

South Dakota

82,017 Small Businesses

20,661 Small Businesses with Employees

61,356 Small Businesses without Employees (Nonemployers)

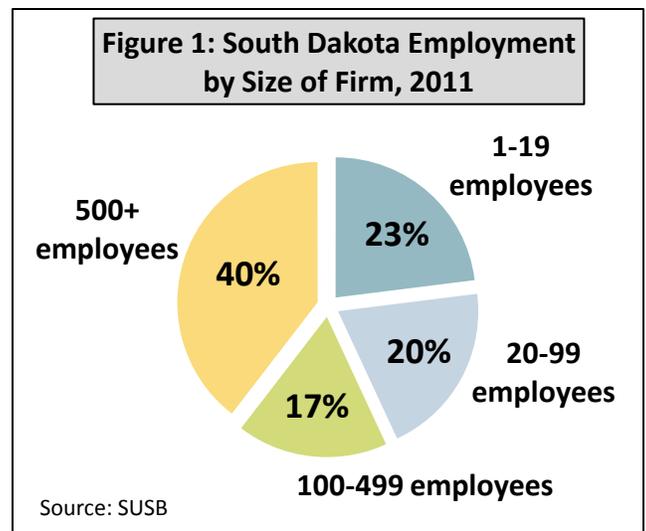
197,525 Workers Employed by Small Businesses

State Economy Overall

- South Dakota's economy grew at a slower rate than the United States in 2012. South Dakota's real gross state product increased by **0.2 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in South Dakota has improved. The unemployment rate in South Dakota declined from **4.4 percent** in December 2012 to **3.6 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- South Dakota's small businesses employed three-fifths or **197,525** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **96.4 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, accommodation & food services, and retail trade (see **Table 4**).
- In South Dakota, small businesses had a net loss of **2,548** jobs in 2011. The biggest loss was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **1.0 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. 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

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **7.1 percent** in the 3rd quarter of 2013 and totaled **\$3.8 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- 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)

Business Owner Demographics

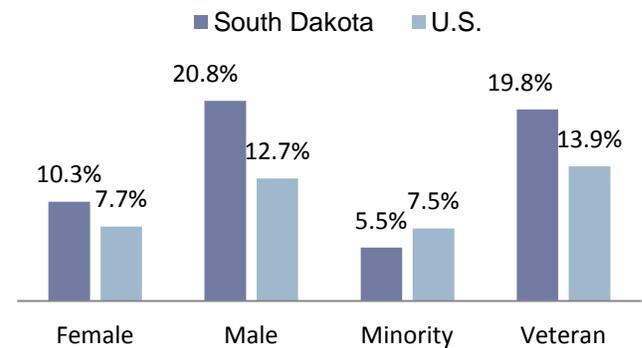
- In 2011, there were an estimated **18,000** woman-owned businesses and **3,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All South Dakota Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	37,000	45.2
Woman Owned	18,000	22.1
Equally Male and Female Owned	24,000	28.5
Minority Owned	3,000	3.7
Veteran Owned	8,000	9.5

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/sd10.pdf.

Figure 2: South Dakota Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives South Dakota's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **1,163** establishments opened and **1,073** closed in the state of South Dakota. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in South Dakota

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	1,662	43.9
2007	1,670	55
2010	1,529	72.7

Source: BLS, BED. *Data year ending in March.

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)

Table 3: Number of South Dakota Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Construction	3,089	2,939	7,324	10,413
Retail trade	2,825	2,485	7,426	10,251
Other services (except public admin.)	2,530	2,407	8,839	11,369
Accommodation & food services	1,980	1,543	968	2,948
Health care & social assistance	1,754	1,465	5,197	6,951
Professional, scientific, & tech. svcs.	1,648	1,544	5,770	7,418
Finance & insurance	1,108	1,007	2,910	4,018
Transportation & warehousing	1,011	930	2,951	3,962
Wholesale trade	938	670	892	1,830
Admin., supp., waste mgt., remed. svcs.	937	857	3,694	4,631
Manufacturing	844	634	926	1,770
Real estate & rental & leasing	764	718	7,003	7,767
Arts, entertainment, & recreation	632	568	3,186	3,818
Information	243	189	573	816
Educational services	192	139	1,534	1,726
Forestry, etc. & agriculture support	122	118	2,028	2,150
Management of comp. & enterprises	86	12	0	86
Utilities	57	35	53	110
Unclassified	55	55	0	55
Mining	47	37	82	129
Total	20,661	18,323	61,356	82,017

Table 4: Employment in South Dakota by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	30,108	62,373	48
Accommodation & food services	29,875	37,489	80
Retail trade	27,125	50,247	54
Manufacturing	17,450	40,284	43
Construction	16,264	16,852	97
Other services (except public admin.)	12,794	14,164	90
Wholesale trade	12,297	16,911	73
Finance & insurance	8,847	24,743	36
Professional, scientific, & tech. svcs.	8,657	10,269	84
Admin., supp., waste mgt., remed. svcs.	6,896	10,669	65
Transportation & warehousing	6,032	9,115	66
Arts, entertainment, & recreation	5,588	6,172	91
Educational services	5,500	7,778	71
Information	3,325	6,610	50
Real estate & rental & leasing	3,106	3,530	88
Management of comp. & enterprises	1,288	5,846	22
Utilities	1,130	2,161	52
Mining	745	1,031	72
Forestry, etc. & agriculture support	433	440	98
Unclassified	65	65	100
Total	197,525	326,749	60

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .