

## South Dakota

**82,705** Small Businesses

**20,732** Small Businesses with Employees

**61,973** Small Businesses without Employees (Nonemployers)

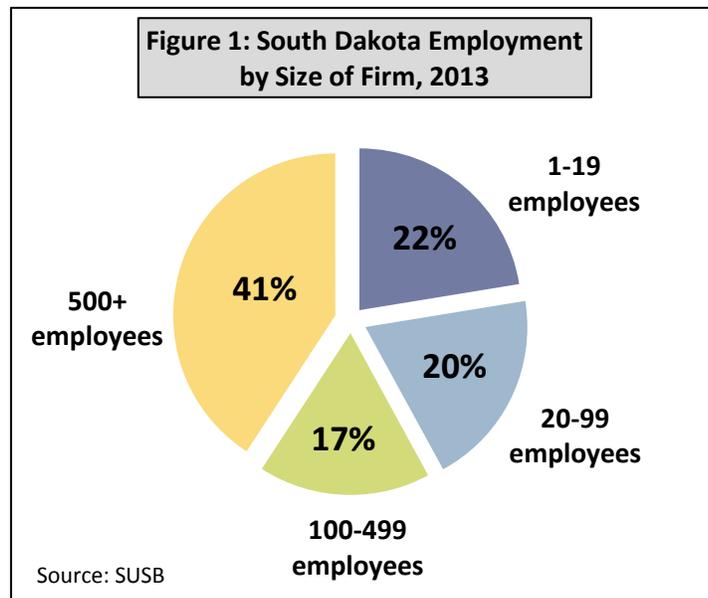
**199,232** Workers Employed by Small Businesses

### State Economy Overall

- South Dakota's economy grew at a faster rate than the United States in 2013. South Dakota's real gross state product increased by **3.1 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in South Dakota has improved. The unemployment rate in South Dakota declined from **3.7 percent** in October 2013 to **3.3 percent** in October 2014. This is below the national average of **5.8 percent** for the same time period. (Source: BLS)

### Employment

- South Dakota's small businesses employed about three-fifths or **199,232** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **96.3 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In South Dakota, small businesses created **7,761** net new jobs in 2012. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed in 2013 increased by **5.1 percent** relative to the previous year.
- The state's private-sector employment growth increased by **1.2 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.3 percent**. (Source: BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

## Income and Finance

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- In 2012, **20,768** loans under \$100,000 (and valued at **\$292.4 million**) were issued by Community Reinvestment Act lending institutions in South Dakota. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$46,326** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$30,211**. (Source: ACS)

Note: Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## Business Owner Demographics

- Table 1** shows the top industry for nine business owner demographics. For example, **49.0 percent** of female-owned businesses were in the health care and social assistance industry, and female-owned firms made up **18.9 percent** of this industry.

**Table 1: Top Industry by Demographic Group in South Dakota, 2007**

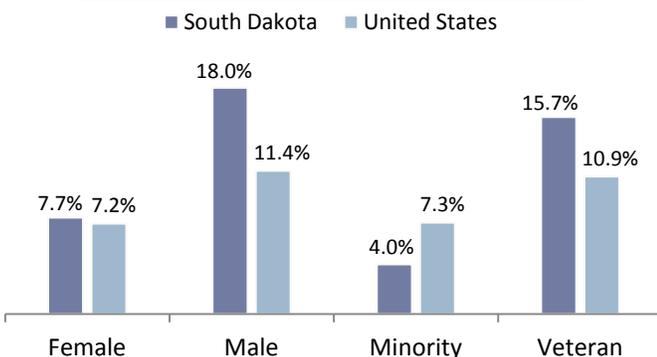
Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Health care & social assistance	49.0	18.9
Male	Construction	66.9	20.4
American Indian and Alaska Native	Construction	3.6	21.8
Asian	*	*	*
Black or African American	*	*	*
Native Hawaiian and Other Pacific Islander	*	*	*
White	Retail trade	93.6	14.3
Hispanic	*	*	*
Veteran	Construction	16.8	24.3

\*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921).

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

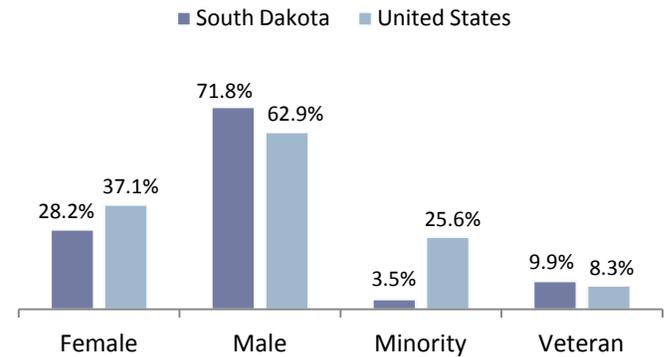
- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **7.7 percent** of females were self-employed, and **Figure 2b** shows that **28.2 percent** of all self-employed people were female.

**Figure 2a: What percent of each demographic group are self-employed in South Dakota?**



Source: ACS

**Figure 2b: What percent of self-employed individuals in South Dakota are in each demographic group?**



Source: ACS

## Business Turnover

- In 2010, **1,529** establishments opened in South Dakota, and **72.7 percent** survived through 2012. In 2013, **1,657** establishments opened, and **80.6 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **1,234** establishments opened and **1,176** closed in the state of South Dakota. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

## International Trade

- A total of **970** companies exported goods from the state in 2012. Of these, **731** or **75.4 percent** were small firms; they generated over a third (**36.3 percent**) of the state's total known export value. (Source: ITA)

## Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Construction	3,105	2,939	7,151	10,256
Retail trade	2,738	2,395	7,648	10,386
Other services (except public admin.)	2,595	2,456	8,731	11,326
Accommodation & food services	1,975	1,540	986	2,961
Health care & social assistance	1,714	1,417	5,037	6,751
Professional, scientific, & tech. svcs.	1,671	1,565	5,932	7,603
Finance & insurance	1,117	1,017	2,992	4,109
Transportation & warehousing	1,014	927	2,914	3,928
Wholesale trade	969	689	891	1,860
Admin., supp., waste mgt., remed. svcs.	956	886	3,823	4,779
Manufacturing	859	640	968	1,827
Real estate & rental & leasing	800	754	7,249	8,049
Arts, entertainment, & recreation	620	555	3,293	3,913
Information	244	188	612	856
Educational services	202	149	1,481	1,683
Forestry, etc. & agriculture support	141	136	2,103	2,244
Management of comp. & enterprises	81	5	*	81
Utilities	58	36	70	128
Mining, quarrying, and oil & gas extrac.	46	35	92	138
Unclassified	24	24	*	24
<b>Total</b>	<b>20,732</b>	<b>18,328</b>	<b>61,973</b>	<b>82,705</b>

Source: SUSB and Nonemployer Statistics. \*Data for nonemployers not collected in these two categories.

See [www.sba.gov/advocacy/additional-data-state-profiles](http://www.sba.gov/advocacy/additional-data-state-profiles) for more detailed data.

- **Table 3** shows small firm employment by industry. The three South Dakota industries with the most small business employment were: health care and social assistance; accommodation and food services; and retail trade (**Table 3**).

**Table 3: Employment in South Dakota by Industry and Firm Size, 2012  
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	29,678	63,439	46.8
Accommodation & food services	29,460	37,867	77.8
Retail trade	26,795	50,796	52.8
Manufacturing	18,208	43,594	41.8
Construction	16,853	17,596	95.8
Other services (except public admin.)	13,463	14,660	91.8
Wholesale trade	12,624	17,723	71.2
Finance & insurance	9,197	26,566	34.6
Professional, scientific, & tech. svcs.	8,978	11,216	80.0
Admin., supp., waste mgt., remed. svcs.	6,555	10,865	60.3
Transportation & warehousing	6,377	9,432	67.6
Educational services	5,420	7,949	68.2
Arts, entertainment, & recreation	5,383	6,001	89.7
Information	3,532	6,543	54.0
Real estate & rental & leasing	3,205	3,591	89.3
Management of comp. & enterprises	1,167	5,105	22.9
Utilities	1,114	2,048	54.4
Mining, quarrying, and oil & gas extraction	733	1,039	70.5
Forestry, etc. & agriculture support	477	483	98.8
Unclassified	13	13	100.0
<b>Total</b>	<b>199,232</b>	<b>336,526</b>	<b>59.2</b>

Source: SUSB.

For more detailed information on businesses in your state, see [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921).

## Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, <a href="http://www.census.gov/acs">www.census.gov/acs</a> .
BEA	Bureau of Economic Analysis, U.S. Department of Commerce, <a href="http://www.bea.gov">www.bea.gov</a> .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, <a href="http://www.bls.gov/bdm">www.bls.gov/bdm</a> .
BDS	Business Dynamics Statistics, U.S. Census Bureau, <a href="http://www.census.gov/ces/dataproducts/bds">www.census.gov/ces/dataproducts/bds</a> .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, <a href="http://www.bls.gov">www.bls.gov</a> .
CEA	Council of Economic Advisers, <a href="http://www.whitehouse.gov/administration/eop/cea">www.whitehouse.gov/administration/eop/cea</a> .
FDIC	Federal Deposit Insurance Corporation, <a href="http://www.fdic.gov">www.fdic.gov</a> .
FFIEC	Federal Financial Institutions Examination Council, <a href="http://www.ffiec.gov">www.ffiec.gov</a> .
ITA	International Trade Administration, U.S. Department of Commerce, <a href="http://www.trade.gov">www.trade.gov</a> .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, <a href="http://www.census.gov/econ/nonemployer">www.census.gov/econ/nonemployer</a> .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, <a href="http://www.census.gov/econ/susb">www.census.gov/econ/susb</a> .
U.S. Courts	Administrative Office of the U.S. Courts, <a href="http://www.uscourts.gov">www.uscourts.gov</a> .