

South Dakota

Small businesses significantly impact South Dakota's economy. They represent 96.5 percent of all employers and employ 61.9 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 81,098 in 2010.

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 strong in 2011, with real gross state product increasing 5.0 percent and private-sector employment increasing 1.1 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 203,857 workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was up, and small businesses in South Dakota represented 83 percent of the net new private-sector jobs (Table 2). The unemployment rate in 2010-2011 decreased by 0.3 percent.
- Most of South Dakota's small businesses are very small as 73.6 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in South Dakota improved over the last decade. Minority self-employment fared the best compared with other demographic groups.

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 www.sba.gov/updates to subscribe to Advocacy's Listservs.

South Dakota Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	20,887	20,832	19,897
Large employers (500+ employees)	750	741	661
Nonemployers	60,211	59,433	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	-	-	-
Veteran-owned	12	28	6,316
Publicly held, unclassified	3	151	48,692
	Level in 2011*	% Change from	
		2010	2000
Workforce (Thousands)			
Private-sector employment	328	1.1	7.0
Government employment	78	-0.9	9.6
Self-employed (incorp. & uninc.)	66	4.3	11.7
Female self-employment	22	8.7	16.9
Male self-employment	44	2.3	9.3
Minority self-employment	3	12.5	104.3
Veteran self-employment	9	2.2	27.2
Unemployment Rate (Percent)	4.7	-0.3†	2‡
Business Turnover			
Quarterly establishment openings	4,829	-1.8	11.8
Quarterly establishment closings	4,684	0.6	11.9
Business bankruptcies	99	-1.0	-25.6
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	5.4	4.8	3.1
Number of bank branches	480	487	427
No. of bus. loans under \$100,000‡	11,878	12,583	6,806
Total value of business loans under \$100,000 (\$million)‡	243	258	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, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	60.2	21.6	18.5	20.9	329.2	78.7	203.9
Forestry, etc. and agriculture support	1.9	0.1	0.1	0.1	0.5	0.3	0.5
Mining	0.1	0.1	0.0	0.1	0.9	0.1	0.6
Utilities	0.1	0.1	0.0	0.1	2.2	0.3	1.1
Construction	7.3	3.1	3.0	3.1	17.9	10.6	17.3
Manufacturing	0.9	0.9	0.7	0.9	39.1	3.5	17.9
Wholesale trade	0.9	1.1	0.7	0.9	16.7	3.4	12.3
Retail trade	7.1	3.0	2.5	2.9	50.6	13.0	28.3
Transportation and warehousing	2.9	1.0	0.9	1.0	9.0	3.1	6.4
Information	0.6	0.3	0.2	0.2	7.1	1.0	3.6
Finance and insurance	2.8	1.2	1.0	1.1	25.6	3.2	8.9
Real estate and rental and leasing	6.7	0.8	0.7	0.8	3.6	2.0	3.1
Professional, scientific, and technical svcs.	5.7	1.7	1.6	1.7	10.8	5.7	9.1
Management of companies and enterprises	0.0	0.1	0.0	0.1	5.4	0.0	1.3
Admin., support, waste mgt., remed. svcs.	3.7	1.0	0.9	1.0	11.2	3.0	7.2
Educational services	1.6	0.2	0.1	0.2	7.8	0.6	5.6
Health care and social assistance	5.2	1.8	1.5	1.7	62.0	7.3	30.4
Arts, entertainment, and recreation	3.1	0.6	0.6	0.6	6.2	2.2	5.7
Accommodation and food services	1.0	2.1	1.6	2.0	37.6	9.6	30.8
Other services (except public admin.)	8.7	2.6	2.5	2.6	15.0	9.7	13.5
Unclassified	0.0	0.1	0.1	0.1	D	D	D

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.)

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-1,505	3,481	816	384	-1,818	-98	2,765	-4,270
2009	-3,647	3,715	-760	-994	-2,511	-2,854	-3,404	-243
2008	10,643	2,720	62	751	597	3,999	8,129	2,514
2007	6,138	3,260	134	-1,003	539	-767	2,163	3,975

Note: Data source differs from previous publications.

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

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	1.1	1.2	1.3	1.2	3.5	3.8	4.3	3.9
Expansions	5.3	5.7	5.7	5.6	15.6	17.6	17.9	17.7
Contractions	5.8	5.5	5.5	5.7	17.1	15.9	15.7	16.0
Closings	1.2	1.2	1.1	1.1	3.4	3.2	3.3	3.4

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 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.