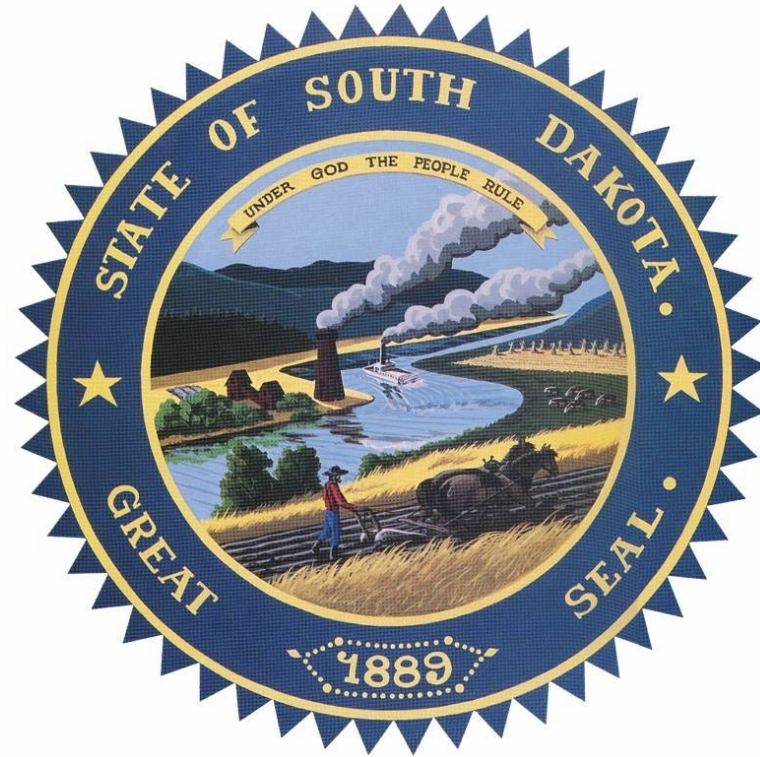


# South Dakota and United States Economic Outlook



Presented to Joint Appropriations Committee  
February 13, 2017

Jim Terwilliger, Bureau of Finance and Management

# IHS Economics Most Recent US Forecast

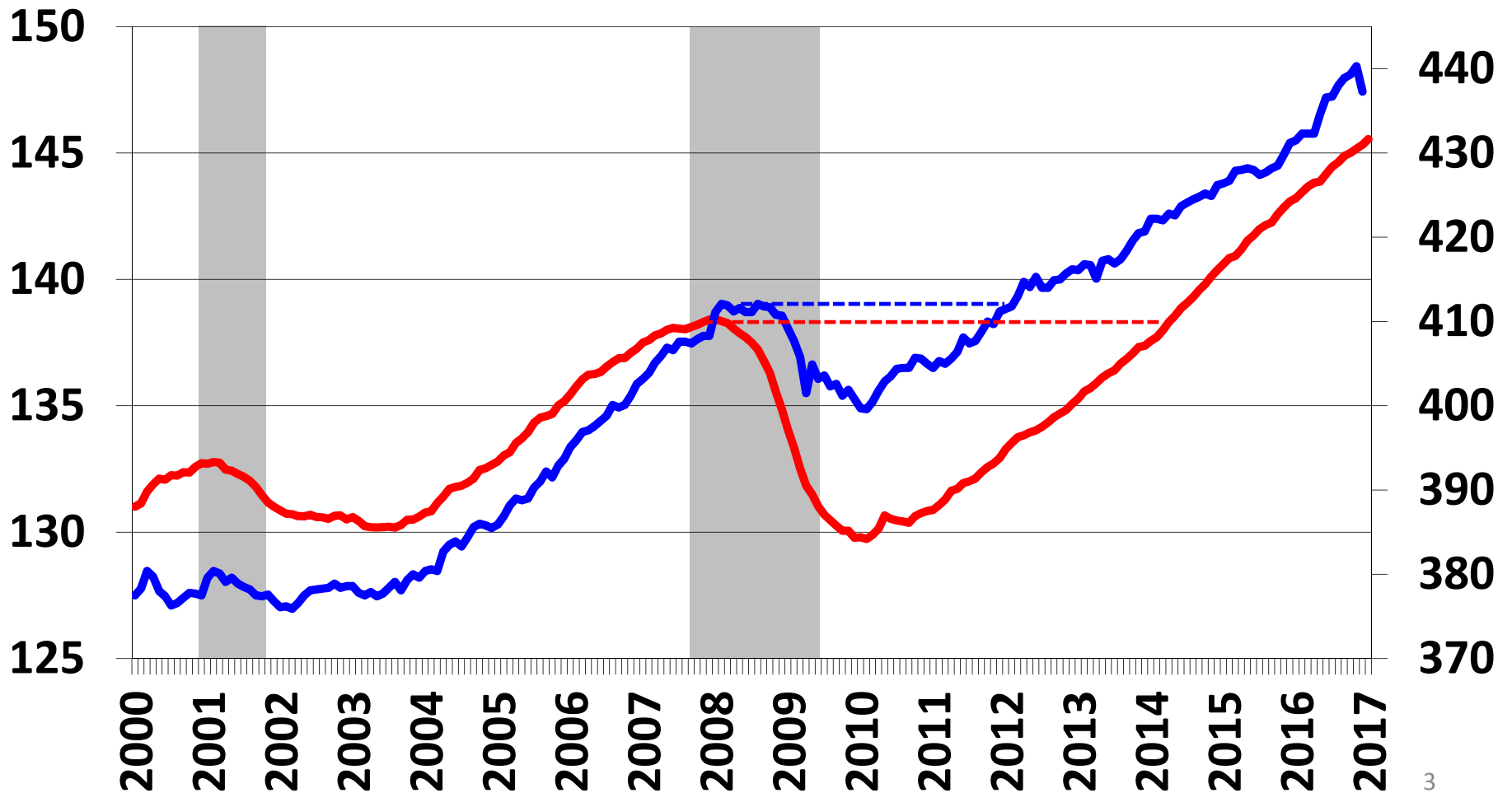
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	2015	2016	2017f	2018f
Real GDP	2.6%	1.6%	2.3%	2.7%
Nonfarm Employment	2.1%	1.8%	1.5%	1.4%
CPI	0.1%	1.3%	2.4%	1.9%
Housing Starts	1.11	1.17	1.24	1.32
Unemployment Rate	5.3%	4.9%	4.6%	4.2%

# Monthly Nonfarm Employment Levels: SD growing at faster rate than US

Millions of Jobs (U.S.)

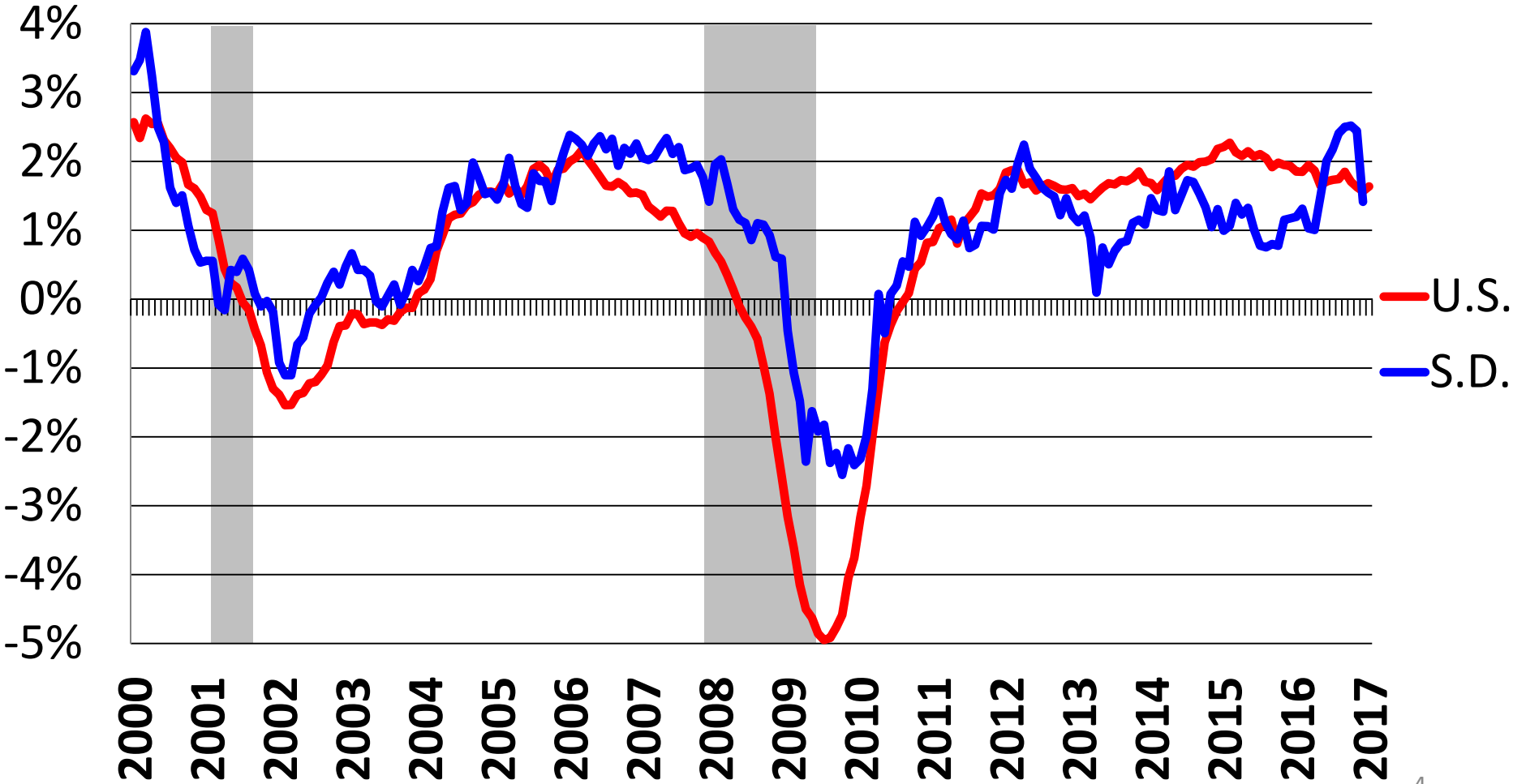
Thousands of Jobs (S.D.)



Source: Bureau of Labor Statistics

# Nonfarm Employment Growth

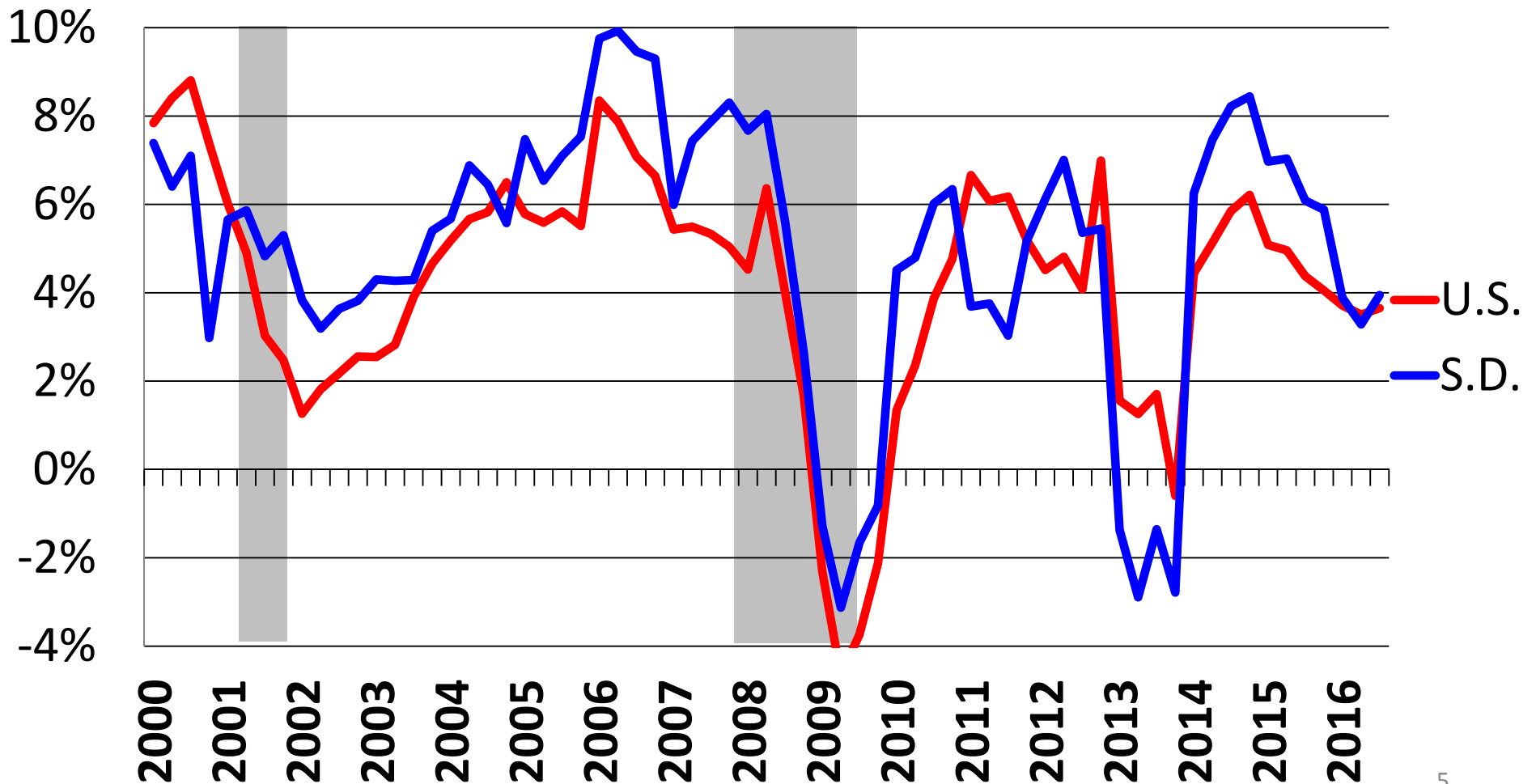
(monthly Y/Y % chg.)



Source: Bureau of Labor Statistics

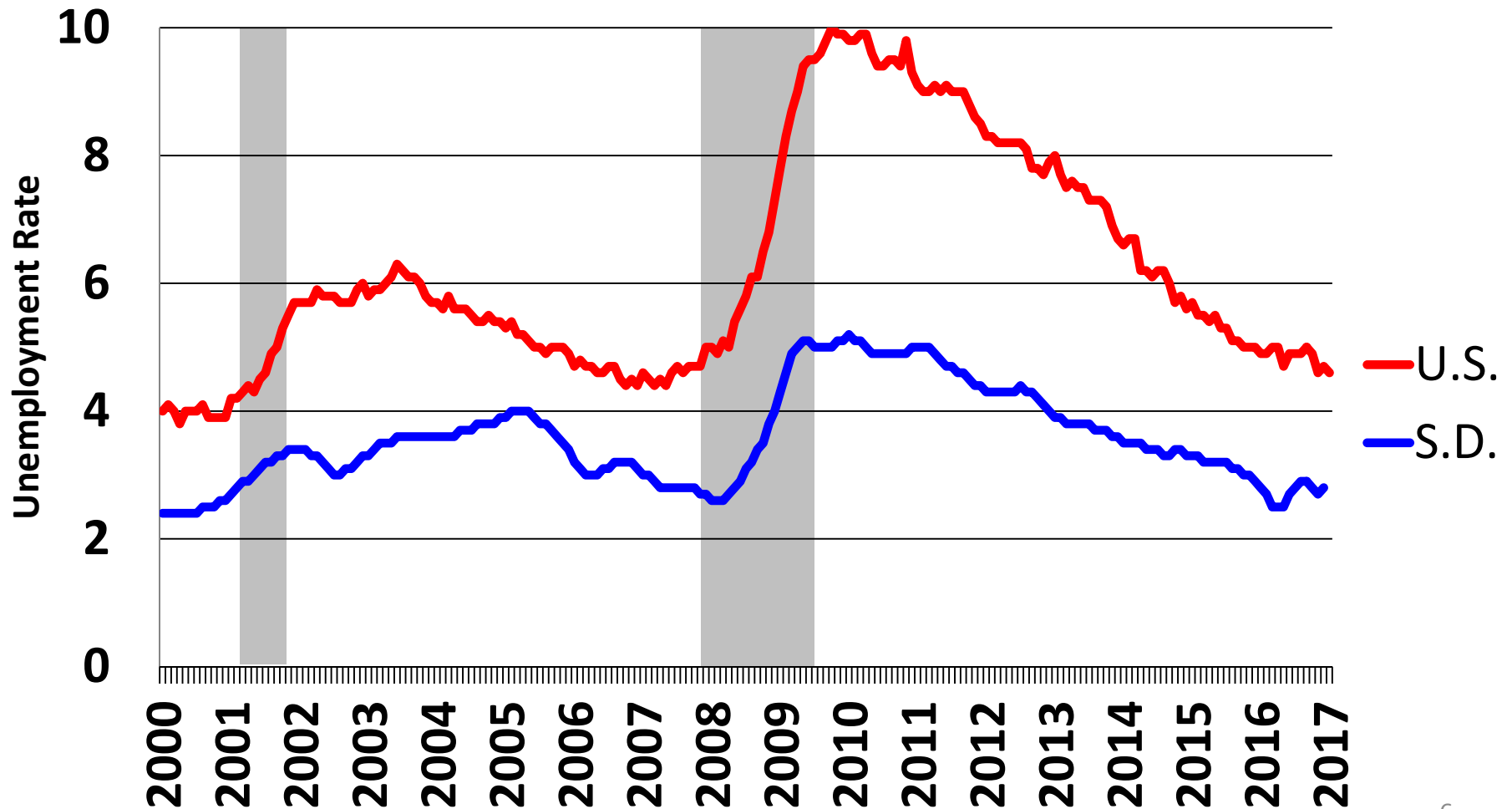
# Growth Rates of Nonfarm Income

(quarterly Y/Y % chg.)



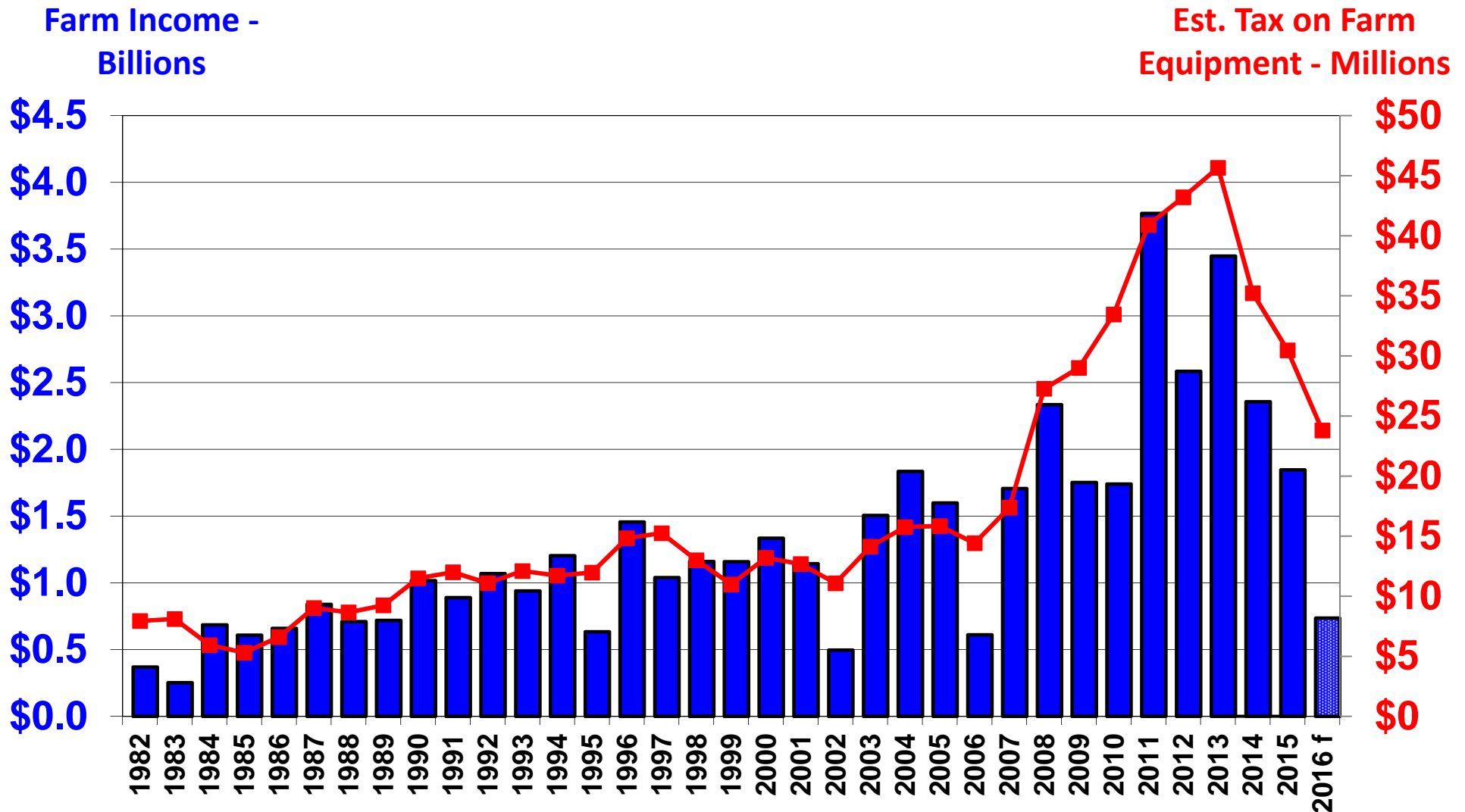
Source: Bureau of Economic Analysis

# Unemployment Rates Trending Lower



Source: Bureau of Labor Statistics

# SD Farm Income Still Declining – Leading to Lower Capital Spending



Source: BEA and SD Dept. of Revenue

# Most Recent South Dakota Economic Forecast

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	2015	2016	2017 f	2018 f
SD Nonfarm Employment	1.0%	1.8%	1.1%	1.0%
SD Nonfarm Income	6.5%	3.8%	3.9%	4.0%
SD Housing Starts	3,860	4,820	4,150	4,150
Unemployment Rate (SD)	3.1%	2.7%	2.8%	2.8%