

South Dakota

Labor Market Report



 south dakota
department of labor
Your workforce experts.

2008

2008 South Dakota Labor Market Report

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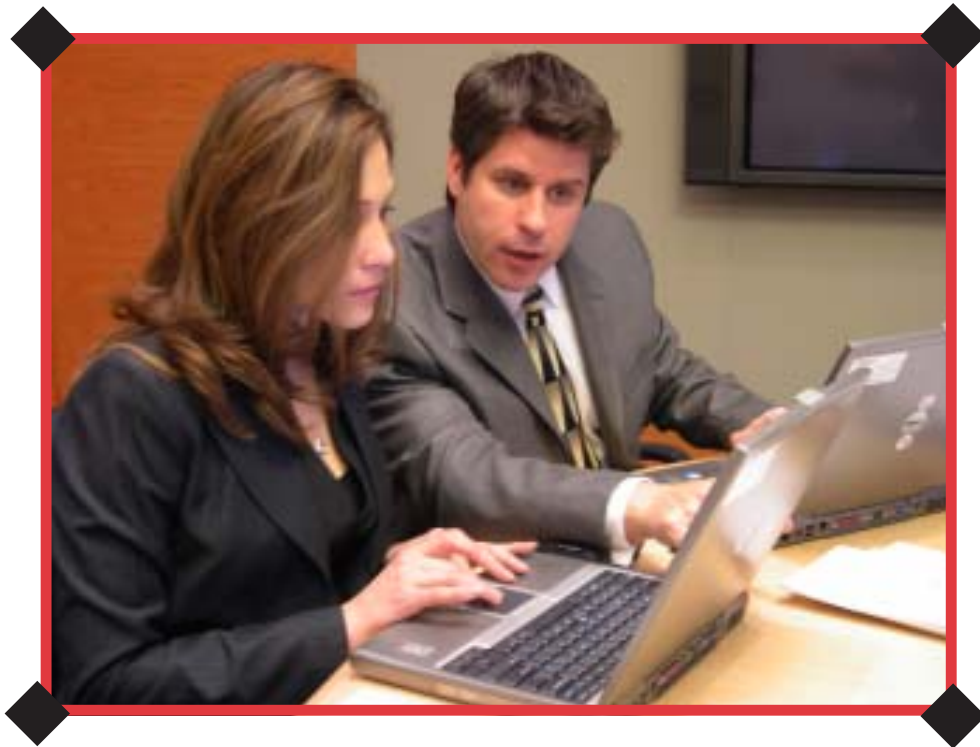
Overview

All states in the nation are expected to face critical shortages of qualified workers as many older workers start to retire. In addition to replacing retiring workers, most states, including South Dakota, will need workers to fill the thousands of jobs related to projected growth through the year 2016.

The looming labor force shortages in South Dakota are colliding with great potential for economic growth in our state. There have been many recent economic developments in our state, with more in the works. Growth in the healthcare field, along with the development of alternative energy sources, including wind and ethanol, have added hundreds of jobs to our state economy. Pending projects, including the Deep Underground Science and Engineering Laboratory (DUSEL) and the Hyperion Energy Center, have the potential to add a high number of additional jobs.

With the projected job growth and new economic developments in the works, South Dakota faces significant current and future workforce challenges. Meeting the workforce needs of South Dakota, both present and future, is a high priority. The Workforce 2025 initiative was implemented to address these issues, with the primary mission to ensure South Dakota has a competent and qualified workforce to allow for economic growth and expansion.

The information contained in the 2008 South Dakota Labor Market Report provides a summary of historical economic growth in our state, as well as current and projected industry trends. This information is vital in assessing and addressing the workforce needs in South Dakota for the future.

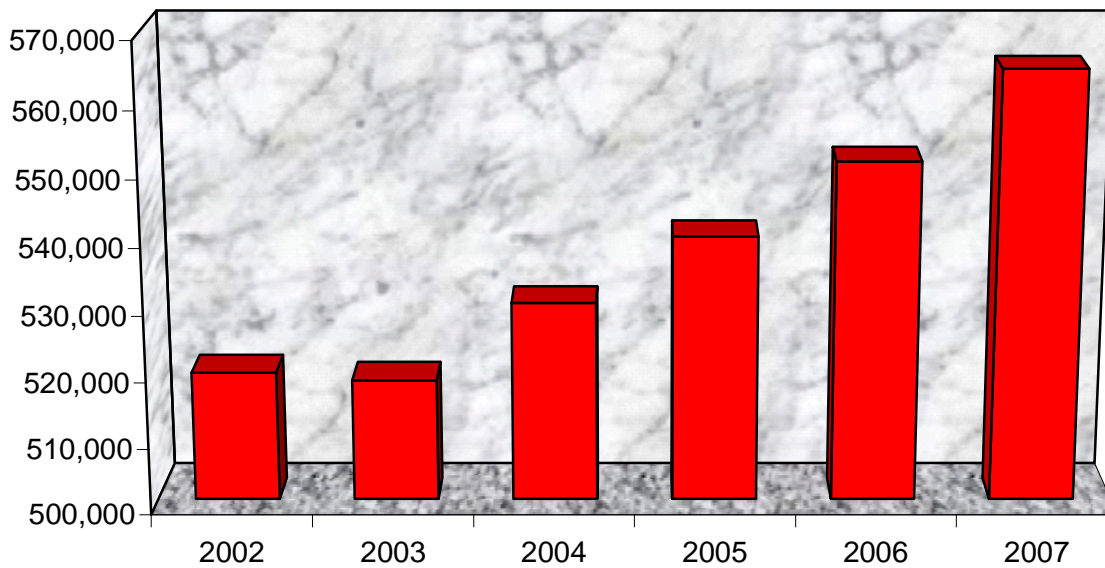


Employment

The Bureau of Economic Analysis (BEA) publishes employment data for state and local areas, which includes an estimate of the total number of jobs, full-time plus part-time (full-time and part-time jobs are counted at equal weight), by place of work. The number of workers covered by unemployment insurance is a key component of this employment series. Employees, sole proprietors, and active partners are all included, but unpaid family workers and volunteers are not. Proprietors' employment consists of the number of sole proprietorships and the number of partners in partnerships.

The chart below shows total employment growth from 2002-2007 for the state. Total employment dropped slightly the first year, but has since showed consistent growth from 2003 through 2007. Net employment growth during the 2002-2007 time period was approximately 45,000 jobs, or an increase of 8.7 percent for a level of 564,587 in 2007. Comparative data for the nation showed a growth rate of 8.6 percent.

Total Employment in South Dakota



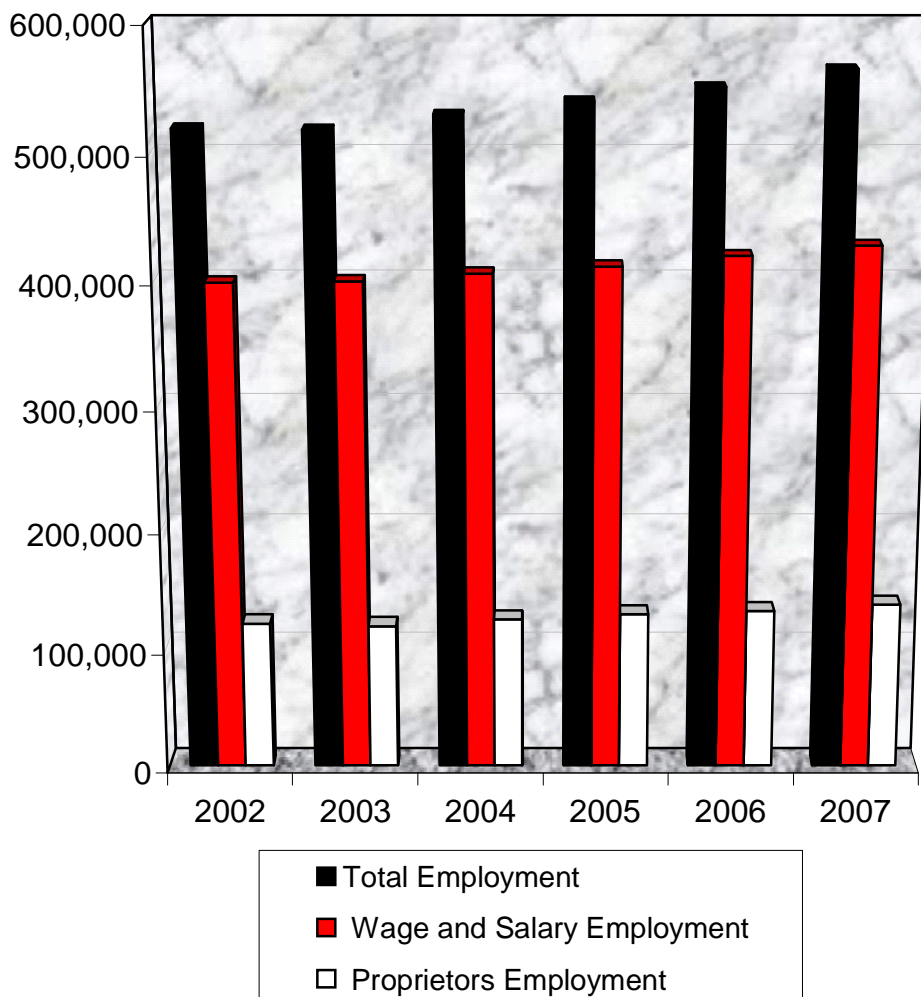
Source: Bureau of Economic Analysis, U.S. Department of Commerce

The graph below details growth by employment sector. The wage and salary employment sector, also referred to as wage and salary jobs, measures the average annual number of full-time and part-time jobs in each area by place of work. This employment sector has shown steady growth in South Dakota since 2002, adding over 29,000 jobs to the economy for an increase of 7.3 percent. The national rate of growth for the same time period was 5.2 percent.

Proprietor employment experienced a slight dip in employment levels from 2002 to 2003, but overall had positive growth from 2002-2007. Almost 16,000 jobs were added in this employment sector, for a growth rate of 13.2 percent. The national growth rate for this employment sector was 24.7 percent for the same time period.

The proprietor employment sector is comprised of both farm and nonfarm proprietors. Farm self-employment is defined as the number of non-corporate farm operators, consisting of sole proprietors and partners. A farm is defined as an establishment that produces, or normally would be expected to produce, at least \$1,000 worth of farm products—crops and livestock—in a typical year. Because of the low cutoff point for this definition, the farm self-employment estimates are effectively on a full-time and part-time basis.

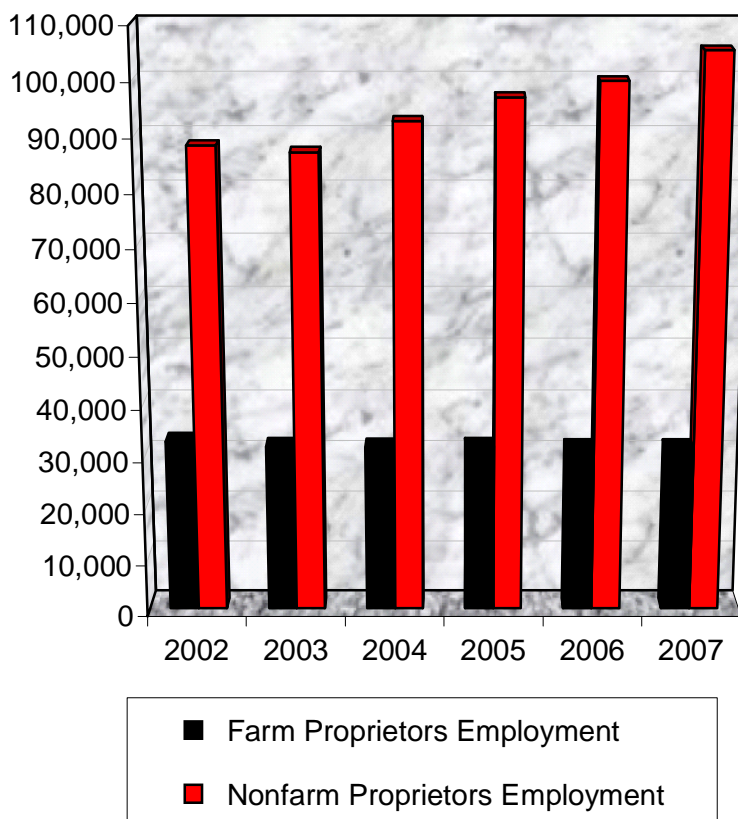
South Dakota Employment by Sector



The estimates of nonfarm self-employment consist of the number of sole proprietorships and the number of individual business partners not assumed to be limited partners. The nonfarm self-employment estimates resemble the wage and salary employment estimates in that both series measure jobs—as opposed to workers—on a full-time and part-time basis. However, because of limitations in source data, two important measurement differences exist between the two sets of estimates. First, the self-employment estimates are largely on a place-of-residence basis rather than on the preferred place-of-work basis. Second, the self-employment estimates reflect the total number of sole proprietorships or partnerships active at any time during the year—as opposed to the annual average measure used for wage and salary employment.

The graph below details both the farm and nonfarm self-employment job trends from 2002-2007. The employment in the farm sector experienced a loss of 1,164 jobs during this time period, which equates to a 3.6 percent decrease. The consolidation of smaller farms into larger farming corporations was one of the primary reasons for this decrease. Similar trends were experienced nationally, with a decrease in employment of 4.8 percent for the same time period.

South Dakota Proprietor Employment by Sector



South Dakota nonfarm proprietor employment added over 18,000 jobs, increasing 20.8 percent. Comparatively, the national rate of growth was 27.2 percent. Although lagging behind the national growth rate for the 2000-2007 time period as a whole, South Dakota did exceed growth compared to the nation for the 2006-2007 time period, adding jobs at a rate of 5.5 percent compared to the national rate of 5.1 percent. South Dakota added approximately 5,500 self-employed nonfarm jobs during the 2006-2007 time period.

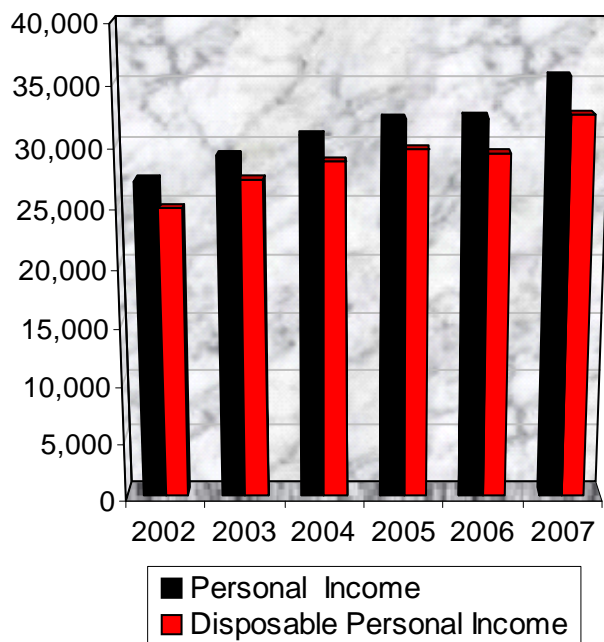
Personal Income

Personal income data are also released by the BEA. The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in a specific geographic area. The total payroll of workers covered by unemployment insurance is a component of wage and salary disbursements included in this statistic.

Personal income has been growing steadily for the past several years. In fact, South Dakota's growth in personal income for the 2002-2007 time period surpassed the rate for both the Plains Region (Iowa, Kansas, Missouri, Nebraska, North Dakota and South Dakota) as well as the nation. South Dakota's personal income grew by 37.9 percent compared to a rate of 27.2 percent for the Plains Region and 31.1 percent for the nation.

Dividing the personal income of an area by the residents of that given area produces a widely used economic indicator called per capita personal income. South Dakota ranked 36th of all the states for the year 2000 at \$27,029; current estimates rank South Dakota 28th of the 50 states with an income of \$35,664. This means average personal income for South Dakota residents was higher than 22 other states.

South Dakota Per Capita Personal Income Statistics



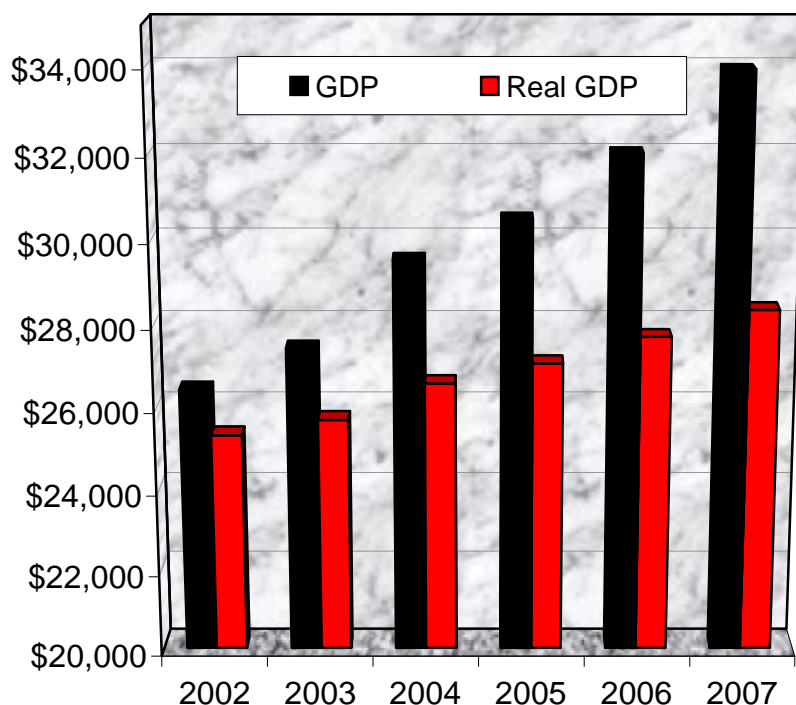
Disposable personal income measures total personal income minus personal current taxes, which includes taxes on income and on personal property. Per capita disposable personal income is calculated as the disposable personal income of the residents of a given area divided by the resident population of the area. South Dakota's rank in per capita disposable income has increased from 34th in 2002 to the current rank of 24th in 2007. To interpret, the rank of 24th indicates the average South Dakota resident had more money available for household spending than the residents of 26 other states. This higher rank is correlated with the fact that South Dakota does not impose a state personal income tax.

Gross Domestic Product

Related to the total employment and income of an area is the total gross domestic product (GDP) for that area. GDP by state is the value added in production by the labor and capital located in a state. GDP is derived as the sum of the gross state product originating in all industries in a state. In concept, an industry's GDP by state, referred to as its "value added," is equivalent to its gross output (sales or receipts and other operating income, commodity taxes and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported). Thus, GDP by state is the state counterpart of the nation's gross domestic product (GDP), BEA's featured measure of U.S. output.

The graph below compares historical estimates of South Dakota GDP compared to real estimates of GDP. Real GDP is an inflation-adjusted measure of each state's gross product based on national prices for the goods and services produced within the state.

**Gross Domestic Product for South Dakota
(millions of dollars)**



Since 2002, South Dakota GDP has increased 28.5 percent, increasing by \$7.5 billion. For the year 2007, South Dakota's GDP increased by 6.0 percent, ranking 11th of all states in GDP growth. Nationally, GDP increased by only 4.7 percent for the 2006-2007 time period.

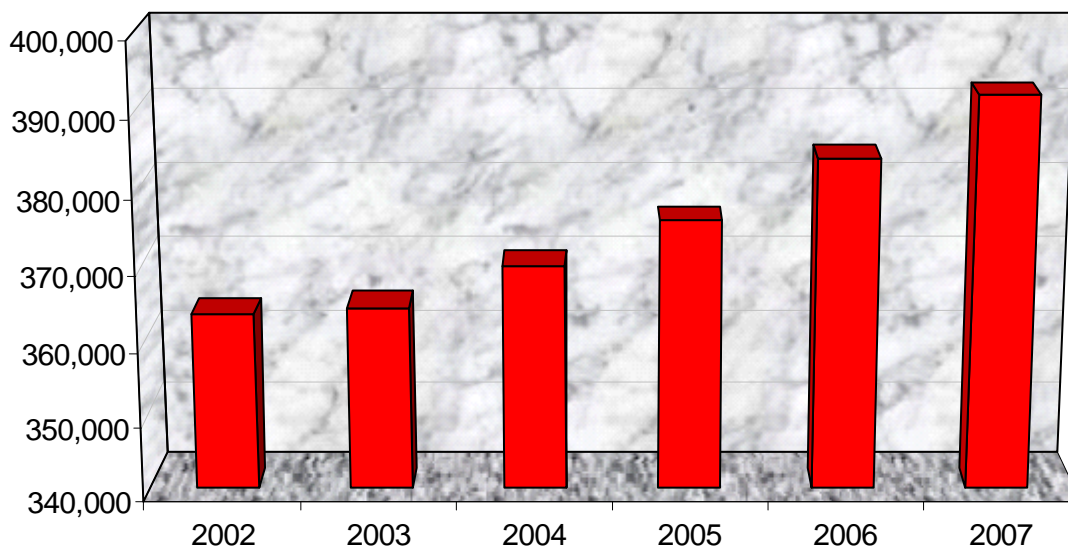
In real dollars (adjusted for inflation), South Dakota's GDP increased by 2.3 percent (or \$6.4 billion) from 2006 to 2007. The national rate was 2.0 percent for the same time period.

Industry Trends

A component of the employment series published by BEA is the data on workers covered by unemployment insurance tabulated by the Quarterly Census of Employment and Wages (QCEW) program. The Labor Market Information Center (LMIC) administers the QCEW program for South Dakota in cooperation with the Bureau of Labor Statistics. Covered workers are counted at their place of work, rather than their place of residence. Also, a person who works for more than one covered employer is counted at each job.

The total number of covered wage and salaried workers equaled 95.6 percent of all South Dakota's wage and salaried workers in 2007. The total number of covered workers in South Dakota has grown 8.8 percent since the year 2002, adding nearly 29,000 jobs. There were 392,069 covered workers in 2007, reflecting an increase of 2.1 percent compared to 2006 levels.

South Dakota Covered Workers 2002 - 2007



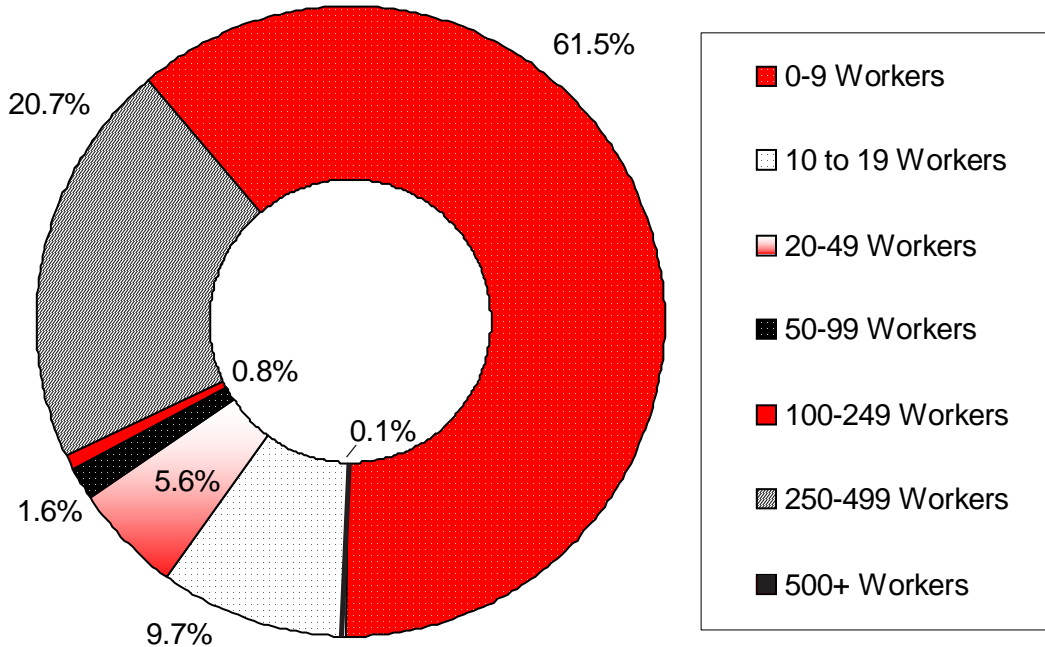
Source: Labor Market Information Center, South Dakota Department of Labor

Covered worker data is presented by the North American Industrial Classification System (NAICS), which identifies and categorizes industry sectors. Data is also presented by ownership, which specifies the several levels of government and the private sector of the economy, as well as by establishment size and distribution of employment.

Establishment size data provides a comparison of the number of small and large businesses in South Dakota. The average number of workers at the worksite location determines establishment size. A worksite is generally defined as a single physical location at which predominantly one type of economic activity is conducted.

The chart below displays the number of private South Dakota establishments by establishment size, illustrating small businesses are predominant in South Dakota. During 2007, the 0-9 workers size class accounted for the largest portion, 77.3 percent, of all private establishments.

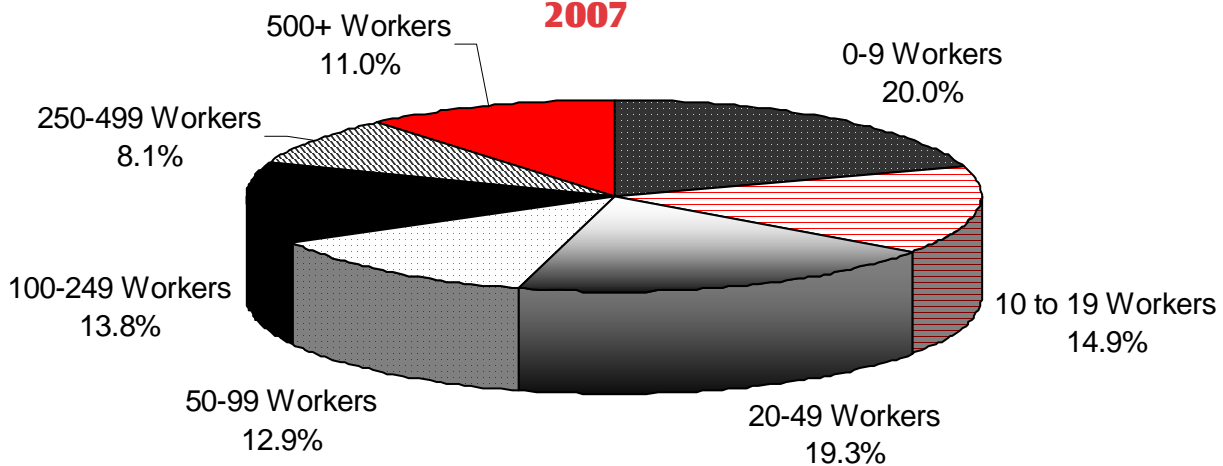
Number of Private Establishments by Establishment Size 2007



Source: Labor Market Information Center, South Dakota Department of Labor

The distribution of employees by establishment size shows a different picture than the distribution of establishments. The pie chart below indicates smaller businesses (less than 10 workers) employed only 20.0 percent of the covered workers in South Dakota in 2007. The number of workers is more evenly dispersed among the establishment size groups.

Distribution of Employees in Private Industry by Establishment Size 2007



Source: Labor Market Information Center, South Dakota Department of Labor

Workers by Ownership and Industry

Before looking at each industry group in detail, a summary of worker and pay levels is presented to provide an overview of the changes that took place in South Dakota from 2006 to 2007. The table below details the number of covered workers by ownership and industry group. All industry groups within the private ownership sector in South Dakota showed worker growth from 2006 to 2007.

Although the total government ownership sector showed minimal growth overall, federal government had a decrease in the average number of workers. State and local government both had minimal worker growth from 2006 to 2007.

Average Number of Covered Workers by Ownership & Industry Group

	2006	2007	Percent Change
Private Ownership			
Natural Resources and Mining	4,099	4,364	6.5%
Construction	21,832	22,197	1.7%
Manufacturing	41,393	41,932	1.3%
Trade, Transportation and Utilities	79,318	80,313	1.3%
Information	6,953	7,154	2.9%
Financial Activities	29,228	30,489	4.3%
Professional and Business Services	25,563	27,581	7.9%
Education and Health Services	53,600	55,061	2.7%
Leisure and Hospitality Services	42,465	43,070	1.4%
Other Services	10,311	10,504	1.9%
Total Private Ownership	314,763	322,665	2.5%
Government			
Federal Government	11,124	11,079	-0.4%
State Government	13,953	14,018	0.5%
Local Government	44,016	44,307	0.7%
Total Government	69,093	69,404	0.5%
Statewide Total	383,856	392,069	2.1%

Source: Labor Market Information Center, South Dakota Department of Labor

Annual Pay by Ownership and Industry

Annual pay reflects total compensation paid to covered workers in the form of wages, salaries, bonuses, commissions and overtime pay during the year. Annual pay is calculated by dividing total payroll by the average number of workers. The statewide annual pay for workers covered by unemployment insurance for 2007 was \$31,654. This represents an increase of 4.5 percent from 2006.

Annual pay is affected by the number of hours worked and the rate of pay. Full-time workers normally have higher annual pay than part-time workers do. Many of the industries with the lowest annual pay have a large percentage of part-time jobs. Industry-specific annual pay is determined by the mix of full-time and part-time workers and high-paying and low-paying jobs. The leisure and hospitality industry group has the lowest industry annual pay of \$11,958 because these types of businesses typically hire many part-time workers. Federal government workers have the highest annual pay at \$52,555.

Annual Pay of Covered Workers by Ownership & Industry Group

	2006	2007	Percent Change
Private Ownership			
Natural Resources and Mining	\$29,253	\$31,378	7.3%
Construction	\$33,653	\$35,857	6.5%
Manufacturing	\$35,515	\$37,089	4.4%
Trade, Transportation and Utilities	\$28,102	\$29,074	3.5%
Information	\$36,781	\$38,527	4.7%
Financial Activities	\$38,547	\$40,256	4.4%
Professional and Business Services	\$34,344	\$36,966	7.6%
Education and Health Services	\$34,850	\$36,187	3.8%
Leisure and Hospitality Services	\$11,440	\$11,958	4.5%
Other Services	\$21,579	\$22,701	5.2%
Total Private Ownership	\$29,833	\$31,276	4.8%
Government			
Federal Government	\$49,986	\$52,555	5.1%
State Government	\$36,959	\$38,566	4.3%
Local Government	\$26,394	\$26,997	2.3%
Total Government	\$32,326	\$33,414	3.4%
Statewide Total	\$30,282	\$31,654	4.5%

Source: Labor Market Information Center, South Dakota Department of Labor

Natural Resources and Mining

This industry group includes the **Agriculture, Forestry, Fishing and Hunting** industry and the **Mining** industry. The Agriculture, Forestry, Fishing and Hunting industry experienced a worker gain from 2006 to 2007, adding 202 workers (6.1 percent) for an annual average employment level of 3,516 workers. The annual pay of workers also increased, rising by \$2,049 (8.0 percent) to \$27,619.

Industries in the **Animal Production** (NAICS 112) subsector made up the majority of the worker increase in this industry by adding 160 jobs over the year, an increase of 7.6 percent. The majority of the growth comes from the expansion of larger operations and their need to hire additional workers, especially in the cattle ranching and farming areas.

The only other subsectors to show reportable gains in workers were **Support Activities** (NAICS 115), with an increase of 23 individuals (6.4 percent) and **Crop Production** (NAICS 111), increasing workers levels by 13 (1.9 percent). The crop production increases may be a sign the impact of the drought which has plagued parts of western and central South Dakota is easing.

2007 South Dakota Covered Workers & Annual Pay for Natural Resource & Mining

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Natural Resources and Mining	608	4,364	\$31,378
Agriculture, Forestry, Fishing and Hunting	539	3,516	\$27,619
Crop Production	129	691	\$27,123
Animal Production	277	2,272	\$26,006
Forestry and Logging	29	143	\$28,769
Fishing, Hunting and Trapping	5	28	\$13,169
Agriculture and Forestry Support Activities	99	381	\$38,841
Mining	69	848	\$46,965
Oil and Gas Extraction	4	32	\$62,936
Mining, except Oil and Gas	46	770	\$45,188
Support Activities for Mining	19	46	\$65,603

Source: Labor Market Information Center, South Dakota Department of Labor

For only the second time in the last 13 years the number of workers in the **Mining** industry increased in 2007, up 63 individuals (or 8.0 percent). The increase indicates a brighter outlook than the loss of four workers in 2006. Despite decreases in some subsectors and increases in others, there was a net increase of three new establishments in this industry sector. The average annual pay for the Mining sector increased by \$2,164 (4.8 percent) for an average of \$46,965 in 2007. This annual pay for this sector ranked third among the major 19 industry sectors.

Construction

The entire **Construction** industry (which is made up of the three subsectors listed below) showed positive numbers for 2007. Worker levels for Construction grew to 22,197, an increase of 365 workers (1.7 percent) from the previous year. Although neither the absolute nor percent growth was as large as in previous years, a positive percent increase is good compared to other parts of the nation.

The Construction industry is comprised of three subsectors:

- ◆ **Construction of Buildings** (NAICS 236).
- ◆ **Heavy and Civil Engineering Construction** (NAICS 237).
- ◆ **Specialty Trade Construction** (NAICS 238).

2007 South Dakota Covered Workers & Annual Pay Construction

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Construction	3,973	22,197	\$35,857
Construction of Buildings	1,315	6,100	\$35,050
Heavy and Civil Engineering Construction	396	3,398	\$42,455
Specialty Trade Contractors	2,262	12,700	\$34,476

Source: Labor Market Information Center, South Dakota Department of Labor

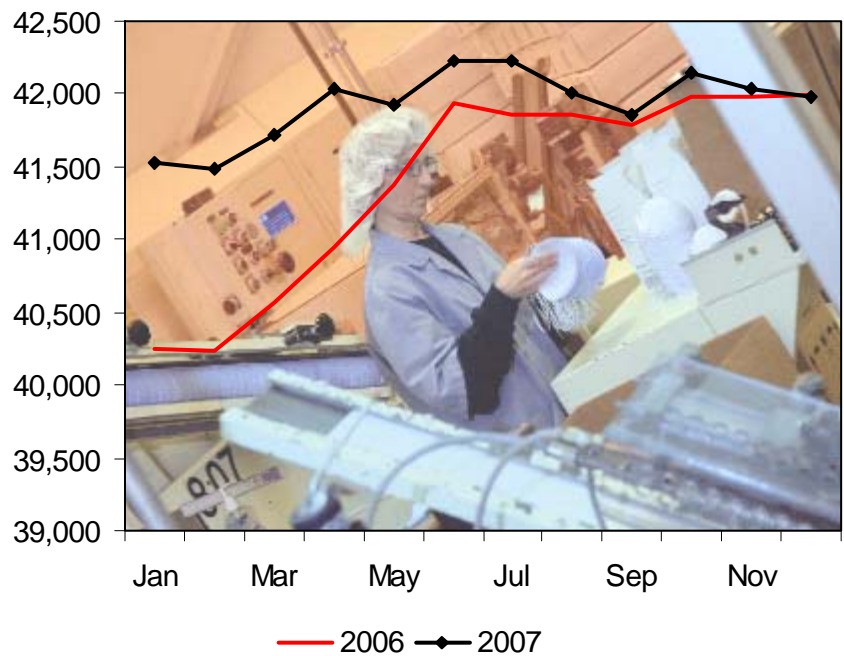
Only two of the three subsectors showed increased worker levels in 2007. **Specialty Trade Construction** led the way with a worker increase of 284 (2.3 percent). The average number of workers employed in Specialty Trades during 2007 was 12,700, an increase of 50 employers and 284 workers. **Construction of Buildings** showed a 126 worker increase (2.1 percent), for an average number of workers of 6,100. The only subsector in the Construction industry to show a decline was **Heavy and Civil Engineering Construction**. After showing an increased worker level in 2006, the number of employees declined by 45 (-1.3 percent) in 2007, for an annual average workers level of 3,398.

Percentage-wise, annual pay increased in Building Construction at a greater rate than in Heavy Construction and Specialty Trades. The annual pay for Building Construction grew by \$3,041 (9.5 percent), compared to increases in Specialty Trades of \$2,286 (7.1 percent), and Heavy and Civil Engineering construction's increase of \$685 (1.6 percent).

For the Construction industry as a whole, annual pay for the workers rose 6.5 percent in 2007, an increase of \$2,204 from 2006 for an annual average of \$35,857.

Manufacturing

In 2007, the **Manufacturing** industry increased average employment by 539 workers (1.3 percent). This industry employed an average of 41,932 in 2007 and added 53 establishments. The industry is composed of both durable and non-durable goods manufacturing. Durable goods manufacturers are engaged in manufacturing goods with a normal life expectancy of three or more years. These items typically consist of higher-dollar products such as machinery, furniture, building materials and electronic equipment. Non-durable goods include food and beverage products, clothing and paper products.



Although 12 of the 21 manufacturing industry subsectors increased worker levels over the year, the growth was mainly focused within four subsectors. **Miscellaneous Manufacturing** (NAICS 339) added the most with an additional 313 workers, a growth rate of 5.9 percent. This growth likely correlates to the addition of nine new establishments in this subsector. Processes used by establishments in this industry vary significantly, which confirms its title of 'Miscellaneous Manufacturing.' Industries in this subsector are defined by what is made rather than how it is made; some of the products produced in this subsector include medical/dental equipment and supplies, surgical appliances and supplies, jewelry, toys and office supplies.

Other subsectors with increased worker numbers include:

- ◆ **Transportation Equipment Manufacturing** (NAICS 336) had the next highest increase, adding 196 workers (8.0 percent). This subsector also added three new establishments during 2007.
- ◆ **Machinery Manufacturing** (NAICS 333) added 148 workers (2.6 percent) and added seven new establishments.
- ◆ **Chemical Manufacturing** (NAICS 325) increased the number of workers by 131 (14.3 percent) and added 10 new establishments.

The annual pay for the Manufacturing sector experienced a 4.4 percent increase in 2007, which was just slightly lower than the statewide industry average of 4.8 percent. Most subsectors increased their annual pay levels, with two subsectors in particular exhibiting phenomenal growth. The

Chemical Manufacturing subsector increased its pay by \$21,623 (43.7 percent) during 2007. This growth is related to the business expansion in this industry that occurred during 2007. The **Petroleum and Coal Products Manufacturing** (NAICS 324) subsector also had strong growth, increasing its annual pay by \$7,694 (28.8 percent).

Overall, the manufacturing sector maintained steady worker growth and a strong increase in annual pay. In fact, manufacturing worker levels have been steadily increasing in South Dakota since 1994, while national levels have not shown annualized worker growth since 1998.

2007 South Dakota Covered Workers & Annual Pay for Manufacturing

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Manufacturing	1,149	41,934	\$37,089
Food Manufacturing	148	7,398	\$34,304
Beverage and Tobacco Product Manufacturing	11	235	\$35,955
Textile Mills	*	*	*
Textile Product Mills	24	444	\$27,143
Apparel Manufacturing	8	116	\$23,945
Leather and Allied Product Manufacturing	*	*	*
Wood Product Manufacturing	62	2,291	\$35,723
Paper Manufacturing	8	752	\$41,598
Printing and Related Support Activities	111	1,574	\$33,848
Petroleum and Coal Products Manufacturing	3	13	\$34,367
Chemical Manufacturing	52	1,050	\$71,155
Plastics and Rubber Products Manufacturing	44	1,571	\$33,228
Nonmetallic Mineral Product Manufacturing	89	1,609	\$43,821
Primary Metal Manufacturing	7	656	\$37,921
Fabricated Metal Product Manufacturing	170	3,757	\$35,798
Machinery Manufacturing	109	5,945	\$39,186
Computer and Electronic Product Manufacturing	30	3,109	\$38,093
Electrical Equipment and Appliance Manufacturing	16	469	\$40,224
Transportation Equipment Manufacturing	65	2,634	\$38,284
Furniture and Related Product Manufacturing	86	2,707	\$30,208
Miscellaneous Manufacturing	102	5,580	\$36,085

**Data was suppressed to prevent disclosure of confidential information.*

Source: Labor Market Information Center, South Dakota Department of Labor

Trade, Transportation and Utilities

The Trade, Transportation and Utilities industry group is composed of the **Wholesale Trade** industry, the **Retail Trade** industry, the **Transportation and Warehousing** industry, and the **Utilities** industry.

Wholesale Trade

The **Wholesale Trade** industry sector (NAICS sector 42) experienced a welcome gain of establishments in 2007 and an increase in annual pay of 4.4 percent (\$1,826), bouncing back from the previous year's loss of establishments. Employment gains for this sector showed only a modest increase of 39 workers; however, this statistic is distorted due to a reclassification of approximately 300 workers into a different NAICS category. Without this change, employment growth in this sector would have been significantly higher.

2007 South Dakota Covered Workers & Annual Pay for Wholesale Trade

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Trade, Transportation and Utilities	8,095	80,313	\$29,074
Wholesale Trade	2,514	18,352	\$43,205
Merchant Wholesalers, Durable Goods	781	7,536	\$46,488
Merchant Wholesalers, Nondurable Goods	875	8,880	\$36,300
Electronic Markets and Agents and Brokers	858	1,936	\$62,131

Source: Labor Market Information Center, South Dakota Department of Labor

The majority of the growth in Wholesale Trade came from the **Merchant Wholesale of Nondurable Goods** (NAICS 424) and **Electronic Markets and Agents and Brokers** (NAICS 425) subsectors. **Merchant Wholesale of Nondurable Goods** experienced a gain in establishments and 175 workers throughout 2007. Annual pay also increased by 5.6 percent (\$1,920) in 2007. Nondurable goods consist of items that have a general life expectancy of three years or less such as paper and paper products, apparel, footwear and groceries.

The **Electronic Markets Agents and Brokers** subsector consists of workers acting as representatives of specific companies in order to sell their products. Agents and brokers do not take title to the goods they sell and are usually paid on a fee or commission basis. This subsector also had significant increases in 2007; establishments increased by 19 and annual pay rose by 6.8 percent (\$3,956).

Merchant Wholesale of Durable Goods (NAICS 423) also experienced a nominal increase in establishments, employment and annual pay. Establishments increased by 12 units, and employment increased by 144 workers. Durable goods are items that have a life expectancy of three years or more. Items may include such things as motor vehicles, furniture, construction materials, sporting goods and toys.

Retail Trade

The **Retail Trade** sector (NAICS sectors 44-45) had a slight loss in establishments in 2007, but managed to add employment and increase wages over the year. Employment in the Retail Trade sector expanded by 737 workers (1.5 percent) during 2007. Although this increase was not huge, it was a vast improvement from the previous year when employment for this sector decreased. Annual pay for the Retail Trade sector went up by \$674, bringing it to \$21,480, which equates to a 3.2 percent increase over the year.

2007 South Dakota Covered Workers & Annual Pay for Retail Trade

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Trade, Transportation and Utilities	8,095	80,313	\$29,074
Retail Trade	4,147	49,957	\$21,480
Motor Vehicle and Parts Dealers	590	6,597	\$35,606
Furniture and Home Furnishings Stores	199	1,516	\$27,095
Electronics and Appliance Stores	204	1,535	\$27,375
Building Material and Garden Supply Stores	434	5,255	\$26,390
Food and Beverage Stores	369	8,478	\$14,717
Health and Personal Care Stores	221	1,968	\$25,945
Gasoline Stations	675	5,811	\$14,860
Clothing and Clothing Accessories Stores	359	2,587	\$13,507
Sporting Goods, Hobby, Book and Music Stores	226	2,053	\$16,820
General Merchandise Stores	163	9,819	\$18,292
Miscellaneous Store Retailers	533	2,959	\$19,452
Nonstore Retailers	174	1,379	\$34,515

Source: Labor Market Information Center, South Dakota Department of Labor

The subsector with the highest annual pay increase for the year was the **Nonstore Retail** (NAICS 454) subsector. This subsector boasted a gain of \$3,027 (9.6 percent), increasing annual pay from \$31,488 to \$34,515. Industries in the Nonstore Retailers subsector retail merchandise using methods other than that of traditional retail stores. Some examples include publishing paper and electronic catalogues, door-to-door solicitation, in-home demonstration, and selling from portable stalls and distribution through vending machines.

The **General Merchandise Stores** (NAICS 452) subsector had the largest employment increase within the Retail Trade sector with 225 workers, despite a decrease in the number of establishments. Industries in the General Merchandise Stores subsector retail new general merchandise from fixed point-of-sale locations. Establishments in this subsector are unique in that they have the equipment and staff capable of retailing a large variety of goods from a single location.

Transportation and Warehousing

Despite the rising cost of fuel, the **Transportation and Warehousing** sector (NAICS sectors 48-49) has grown for the third consecutive year in establishments, employment and annual pay:

- ◆ The number of establishments increased by 34 (2.8 percent).
- ◆ Employment for this sector had a gain of 224 employees (2.3 percent).
- ◆ Annual pay increased by \$636 (1.9 percent), bringing average annual pay to \$33,918.

2007 South Dakota Covered Workers & Annual Pay for Transportation and Warehousing

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Trade, Transportation and Utilities	8,095	80,313	\$29,074
Transportation and Warehousing	1,253	9,776	\$33,918
Air Transportation	38	234	\$28,947
Truck Transportation	873	5,457	\$37,700
Transit and Ground Passenger Transportation	90	1,164	\$15,974
Pipeline Transportation	9	61	\$63,876
Scenic and Sightseeing Transportation	10	69	\$13,894
Support Activities for Transportation	114	813	\$34,155
Postal Service	14	24	\$13,080
Couriers and Messengers	73	1,301	\$35,855
Warehousing and Storage	32	654	\$31,950

Source: Labor Market Information Center, South Dakota Department of Labor

The subsector designated as **Air Transportation** (NAICS 481) was the hardest hit in 2007, with an employment loss of 37 workers. This may seem like a small number, but because this is a fairly small subsector the loss amounted to a 13.7 percent decrease in employment. Annual pay also decreased for this subsector by \$2,096 (6.8 percent). This industry is slowing down nationwide due mainly to the high costs of fuel and operating expenses.

While the Air Transportation subsector is slowing down, the **Transit and Ground Passenger Transportation** (NAICS 485) subsector made a strong showing. This subsector increased its workforce by 109 workers (10.3 percent) and annual pay by \$691 (4.5 percent).

The **Support Activities for Transportation** (NAICS 488) subsector experienced a substantial worker increase (93 workers, 12.9 percent) in 2007. Even with a slight decrease of \$947, the annual pay of \$34,155 in this industry is still above the average annual pay for all industries of \$31,276.

Utilities

Even with the addition of three new utilities establishments in 2007, the number of workers in this industry (NAICS sector 22) decreased slightly over the year. The number of employees hired by new establishments was not enough to compensate for the 99 employees hired temporarily in 2006 to help replace poles caused by the late winter ice storm in parts of South Dakota in 2005. Historically, the utilities industry has shown a very small percentage annual increase or no change; it is a very stable industry. High annual salaries and low turnover in the utilities industry contribute to that stability. Most of the turnover in this industry is due to retirement.

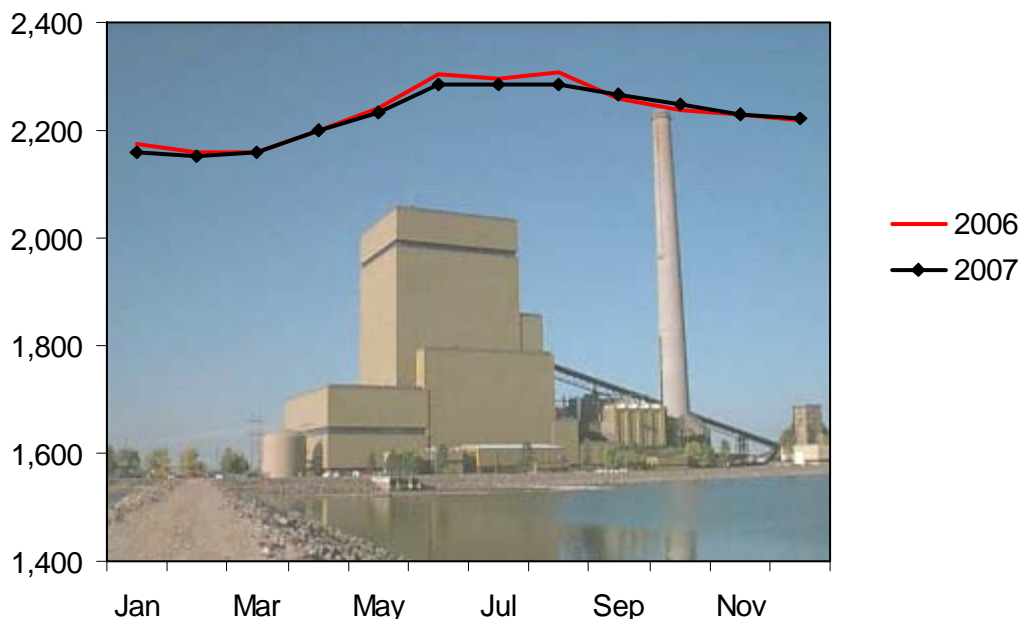
The majority of the workers in this sector are employed in the **Electric Power Generation, Transmission and Distribution** subsector (NAICS 2211). The other two subsectors of **Natural Gas Distribution** (NAICS 2212) and **Water, Sewage and Other Systems** (NAICS 2213) account for the balance of the total employment in the Utilities industry.

Among the 19 industries in this annual summary, the Utilities sector sits firmly in second place in annual wages. Annual pay rose \$3,800 (6.6 percent) to \$61,700 for 2007. All subsectors in the industry showed increases in annual pay, which exceeded the statewide average increase of 4.8 percent.

2007 South Dakota Covered Workers & Annual Pay for Utilities

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Trade, Transportation and Utilities	8,095	80,313	\$29,074
Utilities	181	2,228	\$61,700

Source: Labor Market Information Center, South Dakota Department of Labor



Information

The Information industry (NAICS sector 51) experienced growth during 2007, adding four establishments and 201 workers (2.9 percent). The average number of workers during 2007 totaled 7,154, bouncing back from a decrease that occurred during 2006. The average annual pay also increased by \$1,746 (4.7 percent). This industry benefits from today's "information economy," with all other industries relying on the Information industry for available information and information technology to increase their productivity.

2007 South Dakota Covered Workers & Annual Pay for Information

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Information	527	7,154	\$38,527
Publishing Industries, except Internet	150	1,988	\$28,671
Motion Picture and Sound Recording Industries	90	679	\$12,822
Broadcasting, except Internet	71	1,185	\$32,337
Telecommunications	183	3,203	\$51,956
Data Processing, Hosting and Related Services	20	63	\$60,811
Other Information Services (Internet Publishing & Broadcasting)	13	36	\$36,737

Source: Labor Market Information Center, South Dakota Department of Labor

The **Telecommunications** (NAICS 517) subsector had the largest employment increase with an added 183 workers (6.1 percent). **Wired Telecommunications Carriers** (NAICS 5171) in particular continue to demonstrate strong hiring trends in response to the strong demand for this service. Annual pay for this subsector also showed strong growth, increasing by \$2,529 (5.1 percent).

However, the **Data Processing, Hosting and Related Services** (NAICS 518) subsector experienced a large loss, with a decline of 57 workers (47.5 percent). This worker loss is primarily associated with the 2007 NAICS revision, which resulted with **Web Search Portals** (NAICS 518112) being reclassified into the 2007 NAICS 519130 entitled **Internet Publishing and Broadcasting and Web Search Portals**. Although the 518 subsector suffered a worker loss due to the reclassification, the average annual pay grew at a phenomenal rate, increasing by \$12,055 (24.7 percent) to \$60,811.

The 2007 NAICS revision also included the **Internet Publishing and Broadcasting** (NAICS 516) subsector being merged into the **Other Information Services** (NAICS 519). This merge contributed to the worker increase within NAICS 519. The annual pay for this subsector was diluted due to the low rate of annual pay transferred from NAICS 516 into NAICS 519.

Financial Activities

The financial activities industry group is comprised of the **Finance and Insurance** industry and the **Real Estate and Rental and Leasing** industry.

2007 South Dakota Covered Workers & Annual Pay for Financial Activities

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Financial Activities	3,123	30,489	\$40,256
Finance and Insurance	2,100	26,792	\$42,416
Credit Intermediation and Related Activities	846	19,432	\$40,789
Securities, Commodity Contracts and Investments	255	731	\$87,155
Insurance Carriers and Related Activities	973	6,596	\$42,127
Funds, Trusts and Other Financial Vehicles	26	33	\$64,223
Real Estate and Rental and Leasing	1,023	3,697	\$24,600
Real Estate	801	2,515	\$25,140
Rental and Leasing Services	215	1,144	\$22,681
Lessors of Nonfinancial Intangible Assets	7	37	\$47,872

Source: Labor Market Information Center, South Dakota Department of Labor

Finance and Insurance

The **Finance and Insurance** industry (NAICS sector 52) added 1,315 workers (5.2 percent) in 2007. The annual pay for this industry also increased, at a rate of 3.9 percent (\$1,588). The **Credit Intermediation and Related Activities** (NAICS 522) industry subsector experienced the majority of the worker increases from 2006 to 2007, at 831 workers (4.5 percent). This growth was due to expansion of current businesses. The **Securities, Commodity Contracts, Other Financial Investments and Related Activities** (NAICS 523) subsector noted a small decrease in workers during 2007, losing seven workers. However, the annual pay did show a strong increase of \$12,008 or 16.0 percent.

Real Estate and Rental and Leasing

The **Real Estate and Rental and Leasing** industry (NAICS sector 53) experienced a worker loss from 2006 to 2007, declining by 54 workers (or 1.4 percent); but the industry showed growth in annual pay, increasing by \$1,542 (or 6.7 percent). The **Real Estate** subsector had a positive worker change from 2006 to 2007; the only subsector to experience growth. The housing market remained stable despite the national downturn. South Dakota consumers are still looking to become home buyers, while other homeowners are upgrading. Existing establishments expanded, adding workers to provide services for the real estate market. The majority of worker losses in this industry sector occurred in the **Rental and Leasing Services** industry subsector, with a decreased 68 workers (or -5.6 percent) in 2007.

Professional and Business Services

Businesses within the **Professional and Business Services** industry group perform professional services, hold securities of companies or perform routine support activities for the day-to-day operations of other businesses.

2007 South Dakota Covered Workers & Annual Pay for Professional and Business Services

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Professional and Business Services	4,118	27,581	\$36,966
Professional, Scientific and Technical Services	2,447	10,439	\$43,505
Management of Companies and Enterprises	178	3,042	\$72,023
Administrative and Support and Waste Management and Remediation Services	1,493	14,100	\$24,562
Administrative and Support Services	1,358	13,354	\$24,178
Waste Management and Remediation Services	135	746	\$31,436

Source: Labor Market Information Center, South Dakota Department of Labor

Professional, Scientific and Technical Services

The **Professional, Scientific and Technical Services** industry (NAICS sector 54) experienced an increase of 699 workers (7.2 percent) from 2006 to 2007. The majority of increases were from these subsectors: **Computer Systems Design and Related Services** (NAICS 5415); **Architectural, Engineering and Related Services** (NAICS 5413); and **Scientific Research and Development Services** (NAICS 5417).

Management of Companies and Enterprises

It was the second consecutive year of employment growth in the **Management of Companies and Enterprises** industry (NAICS sector 55), a welcome change from the four preceding years of employment losses. This is South Dakota's highest paying industry sector, due mostly to the highly skilled occupations involved, many of which are high-level management positions.

Administrative and Support, Waste Management and Remediation Services

The average number of workers in the **Administrative and Support and Waste Management and Remediation Services** industry (NAICS sector 56) increased 8.2 percent from 2006 to 2007. Establishments in the **Administration and Support Services** (NAICS 561) subsector comprise the largest portion of this industry and experienced the bulk of the worker growth, which is directly related to businesses outsourcing certain functions. By specializing in the day-to-day activities found in all types of organizations, administrative and support services firms can perform them more efficiently and at a lower cost. The number of workers in the **Waste Management and Remediation Services** (NAICS 562) subsector was up as well, by 45 (6.4 percent).

Education and Health Services

Educational Services

The number of workers within the **Educational Services** industry (NAICS sector 61) remained virtually unchanged in 2007 compared to 2006. Some subsectors of this industry had growth, which was offset by declines in other subsectors. Although the worker numbers remained stable over the year in this industry sector, annual pay noted a positive trend. Average annual pay jumped up by \$1,182 (4.6 percent).

2007 South Dakota Covered Workers & Annual Pay for Education and Health Services

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Education and Health Services	2,500	55,061	\$36,187
Educational Services	203	2,948	\$27,064
Health Care and Social Assistance	2,297	52,112	\$36,703
Ambulatory Health Care Services	1,312	13,742	\$55,119
Hospitals	57	19,067	\$40,174
Nursing and Residential Care Facilities	356	12,492	\$20,820
Social Assistance	572	6,811	\$18,962

Source: Labor Market Information Center, South Dakota Department of Labor

Health Care and Social Assistance

The **Health Care and Social Assistance** sector (NAICS sector 62) is growing on every level. Employment continued the climb it has been experiencing since at least 2001. This industry added 1,460 workers over the year, an increase of 2.9 percent. A total of 42 establishments were added between 2006 and 2007, perhaps reflecting the aging of the baby boomer generation and the increase in specialized areas of medicine and services. Not only did South Dakota add workers in this industry but their average annual wage increased by \$1,331 (3.8 percent) to \$36,703 in 2007.

The **Ambulatory Health Care Services** (NAICS 621) subsector again showed the largest number of new establishments, going from 1,261 in 2006 to 1,312 in 2007 for an increase of 4.0 percent. These new establishments fueled the 4.4 percent (584) rise in workers for a total of 13,742.

The **Hospitals** (NAICS 622) subsector saw healthy gains in both annual wages and employment numbers with the addition of 555 (3.0 percent) workers and a 4.8 percent increase in annual pay from 2006 to 2007.

The **Nursing and Residential Care Facilities** (NAICS 623) subsector had a slight decrease in workers, but did gain \$847 (4.2 percent) in annual pay from 2006 to 2007 for annual pay of \$20,820.

Leisure and Hospitality

The **Leisure and Hospitality** industry group is comprised of the **Arts, Entertainment and Recreation** industry, and the **Accommodation and Food Services** industry.

2007 South Dakota Covered Workers & Annual Pay for Leisure and Hospitality

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Leisure and Hospitality Services	3,237	43,070	\$11,958
Arts, Entertainment and Recreation	718	6,752	\$14,864
Performing Arts and Spectator Sports	110	1,004	\$12,291
Museums, Historical Sites, Zoos and Parks	40	465	\$19,156
Amusements, Gambling and Recreation	568	5,282	\$14,978
Accommodation and Food Services	2,519	36,319	\$11,417
Accommodation	599	8,221	\$13,510
Food Services and Drinking Places	1,920	28,098	\$10,805

Source: Labor Market Information Center, South Dakota Department of Labor

Arts, Entertainment and Recreation

The **Arts, Entertainment and Recreation** industry (NAICS sector 71) saw an increase of 19 establishments over the past year, a growth rate of 2.7 percent. The increase in the number of establishments brought about an increase of 309 workers (4.8 percent) over the year. This industry sector has three subsectors. The first, **Performing Arts, Spectator Sports, and Related Industries** (NAICS 711), has maintained a steady growth rate over the preceding five years. The subsector of **Museums, Historical Sites and Similar Institutions** (NAICS 712) has maintained stable worker levels for the past five years. The largest subsector in this sector is **Amusements, Gambling and Recreation** (NAICS 713). This subsector covers a large range of activities from amusement parks, water parks, arcades, large and small casinos, and bingo parlors. This subsector grew again in the number of establishments and employees, as it has for the last five years.

Accommodation and Food Service

Accommodation and Food Service (NAICS sector 72) is a large industry sector that held stable between 2006 and 2007. The number of workers in this industry sector has risen steadily every year since 2001, although by small increments. There was an overall loss of 12 establishments over the year with most of the loss attributed to **Food Service** (NAICS 722), but shared with the **Accommodation** (NAICS 721) subsector. Although the Accommodations subsector lost four establishments over the year, it did gain 196 workers (2.4 percent). Although the Food Service (NAICS 722) subsector suffered from a loss of eight establishments, it gained 100 workers (0.4 percent increase). This subsector had the largest percent increase (5.1percent) in average annual wages, increasing by \$528 to an average annual pay of \$10,805 in 2007.

Other Services (except Public Administration)

Businesses within the **Other Services** industry group provide services not elsewhere specified, including repairs and personal care.

The sector titled **Other Services** (NAICS sector 81) includes a wide variety of establishments with an array of services, such as repair and maintenance, personal and laundry services, membership organizations and private households. The growth in establishments was minor with a gain of only three from 2006 to 2007. A total of 193 workers (1.9 percent) were added during 2007; average annual wages in this sector increased by \$1,122 (5.2 percent).

A break down of the subsectors shows the **Repair and Maintenance** (NAICS 811) subsector had the majority of worker growth in this industry, increasing by 169 (4.5 percent). These workers also enjoyed a healthy increase in annual pay of 6.1 percent. Perhaps the events of the past year have resulted with people more willing to invest in maintaining and repairing what they own and be more cautious about new purchases.

Personal and Laundry Services (NAICS 812) showed a 3.2 percent increase in average annual pay in 2007, while the number of workers in this industry fell by 12 (-0.1 percent). The **Religious, Grant Writing, Civic, Professional and Similar Organizations** (NAICS 813) subsector gained nine new establishments over the year, adding 36 employees.

The small subsector of **Private Households** (NAICS 814) reported a large percentage gain (6.2 percent) in annual pay, which upped annual pay by \$765. Although the pay is low, workers in this industry often get other perks, including housing. This subsector includes many service occupations, such as maids, cooks, nannies, gardeners and chauffeurs.

2007 South Dakota Covered Workers & Annual Pay for Other Services

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Other Services	2,219	10,504	\$22,701
Repair and Maintenance	967	3,916	\$27,521
Personal and Laundry Services	507	2,773	\$17,970
Membership Associations and Organizations	507	3,520	\$21,872
Private Households	238	296	\$13,029

Source: Labor Market Information Center, South Dakota Department of Labor

Government

Federal Government

The number of **Federal Government** workers decreased again in 2007, making this the fourth consecutive year South Dakota has seen a decline. The only industry sector that showed a gain in worker numbers (95) for the Federal Government was **Healthcare and Social Assistance** (NAICS 62), which was focused within the **Hospitals** (NAICS 622) subsector and more specifically in Department of Veterans Affairs (VA) healthcare establishments. The VA has launched special efforts to provide 'seamless transition' for those returning from service in *Operation Enduring Freedom and Iraqi Freedom (OEF/OIF)*. Other industries within federal government continue to be hindered by budget restraints, which contributes to the slow decline in workers over the years. Agencies are not necessarily cutting people, but are not filling positions when current employees leave or retire.

2007 South Dakota Covered Workers & Annual Pay for Government

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Government	2,396	69,404	\$33,414
Federal Government	770	11,079	\$52,555
State Government	761	14,018	\$38,566
State Government Education	23	5,113	\$42,690
State Government, excluding education	738	8,905	\$36,198
Local Government*	865	44,307	\$26,997
Local Government Education	231	23,918	\$27,895
Local Government, excluding education	549	12,668	\$25,676

*Tribal government included in local government.

Source: Labor Market Information Center, South Dakota Department of Labor

State Government

State Government had a nominal increase in worker numbers in 2007 adding a mere 65 (0.5 percent) employees over the year.

Local Government

Local Government establishments added 291 workers (0.7 percent) in 2007, and annual pay rose by \$603 (2.3 percent). The **Education** (NAICS 61) sector is one of only three sectors that had worker increases in 2007, namely in public school districts. The **Health Care and Social Assistance** (NAICS 62) sector also increased in employment, which can be attributed to the growth of city owned hospitals across the state.

Local Government includes all tribal, city and county government agencies along with all local public and tribal schools. Tribal motels and casinos are also included. This definition of local government became effective in 2001, when a federal law was implemented that required establishments owned by American Indian tribes to be treated similarly to state and local governments. The end result was the reclassification of tribal-owned establishments from private industry to local government. Therefore, since this federal law was enacted, covered worker data presented for the local government ownership also includes workers employed at tribal-owned establishments.

2007 South Dakota Covered Workers & Annual Pay for Tribal Government

Industry Group, Industry and Subsector	Number of Establishments	Number of Workers	Annual Pay
Local Tribal Government	85	7,721	\$26,386
Local Tribal Government Education	32	1,979	\$29,796
Local Tribal Government excluding education	53	5,742	\$25,212

Source: Labor Market Information Center, South Dakota Department of Labor

Although the number of establishments for tribal government only decreased by two units, this correlated with a loss of 303 workers (or -3.8 percent). The worker loss was concentrated with public administration as opposed to education. However, it is important to note the decrease in workers is not associated with a layoff or business closure, but rather a decrease in the number of employers being covered by unemployment insurance.

Annual pay for tribal government increased by \$1,070 (or 4.2 percent) from the 2006 level of \$25,316, for a total average pay of \$26,386.

Industry Projections

The 2006-2016 industry projections expect job growth for all industry sectors in South Dakota. The table below highlights the top industries expected to add the most jobs to our state economy.

South Dakota Industries with the Highest Projected Job Growth

Industry	2006 Number of Jobs	2016 Number of Jobs	Job Growth
Total Nonfarm	399,235	470,070	70,835
Health Care and Social Assistance	51,984	64,829	12,845
Construction	21,832	30,132	8,300
Finance and Insurance	25,899	33,802	7,903
Manufacturing	41,395	49,177	7,782
Accommodation and Food Services	36,022	42,867	6,845
Administrative and Support and Waste Management Services	13,035	18,373	5,338
Retail Trade	49,222	53,842	4,620
Professional, Scientific and Technical Services	9,741	12,846	3,105
Transportation and Warehousing	10,485	12,409	1,924
Other Services (except Public Administration)	15,641	17,415	1,774

Source: Labor Market Information Center, South Dakota Department of Labor

The combined job growth of the top four industry sectors (Health Care and Social Assistance; Construction; Finance and Insurance; and Manufacturing) is expected to account for over half of the projected job growth for the entire state.

Industries projected to grow at the fastest rate are detailed in the table below. This list includes the same industry sectors expected to add the most jobs; however, when ranked by percentage growth, some different industries top the list.

South Dakota Industries with the Highest Rates of Projected Job Growth

	2006 Number of Jobs	2016 Number of Jobs	Percent Growth
Total Nonfarm	399,235	470,070	17.7%
Administrative and Support and Waste Management Services	13,035	18,373	41.0%
Construction	21,832	30,132	38.0%
Professional, Scientific and Technical Services	9,741	12,846	31.9%
Finance and Insurance	25,899	33,802	30.5%
Health Care and Social Assistance	51,984	64,829	24.7%
Accommodation and Food Services	36,022	42,867	19.0%
Manufacturing	41,395	49,177	18.8%
Transportation and Warehousing	10,485	12,409	18.4%
Other Services (except Public Administration)	15,641	17,415	11.3%
Retail Trade	49,222	53,842	9.4%

Source: Labor Market Information Center, South Dakota Department of Labor

Occupational Projections

Occupations with the highest levels of growth have a strong correlation to the high growth industries. The table below details the occupations expected to have the fastest growth rates, many of which are occupations common to the construction, manufacturing and health care fields.

South Dakota's Projected Fastest Growing Occupations 2006-2016

	2006 Number of Jobs	2016 Number of Jobs	Percent Growth
Computer Software Engineers, Applications	605	1,015	67.8%
Welding, Soldering & Brazing Machine Operators	350	555	58.6%
Network Systems and Data Communications Analysts	745	1,155	55.0%
Bill and Account Collectors	4,160	6,340	52.4%
Industrial Engineers	315	470	49.2%
Computer Software Engineers, Systems Software	390	565	44.9%
Industrial Machinery Mechanics	840	1,200	42.9%
Helpers—Pipelayers, Plumbers, Pipefitters and Steamfitters	300	425	41.7%
Dental Hygienists	380	535	40.8%
Customer Service Representatives	8,970	12,610	40.6%
Helpers—Brickmasons, Stonemasons and Tile Setters	260	365	40.4%
Home Health Aides	840	1,170	39.3%
Medical Assistants	845	1,175	39.1%
Roofers	335	465	38.8%
Dental Assistants	735	1,020	38.8%

Source: Labor Market Information Center, South Dakota Department of Labor



High Demand Occupations

The occupational demand corresponding to the expected industrial growth in the state indicates many of the fastest growing occupations will require postsecondary talent development. In addition to growth, a projected estimate of replacement needs is also calculated for each occupation. Replacement need measures the net result of workers moving in and out of occupations. Some become employed in a different occupation as a result of a promotion, a desire to change careers or the loss of an existing job. Others who leave an occupation stop working altogether because they retire, move, become ill or have another reason for leaving. Individuals who change employers but remain in the same occupation (the sum of which are often referred to as 'turnover') are not included in estimates of replacement needs, because job changes by these individuals have no impact on the number of openings for an occupation. The combined growth and replacement need for workers in an occupation is referred to as the total demand.

Occupations requiring some type of postsecondary talent development are expected to grow at rate of 15.9 percent, generating over 68,000 job opportunities from 2006-2016. Occupations that require on-the-job talent development are expected to grow 16.2 percent, generating about 105,000 job opportunities for the same time period. Jobs in these occupations tend to be lower paying and experience a high replacement rate as workers think of these jobs as stepping stones to better paying jobs. Many of these jobs are taken by younger workers or workers who want part-time jobs. Shown below and on the next page are occupations for which workers are projected to be in greatest demand in South Dakota to 2016. The occupations are grouped by level of education, training and experience required.

Occupations Involving On-the-Job Training

(Employers provide up to one year of on-the-job training)

	Average Annual Demand	2008 Average Wage
Retail Salespersons	713	\$10.68
Customer Service Representatives	614	\$12.34
Waiters and Waitresses	564	\$7.28
Cashiers	552	\$8.10
Bookkeeping, Accounting and Auditing Clerks	359	\$12.30
Janitors and Cleaners, except Maids and Housekeeping Cleaners	302	\$9.86
Laborers and Freight, Stock and Material Movers, Hand	292	\$10.14
Combined Food Preparation and Serving Workers, including Fast Food	289	\$7.29
Bill and Account Collectors	281	\$13.19
Truck Drivers, Heavy and Tractor-Trailer	269	\$16.06

Source: Labor Market Information Center, South Dakota Department of Labor

Occupations for which Some Postsecondary Training is Preferred

(Employers prefer some postsecondary education, less than a bachelor's degree)

	Average Annual Demand	2008 Average Wage
Registered Nurses	434	\$25.06
Carpenters	208	\$14.63
Welders, Cutters, Solderers, and Brazers	148	\$13.70
First-Line Supervisors/Managers of Retail Sales Workers	129	\$19.19
Teacher Assistants	119	\$22,033/yr
Executive Secretaries and Administrative Assistants	118	\$14.91
Electricians	111	\$19.65
First-Line Supervisors/Managers of Office and Administrative Support Workers	108	\$20.58
Cement Masons and Concrete Finishers	102	\$13.74
Insurance Sales Agents	87	\$24.13

Source: Labor Market Information Center, South Dakota Department of Labor

Occupations for which a Bachelor's Degree is Preferred

(Employers prefer workers with a bachelor's degree.)

	Average Annual Demand	2008 Average Wage
Accountants and Auditors	174	\$24.60
Secondary School Teachers, except Special and Vocational Education	134	\$37,227/yr
Elementary School Teachers, except Special Education	121	\$36,270/yr
Residential Advisors	76	\$10.32
Middle School Teachers, except Special and Vocational Education	66	\$38,767/yr
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	66	\$30.82
Computer Software Engineers, Applications	50	\$34.33
Child, Family and School Social Workers	50	\$16.36
Claims Adjusters, Examiners and Investigators	34	\$25.94
Employment, Recruitment and Placement Specialists	30	\$20.30

Source: Labor Market Information Center, South Dakota Department of Labor

High Wage Occupations

Shown below are the occupations with the highest average wages in 2008. The occupations are grouped by level of education, training and experience required.

Occupations Involving On-the-Job Training

(Employers provide up to one year of on-the-job training)

	2008 Average Wage
Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products	\$24.66
Cargo and Freight Agents	\$22.10
Postal Service Mail Carriers	\$21.49
Postal Service Clerks	\$21.40
Police and Sheriff's Patrol Officers	\$18.00
Telecommunications Line Installers and Repairers	\$17.98
Postal Service Mail Sorters, Processors and Processing Machine Operators	\$17.57
Paving, Surfacing and Tamping Equipment Operators	\$16.94
Brokerage Clerks	\$16.78
Logging Equipment Operators	\$16.55

Source: Labor Market Information Center, South Dakota Department of Labor

Occupations for which Some Postsecondary Training is Preferred

(Employers prefer some postsecondary education, less than a bachelor's degree)

	2008 Average Wage
First-Line Supervisors/Managers of Non-Retail Sales Workers	\$36.12
Power Distributors and Dispatchers	\$32.58
First-Line Supervisors/Managers of Fire Fighting and Prevention Workers	\$30.03
Electrical and Electronics Repairers, Powerhouse, Substation and Relay	\$28.24
Dental Hygienists	\$27.59
First-Line Supervisors/Managers of Police and Detectives	\$27.40
Power Plant Operators	\$27.38
Nuclear Medicine Technologists	\$27.05
First-Line Supervisors/Managers of Mechanics, Installers and Repairers	\$27.03
Radiation Therapists	\$25.95

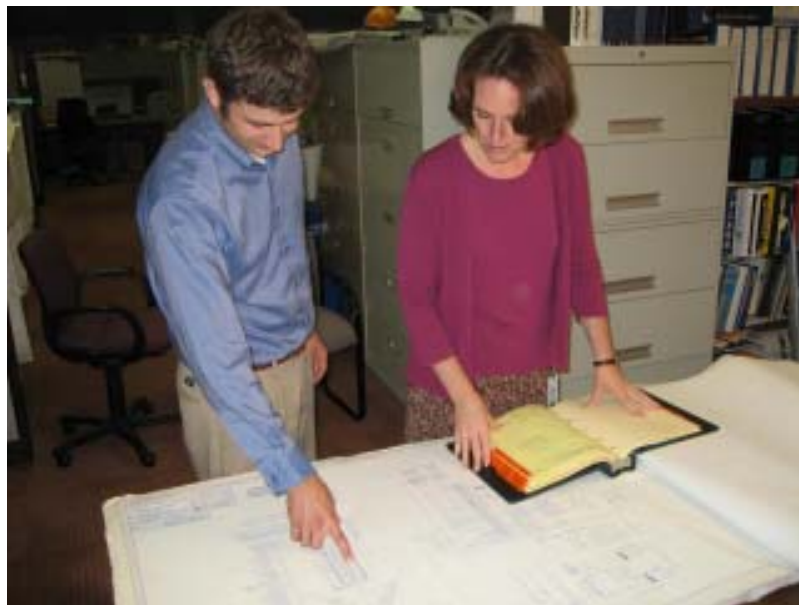
Source: Labor Market Information Center, South Dakota Department of Labor

Occupations for which a Bachelor's Degree is Preferred

(Employers prefer workers with a bachelor's degree.)

	2008 Average Wage
Securities, Commodities and Financial Services Sales Agents	\$65.26
Architects, except Landscape and Naval	\$42.09
Computer Software Engineers, Systems Software	\$39.16
Sales Engineers	\$34.66
Computer Software Engineers, Applications	\$34.33
Atmospheric and Space Scientists	\$32.61
Industrial Engineers	\$31.70
Mining and Geological Engineers, including Mining Safety Engineers	\$31.45
Financial Examiners	\$31.02
Electrical Engineers	\$30.84

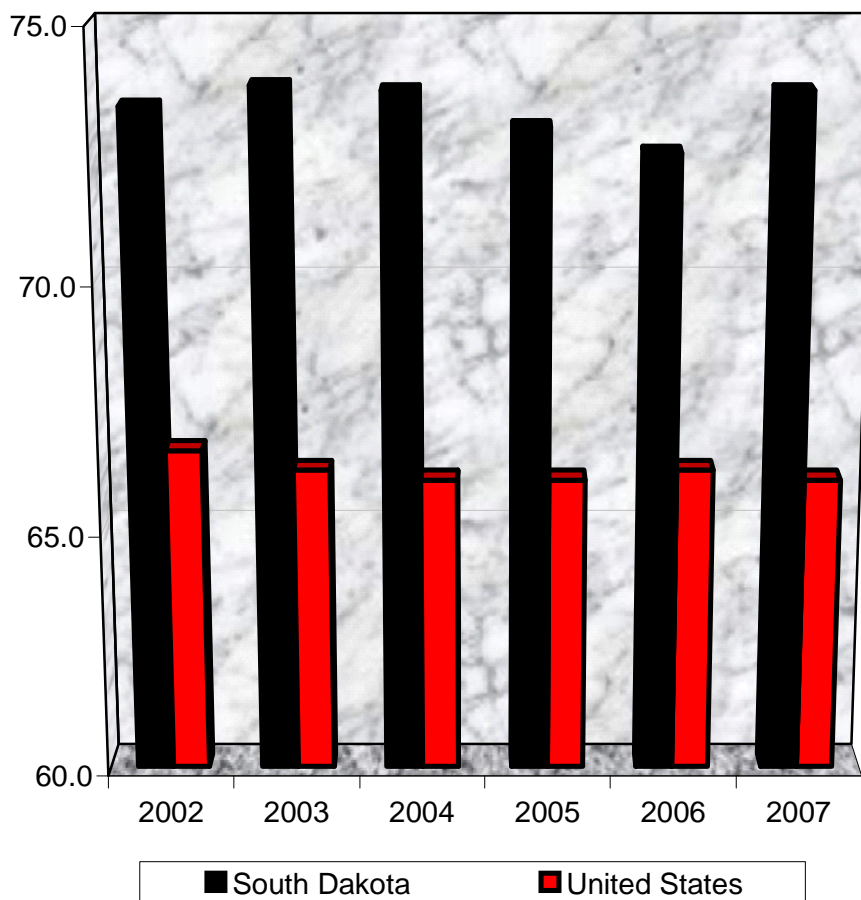
Source: Labor Market Information Center, South Dakota Department of Labor



Labor Force Trends

The residents of South Dakota participate in the labor force at a very high rate. The most current annual Current Population Survey figures show South Dakota's labor force participation rate was 73.7 percent in 2007. In other words, almost 74 percent of all residents age 16 years and over were in the labor force, either working or looking for work. This compares to a 2007 national average of 66.0 percent. North Dakota was the only other state to have a higher rate, at 74.3 percent.

Labor Force Participation Rates South Dakota and the United States



The youth in the state were also comparatively more active participants in the labor force. In 2007 approximately 60.7 percent of South Dakota's youth (age 16-19 years) were in the labor force, compared to the national rate of 41.3 percent.

2007 Annual Average Labor Force Participation Rates

	Total	16-19	20-24	25-34	35-44	45-54	55-64	65+
United States	66.0	41.3	74.4	83.3	83.8	82.0	63.8	16.0
South Dakota	73.7	60.7	84.7	88.9	91.3	90.0	81.3	24.1

Source: Geographic Profile of Employment, Bureau of Labor Statistics, U.S. Department of Labor

Since the labor force participation rate is very high in South Dakota, it is not unexpected the unemployment rate would be low. In 2007, the average unemployment rate was 3.0 percent, compared to the national rate of 4.6 percent. Because of the combination of metropolitan and rural areas of the state, along with the close connection to the agricultural economy, South Dakota typically enjoys low unemployment rates. As of August 2008, the seasonally adjusted unemployment rate in South Dakota was 3.3 percent, compared to the national rate of 6.1 percent.

Facing Tomorrow's Labor Challenges

Despite the current rising national unemployment rate, there are other labor force issues to face in the U.S. Our nation is growing older, and so is its labor force. The labor force—the number of people working or looking for work—is a dynamic concept that demonstrates the net impact of all demographic, social, political and historical forces affecting a population. The growth of the labor force is one of the main ingredients of economic growth and prosperity.

This being said, the U.S. will face critical shortages of qualified workers as many older workers start to retire. The increase in older workers is a result of the post World War II baby boom generation—people born between 1946 and 1964. These baby boomers represent a sizeable portion of the labor force and will have a significant impact on labor economics as more and more of them become eligible for retirement.

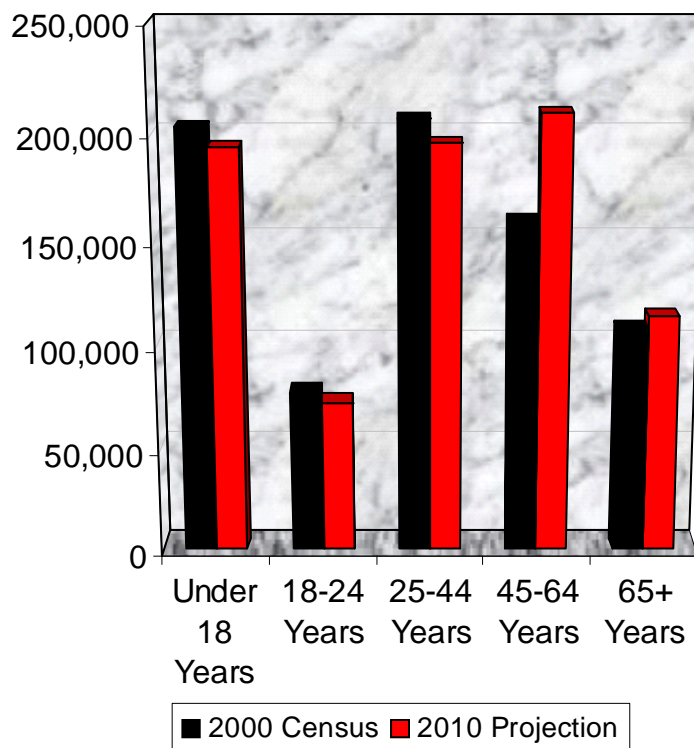
An article published by the U.S. Bureau of Labor statistics entitled *A Century of Change; the U.S. Labor Force, 1950-2050* examines the history of our nation's labor force. The effects of the massive demographic changes that occurred within the U.S. population over the latter part of the 20th century are serving as the catalyst for more dramatic changes in the first half of the 21st century. Historical labor force data from 1950, along with projected levels to 2050 show a change in both growth rates of the population and labor force participation rates. The U.S. has a steadily growing labor force that, compared with 1950, is today older, more diversified and increasingly made up of women. The same forces that have influenced the size and composition of the U.S. labor force over the past 50 years are expected to shape the future of the workforce as well. Some of the key findings stemming from research upon which the article was based are as follows:

- ◆ *Slowdown in growth of the labor force.* The high growth rate of the civilian labor force from 1950-2000 will be replaced by much lower growth rates in the next 50 years.
- ◆ *Changes in gender structure of the labor force.* Women in the labor force increased their numbers at an extremely rapid pace from 1950-2000. It is anticipated the percent growth of females in the labor force will slow markedly in the next 50 years. The factor most responsible for the earlier high growth rate was the rapid increase in the labor force participation rate of women, which stood at 34 percent in 1950 and increased to 60 percent by 2000. The number of women in the labor force rose from 18 million in 1950 to 66 million in 2000, an annual growth rate of 2.6 percent. The number of working women is projected to reach 92 million by 2050 on the basis of a projected annual growth rate of 0.7 percent.

- ◆ *Changes in the age structure of the labor force.* With the aging of the baby-boom generation, the older age cohorts are expected to make up a larger proportion of the labor force in the next two decades. The 55-and-older age group, which made up 13 percent of the labor force in 2000, is projected to increase to 20 percent by 2020. It is anticipated by 2050 the group will make up 19 percent of the labor force.
- ◆ *Changes in the racial and ethnic composition of the labor force.* The labor force is expected to become more diverse. With higher population growth and increasing participation rates, the share of minorities in the workforce is projected to expand substantially. The share of white non-Hispanics is anticipated to decrease from 73 percent in 2000 to 53 percent in 2050. Over the same period, Hispanics are expected to more than double their share, from 11 percent in 2000 to 24 percent of the labor force in 2050. Blacks also are expected to increase their share, from 12 percent in 2000 to 14 percent in 2050. Asians, the fastest-growing group in the labor force, are projected to increase their share from five percent to 11 percent between 2000 and 2050.

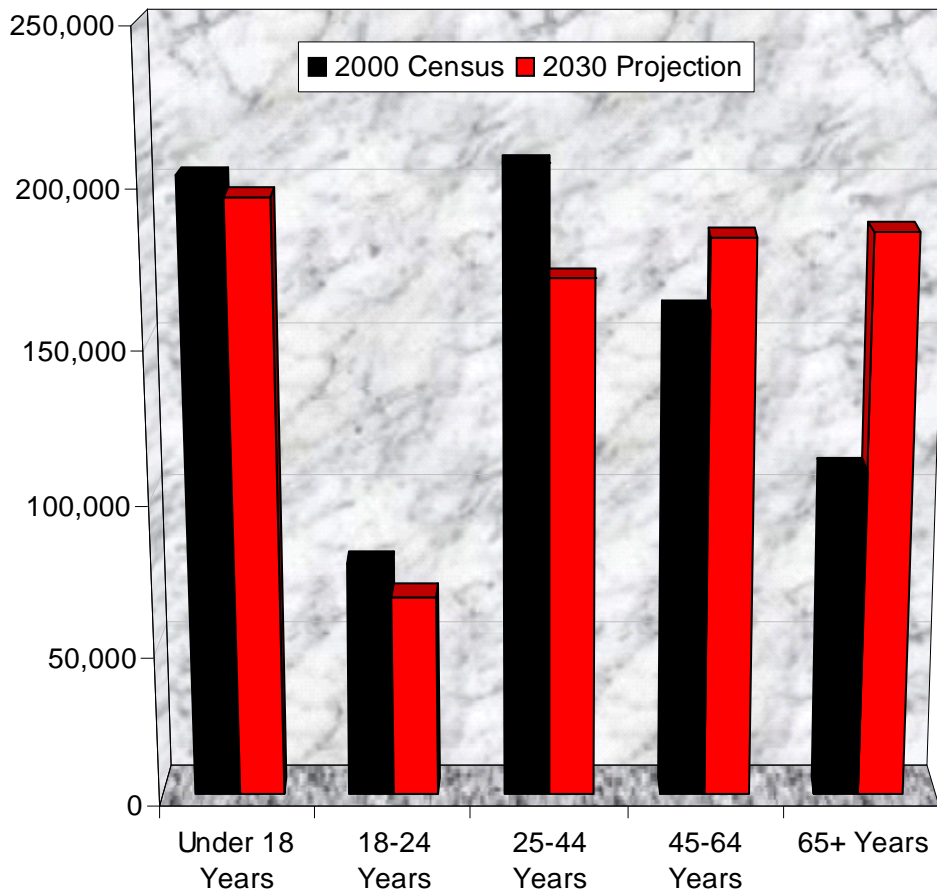
South Dakota will not be immune to the drastic labor force changes projected to occur. Based on population projections published by the U.S. Census Bureau in 2005, South Dakota's total population is expected to grow at a slow but steady rate. The chart below shows our state is expected to decrease its population in the younger age groups but gain population in the older age groups.

South Dakota Population Estimates Select Age Cohorts 2000 and 2010



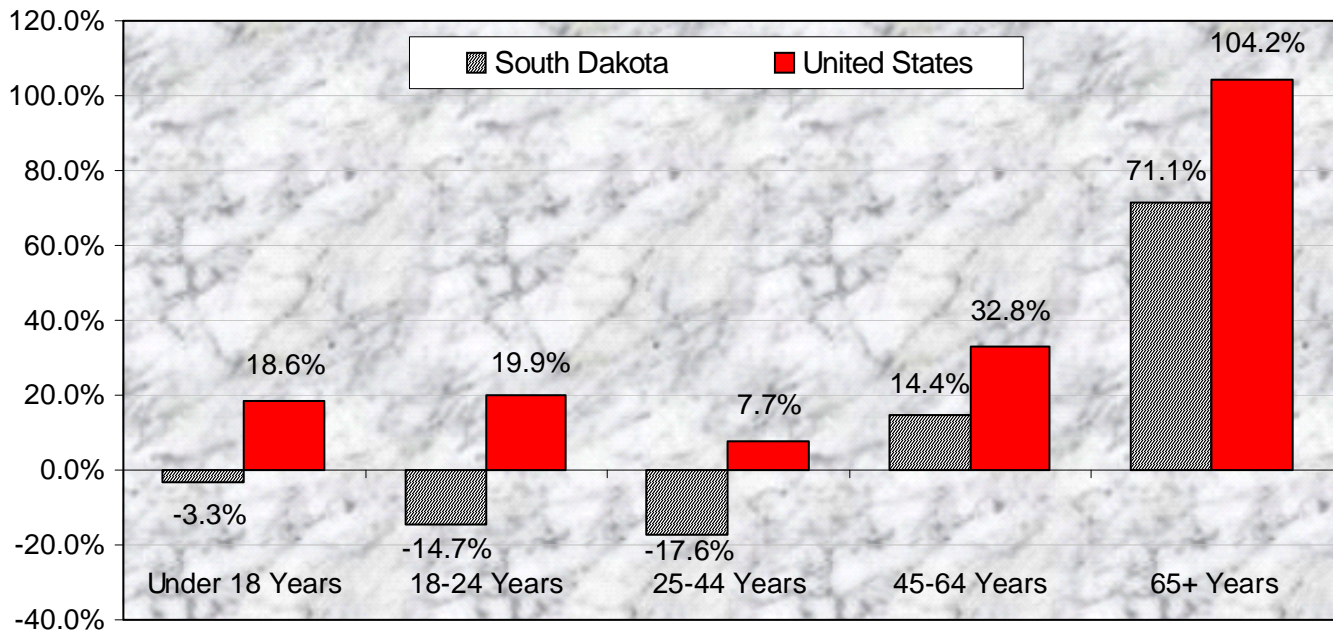
The projected diverging trends in South Dakota between the young and older population groups are expected to become more dramatic through the year 2030. The chart below details the projected numerical change in the population groups from 2000 through the year 2030.

South Dakota Population Estimates Select Age Cohorts 2000 and 2030



Although changes in the younger age groups do not seem too drastic, it is evident the younger age groups are expected to decline as the older age groups are expected to increase. The chart below, which details the expected percent change in population growth for both the U.S. and South Dakota, shows the age group 65 years and older is expected to increase 71 percent in South Dakota from the year 2000 through 2030.

South Dakota and United States Population Estimates by Select Age Cohorts Percent Change 2000-2030



The growth rate of 71 percent is quite high, but when compared to the growth rate of 104 percent for the U.S., it is a bit more conservative. However, although the U.S. has a higher rate of growth in the older age groups, the nation is still expected to have growth in all age groups, whereas South Dakota is expected to see declines in the younger age groups.

These population demographics project a *'dramatic downward shift in the availability of potential workers relative to persons outside the normal working age.'* This means there will be fewer residents of working age compared to those too young to be in the labor force and older residents who have left the labor force.

Economic dependency ratios statistically reflect this change in demographics, comparing the ratio of the combined youth population (under age 20) and the older population (age 65 years and older) per 100 people age 20-64 (people of labor force age).

An economic dependency ratio of 80.1 means that for every 100 persons in the labor force, there are approximately 80 persons not in the labor force. The example below shows the economic dependency

ratios for both the U.S. and South Dakota. For both the U.S. and South Dakota, the ratios are increasing with South Dakota's expected to grow at a faster rate.

South Dakota			United States		
2000	2030	Change	2000	2030	Change
80.1	100.6	20.6	69.6	84.5	15.0

Ratios are also developed specific to the youth (under 20 years) and old age (65 years and older) population groups. The youth dependency ratio represents the number of persons less than 20 years of age per 100 people age 20-64. For both the U.S. and South Dakota, the youth ratio is expected to remain relatively stable through the year 2030.

South Dakota			United States		
2000	2030	Change	2000	2030	Change
54.3	54.2	0.0	48.5	48.3	-0.2

The old age dependency ratio represents the number of people age 65 years and older per 100 people age 20-64 years of age. The table below shows this dependency ratio is expected to have a higher rate of growth in South Dakota compared to the U.S.

South Dakota			United States		
2000	2030	Change	2000	2030	Change
25.8	46.4	20.6	21.1	36.3	15.2

With the workforce opportunities that will be available, many workers may put off retiring, or retire from their lifetime career and seek new career opportunities in the labor force. Research suggests maturing workers will have the ability and the desire to work productively and innovatively well beyond today's normal retirement age. In coming years, more Americans reaching their 60s and 70s are going to want to work, at least part time.

The expression "phased retirement" is becoming commonly heard; some companies are being creative and flexible in developing ways to phase employees into retirement—giving them time to explore opportunities and interests before retiring. For example, some employers will allow a worker to reduce the days or hours worked per week or telecommute. Others have even arranged for employees to perform consultant duties or to be available to work on special projects after they retire.

Other flexible plans to retain the mature worker will likely emerge, especially since the projected changes in South Dakota's labor force are colliding with great potential for economic growth in our state. There have been many recent economic developments in South Dakota, with more in the works. Growth in the healthcare field, along with the development of alternative energy sources,

including wind and ethanol, has added hundreds of jobs to the South Dakota economy. Pending projects, including the Deep Underground Science and Engineering Laboratory (DUSEL) and the Hyperion Energy Center, have the potential to add a high number of additional jobs.

In light of a decreasing labor force and the potential for hundreds of more jobs, what can employers do to attract and retain workers? They can take advantage of the Workforce 2025 initiative. The mission of Workforce 2025 is to ensure South Dakota has a competent and qualified workforce to allow for economic growth and expansion. Five programs were developed as a part of Workforce 2025: Live Dakota, Dakota Seeds, Dakota Roots, Grow Dakota and Build Dakota.



Live Dakota is an effort to retain current South Dakotans in our workforce. As an employer posts jobs with the Department of Labor, they are included in the job database SDWORKS which feeds the Live Dakota Web site. These jobs will be promoted to South Dakotans, specifically targeting Generation Y.

Dakota Seeds is an effort to increase the number of internships in South Dakota. This program is focused on creating 1,000 new internships in the science, technology, engineering and math fields by the 2011 school year.



Dakota Roots is an effort to recruit individuals and businesses to South Dakota, especially those who hailed from South Dakota originally. As of August 2008, over 2,600 people registered with Dakota Roots say they would move back to South Dakota given the right career opportunity. By listing job orders with the Department of Labor, employers can be connected to quality applicants. If a business becomes a partner, the business logo and Web site will be featured on the Business Partners Web page.

Grow Dakota is preparing students for tomorrow's workforce and providing teachers and principals a vision for the 21st century high school.

Build Dakota is developing solutions to immediate, intermediate and long-term workforce challenges facing industries statewide including healthcare, manufacturing, financial services and construction trades.

With the slowdown in labor force growth and the looming retirement of the baby boomers, the competition for workers will be tough in South Dakota and across the nation. Although the Census Bureau anticipates more immigration in the coming years in response to the aging workforce and corresponding workforce opportunities, now is the time to encourage friends and relatives to come to and remain into South Dakota to live, grow and build.

Addressing Generational Differences in the Workforce

One of the issues which keeps surfacing as we address the challenges of ensuring a South Dakota workforce prepared for the future is generational differences. Quite naturally, the greatest concerns with generational differences in the workplace currently focus on the youngest generation, Generation Y.

Generation Y is made up of those born between 1978 and 1995. Some are in their first few years of full-time employment following school; the youngest of the group will come of legal employment age within the next couple of years. Employers are finding vast differences in the psyche of this group, requiring some revamping in the traditional human resource and management techniques used to attract and retain quality employees.

With nationwide concerns of workforce shortages now and into the future we are demographically dependent, more than ever before, on this youngest group for the labor needed to sustain our economy. As baby-boomers begin to retire, many employers are finding they may have no choice but to accommodate the high expectations of this new group of workers.

Before we look at how and why Gen Yers are causing some “shockwaves of change” in the workplace, it is important to look at those generations they are different from—the employees older than them who are not only their co-workers, but often their lead workers, supervisors and top managers. As is usually the case in working out any differences, the first step is understanding where each of the players in the situation is coming from. So as a starting point, let’s look at each prior generation—who they are, and what events and social circumstances have molded them uniquely as they are.

Generation Profiles

The eldest generation still in the workplace are the **Traditionalists**, those born between **1900 and 1945**. Many of this group of 43 million nationwide (128,555 in South Dakota) who are still living have already retired—or are very close to retirement. This generation experienced two world wars and the Great Depression. “Making do or doing without” was their culture. This generation loves their “stuff” and hates to get rid of anything as a consequence. Other defining events which helped shape this generation’s viewpoint of employment and life in general were the New Deal, the Korean War and the GI Bill. If one word were to be used to describe this generation of workers, it would be loyal. They respected authority and believed in working hard. Formal organization structures were the normal working environment. Individuals worked to build a legacy through a lifetime career—which normally also meant with just one employer.

Next come the **Baby Boomers**, the large group (over 75 million nationally, more than 200,000 in South Dakota) born between **1946 and 1964**. Largely because they are such a large group, this

generation has had profound effects on everything in society. New schools were built for them, and now retirement developments and healthcare facilities are being built to accommodate them. This generation experienced everything from tragedy to escapism before plunging into the real world. Leaders and events ranged from Martin Luther King Jr. and John Kennedy to Richard Nixon and “Deep Throat,” and from the Osmond family to the Beatles and Elvis Presley. Boomers grew up in a relatively affluent, opportunity-rich world.

The single most profound influence on this generation was probably the birth of television during their defining years. Experiencing landmark events such as Viet Nam, Watergate and assassinations, whether live or through TV, permanently changed the Boomers. If the Baby Boomers had to be described in one word, it might be optimistic—or maybe competitive. They value peer competition and are committed to climbing the proverbial career ladder to success. While Traditionalists worked hard because it was “the right thing to do,” Boomers earned a “workaholic” branding, believing it was the way to get ahead and succeed.

Next on the scene were the **Generation Xers**, born between **1965 and 1977**. Although relatively small (66 million nationally, roughly 150,000 in South Dakota), this generation has carved out its own unique identity in the workforce. This generation has noted some remarkable accomplishments as managers, inventors and entrepreneurs. Think Bill Gates. Xers saw many “big names” indicted or exposed as someone far too human to be a role model—the Brat Pack, Bill Clinton, Ayatollah Khomeini, O.J. Simpson, Dennis Rodman and Madonna, to name a few. While Traditionalists were characterized as being loyal and boomers optimistic, Xers have been marked by skepticism. Xers are an extremely resourceful and independent generation who count on their peers and themselves to get things done. While they will work hard, their focus is on finding quicker, more efficient ways of getting the job done so they can have more free time for themselves and family. Xers have fought for “self command” in the workplace, preferring to manage their own time and solving their own problems rather relying on management to do it for them. They see job changing not only as acceptable, but necessary; employer loyalty to them is giving a two-week notice.

Last on the workforce scene is **Generation Y**, also called the millennials, Echo boomers, the baby busters or Generation Next—those nearly 76 million (about 203,000 in South Dakota) born between **1978 and 1995**. Compared to generations before them, this generation’s biggest influence has been technology. They have grown up with access to cell phones, personal pagers and personal computers. Gen Yers have been directly affected by personal threats stemming from violent outbreaks such as Columbine, Virginia Tech, readily available illegal drugs, the proliferation of gangs—and probably most poignantly, the 9/11 tragedies. Generation Y also has in common an appreciation for diversity. After all, they have been exposed to many different kinds of people through travel, day care, technology and the media. Raised largely by baby boomers, Gen Yers feel empowered to take positive action when things go wrong. The ideal workplace of Generation Y is characterized more by collaboration and workgroups rather than reflecting the more traditional organization chart of superiors and worker bees. They multi-task and build parallel careers, and see job changing as part of a nearly daily routine.

How Generation Y Differences Show Up in the Workplace

So in what ways are the Gen Yer differences surfacing in the workplace, and what can employers do to minimize conflicts between generations and capitalize on the strengths of each for the most productive workforce possible? Whereas previous generations feel they worked hard to earn their climb from rung to rung up the career ladder to their current positions, Generation Y feel entitled to those positions at the get-go. They expect promotions and raises every year. These millennials are accustomed to instant gratification. This is not too surprising, considering they were raised when the Internet, instant messaging and fast food were the norm.

Generation Y was never given much negative feedback. They were used to getting “participation ribbons” or trophies just for taking part in sports or other activities. Parenting styles were more “coaching” oriented—focusing on building the self-esteem of their children. Previous generations can handle criticism easier because they have gotten it all their lives. The older generations were raised when parenting styles were to offer criticism of performance, with positive reinforcement being rather rare in many cases. Papers in school were graded strictly not only for content, but for grammar, usage and spelling regardless of the school subject they were written for; nothing was overlooked for the sake of encouraging creating writing. Materially, the general affluence of the 80s and 90s meant parents of Gen Yers have been able to give their children more than any previous generation. Some suggest these parents have tried to give their children more financially out of guilt for not having spent more time with them—during the decades where dual-income households and single parents were prevalent.

While older generations have had to learn technology, Generation Y is super-technical. They used computers for school work (some beginning as early as kindergarten), and some could use a mouse nearly before they could walk. They never knew a world without techno-toys like cell phones, CD and DVD players, MP3 players and iPods, so using such technology is second nature for them.

Whereas prior generations tend to work best individually even though they have learned to adapt when projects call for teamwork, Gen Yers thrive on teamwork with their peers.

While the traditionalists, boomers and Generation Xers tended to be career focused and fit in family time around workplace responsibilities, Generation Y puts the highest priority on family and friends, then work. Likewise, while the prior generations delayed planning for retirement until later in their careers, Generation Y is planning immediately for retirement.

Youth focus groups recently conducted for the Department of Labor show the state’s Gen Yers have the same characteristics as their national counterparts. They have clearcut and definite expectations of employers and the workplace. They expect employers to be flexible with schedules, allowing time for fun, family, friends and community service projects—which they also highly value. They also want employers to pay for ongoing and advanced education, and to provide mentoring opportunities. In fact, they expect employer support of customized career development plans. And they expect employers to help them plan now for retirement.

Generation Y wants feedback all the time, but they have a hard time handling constructive criticism. Think of the video games they grew up on, where the score was displayed instantly on the screen. But remember the ribbons they were used to getting just for participating in activities.

The millennials want a lot of responsibility right from the start on a new job. They don't want to "pay their dues" and work their way up to that responsibility and higher wages. As multi-taskers who have been accustomed to multi-media entertainment, they want jobs with lots of variety.

Adapting Workplaces for Integrating Generation Y

So what can managers do to accommodate and utilize the strengths of this generation, who some say may be the highest performing workforce yet? The following are just a few possible accommodations, at least some of which may prove effective not only with Generation Y but with other generations in the workplace as well.

One suggestion for employers in recruiting and retaining Generation Y workers is to initiate open communication with them up front about their expectations—before even hiring them. Address any unrealistic expectations they have, and be open and candid with them.

When communicating with Generation Y in the workplace, embrace the technologies that are second nature to them. Send them text messages about staff meetings, and share information on flash drives rather than in brochures or reports, for example.

Another suggestion is to help Gen Y employees establish and maintain individual development plans. These workers get bored easily, and they want goals to attain. Find out what types of projects they are interested in doing, what they want to learn, then give them opportunities and encouragement to pursue those things as long as it fits within your organization's mission. Another way to engage and challenge younger employees is to involve them in meetings, planning and decision-making to the extent possible. Some employers have implemented mentoring plans. Each new young employee is paired up with a more seasoned worker to help through the orientation process, and possibly beyond—through a career development plan. On the flip side, it may be effective to rely on the technological savviness of the Gen Yers in lead roles to help more seasoned workers learn to use the techno-tools.

Depending on the nature of the business, one of the easiest but most effective accommodations may be alternate schedules. Gen Yers have been found to be project driven, willing to work long hours to finish a project. But they do not necessarily embrace the concept of working from 8 to 5, regardless of immediate workload. If possible, allow them flexibility in their work schedules as long as goals are being met. A reward for a completed project could be an early leave time; it would not have to be every day.

A related accommodation some employers are offering Gen Yers, and other aged workers as well, is the option to work from home or another remote location. Some employers are even purchasing

home computer equipment for them, or reimbursing them for equipment they purchase on their own but can use for work. Working from home allows the workers much greater flexibility to work “all hours” when driven by a project, with free time conveniently at home when it is finished.

Communication is key. Find out what else motivates the Gen Yers in your workplace and incorporate perks when possible, whether it be an additional vacation day for excellent work, or gift cards for meals or entertainment. The South Dakota focus groups mentioned earlier showed entertainment is a high priority of this generation.

Millennial workers want to feel they are contributing members of the workplace immediately. Relatively simple efforts like having business cards ready for the Gen Yer’s first day of work may go a long way to this end. Consider social activities like happy hours, group lunches or company-sponsored sports teams to encourage informal networking. Mentoring programs, mentioned above, may help achieve this as well.

Gen Yers place a high priority on community involvement; they want to make a difference in the area where they live. Consider allowing a certain amount of time “on the clock” for such activities. Pursue opportunities for public relations as a return on that investment. Get your company listed as a sponsor of the activity, for example.

These are just a few examples of how employers are making some adjustments to more traditional management and human resource practices to accommodate the differences of Generation Y so they can capitalize on the innovation, fresh perspective and new energy they can bring to the workplace.

The Workforce 2025 program called Live Dakota focuses on retaining current South Dakotans in the workforce, specifically targeting Generation Y. Through outreach efforts by the Department of Labor, these millenials are being educated about the great career opportunities available to them right here in South Dakota. It is possible to “live the good life” in South Dakota because we can offer not only a great quality of life, but rewarding employment as well. For more information, visit www.LiveDakota.org.



The Future Workforce

In South Dakota, the Workforce 2025 initiative is a joint partnership involving government, education and business. Government organizations provide the vision and communication/collaboration, and create an attractive education and business environment. Educational institutions provide the pathway to knowledge and skills, and create and encourage a challenging and entrepreneurial environment. Businesses provide for investment and opportunity.

The Departments of Labor, Education, Tourism and State Development, and the Board of Regents are working in partnership to ensure South Dakota has a competent and qualified workforce to allow for economic growth and expansion.

The members of this partnership will focus on ensuring a qualified and highly capable workforce to allow for economic growth and expansion and to sustain our youth population by establishing meaningful, fulfilling and interesting career opportunities with high paying, high growth jobs. The five flagship programs developed to accomplish the goals of Workforce 2025 include:

- ◆ Live Dakota is an effort to retain current South Dakotans in our workforce.
- ◆ Dakota Seeds is an effort to increase the number of internships in South Dakota.
- ◆ Grow Dakota is preparing students for tomorrow's workforce.
- ◆ Build Dakota is developing solutions to immediate, intermediate and long-term workforce challenges.
- ◆ Dakota Roots is an effort to recruit individuals and businesses to South Dakota, especially those who hailed from South Dakota originally.

Dakota Roots has had tremendous success in its efforts to recruit individuals and businesses to South Dakota. As of September 19, 2008, Dakota Roots has recorded:

- ◆ 1,529 active registered job seekers
- ◆ 711 seekers who have entered employment in South Dakota
- ◆ 321 business partners
- ◆ 47 inquiries regarding business expansions in South Dakota

As a component of Build Dakota, the SDDOL is conducting a survey to assess workforce challenges faced by employers in order to identify strategies to address these challenges. The Build Dakota program is providing industry leaders across the state an opportunity to participate in an online survey to share information on their current and future workforce needs.

The SDDOL has mailed letters with instructions on how to access the online survey to 5,000 businesses. Once the survey is complete, the survey data will be tabulated to determine employers' concerns including:

- ◆ Immediate workforce concerns such as availability of workers, replacement of retiring workers, worker turnover, housing and daycare services.
- ◆ Immediate workforce practices such as succession plans, company outreach and flexible work schedules.
- ◆ Anticipated occupational needs during the next three years.
- ◆ Anticipated growth rates of business through 2025.
- ◆ Future workforce concerns such as intergenerational differences, increased ethnic diversity and competition for workers.

The information gathered from employers will provide vital information to support the Workforce 2025 goal of ensuring a qualified workforce. With continued positive job trends on the horizon coupled with a high demand for workers of all ages and occupations, an efficient labor market exchange which effectively matches worker skills to employer needs is a key component for economic growth. The Workforce 2025 partnership, through its five labor market programs, is serving as a catalyst for an efficient labor market exchange and continued economic growth in South Dakota.

