The U.S. and South Dakota Economies

Presented to Joint Appropriations Committee
March 6, 2009
Key Variables used in forecasting and tracking the economy

- Nonfarm Employment
- Unemployment Rate
- Income (nonfarm & farm)
Monthly Y/Y Percent change in Nonfarm Employment SD vs US

Source: BLS
Annual Growth of Nonfarm Employment is expected to be negative in 2009

Source: HIS Global Insight & SD Econometric Model
Unemployment Rates are rising sharply although SD’s rate is still well below the US

Source: BLS
Comparison of Baseline Forecasts for S.D. Nonfarm Employment

Thousands


Nov Baseline  Jan Baseline  Feb Baseline

Source: IHS Global Insight & SD Econometric Model
February Updated Forecast for S.D. Nonfarm Employment

Optimistic scenario was used for February Forecast

Forecast

Source: IHS Global Insight & SD Econometric Model
Nonfarm Income Growth Estimates for 2009 and 2010 are well below ave. levels

Avg. Since 1999 = 5.7%

Source: IHS Global Insight & SD Econometric Model
Global Insight’s Feb. Forecast for U.S. GDP Growth indicates large contraction in 2009

Avg. Since 2000 = 2.2%

Baseline  Optimistic  Pessimistic

Source: IHS Global Insight