

South Dakota and United States Economic Outlook



Presented to Joint Appropriations Committee
February 12, 2018

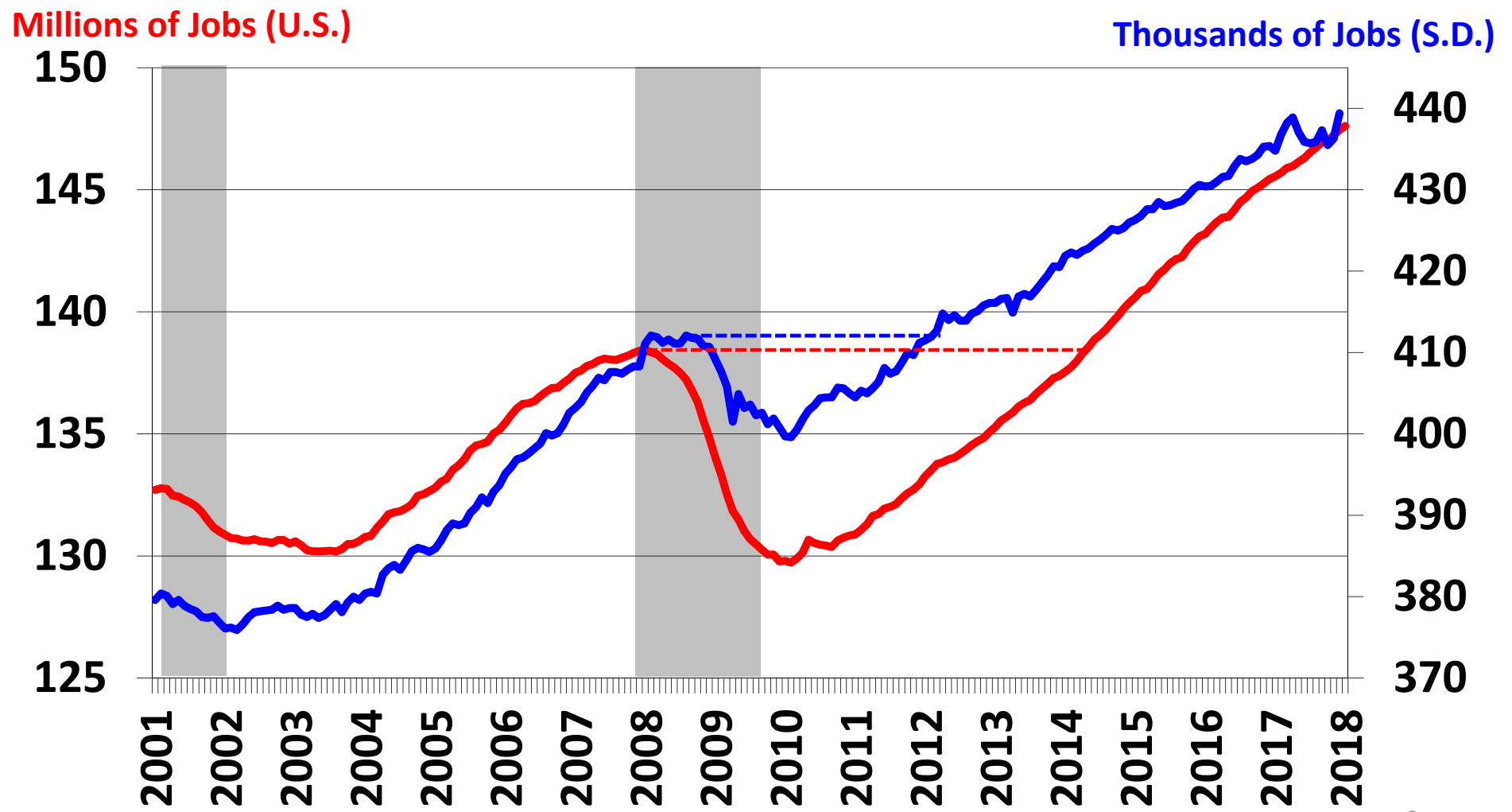
Jim Terwilliger, Bureau of Finance and Management

IHS Markit's Forecast for US Economy

(January 2018)

	2015	2016	2017	2018 f	2019 f
Real GDP	2.9%	1.5%	2.3%	2.7%	2.6%
Nonfarm Employment	2.1%	1.8%	1.6%	1.6%	1.5%
CPI	0.1%	1.3%	2.1%	1.7%	1.9%
Housing Starts (m)	1.1 m	1.2 m	1.2 m	1.3 m	1.4 m
Unemployment Rate	5.3%	4.9%	4.4%	3.9%	3.7%

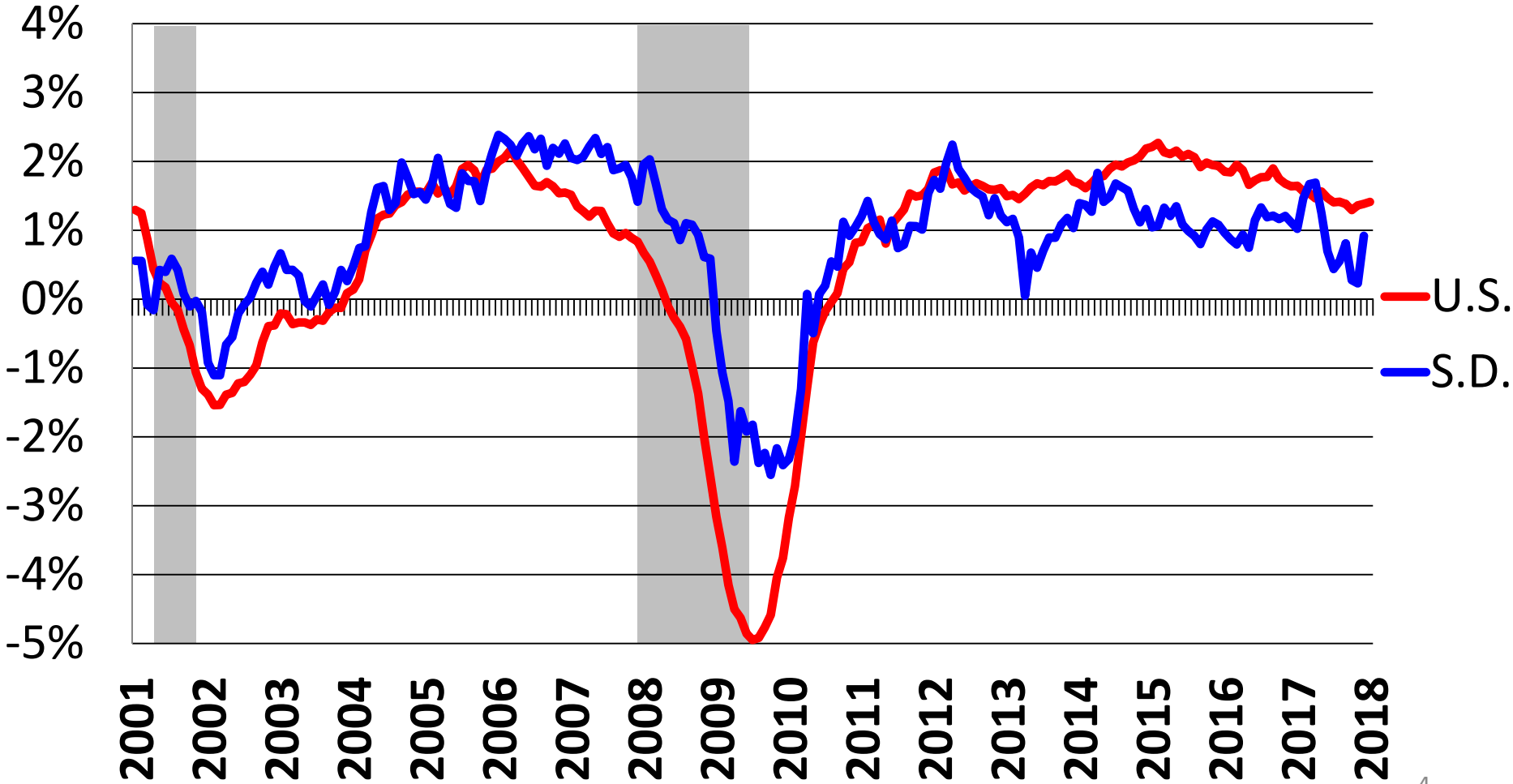
Monthly Nonfarm Employment Levels



Source: Bureau of Labor Statistics

Nonfarm Employment Growth

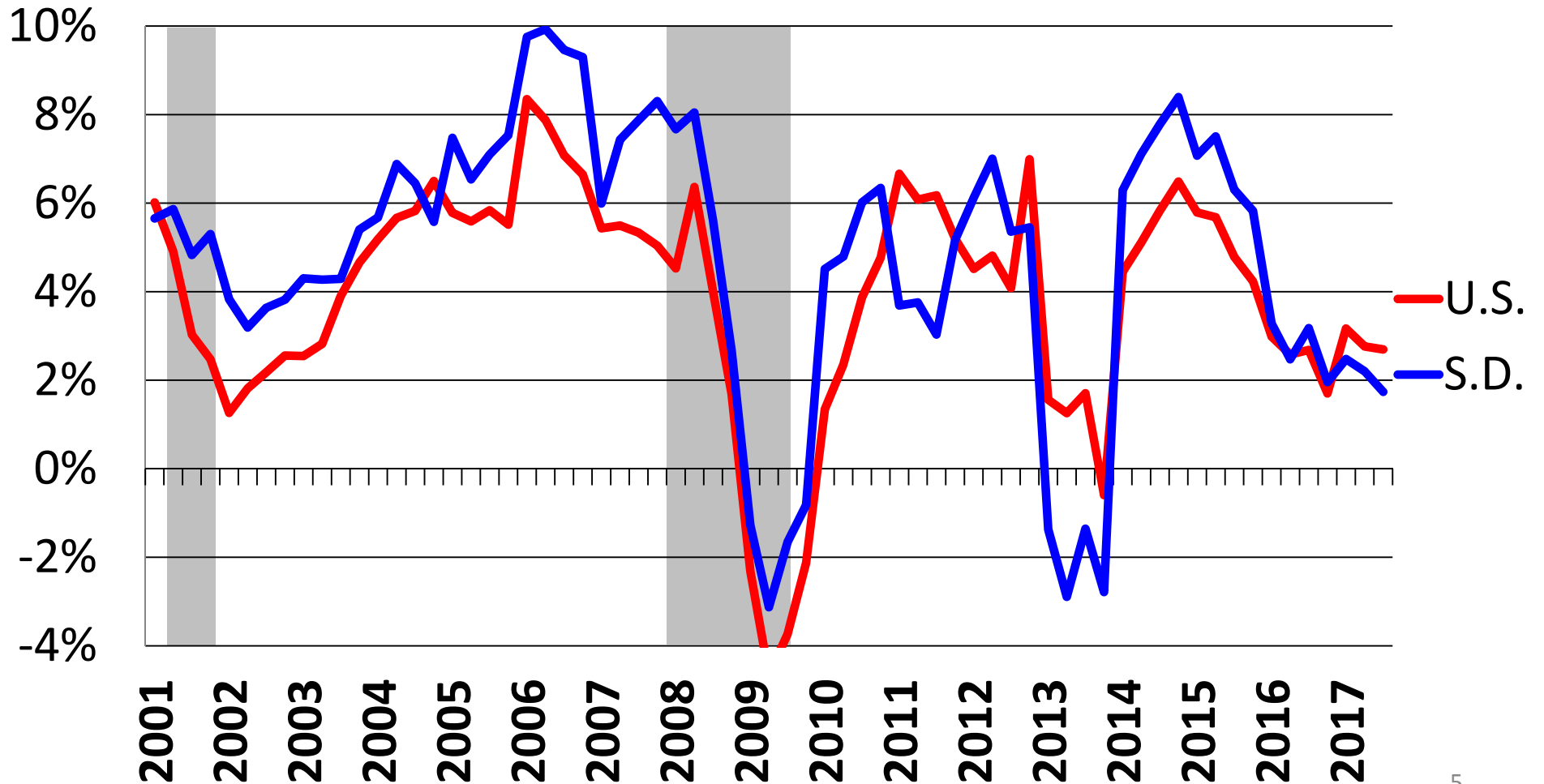
(monthly Y/Y % chg.)



Source: Bureau of Labor Statistics

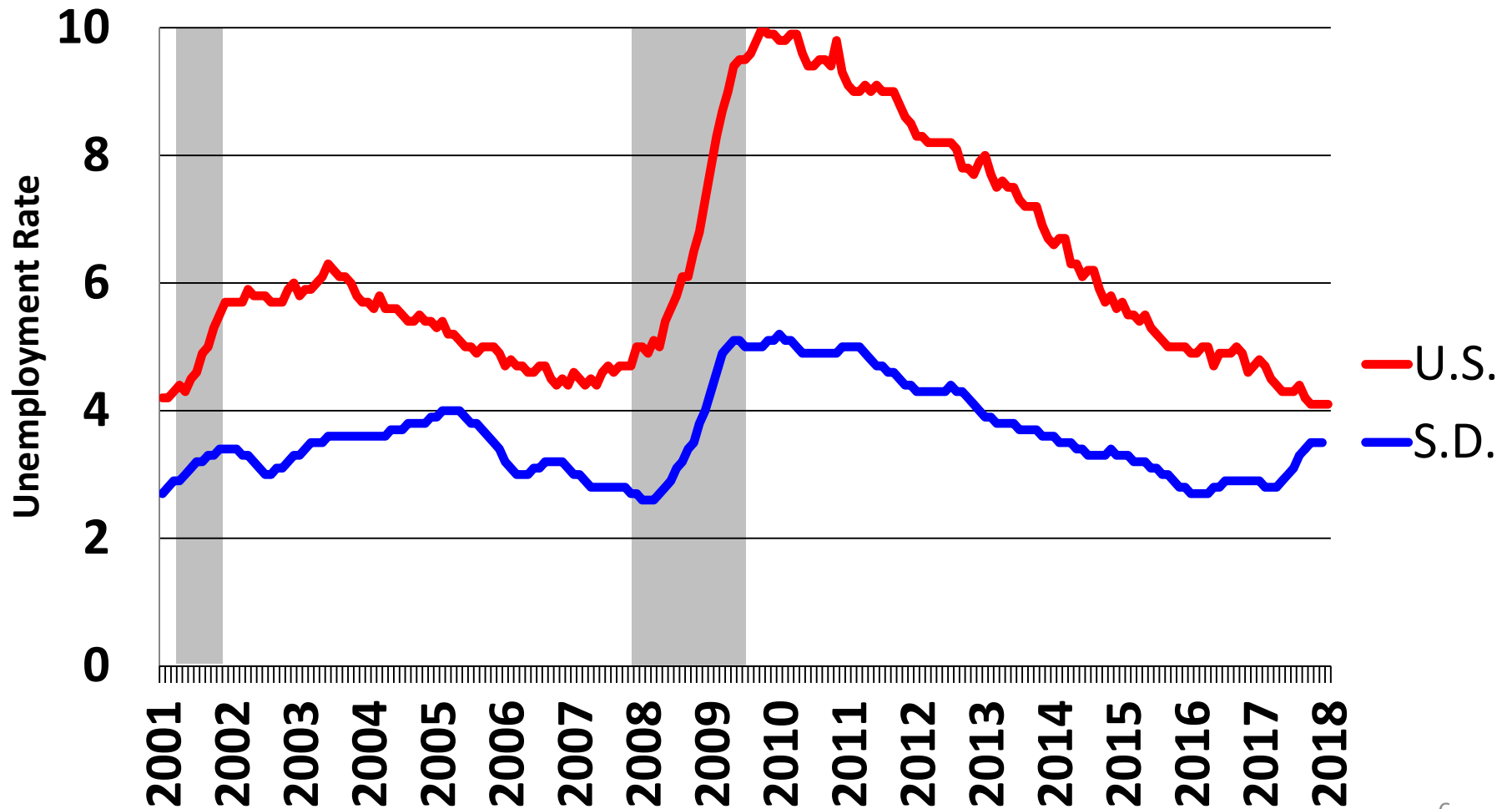
Growth Rates of Nonfarm Income

(quarterly Y/Y % chg.)



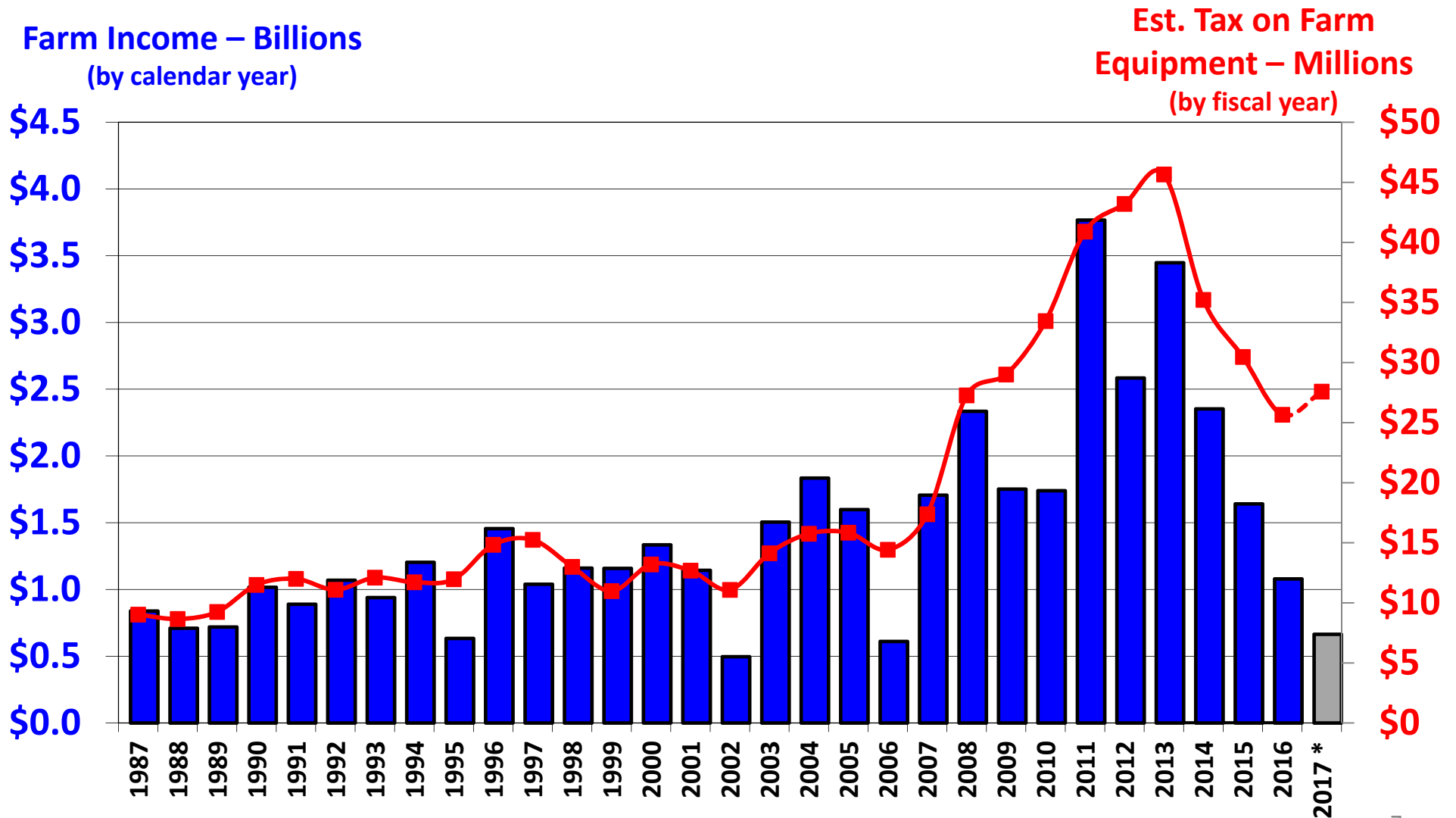
Source: Bureau of Economic Analysis

Unemployment Rates



Source: Bureau of Labor Statistics

South Dakota Farm Income & Spending on Equipment



Source: BEA and SD Dept. of Revenue

Most Recent South Dakota Economic Forecast

(January 2018)

	2015	2016	2017 f	2018 f	2019 f	'07-'16 avg.
SD Real GDP Growth	2.8%	0.7%	-1.0%	2.3%	2.2%	2.1%
SD Nonfarm Employment	1.1%	1.1%	0.9%	0.9%	1.0%	0.8%
SD Nonfarm Income	6.5%	2.7%	2.4%	3.8%	4.0%	4.1%
SD Housing Starts	4,110	5,590	5,070	5,340	5,100	4,102
SD Unempl. Rate	3.1%	2.8%	3.1%	3.2%	3.1%	3.7%