

GOED Economic Indicators Overview

GOED's economic indicators are meant to be a statistical overview of key data points that highlight the strength of South Dakota's economy and how those data points compare to previous time periods (improving or declining).

The economic indicators will be updated at the end of each month, typically the 4th week, and released the last day or two of each month, dated for the new month. Below is more explanation of each data point, the update frequency, and examples of talking points for each. This overview (and talking point examples) will only be updated when the topics change.

Workforce

Population: Looks at the most recent population data available.

- Currently it is focused on the state and national 2020 Census data which was released May 2021
- The population growth rates presented compare the growth rates for the past two decades and notes whether the growth rate improved or declined
- The next update will be for 2021 Population Estimates which should be available late December 2021 or early January 2022
- Will be updated annually

Talking Point: South Dakota's population grew 8.9% from 2010-2020, outpacing the nation's growth of 7.4%. Our growth is also accelerating over the previous decade where we grew an impressive 7.9%. Given current workforce concerns, South Dakota's continued growth is good news for employers.

Labor Force: Looks at the most recent labor force data available as well as unemployment rates.

- The total labor force (those age 16+ of the civilian population) is provided for South Dakota and the Nation.
- Unemployment rates are provided for the most current month and compared to the rate from one year ago.
- Labor force and unemployment rate data will update monthly.
- Data is released around the 23rd of each month (usually the 3rd full week of the month).

Talking Point: South Dakota has some of the lowest unemployment in the nation, ranking 5th in May 2021 with a 2.8% unemployment rate. While unemployment is low, our labor force is growing and is the largest labor force ever posted in May.

Personal Economics

Income: Looks at both the average weekly wage and per capita personal income.

- Average Weekly Wage is a metric from the Quarterly Census of Employment and Wages that calculates the average weekly wage based on covered workers (covered by unemployment insurance) and the total payroll of their employers.
- Values are provided for the average weekly wage along with wage growth rates compared for the current and previous year.

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- Personal Income is a measure from the Bureau of Economic Analyses that tallies income people receive from wages, salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources for a geography. Per Capita Personal Income divides Personal income by the population of said geography.
- Average weekly wage values will be available by late Spring 2020.
- Per Capita Personal Income for 2020 should release in December 2021.

Talking Point: South Dakota's average weekly wage for 2020 saw significant growth over 2019 with a 9.2% increase, outpacing the nation's (also significant) growth rate of 8.5%. The average weekly wage in SD rose from \$872 in 2019 to \$952 in 2020. While South Dakota's average weekly wage is lower than the national average, that is to be expected. Location matters and South Dakota's lower cost of living and lower tax burden add to our purchasing power when compared to other states across the nation.

Cost of Living: Looks at the regional price parities produced by the Bureau of Economic Analysis and provides a relatable example of the RPPs impact on purchasing power by calculating the value of \$100 in South Dakota.

- Regional price parities are a cost of living measure from the BEA that look at the cost of goods, rents, and services across states and metropolitans. It is indexed to the U.S. where the U.S. equals 100.
- The Value of \$100 brings the regional price parities into more relatable terms by calculating how much \$100 can buy you in your region. This measure is typically produced by The Tax Foundation, but it was not updated for the most recent year so GOED calculated it.
- Regional Price Parities are updated annually by the BEA and will be released December 2021.

Talking Point: South Dakota has the 7th lowest cost of living in the nation at 87.8% of the national average and our residents have increased purchasing power over much of the U.S. In real life terms, for every \$100 spent across the nation, South Dakota residents can purchase \$113.90 worth of goods and services. This also results in greater cost savings on business inputs.

Housing: Looks at the number of housing permits both annually and monthly.

- The number of housing permits are provided for the most current year and for the most current month that data is available for both South Dakota and the U.S. Monthly data is tabulated for the calendar year-to-date.
- Growth rates are provided for the monthly year-to-date tabulation and compares it with the growth rate from the previous year.
- Annual housing permits are updated in May of each year and 2021 numbers will be released May 2022.
- Monthly housing permits numbers are released around the 21st of each month.

Talking Point: South Dakota's housing market is booming with the 3rd highest growth rate (84.6%) in housing permits issued through May 2021. Our growth vastly outpaces national growth and is significant compared to our growth from the prior year.

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Economy

Mid-America Business Conditions Index: Looks at business conditions across a 9-state region.

- The Mid-America Business Conditions index is a survey of supply managers throughout the Midwest that measures employment, wholesale prices, confidence, inventories, production, new orders, and trade.
- The index is produced monthly by Creighton University and is released the first week of the month.

Talking Point: South Dakota's economy is performing very well, posting an index of 75.5, well outpacing the U.S. at 61.2. This performance is expected to remain for the next three to six months despite employment, inflation, and delivery challenges businesses are facing across the region.

Gross Domestic Product (GDP): Looks at both quarterly and annual GDP for South Dakota and the Nation.

- GDP measures the value of the final goods and services produced in the U.S. (without double counting the intermediate goods and services used up to produce them) and is the most popular indicator of the nation's overall economic health.
- Quarterly GDP numbers are released each quarter for the preceding quarter.
- Preliminary annual GDP numbers are released in March and updated in October.

Talking Point: South Dakota's Gross Domestic Product for 2020 topped \$54.8 billion and, since 2010, has grown 45.5%, outpacing the U.S. growth rate of 39.7%. First quarter 2021 GDP numbers show continued strength for the state, growing 5.0% over Q1-2020, the 2nd highest rate of growth in the nation.

State Fiscal Performance

General Fund Receipts: Look at the monthly updates to the state's general fund receipts.

- General Fund Receipts are updated every month and show both the month's receipts and the receipts for the fiscal year-to-date.
- Updates are released mid-month from the South Dakota Bureau of Finance & Management.

Talking Point: South Dakota's general fund receipts for May 2021 totaled \$165.1 million (22.7% growth) bringing the fiscal year total receipts to more than \$1.8 billion (13.8% growth). This positions FY2021 ahead of FY2020 by \$215 million.

Sales Tax Gross Receipts: Looks at gross sales tax receipts by industry for the most current month.

- Sales tax gross receipts are broken out across 10 industries and growth rates from the previous year are calculated.
- Gross receipts are updated monthly and released the first week of each month by the South Dakota Department of Revenue.

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Talking Point: South Dakota's tax receipts for May 2021 were up 43.8% over May 2020 at \$7.5 billion. Industries that saw the greatest growth include Services (55.4%), Wholesale Trade (55.0%), and Manufacturing (47.4%).