

2021 Small Business Profile

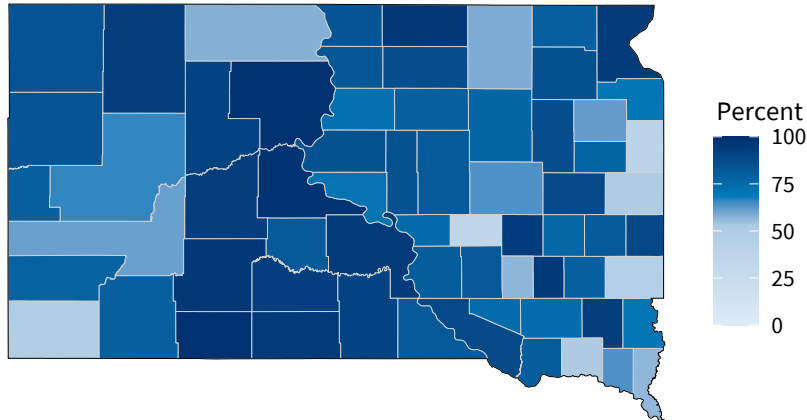
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

South Dakota

89,942 small businesses
99.0 percent of South Dakota businesses

210,301 small business employees
58.5 percent of South Dakota employees



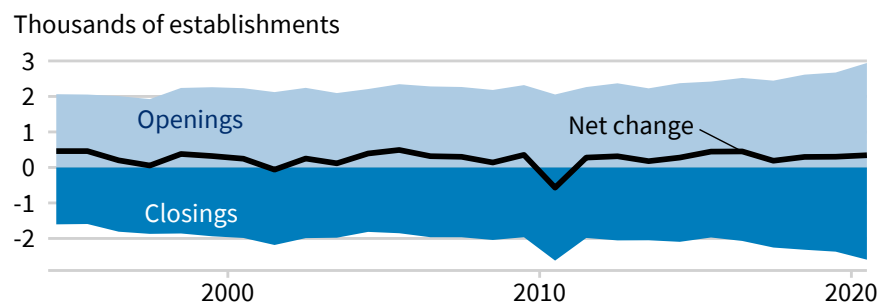
Share of employees working at small businesses by county

Source of data: [Statistics of US Businesses](#) (Census)

Business dynamics

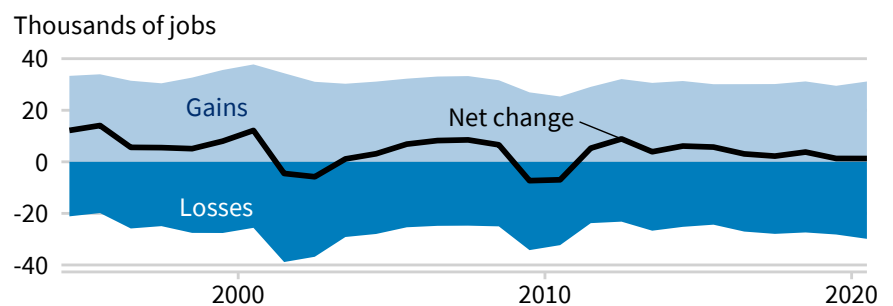
Establishments

Between March 2019 and March 2020, 2,942 South Dakota establishments opened and 2,598 closed, for a net increase of 344. Employment expanded at 6,883 and contracted at 6,326. Small businesses accounted for 6,730 expansions and 6,126 contractions.



Employment

Opening and expanding South Dakota establishments added 31,151 jobs, while closing and contracting establishments lost 29,869, for a net increase of 1,282 jobs. Small business expansions added 20,825 jobs, while small business contractions lost 18,558.



Counts include temporary closures and reopenings

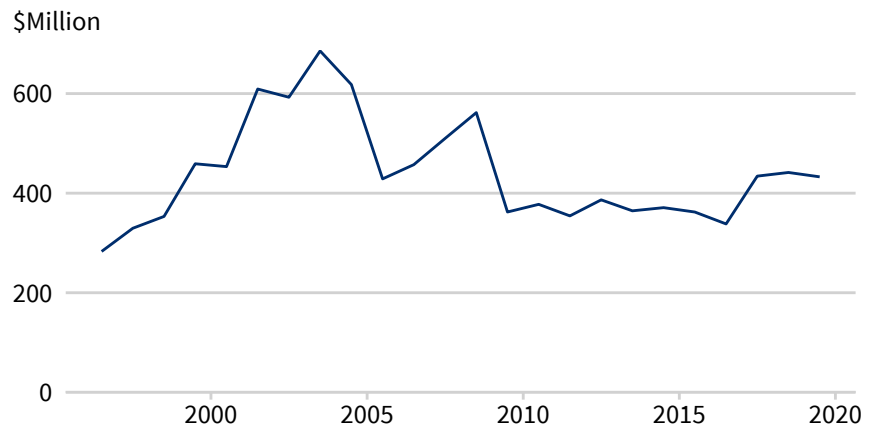
Source: [Business Employment Dynamics](#) (BLS)

Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2019, reporting banks issued \$432.8 million in loans to South Dakota businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$284.0 million, and total reported new lending to businesses through loans of \$1 million or less was \$995.3 million.

Source: [CRA Aggregate Data](#) (FFIEC)

New lending to businesses with revenues under \$1 million



Small business count by size and industry

Industry	No employees	1–19 employees	20–499 employees	All small businesses
Retail Trade	8,505	2,231	344	11,080
Construction	7,549	3,124	208	10,881
Real Estate and Rental and Leasing	9,272	901	53	10,226
Other Services (except Public Administration)	6,798	2,526	144	9,468
Professional, Scientific, and Technical Services	6,962	1,652	135	8,749
Health Care and Social Assistance	4,896	1,442	335	6,673
Administrative, Support, and Waste Management	5,190	946	91	6,227
Transportation and Warehousing	4,103	1,032	79	5,214
Arts, Entertainment, and Recreation	4,180	547	63	4,790
Finance and Insurance	2,938	1,014	123	4,075
Accommodation and Food Services	1,119	1,574	474	3,167
Agriculture, Forestry, Fishing and Hunting	2,350	151	3	2,504
Educational Services	1,859	168	58	2,085
Wholesale Trade	896	719	266	1,881
Manufacturing	1,011	629	215	1,855
Information	631	204	50	885
Mining, Quarrying, and Oil and Gas Extraction	90	38	10	138
Utilities	56	37	23	116
Management of Companies and Enterprises	*	7	77	84
Industries not classified	*	57	0	57
Total	68,405	18,980	2,557	89,942

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2018 (Census); [Statistics of US Businesses](#), 2018 (Census)



Small business exports

A total of 881 identified firms exported goods worth \$1.2 billion from South Dakota in 2019. Of those exporters, 669—or 75.9 percent—were small. Small firms exported goods worth \$420.0 million, making up 34.6 percent of exports by identified firms.

Source: [A profile of US importing and exporting companies, 2018–2019](#) (Census)

Business ownership share by demographic group

Women



Women made up 48.2 percent of workers and owned 43.3 percent of businesses.

Veterans



Veterans made up 5.5 percent of workers and owned 10.9 percent of businesses.

Hispanics



Hispanics made up 3.8 percent of workers and owned 1.6 percent of businesses.

Racial minorities



Racial minorities made up 10.3 percent of workers and owned 2.8 percent of businesses.

Ownership shares include equal and majority ownership

Sources of data: [American Community Survey](#), 2018 (Census and IPUMS); [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Business count by owner demographic group

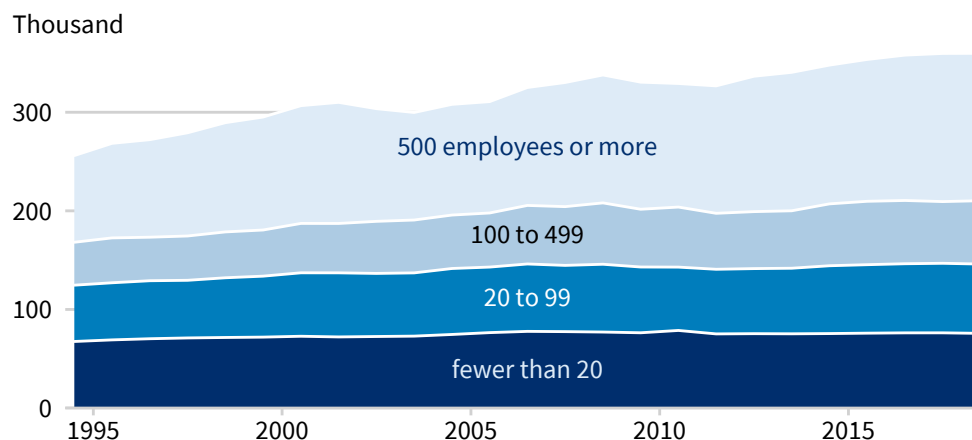
Ownership	Without employees	With employees	Total
Female	25,500	3,194	28,694
Male	37,000	11,302	48,302
Owned equally by both groups	2,800	5,361	8,161
Veteran	5,900	1,511	7,411
Not veteran	59,000	17,104	76,104
Owned equally by both groups	700	1,244	1,944
Hispanic	1,000	289	1,289
Not Hispanic	64,500	19,536	84,036
Owned equally by both groups	60	33	93
American Indian and Alaska Native	550	227	777
Asian	600	247	847
Black or African American	550	*	*
Native Hawaiian and Other Pacific Islander	30	*	*
White	63,500	19,436	82,936
Hispanic or racial minority	2,700	824	3,524
White and not Hispanic	62,500	18,952	81,452
Owned equally by both groups	100	*	*

* Not reported by the Census Bureau; counts include only businesses classifiable by owner demographic group

Sources: [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Total South Dakota employment by business size

Source of data: [Statistics of US Businesses](#) (Census)



South Dakota small business employment grew by 25.1 percent between 1994 and 2018, which exceeded the national small business employment growth rate.

Small business employment and payroll by industry

Industry	Employers		Employment		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Construction	3,332	99.4	19,221	91.9	1,003,920	92.4
Other Services (except Public Administration)	2,670	99.1	14,063	97.0	381,174	96.2
Retail Trade	2,575	93.4	26,115	49.6	764,705	54.1
Accommodation and Food Services	2,048	97.4	32,238	79.2	560,325	77.9
Professional, Scientific, and Technical Services	1,787	95.7	10,258	80.3	539,181	79.3
Health Care and Social Assistance	1,777	96.9	32,343	46.7	1,254,402	34.1
Finance and Insurance	1,137	91.6	9,011	35.1	512,767	33.1
Transportation and Warehousing	1,111	95.2	6,403	62.4	260,667	58.6
Administrative, Support, and Waste Management	1,037	94.2	7,051	63.5	233,989	65.4
Wholesale Trade	985	86.2	12,085	65.8	608,760	60.5
Real Estate and Rental and Leasing	954	96.1	3,612	85.0	129,437	81.4
Manufacturing	844	89.9	17,983	39.6	811,600	36.6
Arts, Entertainment, and Recreation	610	98.4	5,755	83.3	120,771	88.9
Information	254	82.7	4,123	56.3	174,387	49.3
Educational Services	226	95.0	6,626	79.2	177,120	82.0
Agriculture, Forestry, Fishing and Hunting	154	99.4	463	99.8	18,565	99.2
Management of Companies and Enterprises	84	67.2	1,087	15.0	76,132	14.6
Utilities	60	82.2	1,152	48.8	84,451	40.2
Industries not classified	57	100.0	49	100.0	1,152	100.0
Mining, Quarrying, and Oil and Gas Extraction	48	85.7	663	61.5	44,011	59.8
Total	21,537	95.9	210,301	58.5	7,757,516	50.9

Source: [Statistics of US Businesses](#), 2018 (Census)

About this profile

Small businesses are defined here as firms with fewer than 500 employees. Figures and statistics may incorporate approximations because of missing or otherwise problematic data. Data analyzed here predate the COVID-19 pandemic, the impacts of which have differed by industry, geography, and demographic group. More information about [the impacts of the pandemic](#), electronic versions of these and other [geographic profiles](#), and additional resources are available at <http://advocacy.sba.gov>.