

South Dakota

Small businesses totaled 77,234 in South Dakota in 2009. They represent 96.6 percent of all employers and employ 61 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to South Dakota's health and well-being.

This profile uses the latest available data to illustrate the status of South Dakota's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- South Dakota's economy was mixed in 2010, with real gross state product increasing 1.4 percent and private-sector employment decreasing 0.6 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of South Dakota's small businesses are very small as 72.3 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 201,636 workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in South Dakota represented 68.6 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in South Dakota surged over the last decade. Veteran self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was higher than closing establishments and the net employment change from this turnover was positive (Table 3).

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

South Dakota Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	20,832	21,057	19,897
Large employers (500+ employees)	741	740	661
Nonemployers	56,402	57,094	48,177
Level in 2007* (000)			
	Firms	Employment	Receipts(\$M)
Business Owner Demographics			
Male-owned	35	119	26,682
Woman-owned	17	17	1,731
Equally male/female-owned	22	29	3,841
African American-owned	0	0	28
Asian-owned	0	3	189
Hispanic-owned	1	1	306
Native American/Alaskan-owned	2	1	179
Hawaiian/Pacific Islander-owned	0	--	--
Veteran-owned	12	28	6,316
Publicly held, unclassified	3	151	48,692
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	324	-0.6	5.7
Government employment	79	1.5	11.0
Self-employed (incorp. & uninc.)	70	4.7	18.3
Female self-employment	22	-1.4	14.9
Male self-employment	48	7.7	19.9
Minority self-employment	2	-29.1	15.4
Veteran self-employment	10	-11.0	41.1
Unemployment Rate (Percent)	4.8	-0.2†	2.1†
Business Turnover			
Quarterly establishment openings	4,919	7.9	13.9
Quarterly establishment closings	4,658	-4.7	11.2
Business bankruptcies	100	-13.8	-24.8
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	4.9	4.4	3.1
Number of bank branches	487	485	427
No. of bus. loans under \$100,000‡	12,583	19,551	6,806
Total value of business loans under \$100,000 (\$million)‡	258	312	190
Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.			
* Latest available data. †Percentage point change. ‡Data are for CRA loans.			

**Table 1: Firms and Employment in South Dakota by Industry and Firm Size, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	56.4	21.6	18.5	20.8	330.5	76.4	201.6
Forestry, etc. and agriculture support	1.8	0.1	0.1	0.1	0.5	0.3	0.5
Mining	0.1	0.1	0.0	0.1	0.9	D	0.6
Utilities	0.1	0.1	0.0	0.1	2.2	0.3	1.1
Construction	7.1	3.2	3.0	3.2	18.3	10.2	17.9
Manufacturing	0.9	0.9	0.6	0.8	40.5	3.4	17.3
Wholesale trade	0.8	1.1	0.7	1.0	16.4	3.4	12.4
Retail trade	6.9	3.1	2.6	2.9	50.3	13.0	27.1
Transportation and warehousing	2.8	1.0	0.9	1.0	9.1	2.9	6.3
Information	0.6	0.3	0.2	0.3	7.5	0.9	3.8
Finance and insurance	2.7	1.2	1.0	1.1	27.5	3.2	8.9
Real estate and rental and leasing	4.4	0.8	0.7	0.8	3.6	1.9	3.1
Professional, scientific, and technical svcs.	5.5	1.7	1.6	1.7	11.0	5.5	8.8
Management of companies and enterprises	--	0.1	0.0	0.1	5.4	0.0	1.8
Admin., support, waste mgt., remed. svcs.	3.6	1.0	0.9	0.9	11.7	2.8	7.4
Educational services	1.6	0.2	0.1	0.2	7.7	0.6	6.1
Health care and social assistance	5.2	1.8	1.4	1.7	60.8	7.2	30.1
Arts, entertainment, and recreation	3.1	0.6	0.6	0.6	6.2	2.3	5.7
Accommodation and food services	0.9	2.0	1.6	2.0	36.2	9.2	29.5
Other services (except public admin.)	8.4	2.6	2.4	2.6	14.6	9.2	13.0
Unclassified	--	0.0	0.0	0.0	0.1	0.0	0.1

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

Table 2: Net Job Change by Firm Size, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2005 - 2006	12,859	3,790	489	765	550	2,585	8,179	4,680
2006 - 2007	1,487	3,218	95	-1,187	-462	-1,462	202	1,285
2007 - 2008	7,866	2,881	46	159	970	2,797	6,853	1,013
2008 - 2009	-6,482	2,603	-793	-737	-3,790	-3,527	-6,244	-238

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	1.3	1.2	1.2	1.2	4.0	4.1	3.5	3.5
Expansions	5.0	5.6	5.4	5.5	15.1	17.9	17.3	17.8
Contractions	5.8	5.4	5.6	5.7	17.8	16.0	16.3	16.7
Closings	1.3	1.1	1.2	1.1	3.8	3.0	3.3	3.1

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.