

2025 Small Business Profile

U.S. SMALL BUSINESS ADMINISTRATION

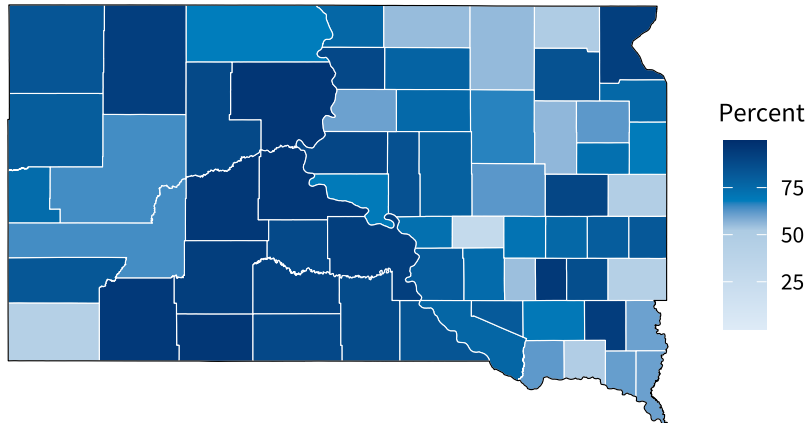
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

South Dakota

96,770 small businesses
98.9 percent of South Dakota businesses

216,705 small business employees
58.0 percent of South Dakota employees



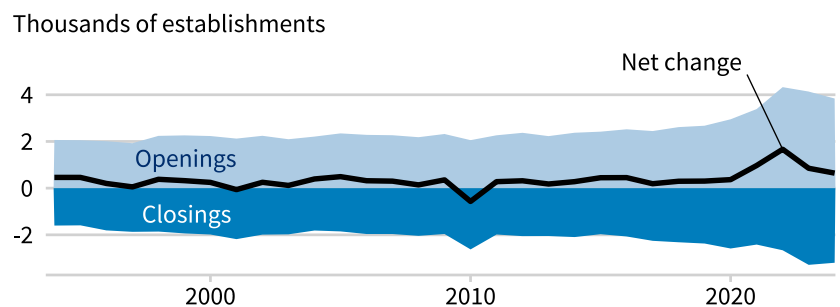
Share of employees working at small businesses by county

Sources of original data: [Nonemployer Statistics](#) (Census), [Statistics of U.S. Businesses](#) (Census)

Employer and employment dynamics

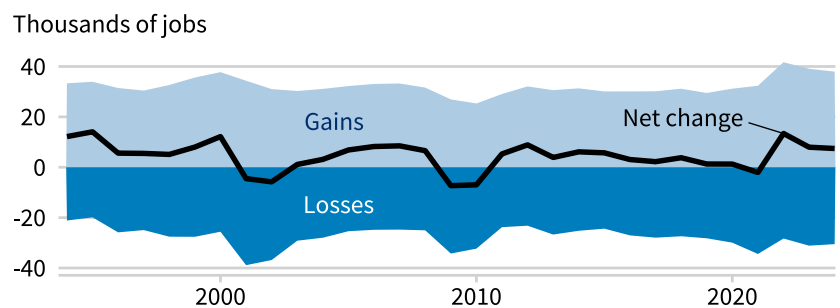
Establishments

Between March 2023 and March 2024, 3,840 South Dakota establishments opened and 3,196 closed, for a net increase of 644. Employment expanded at 7,786 establishments and contracted at 6,908. Small businesses accounted for 3,646 openings and for 3,026 closings.



Employment

Opening and expanding South Dakota establishments added 37,964 jobs, while closing and contracting establishments lost 30,516, for a net increase of 7,448 jobs. Small businesses contributed a net increase of 6,662 jobs, or 89.4 percent of that total.



Counts include temporary closures and reopenings.

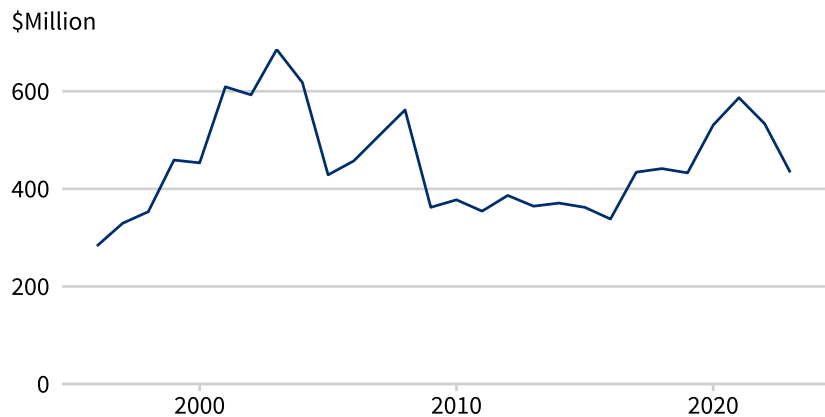
Source: [Business Employment Dynamics](#) (Bureau of Labor Statistics)

Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2023, reporting banks issued \$433.8 million in loans to South Dakota businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$1 million or less was \$1.1 billion. Total reported new lending to businesses through loans of \$100,000 or less was \$284.2 million.

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

New lending to businesses with revenues under \$1 million



Small business count by size and industry

Industry	Without employees	1–19 employees	20–499 employees	All small businesses
Real Estate and Rental and Leasing	10,599	1,106	47	11,752
Construction	7,924	3,404	236	11,564
Retail Trade	7,465	2,229	366	10,060
Professional, Scientific, and Technical Services	7,930	1,784	150	9,864
Other Services (except Public Administration)	6,952	2,627	145	9,724
Transportation and Warehousing	6,017	1,050	81	7,148
Health Care and Social Assistance	5,006	1,569	358	6,933
Administrative, Support, and Waste Management	5,487	1,088	96	6,671
Arts, Entertainment, and Recreation	4,643	595	82	5,320
Finance and Insurance	3,031	1,012	134	4,177
Accommodation and Food Services	1,447	1,670	473	3,590
Agriculture, Forestry, Fishing and Hunting	2,440	143	5	2,588
Educational Services	2,016	199	52	2,267
Wholesale Trade	1,081	708	255	2,044
Manufacturing	1,061	606	227	1,894
Information	788	194	45	1,027
Mining, Quarrying, and Oil and Gas Extraction	83	38	9	130
Utilities	58	37	23	118
Management of Companies and Enterprises	*	16	76	92
Industries not classified	*	31	0	31
All industries	74,028	20,078	2,664	96,770

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2022 (Census); [Statistics of U.S. Businesses](#), 2022 (Census)



Small business exports

A total of 940 identified firms exported goods worth \$2.2 billion from South Dakota in 2023. Of those exporters, 752—or 80.0 percent—were small. At \$837.0 million, exports by small firms made up 37.3 percent of exports by identified firms.

Source: [A profile of U.S. importing and exporting companies, 2022-2023](#) (Census)

Business ownership share by demographic group

Women



Women made up 46.6 percent of workers and owned 42.6 percent of businesses.

Veterans



Veterans made up 5.2 percent of workers and owned 9.5 percent of businesses.

Hispanics



Hispanics made up 3.8 percent of workers and owned 2.4 percent of businesses.

Ownership shares include equal and majority ownership.

Sources of original data: [American Community Survey](#), 2022 5-Year Data (Census); [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

Business count by owner demographic group or location type

Group	Without employees	%	With employees	%	Total businesses
Female	28,500	89.0	3,519	11.0	32,019
Male	40,500	76.5	12,409	23.5	52,909
Owned equally by both groups	3,600	49.9	3,616	50.1	7,216
Veteran	5,900	80.9	1,389	19.1	7,289
Not Veteran	65,500	78.9	17,564	21.1	83,064
Owned equally by both groups	800	57.5	591	42.5	1,391
Hispanic	1,800	88.6	232	11.4	2,032
Not Hispanic	70,500	78.6	19,249	21.4	89,749
Owned equally by both groups	90	58.8	63	41.2	153
Rural	25,500	77.7	7,301	22.3	32,801
Urban	37,000	74.9	12,368	25.1	49,368
American Indian and Alaska Native	2,300	91.9	204	8.1	2,504
Asian	1,100	74.2	382	25.8	1,482
Black or African American	1,600	94.6	91	5.4	1,691
Native Hawaiian and Other Pacific Islander	80	79.2	*	*	101
White	68,000	78.3	18,859	21.7	86,859
Hispanic or Racial Minority	6,600	87.8	916	12.2	7,516
White and Not Hispanic	65,500	78.0	18,441	22.0	83,941
Owned equally by both groups	250	57.2	187	42.8	437

* Not available

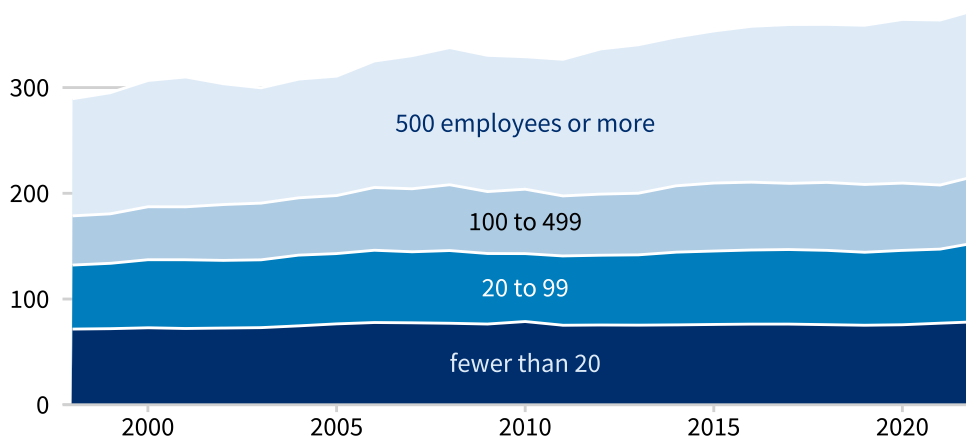
Counts include only businesses classifiable by owner demographic group or location type.

Sources: [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

Total South Dakota employment by business size

Source of original data: [Statistics of U.S. Businesses](#) (Census)

Thousand



South Dakota small business employment grew by 21.3 percent between 1998 and 2022, which exceeded the national small business employment growth rate.

Small business employment and payroll by industry

Industry	Employers		Employees		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Construction	3,640	99.4	21,911	90.9	1,392,646	90.7
Other Services (except Public Administration)	2,772	99.0	14,372	97.1	489,858	95.2
Retail Trade	2,595	93.5	27,281	50.8	1,009,348	55.5
Accommodation and Food Services	2,143	97.2	32,033	78.1	704,802	78.9
Professional, Scientific, and Technical Services	1,934	95.1	10,784	77.7	685,806	74.2
Health Care and Social Assistance	1,927	96.9	32,254	44.1	1,582,701	34.0
Administrative, Support, and Waste Management	1,184	94.1	7,207	58.2	299,102	54.2
Real Estate and Rental and Leasing	1,153	96.9	3,650	82.8	166,441	79.2
Finance and Insurance	1,146	88.5	9,909	39.5	743,042	37.3
Transportation and Warehousing	1,131	94.6	6,792	59.3	325,122	54.7
Wholesale Trade	963	84.4	12,311	62.6	793,233	57.9
Manufacturing	833	89.6	18,622	40.0	997,604	37.1
Arts, Entertainment, and Recreation	677	98.8	6,520	85.1	159,630	89.0
Educational Services	251	95.1	6,204	84.7	201,192	87.2
Information	239	76.8	3,339	56.1	174,431	49.1
Agriculture, Forestry, Fishing and Hunting	148	100.0	415	100.0	24,607	100.0
Management of Companies and Enterprises	92	69.7	1,284	16.0	104,683	14.8
Utilities	60	81.1	1,219	42.7	104,820	36.7
Mining, Quarrying, and Oil and Gas Extraction	47	85.5	557	40.7	44,862	32.4
Industries not classified	31	100.0	41	100.0	1,126	100.0
All industries	22,742	95.6	216,705	58.0	10,005,056	50.9

Percentages were calculated by dividing industry totals for small employers by industry totals for all employers.

Source: [Statistics of U.S. Businesses](#), 2022 (Census)

About this profile

Small businesses are generally defined here as firms with fewer than 500 employees. Statistics of U.S. Businesses and Nonemployer Statistics by Demographics are produced through a partnership between the Office of Advocacy and the Census Bureau. Where notes say "Source of original data," values may have been approximated because of missing values in the original data. Electronic versions of this and other [geographic profiles](#) are available online, along with technical notes about data, methods, and definitions. Visit advocacy.sba.gov for additional resources.