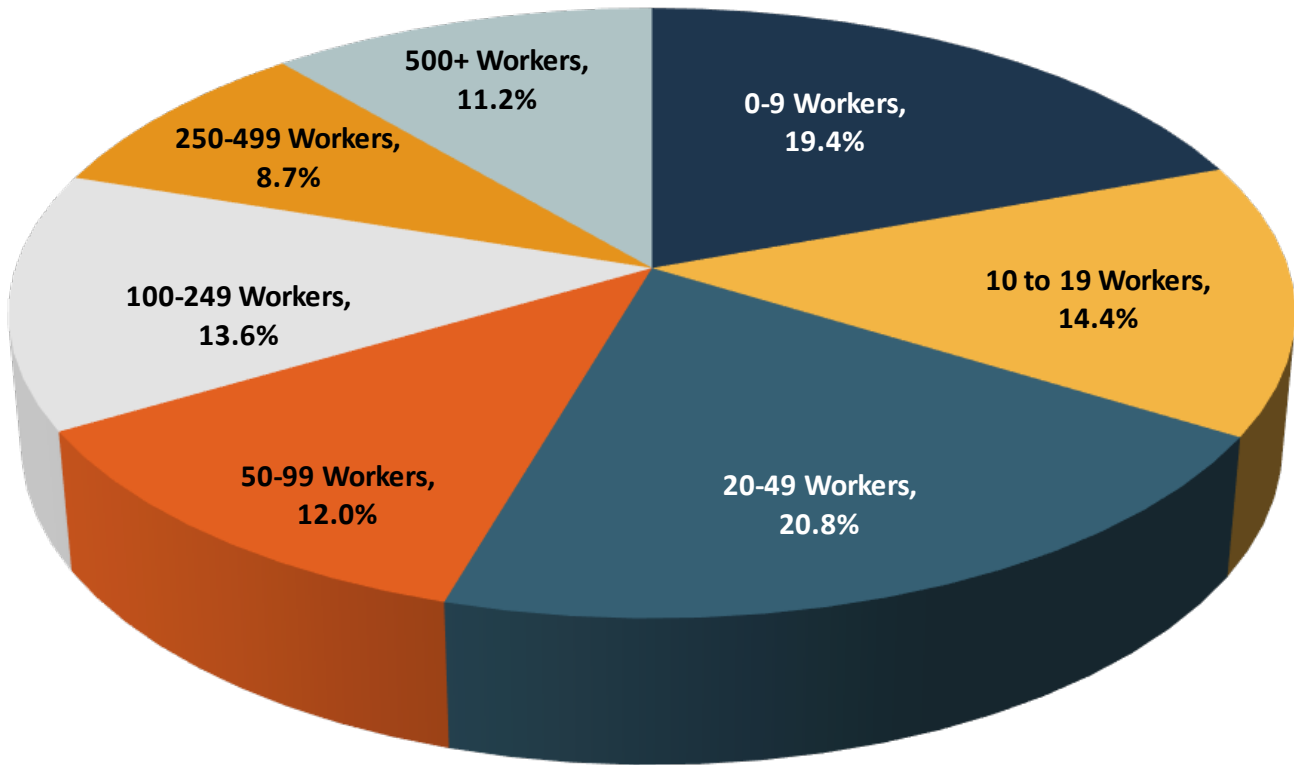


Source: Labor Market Information Center, SD Department of Labor and Regulation

| South Dakota Number of Establishments, Workers and Pay By Establishment Size and By Supersector 2019 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Supersector** | **0-9** | **10-19** | **20-49** | **50-99** | **100-249** | **250-499** | **500+** |
| **Natural Resources & Mining** | | | | | | | |
| Establishments | 972 | 80 | 47 | 11 | 3 | 0 | 0 |
| Workers | 3,028 | 1,051 | 1,340 | 734 | 478 | 0 | 0 |
| Annual Pay | $38,740 | $42,771 | $45,451 | $50,746 | $57,878 | $0 | $0 |
| **Construction** | | | | | | | |
| Establishments | 3,573 | 325 | 194 | 37 | 19 | 0 | 0 |
| Workers | 8,609 | 4,390 | 5,643 | 2,515 | 2,452 | 0 | 0 |
| Annual Pay | $39,786 | $50,144 | $57,324 | $64,618 | $63,349 | 0 | 0 |
| **Manufacturing** | | | | | | | |
| Establishments | 618 | 150 | 166 | 80 | 57 | 29 | 11 |
| Workers | 1,924 | 2,055 | 5,237 | 5,494 | 9,360 | 9,468 | 11,433 |
| Annual Pay | $37,539 | $43,598 | $50,065 | $48,972 | $51,249 | $52,497 | $51,485 |
| *Table continued on next page.* | | | | | | | |

## South Dakota Number of Establishments, Workers and Pay
## By Establishment Size and By Supersector, continued
## 2019

| Supersector | 0-9 | 10-19 | 20-49 | 50-99 | 100-249 | 250-499 | 500+ |
|---|---|---|---|---|---|---|---|
| **Trade, Transportation & Utilities** | | | | | | | |
| Establishments | 6,271 | 1,261 | 672 | 154 | 74 | 24 | 0 |
| Workers | 18,420 | 16,824 | 20,203 | 10,456 | 11,120 | 8,102 | 0 |
| Annual Pay | $43,071 | $39,436 | $44,278 | $43,636 | $39,706 | $29,525 | $0 |
| **Information** | | | | | | | |
| Establishments | 522 | 65 | 50 | 10 | 4 | * | * |
| Workers | 1,034 | 890 | 1,548 | 643 | 482 | * | * |
| Annual Pay | $51,926 | $45,296 | $48,057 | $44,558 | $61,442 | * | * |
| **Financial Activities** | | | | | | | |
| Establishments | 3,036 | 260 | 137 | 31 | 26 | 8 | 7 |
| Workers | 7,328 | 3,414 | 3,946 | 1,987 | 3,921 | 2,937 | 4,950 |
| Annual Pay | $54,724 | $62,345 | $72,410 | $72,348 | $71,414 | $61,795 | $61,374 |
| **Professional & Business Services** | | | | | | | |
| Establishments | 5,310 | 378 | 228 | 39 | 34 | 8 | 2 |
| Workers | 9,648 | 5,013 | 6,792 | 2,517 | 4,930 | 2,658 | 1,562 |
| Annual Pay | $58,125 | $49,965 | $53,005 | $51,487 | $56,960 | $71,661 | $108,294 |
| **Education & Health Services** | | | | | | | |
| Establishments | 2,118 | 426 | 322 | 141 | 69 | 19 | 10 |
| Workers | 6,063 | 5,794 | 9,752 | 9,530 | 10,444 | 6,091 | 21,238 |
| Annual Pay | $40,309 | $39,750 | $41,342 | $40,903 | $47,053 | $49,205 | $73,127 |
| **Leisure & Hospitality Services** | | | | | | | |
| Establishments | 1,967 | 667 | 605 | 121 | 32 | 0 | 0 |
| Workers | 7,227 | 9,268 | 17,800 | 7,827 | 4,356 | 0 | 0 |
| Annual Pay | $15,648 | $15,511 | $17,395 | $19,177 | $21,772 | $0 | $0 |
| **Other Services** | | | | | | | |
| Establishments | 2,086 | 195 | 53 | 14 | 5 | 0 | 0 |
| Workers | 5,512 | 2,489 | 1,523 | 1,007 | 794 | 0 | 0 |
| Annual Pay | $33,912 | $34,820 | $37,242 | $36,344 | $26,196 | $0 | $0 |
| **Total Private Ownership** | | | | | | | |
| Establishments | 26,473 | 3,807 | 2,474 | 638 | 323 | 93 | 31 |
| Workers | 68,792 | 51,205 | 73,783 | 42,709 | 48,338 | 30,829 | 39,786 |
| Annual Pay | $41,943 | $38,723 | $41,077 | $42,230 | $47,617 | $47,464 | $66,652 |

*Data was suppressed to prevent disclosure of confidential information.

Data subject to revision.

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

# Quarterly Census of Employment and Wages, continued

## Since the Coronavirus Pandemic Struck

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. It is based largely on worker data provided by employers to the South Dakota Division of Reemployment Assistance's tax unit. Under South Dakota Unemployment Insurance law, all employers liable for unemployment tax must report, on a quarterly basis, each of their paid employees and the wages paid to that employee. Since the industry classification and physical location are also determined for each employer, in part through the QCEW program, the resulting data set is powerful.

One of the downsides of that powerful data set is the inherent time lag involved with data availability. As the saying goes, all good things take time. Employers' quarterly reports to the RA tax unit are due one month after the end of a quarter. From there, the data in the reports must be processed for their primary purposes—covering South Dakota's workers with unemployment insurance, verifying employment data of benefit claimants, adjusting employers' unemployment tax rates, etc.

On the statistical or QCEW side, once the data from the quarterly reports is made available to LMIC staff, it is then carefully analyzed for consistency and accuracy. Data for those employers not reporting by the deadline must be added as it becomes available, with those same processes then completed to ensure data quality. Additional steps, such as follow-up efforts to collect missing data and greater, more detailed break-outs of employment by location for those employers with multiple work sites, are also completed.

Because of those various processes and procedures to ensure QCEW data is accurate and appropriately reflects the recent labor market, it takes a minimum of five months after the close of a quarterly report cycle until the new QCEW data can be published. Every effort has been made to shorten the time frame involved in South Dakota for the convenience of our data users. LMIC has shortened the time frame from seven months within the last few years.

First quarter (January, February and March) 2020 data became available just one month before the publication of this annual Workforce Report (at the end of September 2020). The Coronavirus pandemic's measurable impacts on South Dakota began in March 2020. So unfortunately, QCEW data reflecting the pandemic's greatest impacts on employment and wages are not yet available as of the original publication of this Workforce Report.

As expected, first quarter 2020 data does not reflect pandemic-related economic impacts on South Dakota industry employment. In fact, when comparing South Dakota QCEW employment data for the first quarter of 2020 to the first quarter of 2019, we discover there was actually very slight growth in early 2020.

As the nation attempted to contain the COVID-19 outbreak, life slowly came to a pause and with it, much of the economy. To slow the spread of the coronavirus, many establishments changed

how they do business. From news reports and what we observe around us as consumers, we know most industries have been affected by the pandemic; some have been distressed more than others. Industries most directly hit by the pandemic include hotels, restaurants and bars, travel and transportation services, entertainment (casinos and amusement parks), personal services (dentists, daycare providers and barbers, for example) and many retailers (with examples including department stores and car dealers).

The restaurant industry is one of the industries most economically susceptible to the pandemic's impact, since groups of over 50 people are to be avoided. Some restaurants switched to takeout and drive through services only. Some workers were laid off or furloughed and more job cuts are likely. In many cases, workers in white collar jobs were more likely able to work from home, while hourly workers in hospitality and retail industries may lose their jobs as companies get less business. This has meant some of the least financially secure workers have been jeopardized through the pandemic, since jobs in these fields are often part time and typically pay lower wages.

The QCEW program may face some of its own pandemic-related challenges in the coming months. Data collection may be affected by the availability of business respondents as well as state unemployment insurance (UI) staff. As mentioned above, most QCEW data comes from unemployment insurance tax records.

Also as mentioned above, one of the value-added processes the QCEW program adds to the UI tax data is discerning greater detail at the worksite level for those employers with multiple locations. This additional data is collected both electronically and by mail through the Multiple Worksite Report (MWR). QCEW anticipates respondent availability to receive printed solicitations will be affected by increased telework and fewer respondents in offices where mail is sent. Every effort is being made to continue collecting this valuable data, such as increased electronic reporting options. But if we are unable to reach some respondents, collection of data for the QCEW program will be adversely affected.

The primary goal for QCEW is to provide accurate levels of employment, establishment counts and total quarterly wages. While we are hopeful QCEW data for second quarter 2020 and beyond will provide one indicator of COVID's impact on South Dakota industry landscape, it is important to remember it will not be possible to precisely quantify the impact of COVID-19 on employment, establishment counts and total wages because there are other influences on the economy.

As soon as quarterly and annual QCEW data are available, they are published in the virtual labor market data system. Visit the QCEW menu page of our website for links and instructions for using the system. Also available from our website are comprehensive annual summaries of QCEW data. These summaries include narrative industry analyses and data on establishment size, among other valuable information.

# 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. The total payroll of workers covered by reemployment assistance is a component of wage and salary disbursements included in this statistic.

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 2018 and 2019, South Dakota's per capita personal income increased $1,499 (2.9%).

During that same time frame, the United States and Plains Region grew at slightly faster rates of 3.9% and 3.8%, respectively. South Dakota ranked 23rd out of the 50 states and the District of Columbia with a per capita personal income of $53,925 in 2019. In 2018, South Dakota also ranked 23rd with a per capita personal income of $52,426.

**Per Capita Personal Income**
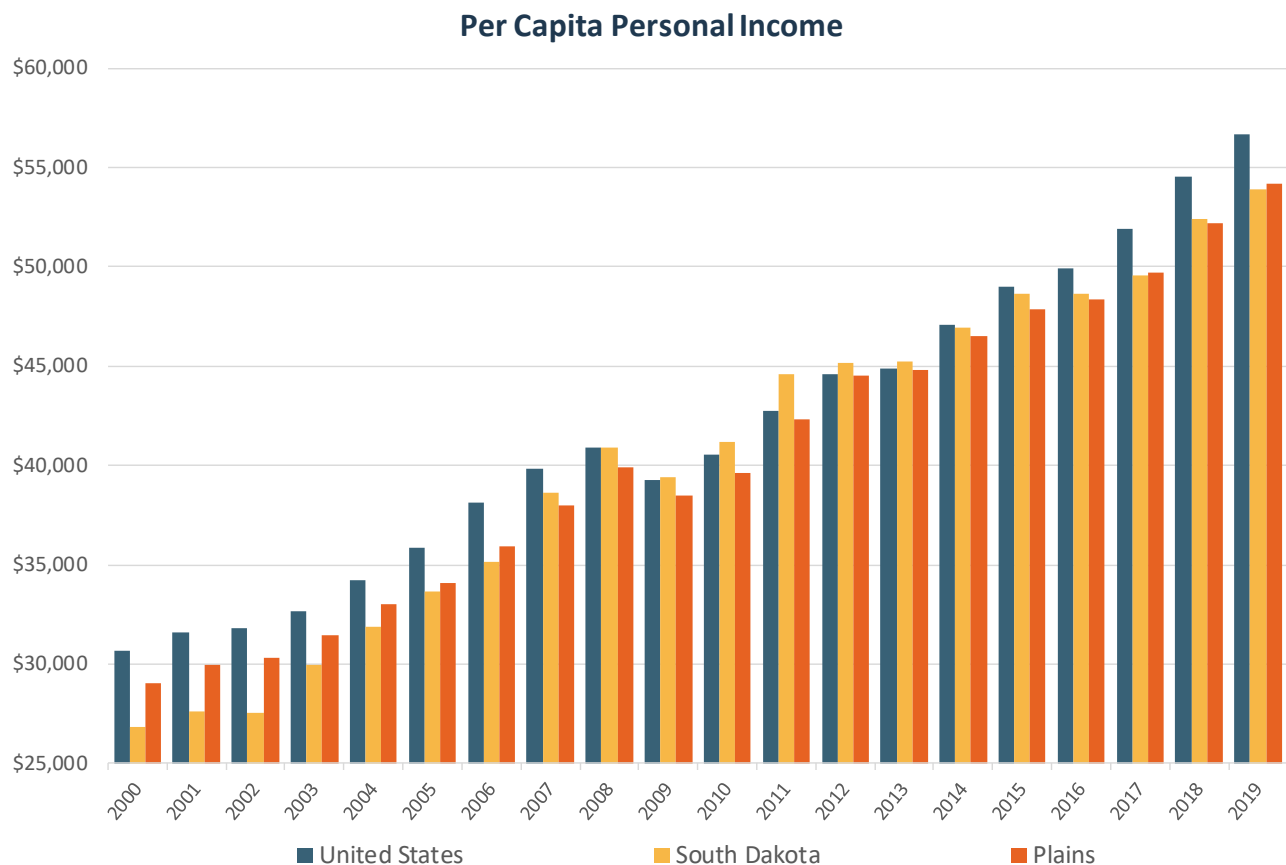
Looking further back, South Dakota's personal income grew steadily for several years prior to the recession. In fact, South Dakota's growth in personal income for the 2000-2009 period surpassed the rate for the Plains Region (Iowa, Kansas, Missouri, Nebraska, North Dakota and South Dakota) and

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 2019, the nation's personal income increased 39.7%, followed by the Plains Region at 36.6% and South Dakota at 31.0%.

Personal Income data from BEA includes three main components:

- Net employment earnings by place of residence.
- Investment income (dividends, interest and rent).
- Transfer payments (government payments made to individuals).

The graphic below shows the make-up of South Dakota personal income in 2019 by each of these three components.

### South Dakota Personal Income by Income Component 2019



Investment Income, 24.2%

Transfer Payments, 15.7%

Employment Earnings, 60.1%
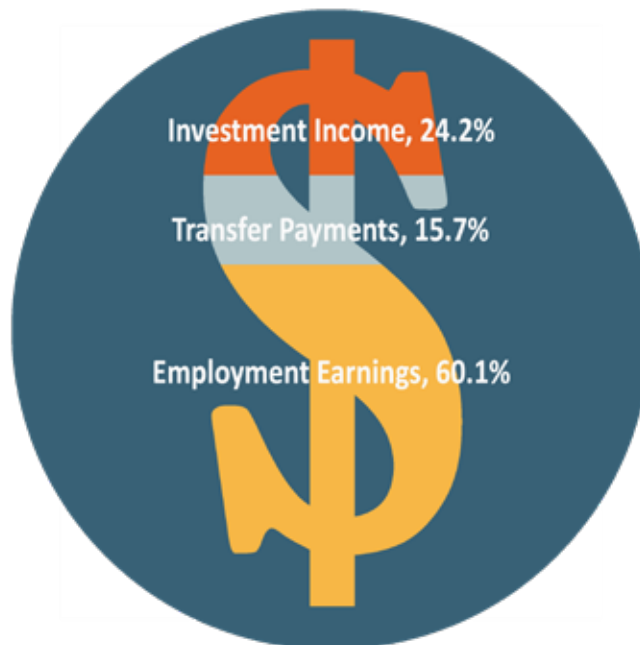
*Source: U.S. Bureau of Economic Analysis*

LMIC staff are familiar with a number of income and pay measures, including those from the U.S. Bureau of Economic Analysis. If you need such data or assistance using it, contact LMIC at 605.626.2314.

# 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. 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 0.4% from 2017 to 2018 (the most recent data available). 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 2018 decreased 0.2% to 9.3% which is 1.3% higher than South Dakota. The percent of 'all people' in the U.S. and South Dakota with incomes below the poverty threshold was equal at 13.1% in 2018.

| 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** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| United States | 11.8% | 11.6% | 11.3% | 10.6% | 10.0% | 9.5% | 9.3% |
| South Dakota | 8.6% | 9.2% | 9.4% | 8.3% | 8.2% | 8.4% | 8.0% |
| **All People** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| United States | 15.9% | 15.8% | 15.5% | 14.7% | 14.0% | 13.4% | 13.1% |
| South Dakota | 13.4% | 14.2% | 14.2% | 13.7% | 13.3% | 13.0% | 13.1% |
| *Source: U.S Census Bureau, 2018 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 111,600 or 13.1%. This is according to the 2018 American Community Survey (ACS). The races with the highest percentage of their population living below the poverty level are American Indian and Alaska Natives at 52.3% and Black or African Americans at 15.5%. Females in South Dakota are slightly more likely to be living below the poverty level with 14.1% versus 12.1% of the male population. Children under the age of five are the most likely age demographic to be living below the poverty level. On the following page is a table of poverty status by age demographic.

| South Dakota Population for Whom Poverty Status is Determined | | | |
|---|---|---|---|
| | Population | Population Below Poverty Level | Percent of Population Below Poverty Level |
| Total | 852,419 | 111,626 | 13.1% |
| Under 5 years | 58,842 | 10,766 | 18.3% |
| 5 to 17 years | 150,141 | 23,435 | 15.6% |
| 18 to 64 years | 503,567 | 64,822 | 12.9% |
| 65 years and over | 139,869 | 12,603 | 9.0% |
| Source: U.S. Census Bureau, 2018 American Community Survey | | | |



18.3%

Nearly 1 in 5 South Dakota children under 5 years old lives in poverty.
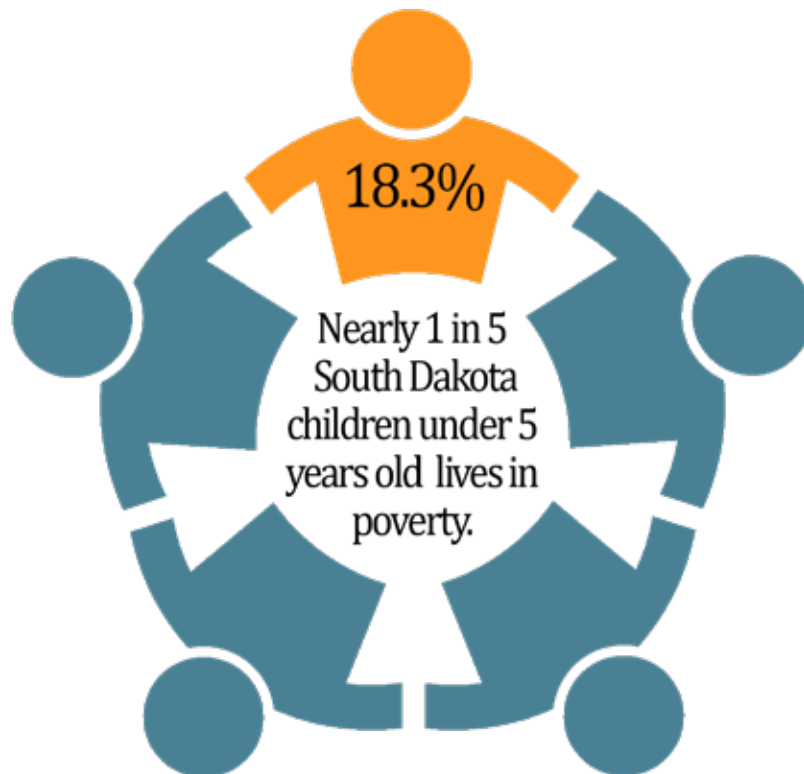
# POPULATION PROJECTIONS

Population projections for the 2010-2035 time period released by the South Dakota State Data Center show South Dakota's total population will reach 889,447 by the year 2020. This reflects an increase in the core potential workforce (age 16-64) of approximately 14,000 (2.7%).

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.

**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 Employment Projections

TThe 2018-2028 round of South Dakota industry employment projections was recently completed by the Labor Market Information Center (LMIC). State and national economic trends, along with a historical time-series employment data set, were incorporated in various statistical models to project employment levels. (A general assumption is made that no major catastrophic events, natural disasters or pandemics that would significantly affect economic activities of these industries will occur during the projection period.)

A look at which types of industries are growing, and which are not, provides great insights on the economy. 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.

South Dakota's growth rate is projected to slightly outpace national growth. The total number of workers in South Dakota is projected to increase by 34,663 (7.1%, or 0.7% annually) to a total of 526,251 workers from 2018 to 2028. On the national level, according to the U.S. Bureau of Labor Statistics (BLS), the total employment level is expected to reach about 169.4 million (growth of 0.5% annually). Nationally, 0.5% annual growth in the next 10 years is less optimistic than the 0.8% growth rate experienced from 2008 to 2018. The slower growth rate is attributed to slower population growth and changing demographics.

The South Dakota projections include three categories of workers:

- Nonfarm wage and salaried workers.
- Agriculture and related workers (farm employment).
- Non-agricultural self-employed and unpaid family workers.

| South Dakota Wage and Salaried Workers by Industry Division 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, SD Department of Labor and Regulation* | | | | |

**Distribution of South Dakota Nonfarm Wage and Salaried Workforce
by Industry Division**



Non-agricultural
Self-employed and
Unpaid Family Workers

**4.8%**

Agriculture, Forestry,
Fishing and Hunting
(Farm Employment)

**6.5%**

Nonfarm Wage and
Salaried Workers
(excludes Self-employed
and Unpaid Family Workers)

**88.7%**

*Source: Labor Market Information Center,
SD Department of Labor and Regulation*
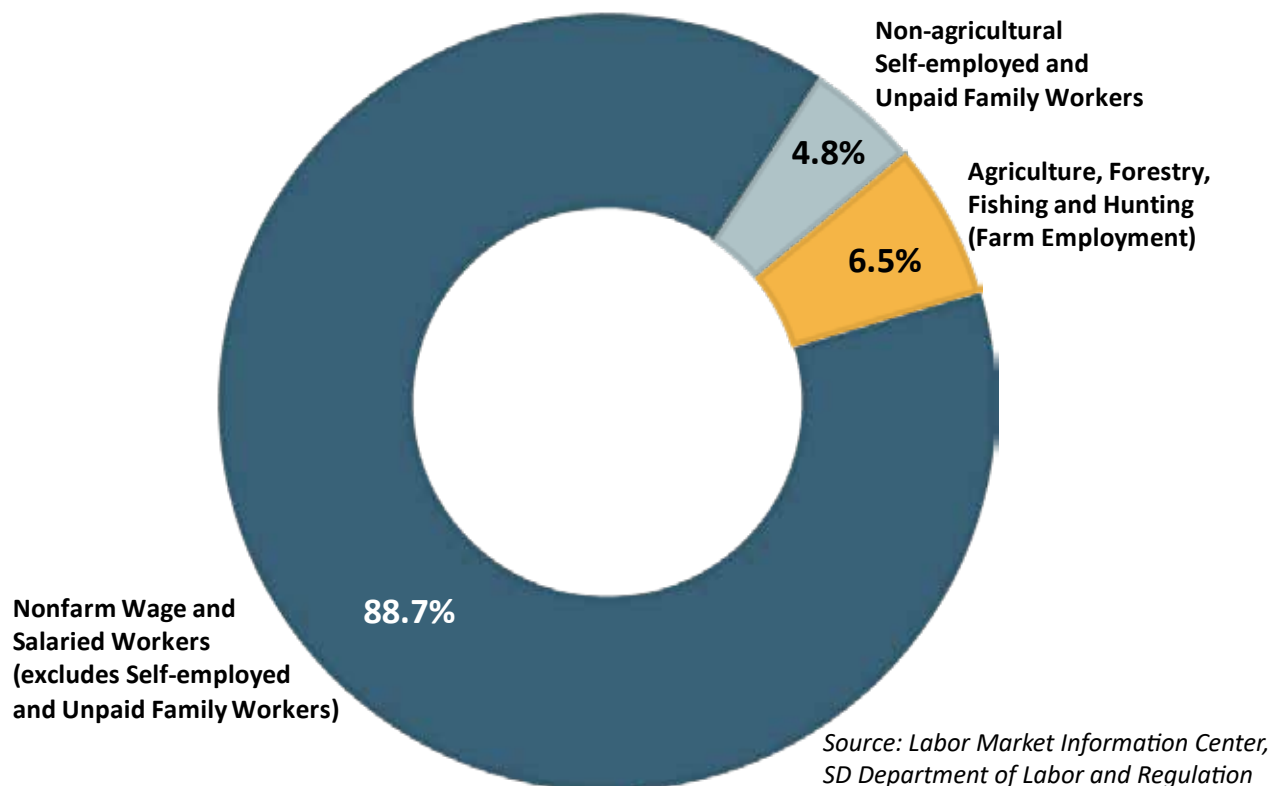
The **Nonfarm Wage and Salaried Workers** category consists of only those wage and salaried workers who are covered under the South Dakota Reemployment Assistance (unemployment insurance) program and those who work for non-profit organizations, such as private colleges and religious organizations. Overall, 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.

Another important element of South Dakota's labor force is **Agriculture, Forestry, Fishing and Hunting** (sometimes referred to as farm employment). Like nationally, 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.

The final component of South Dakota's labor force is the N**on-agricultural Self-employed and Unpaid Family Workers** category. According to BLS and based on Current Population Survey and American Time Use Survey data, 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%.

## Goods Producing and Service Providing

Based on their primary business activity (the products they produce or the services they provide), industries are categorized at several different levels of detail using the North American Industry Classification System (NAICS). Learn more about the NAICS. At the broadest level, sectors can be combined and categorized into one of two groups: goods-producing or service-providing.

**Goods-producing:**

- Natural Resources and Mining.

- Construction.

- Manufacturing.

**Service-providing industry sectors:**

- Trade, Transportation and Utilities.

- Information.

- Financial Activities.

- Professional and Business Services.

**Service-providing industry sectors, continued:**

- Education and Health Services.

- Leisure and Hospitality.

- Other Services.

- Public Administration.

In 2018 service-providing industries accounted for 74.8% of total employment in South Dakota. The service-providing industries are anticipated to have 26,977 more workers by 2028 (7.3%), while the goods-producing industries are expected to increase by 6,416 workers (6.4%). On the national level, BLS is expecting an increase of 7.6 million to reach over 136.8 million jobs by 2028 in the services-providing industry sector. Nationally, the Healthcare and Social Assistance, Education and Construction sectors are projected to have the highest annual employment growth between 2018 and 2028.

In South Dakota, three industry sectors (all service-providing) are projected to have double-digit employment growth to 2028:

- Management of Companies and Enterprises (15.5%).

- Professional and Technical Services (13.1%).

- Health Care and Social Assistance (10.7%).
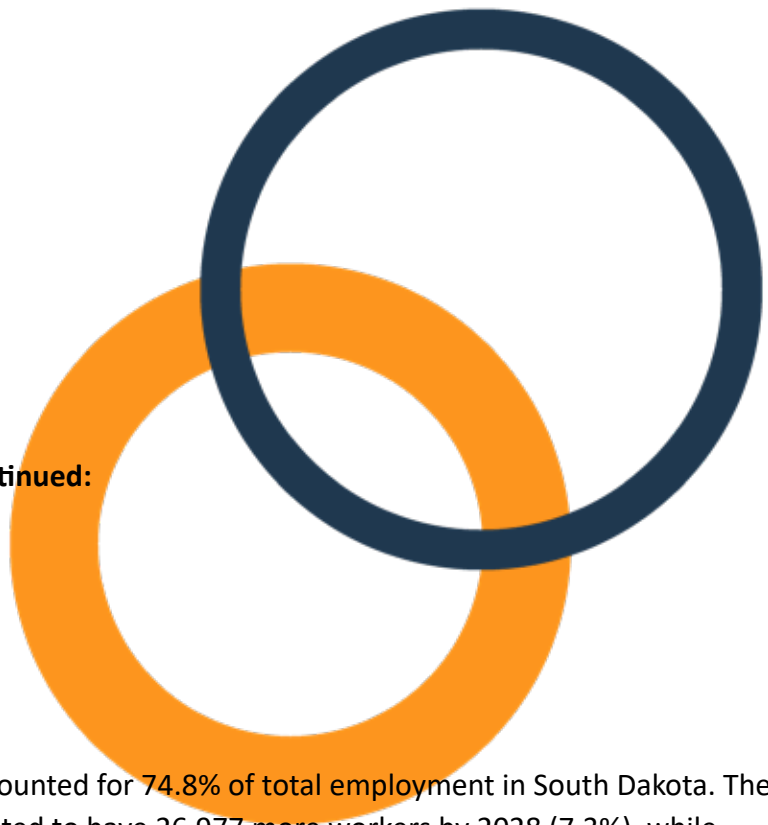
# Top Ten Fastest Growing Industries to 2028

From this point on in this article, we will be focusing mainly on subsector level industries, which are at the three-digit NAICS level. We will also be concentrating on the subsectors in which employment is projected to grow or decline the fastest, meaning we will be considering projected percent change.

The three South Dakota sectors mentioned above also contain three of the 10 fastest growing industries at the more detailed, three-digit subsector level.

| South Dakota Industry Employment Projections 2018-2028 Top Ten in Percent Growth | | | | |
|---|---|---|---|---|
| Industry Title | 2018 Workers | 2028 Workers | Actual Change | Percent Growth |
| Museums, Historical Sites, and Similar Institution | 635 | 766 | 131 | 20.6% |
| Management of Companies and Enterprises | 5,265 | 6,080 | 815 | 15.5% |
| Couriers and Messengers | 1,684 | 1,944 | 260 | 15.4% |
| Warehousing and Storage | 831 | 955 | 124 | 14.9% |
| Waste Management and Remediation Service | 929 | 1,062 | 133 | 14.3% |
| Transportation Equipment Manufacturing | 3,594 | 4,099 | 505 | 14.1% |
| Support Activities for Transportation | 988 | 1,122 | 134 | 13.6% |
| Professional, Scientific, and Technical Services | 14,053 | 15,894 | 1,841 | 13.1% |
| Ambulatory Health Care Services | 17,468 | 19,711 | 2,243 | 12.8% |
| 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. Industry titles are based largely on the North American Industry Classification System (NAICS). See descriptions of NAICS codes.
*Source: Labor Market Information Center, SD Department of Labor and Regulation*

## Museums, Historical Sites, and Similar Institution

**#1** 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, The 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 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. Establishments in Warehousing and Storage 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 industry 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.

## #9 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, from 2010 to 2018, South Dakota's population 65 years and older rose 25.2%. 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 a continued 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 a clinical environment. According to BLS, the aging of the population correlates with an expected rise in chronic conditions such as diabetes, helping increase the demand for all types of healthcare services and social services geared toward older people.

## #10 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.

Five out of nine categories under this three-digit industry are expected to have substantial growth in South Dakota. The largest category at the four-digit NAICS level, Animal Slaughtering and Processing, is expected to add just under 1,000 workers over the next decade, pushing the growth at the three-digit industry level. Consumer demand for agricultural products and an increasing population are large factors driving the need for workers within the food manufacturing industry. According to the U.S. Census Bureau, estimates show South Dakota's population has risen from 842,316 in 2013 to 878,698 people in 2018 (4.3%).

## Declining and Slowest Growth Industries to 2028

| South Dakota Industry Employment Projections 2018 - 2028 Declining or Slowest Growing Industries | | | | |
|---|---|---|---|---|
| Industry Title | 2018 Workers | 2028 Workers | Actual Change | Percent Growth |
| Publishing Industries (except Internet) | 1,212 | 1,057 | -155 | -12.8% |
| Electronics and Appliance Stores | 1,428 | 1,335 | -93 | -6.5% |
| Printing and Related Support Activities | 1,320 | 1,237 | -83 | -6.3% |
| Broadcasting (except Internet) | 979 | 941 | -38 | -3.9% |
| Miscellaneous Store Retailers | 2,567 | 2,485 | -82 | -3.2% |
| Wholesale Electronic Markets and Agents and Brokers | 541 | 529 | -12 | -2.2% |
| General Merchandise Stores | 9,323 | 9,218 | -105 | -1.1% |
| Paper Manufacturing | 637 | 635 | -2 | -0.3% |
| Nonstore Retailers | 1,089 | 1,095 | 6 | 0.6% |
| Utilities | 1,978 | 1,990 | 12 | 0.6% |
| 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 rounding and non-publishable data for additional industries being included in totals. Industry titles are based largely on the North American Industry Classification System (NAICS). *Source: Labor Market Information Center, SD Department of Labor and Regulation* | | | | |

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. 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)

**-12.8%** 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

**-6.5%** 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

**-6.3%** 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 to2018.

## Broadcasting (except Internet)

**-3.9%** Worker levels in the Broadcasting (except Internet) subsector are projected to decrease by 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. An expected decrease of 38 workers is small; however, 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

**-3.2%** 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 subsector 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

**-2.2%** 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

**-1.1%** 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

**-0.3%** 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 though automation processes and logistics, reducing the need for workers to accomplish the same tasks.

## Nonstore Retailers

**0.6%** 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

**0.6%** 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 Microsoft Excel format on our website, and will be added to our virtual labor market data system as soon as possible. Please see our Industry Employment Projections menu page for the latest options and data at any point in time.

# Occupational Employment 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. The Labor Market Information Center (LMIC) released projections for 531 detailed occupations. 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, as well as 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 when reading this article 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.

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

1. 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.

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

- **Demographics**. Demoraphic 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/or 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 increases/decreases 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 because they were relocating because of or looking for a job. Other groups relocating to South Dakota were those looking to or who already had 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 sites 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'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 below features the 10 occupations projected to grow the fastest. The narrative following the table explores the reasons for the predicted growth.

| Top 10 South Dakota Occupations Projected to be the Fastest Growing 2018-2028 | | | | | |
|---|---|---|---|---|---|
| Rank | Occupation | 2018 Workers | 2028 Workers | Numeric Change | 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: Data is preliminary and subject to revision. Fastest growing occupations are defined as those with the highest percent change in employment from 2018 to 2028. *Source: Labor Market Information Center, SD Department of Labor and Regulation* | | | | | |

## 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 expediate 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.

### #3 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 and doctors' offices and clinics. Not only is it more convenient for residents and patients, but it cuts down on hospital readmissions, which lowers medical expenses for treatment.

### #4 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 clip (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. But, 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

**#5**

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. While demographics certainly plays a part in the growth of this occupation in South Dakota, just as important as 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 aliments, 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 follow-up or even regular checkups. 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 perform 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 and/or doctor visits for common illnesses or injuries.

## Personal Care Aides

**#6**

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%).

## #7 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.

## #8 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 blush 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 quick clip 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. Whether it is a personal assistant such as Alexa or Google Nest to a home security service, to the oven which can keep your casserole cool when you leave in the morning until it is time to start baking it so it will be ready when you get home from work, to the latest streaming service being offered, they all run off software 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–from the computer in your appliances or vehicles, to your laptop, tablet, smart phone or watch. 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 their clients and/or customers. 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

**#9**

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

**#10**

Rounding out the top ten list of the fastest growing occupations in South Dakota from 2018-2028 is a newcomer to the list. Occupational therapy assistants work with patients and help them develop, recover, improve and maintain the skills needed for daily living after the patient has suffered a traumatic event. Events can include, but are not limited to, an accident or disease such as a stroke or heart attack or surgery such as hip replacement, etc.

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.

The employment projections for 2018 to 2028 recently completed for 531 detailed occupations by the LMIC are available on our website from the occupational projections menu page.

# 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 below 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.

**South Dakota Occupational Projections 2018-2028**

| Occupational Title | 2018 Workers | 2028 Workers | Numeric Change 2018-2028 | Annual Demand Due to | | | |
| | | | | Employment Growth | Labor Force Exits | Occupational Transfer | 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*

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

1. Workers who leave the labor force entirely (shown in the table above as "Annual Demand Due to Labor Force Exits").

2. Workers who leave one major occupational group for another one (shown in the table above as "Annual Demand Due to Occupational Transfers").

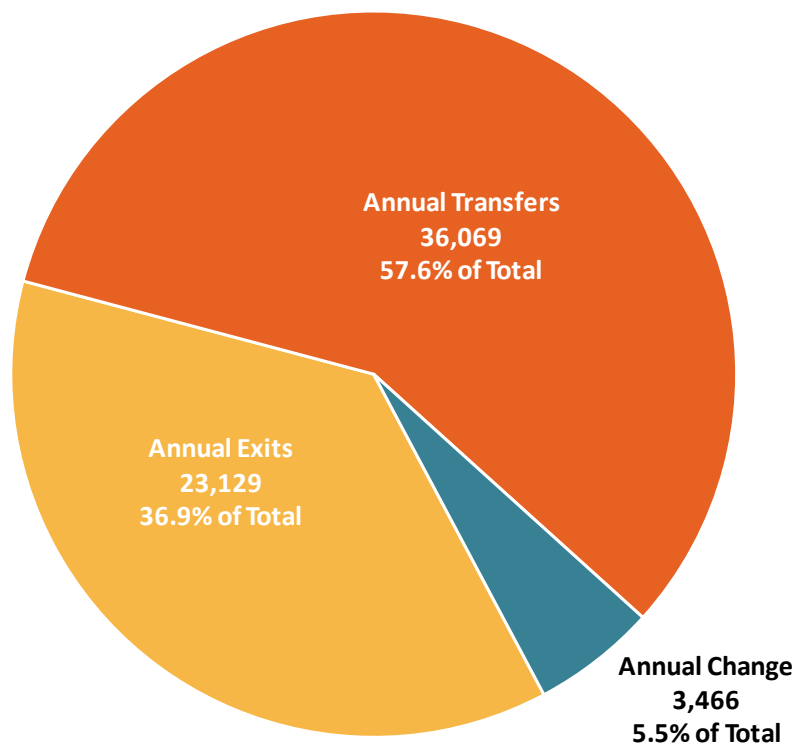Every person's career journey varies, but certain trends are common.

- 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.

## How occupational transfers and exists impact projected outlook

As the pie graph on the following page illustrates, nearly all of South Dakota's annual demand for workers during the 2018-2028 projections decade will be due to separations, which include occupational transfers or labor force exits, at 58% and 37%, respectively. About 5% of the state's annual openings are projected to be new growth. A look at the percentage breakout of annual demand within these categories shows South Dakota virtually mirrors the nation 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 4% being caused by growth.

## South Dakota Annual Total Opening Projections
## 2018-2028

**Annual Transfers**
**36,069**
**57.6% of Total**

**Annual Exits**
**23,129**
**36.9% of Total**

**Annual Change**
**3,466**
**5.5% of Total**

*Source: Labor Market Information Center, SD Department of Labor and Regulation*

### 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.

Registered nurses and childcare workers are among the occupations with the highest annual demand due to exits. Many times, workers in nursing and childcare are not just working in a career they have chosen but they are working in a career that has chosen them. They do it because it is who they are. They are nurturers and care givers. To these workers their employment runs deep and is the very essence of who they are as human beings. They are invested in caring for and helping others and will likely work in these occupations until they retire.

However, retirement is likely not the only reason registered nurses and childcare workers ranked 9th and 10th, respectively, on the list of occupations most in demand due to exits. Because these workers are caregivers, they are often the people who will exit the labor force to care for family members in need.

As just mentioned, 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 will also 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.

There are also workers who have always been in the labor force but either leave out of necessity or because they chose to for a variety of reasons. Perhaps they want to be home while their children are little or chose to do home schooling. Perhaps taking care of an aging or chronically ill relative becomes necessary.

Another reason workers exit the labor force, which in turn creates openings, is the pursuit of education. The types of occupations experiencing the highest exit rates in South Dakota are a perfect fit for these labor force hoppers. Many will work while school is not in session, then drop out when they start their educational pursuit again.

| South Dakota Top 10 Occupations with the Highest Projected Annual Demand Due to Exits 2018-2028 | |
|---|---|
| Occupational Title | Annual Occupational Exits |
| Cashiers | 1,139 |
| Retail Salespersons | 954 |
| Combined Food Preparation and Serving Workers, Including Fast Food | 768 |
| Bookkeeping, Accounting, and Auditing Clerks | 669 |
| Janitors and Cleaners, Except Maids and Housekeeping Cleaners | 620 |
| Waiters and Waitresses | 537 |
| Counter Attendants, Cafeteria, Food Concession, and Coffee Shop | 472 |
| Customer Service Representatives | 418 |
| Registered Nurses | 383 |
| Childcare Workers | 382 |
| Source: Labor Market Information Center, SD Department of Labor and Regulation | |

As is evident by the table above, jobs in many of these occupations are readily available, because not only are they found in some of the state's largest industries, but they are also labor-intensive occupations. Retail sales, the food services and health care industries account for the bulk of

occupations on this list. Other reasons the occupations in the table below are popular with those workers jumping in and out of the labor force are because many of them don't require any special skills, and jobs are readily available. In addition, workers easily find hours which work well with their lifestyle. Part-time, evening, overnight or weekend workers are highly sought in many of these occupations and work well for many temporary labor force participants.

## Annual Occupational Transfers

With the new methodology which went into effect in 2016, another portion of occupational demand comes from occupational transfers. This important component of occupational demand hinges on a worker's attachment to, or perhaps a better way to put it is a lack thereof, to an occupation. At one time, when workers entered the labor force they usually worked in their vocation until they retired. But in more recent years, workers are more likely to move from one occupation to another. In the following narrative we will take a closer look at those South Dakota occupations with high transfer rates and explore reasons for these high transfer rates, which in turn create many openings.

| South Dakota Top 10 Occupations with the Highest Projected Annual Demand Due to Transfers 2018-2028 | |
| --- | --- |
| **Occupational Title** | **Annual Occupational Transfers** |
| Retail Salespersons | 1,471 |
| Cashiers | 1,268 |
| Combined Food Preparation and Serving Workers, Including Fast Food | 948 |
| Waiters and Waitresses | 948 |
| Customer Service Representatives | 742 |
| Janitors and Cleaners, Except Maids and Housekeeping Cleaners | 715 |
| Heavy and Tractor-Trailer Truck Drivers | 654 |
| Laborers and Freight, Stock, and Material Movers, Hand | 643 |
| Bookkeeping, Accounting, and Auditing Clerks | 612 |
| Stock Clerks and Order Fillers | 460 |
| *Source: Labor Market Information Center, SD Department of Labor and Regulation* | |

The South Dakota occupations with the highest projected demand due to occupational transfers are all large occupations with many workers. Simple logic tells us a large occupation with many workers will also have more openings when compared to an occupation with less employment to begin with. However, the occupations in the table above have something more in common than just a lot of openings. Many workers have transferred out of them to pursue employment in other occupations.

Many occupations with high occupational transfers tend to be either part time, seasonal and/or have flexible scheduling, which makes them the perfect opportunity for workers more loosely tied to the labor force. Examples of these workers are young workers who are likely obtaining additional

education, older workers who are easing into retirement and those working part time. Many of these occupations also tend to require minimal training and less extensive skills than other occupations.

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.

For example, Carter is attending a university to become a sales manager. He finds part-time employment working a few evenings a week and every other weekend as a retail salesperson at an appliance store. His employer is very impressed with his work ethic, he fits into the company well and shares the company's vision for the future. Carter also brings to the table a fresh approach to increase sales and manage and motivate the sales staff. The company's current sales manager is planning to retire, and the company begins the process of filling the position her retirement will create.

Upon graduating from the university, the company retains Carter's services and offers him the recently vacated sales management position. Carter accepts the offer. Carter has just filled an opening which was created by the past sales manager when she exited the labor force.

Carter's old position as a retail salesperson is now open, and the company searches for a new worker to fill the part-time salesperson position. Carter's new  position requires a different skill set and, therefore, is categorized in a completely different occupation. The retail salesperson opening was created by an occupational transfer.

Because of two different type of labor force separations (an exit and a transfer) the company above created an occupational demand for two separation openings.

As the example above shows, many transfer openings are created when young and/or new labor force entrants move from occupations traditionally thought of as steppingstone jobs such as a retail salesperson, cashier, food service worker, janitor or stock clerk to occupations some traditionally consider more long-term careers.

There are a couple of occupations with projected high demand due to occupational transfers which, for one reason or another, don't seem to fit the mold we've mentioned so far. Customer service representatives is one. Customer service representatives provide information in response to

customer inquiries about products and services, and handle and resolve their issues. This occupation pays well, and health and profit-sharing packages are good, which leads many people to remain employed in these types of occupations for many years. However, workers in this occupation must be available when customers need assistance; therefore, many employees work nights, weekends and holidays. These hours can be a double-edged sword for this occupation. On one hand, the non-traditional work hours offer flexibility, allowing workers to meet other obligations of their time; but these same hours often lead current workers to find other occupations which offer holidays, nights and/or weekends off. In addition, workers in these occupations tend to advance to higher positions—often within the same company. And, finally, people who work as customer service representatives experience "burn out" because dealing with unhappy customers can be stressful.

Bookkeeping, accounting and auditing clerks may also seem an unlikely occupation for the top 10 list of occupations with the highest annual demand due to occupational transfers. But, perhaps after further investigation and analysis, this is not too surprising. This occupation is found in many industries, so it is a large occupation. Although this occupation requires a specific skill set and the training time, when compared to many other occupations on the top 10 list, is longer, there are some reasons it made the transfers top 10 list. It is a good part-time or first "real career." There are many openings, and candidates are often able to work a flexible schedule. Some work from home. Many workers start out in this occupation, working part time while pursuing additional education. This education, paired with their work experience, often opens the door to other opportunities along their career path as accountants, auditors or a wide variety of business professionals.

The other unique occupation with high demand projected due largely to occupational transfers is heavy and tractor-trailer truck drivers. While it is a large occupation, its other reasons for having high transfers are different than most the other occupations we've discussed. First, it does not necessarily accommodate more transient workers (the young, the older or part-time workers). In addition, this occupation requires a commercial driver's license, which does involve training and a cost to obtain.

So, why does this occupation have such a high degree of worker transfer? First, and perhaps foremost, is the work schedule. These truck drivers travel great distances, often being gone several days on end, including weekends and holidays. This occupation is also stressful. Not only do truckers travel unfamiliar roads in sometimes heavy traffic and adverse weather conditions, but they also are required to maintain travel logs, ensure weight of their vehicles comply with state and federal regulations, and ensure their products are delivered on schedule. Occupational "burn-out" for heavy and tractor-trailer truck drivers is high, which leads many workers to move on to other occupations.

The South Dakota projected demand information to 2028 recently completed for 531 detailed occupations is available on the LMIC website. Visit https://dlr.sd.gov/lmic/menu_projections_occupation.aspx for options, including links for occupational descriptions and technical notes.

# 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 not only occupational demand data, but also wage estimates. This helps ensure an adequate return on investment—not only with the greater likelihood of a trainee or graduate finding employment in an occupation related to the program, but also of 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 the fall of 2020 using the latest employment projections (2018-2028) and wage data (2019) available at the time.

To be on the Hot Careers list, an occupation must meet each of the three following criteria:

1. Be projected to show employment growth to 2028.

2. Have projected annual openings (a measure of demand for workers) greater than the average across all occupations (85) for 2018-2028.

3. Have an average/mean wage greater than the median wage across all occupations in 2019 ($34,754).

There are 69 South Dakota occupations which meet that criteria.

## South Dakota Hot Careers
### (listed alphabetically)

Accountants and Auditors

Automotive Service Technicians and Mechanics

Bus and Truck Mechanics and Diesel Engine Specialists

Business Operations Specialists, All Other

Buyers and Purchasing Agents

Carpenters

Cement Masons and Concrete Finishers

Chief Executives

Child, Family and School Social Workers

Civil Engineers

Clergy

Clinical Laboratory Technologists and Technicians

Coaches and Scouts

Coating, Painting, and Spraying Machine Setters, Operators, and Tenders

Compliance Officers

Computer User Support Specialists

Correctional Officers and Jailers

Cost Estimators

Cutting and Slicing Machine Setters, Operators, and Tenders

Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic

# South Dakota Hot Careers, continued
## (listed alphabetically)

Dental Assistants

Educational, Guidance, School, and Vocational Counselors

Electricians

Elementary School Teachers, Except Special Education

Farm Equipment Mechanics and Service Technicians

First-Line Supervisors of Construction Trades and Extraction Worker

First-Line Supervisors of Housekeeping and Janitorial Workers

First-Line Supervisors of Mechanics, Installers, and Repairers

First-Line Supervisors of Non-Retail Sales Workers

First-Line Supervisors of Office and Administrative Support Workers

First-Line Supervisors of Production and Operating Workers

First-Line Supervisors of Non-Retail Sales Workers

Food Service Managers

General and Operations Managers

Graphic Designers

Heating, Air Conditioning, and Refrigeration Mechanics and Installers

Heavy and Tractor-Trailer Truck Drivers

Highway Maintenance Workers

Human Resources Specialists

Industrial Machinery Mechanics

Industrial Truck and Tractor Operators

Insurance Sales Agents

Licensed Practical and Licensed Vocational Nurses

Light Truck or Delivery Services Drivers

Loan Interviewers and Clerks

Loan Officers

Machinists

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

# Top 30 Careers

Additionally, the Top 30 occupations were identified. South Dakota's Top 30 Careers are those which additionally meet this criteria:

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

For each of the Top 30 careers, the table below (which continues on the following page) shows the 2018-2028 projected employment and outlook information and the 2019 wage data. Also on the following page is a legend explaining the row colors.

**Top 30 South Dakota Careers**

| Rank | Title | Annual Openings | 2018 Employment | 2028 | Numeric Change | Percent Change | 2019 Average Wage |
|---|---|---|---|---|---|---|---|
| | Total, All | 62,664 | 491,588 | 526,251 | 34,663 | 7.0% | $42,916 |
| 1 | Heavy and Tractor-Trailer Truck Drivers | 1,100 | 8,645 | 9,399 | 754 | 8.7% | $43,582 |
| 2 | Registered Nurses | 907 | 12,940 | 14,643 | 1,703 | 13.2% | $59,540 |
| 3 | | 659 | 5,696 | 6,160 | 464 | 8.2% | $37,192 |
| 4 | Sales | 655 | 5,449 | 6,003 | 554 | 10.2% | $66,191 |
| 5 | | 538 | 4,998 | 5,491 | 493 | 9.9% | $67,472 |
| 6 | First-Line | 466 | 4,059 | 4,190 | 131 | 3.2% | $47,647 |
| 7 | Light Truck or Delivery Services Drivers | 447 | 3,387 | 3,777 | 390 | 11.5% | $35,760 |
| 8 | Welders, Cutters, Solderers, and Brazers | 432 | 3,321 | 3,758 | 437 | 13.2% | $39,453 |

Table for color-coded legend

| |
|---|
| High school diploma or equivalent |
| Some postsecondary education |
| Associate degree |
| Bachelor's degree |

| Title | Annual Openings | 2018 | 2028 Employment | Numeric Change | Percent Change | 2019 Average Wage |
|---|---|---|---|---|---|---|
| Total, All Occupations | 62,664 | 491,588 | 526,251 | 34,663 | 7.0% | $42,916 |
| Heavy and Tractor-Trailer Truck Drivers | 1,100 | 8,645 | 9,399 | 754 | 8.7% | $43,582 |
| Registered Nurses | 907 | 12,940 | 14,643 | 1,703 | 13.2% | $59,540 |
| Carpenters | 659 | 5,696 | 6,160 | 464 | 8.2% | $37,192 |
| Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products | 655 | 5,449 | 6,003 | 554 | 10.2% | $66,191 |
| Accountants and Auditors | 538 | 4,998 | 5,491 | 493 | 9.9% | $67,472 |
| First-Line Supervisors of Retail Sales Workers | 466 | 4,059 | 4,190 | 131 | 3.2% | $47,647 |
| Light Truck or Delivery Services Drivers | 447 | 3,387 | 3,777 | 390 | 11.5% | $35,760 |
| Welders, Cutters, Solderers, and Brazers | 432 | 3,321 | 3,758 | 437 | 13.2% | $39,453 |
| General and Operations Managers | 404 | 4,038 | 4,412 | 374 | 9.3% | $128,885 |
| Management Analysts | 377 | 3,334 | 3,762 | 428 | 12.8% | $77,934 |
| Elementary School Teachers, Except Special Education | 349 | 4,264 | 4,516 | 252 | 5.9% | $44,109 |
| Maintenance and Repair Workers, General | 334 | 3,007 | 3,294 | 287 | 9.5% | $38,163 |
| Electricians | 322 | 2,464 | 2,696 | 232 | 9.4% | $46,535 |
| Insurance Sales Agents | 296 | 2,562 | 2,882 | 320 | 12.5% | $68,952 |

# Additional Labor Market Indicators for Top 30 Careers

Current data on the number of job openings listed online in the Top 30 careers provides another helpful indicator of demand in the occupations. And information on the candidates seeking employment in those careers in South Dakota provides a helpful comparison.

The number of candidates is one indication of the supply side of the equation in the Top 30 occupations. And the supply side is an important consideration too. How extensive of competition will job seekers in the Top 30 occupations face from other applicants? How large a pool will employers have to choose from when hiring? Would educational programs designed to prepare workers for the careers be good investments, or will the labor market be flooded with job candidates with the appropriate education and skills?

Estimating supply for occupational demand is tricky business, because there are so many variables involved. To some extent, the supply of workers determines the very parameters of the pool of candidates considered. For example, say employers hiring workers for a particular occupation generally prefer applicants with a bachelor's degree in a particular field. But if such applicants are not available, the parameters may change to those with a bachelor's degree in other, less directly related fields—or those with less education in the field. Estimating supply is especially challenging among occupations for which there is not a direct relationship with a specific type of educational program, or for which graduates of a related program may also serve as a qualified pool of workers for other occupations.

But current data on those seeking employment in occupational fields and on graduates of related educational program can be helpful indicators in estimating the supply of workers who may be available for projected openings. The table below and continued on the following pages displays all those indicators for each of the Top 30 occupations:

- Current job openings advertised online.
- Current candidates seeking employment, those with resumes active in SDWORKS, the state's jobs database.
- Current candidates as a percent of the current openings.
- Projected average annual demand to 2028 (repeated from the previous table for ease of comparison to estimated supply indicators.
- Completers of public postsecondary education programs related to the occupation(s).
- Completers as a percent of the average annual demand.

In each case, the table provides the best estimates available at this point in time.

| Estimated Worker Supply for South Dakota Top 30 Careers | | | | | | |
|---|---|---|---|---|---|---|
| Occupational Title, South Dakota Educational Requirement | Current Job Openings (08/26/20) | Current Candidates Available (08/26/20) | Current Candidates as a Percent of Current Openings | Projected Average Annual Demand to 2028 | Completers of Related Public Postsecondary Training Programs 2018 | Completers as a Percent of Average Annual Demand |
| Total, All Occupations | 21,018 | 2,756 | 0.13 | 62,664 | n/a | n/a |
| **Accountants and Auditors** | | | | | | |
| Bachelor's degree | 77 | 36 | 0.47 | 538 | 292 | 0.54 |
| **Automotive Service Technicians and Mechanics** | | | | | | |
| Some postsecondary education | 13 | 20 | 1.54 | 244 | 43 | 0.18 |
| **Carpenters** | | | | | | |
| High school diploma or equivalent | 40 | 14 | 0.35 | 659 | 44 | 0.07 |
| **Cement Masons and Concrete Finishers** | | | | | | |
| High school diploma or equivalent | 22 | 13 | 0.59 | 239 | 0 | 0.00 |
| **Child, Family, and School Social Workers** | | | | | | |
| Bachelor's degree | 10 | 10 | 1.00 | 195 | 24 | 0.12 |
| **Clergy** | | | | | | |
| Bachelor's degree | 7 | 3 | 0.43 | 225 | 35 | 0.16 |
| **Coaches and Scouts** | | | | | | |
| Bachelor's degree | 14 | 1 | 0.07 | 178 | 258 | 1.45 |
| **Electricians** | | | | | | |
| Some postsecondary education | 42 | 12 | 0.29 | 322 | 71 | 0.22 |
| **Elementary School Teachers, Except Special Education** | | | | | | |
| Bachelor's degree | 17 | 2 | 0.12 | 349 | 287 | 0.82 |
| **First-Line Supervisors of Office and Administrative Support Workers** | | | | | | |
| Some postsecondary education | 22 | 14 | 0.64 | 198 | n/a | n/a |
| **First-Line Supervisors of Retail Sales Workers** | | | | | | |
| High school diploma or equivalent | 174 | 17 | 0.10 | 466 | 0 | 0.00 |
| *Table continued on next page.* | | | | | | |

| Occupational Title, South Dakota Educational Requirement | Current Job Openings (08/26/20) | Current Candidates Available (08/26/20) | Current Candidates as a Percent of Current Openings | Projected Average Annual Demand to 2028 | Completers of Related Public Postsecondary Training Programs 2018 | Completers as a Percent of Average Annual Demand |
|---|---|---|---|---|---|---|
| **General and Operations Managers** | | | | | | |
| Associate degree | 153 | 45 | 0.29 | 404 | 894 | 2.21 |
| **Heavy and Tractor-Trailer Truck Drivers** | | | | | | |
| Some postsecondary education | 277 | 31 | 0.11 | 1,100 | 6 | 0.01 |
| **Highway Maintenance Workers** | | | | | | |
| High school diploma or equivalent | 7 | 1 | 0.14 | 211 | 17 | 0.08 |
| **Industrial Truck and Tractor Operators** | | | | | | |
| High school diploma or equivalent | 27 | 4 | 0.15 | 197 | 0 | 0.00 |
| **Insurance Sales Agents** | | | | | | |
| Some postsecondary education | 39 | 1 | 0.03 | 296 | 3 | 0.01 |
| **Light Truck or Delivery Services Drivers** | | | | | | |
| High school diploma or equivalent | 64 | 25 | 0.39 | 447 | 6 | 0.01 |
| **Loan Interviewers and Clerks** | | | | | | |
| High school diploma or equivalent | 11 | 3 | 0.27 | 245 | 35 | 0.14 |
| **Loan Officers** | | | | | | |
| Associate degree | 56 | 3 | 0.05 | 175 | 59 | 0.34 |
| **Maintenance and Repair Workers, General** | | | | | | |
| High school diploma or equivalent | 41 | 25 | 0.61 | 334 | 0 | 0.00 |
| **Management Analysts** | | | | | | |
| Bachelor's degree | 50 | 2 | 0.04 | 377 | 764 | 2.03 |
| **Operating Engineers and Other Construction Equipment Operators** | | | | | | |
| High school diploma or equivalent | 44 | 13 | 0.30 | 213 | 17 | 0.08 |

*Table continued on next page.*

| Occupational Title, South Dakota Educational Requirement | Current Job Openings (08/26/20) | Current Candidates Available (08/26/20) | Current Candidates as a Percent of Current Openings | Projected Average Annual Demand to 2028 | Completers of Related Public Postsecondary Training Programs 2018 | Completers as a Percent of Average Annual Demand |
|---|---|---|---|---|---|---|
| **Estimated Worker Supply for South Dakota Top 30 Careers, continued** | | | | | | |
| **Parts Salespersons** | | | | | | |
| High school diploma or equivalent | 35 | 6 | 0.17 | 224 | 0 | 0.00 |
| **Plumbers, Pipefitters, and Steamfitters** | | | | | | |
| Some postsecondary education | 40 | 6 | 0.15 | 219 | 15 | 0.07 |
| **Registered Nurses** | | | | | | |
| Bachelor's degree | 1,557 | 7 | 0.00 | 907 | 913 | 1.01 |
| **Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products** | | | | | | |
| High school diploma or equivalent | 12 | 8 | 0.67 | 655 | 30 | 0.05 |
| **Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products** | | | | | | |
| Bachelor's degree | 8 | 6 | 0.75 | 191 | 0 | 0.00 |
| **Secondary School Teachers, Except Special and Career/Technical Education** | | | | | | |
| Bachelor's degree | 9 | 1 | 0.11 | 275 | 1,085 | 3.95 |
| **Substance Abuse, Behavioral Disorder, and Mental Health Counselors** | | | | | | |
| Bachelor's degree | 33 | 4 | 0.12 | 176 | 103 | 0.59 |
| **Welders, Cutters, Solderers and Brazers** | | | | | | |
| Some postsecondary education | 31 | 63 | 2.03 | 432 | 20 | 0.05 |

*Notes:*

*Current job openings (jobs advertised online) and current job candidates (individuals with active resumes in SDWORKS, the state's workforce system) data was extracted from the virtual labor market data system for Aug. 26, 2020.*

*Projected average annual demand is the same data as used in the previous table and was taken from South Dakota occupational employment projections for 2018-2028.*

*Completers of Related Public Postsecondary Training Programs 2018 data was extracted from the virtual labor market data system, using a query by occupational title. The source of the completer data is the U.S. Department of Education. \*Includes duplicative graduate counts. The educational program to occupation crosswalk matches some programs to more than one occupation (Heavy and Tractor-Traicler Trucker Drivers and Light Truck or Delivery Service Drivers are matched to the same program; General and Operations Managers and Management Analysts are matched to the same program; Highway Maintenance Workers and Operating Engineers and Other Construction Equipment Operators are matched to the same program; General and Operations Managers and Loan Officers are matched to the same program).*

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

More information on South Dakota's Top 30 and Hot Careers, including several career exploration tools and sources of information, is available on the Labor Market Information Center website. At dlr.sd.gov/lmic, from the left-hand menu, simply choose Career Exploration & Planning, then Hot Careers to find:

- Links to Current Job Openings in Hot Careers.

- Top 30 Hot Careers flier (Adobe PDF format).

- Links to learn even more about each Hot Career in the virtual labor market data system.

- An Occupational Profile (Adobe PDF format) for each Hot Career, detailing such information as what workers do on the job, interest areas, values, skills, abilities, employment outlook, wage rates, suggested additional resources.

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