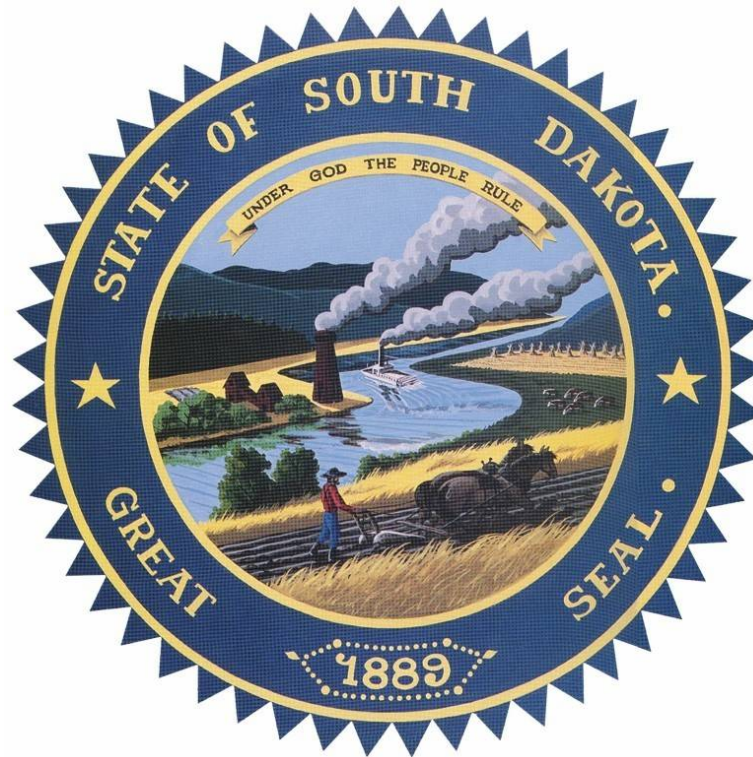


The U.S. and South Dakota Economies



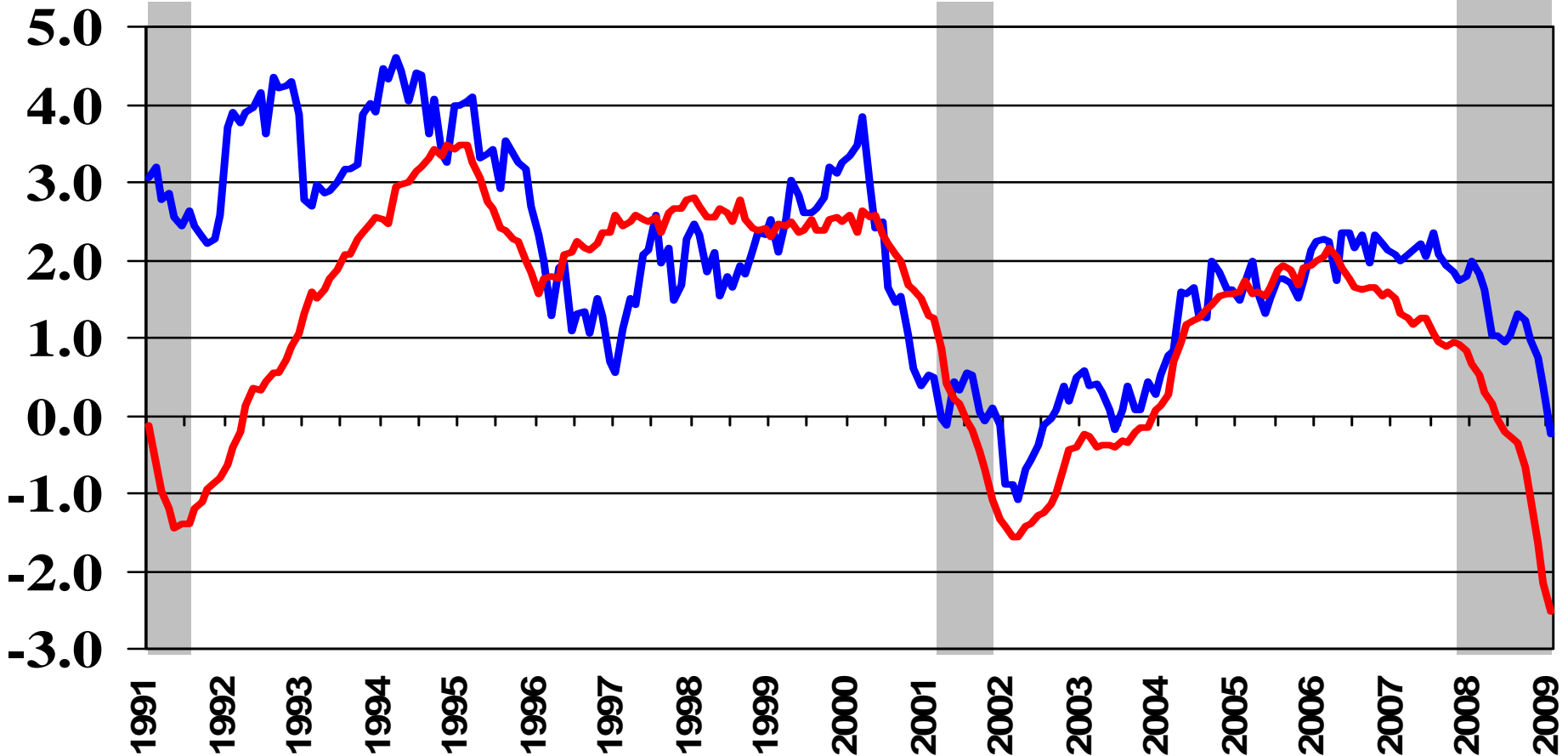
Presented to Joint Appropriations Committee
March 6, 2009

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

Percent

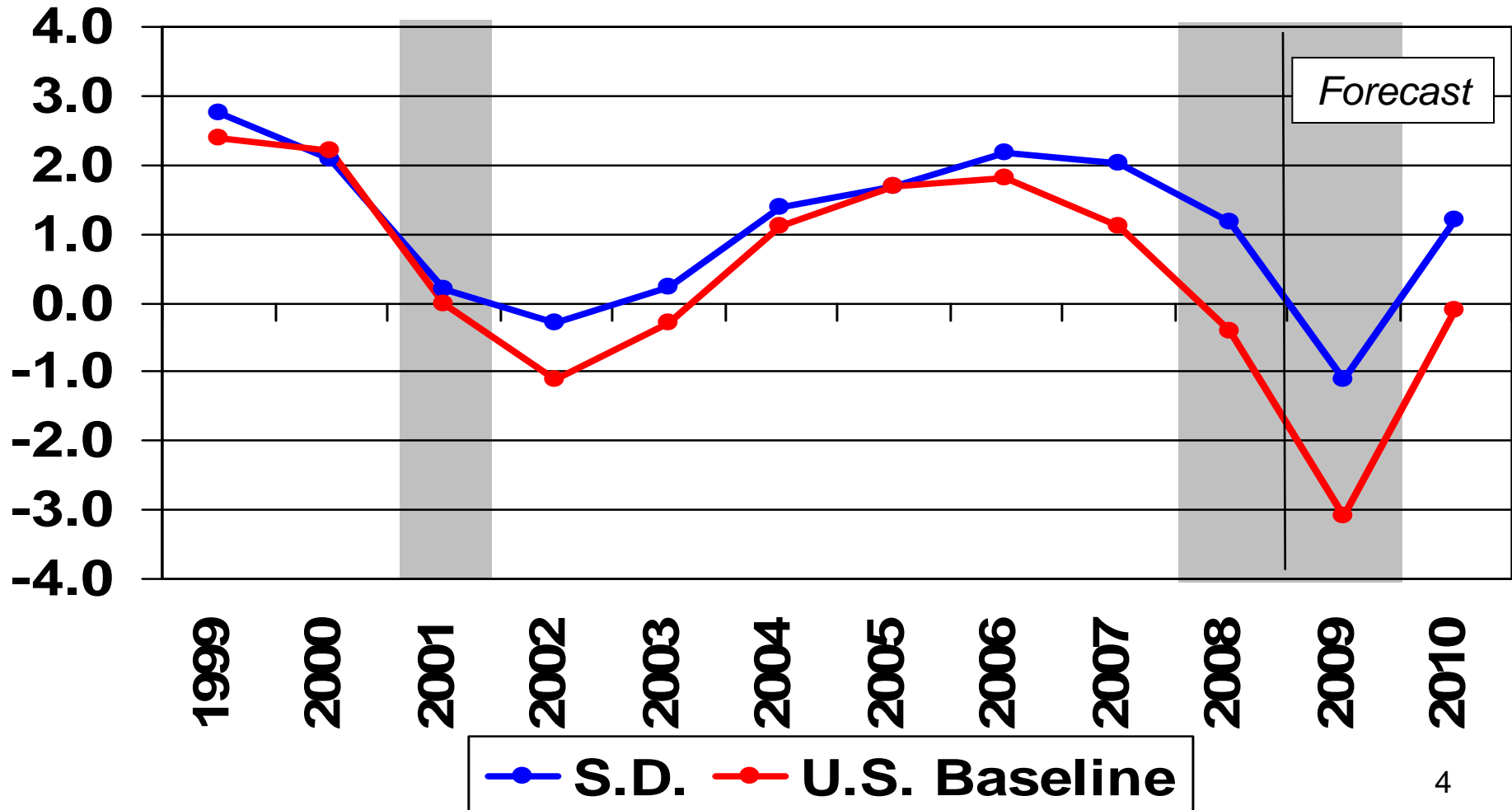


■ = US Recession

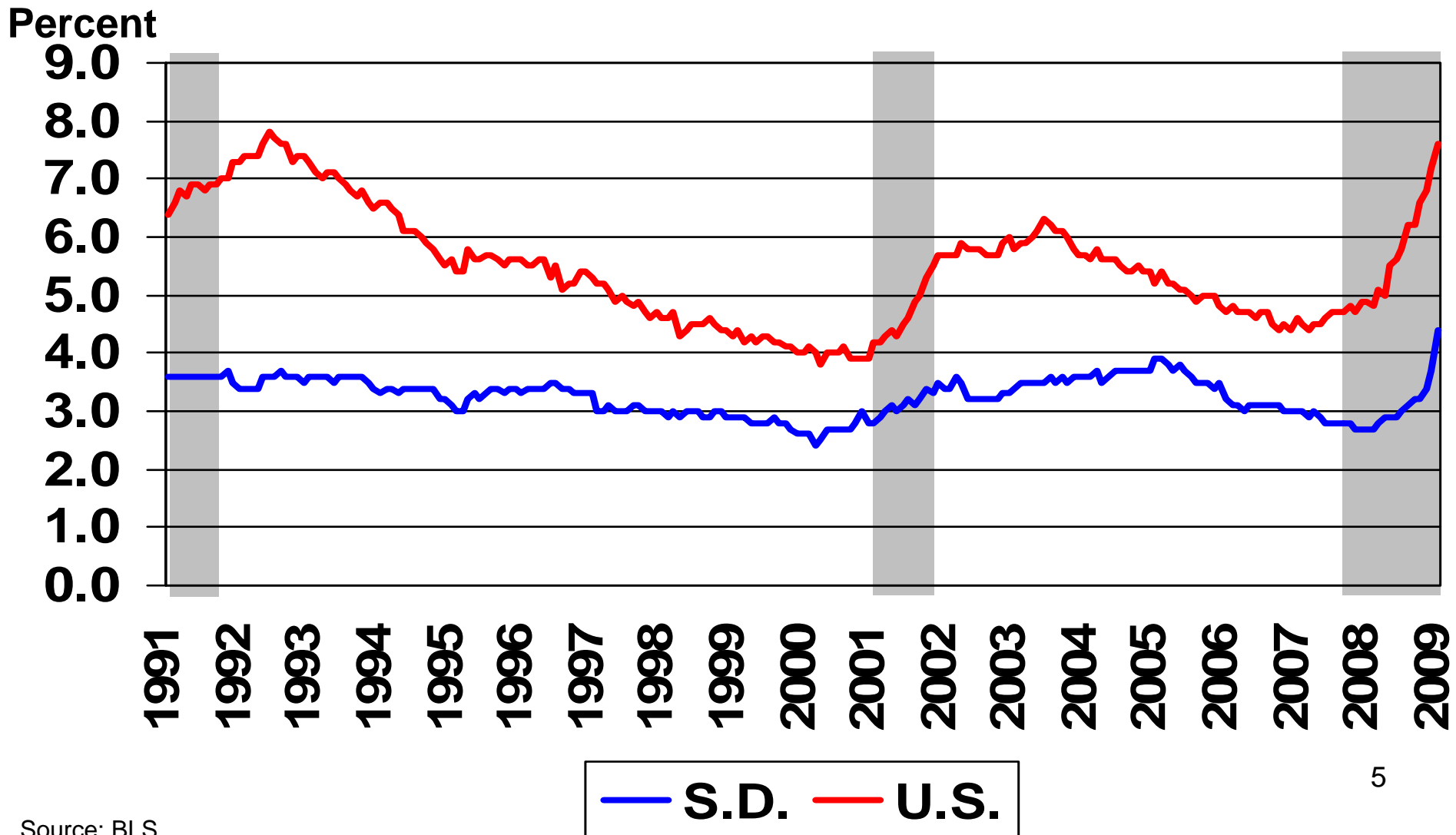
— S.D. — U.S.

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

Percent

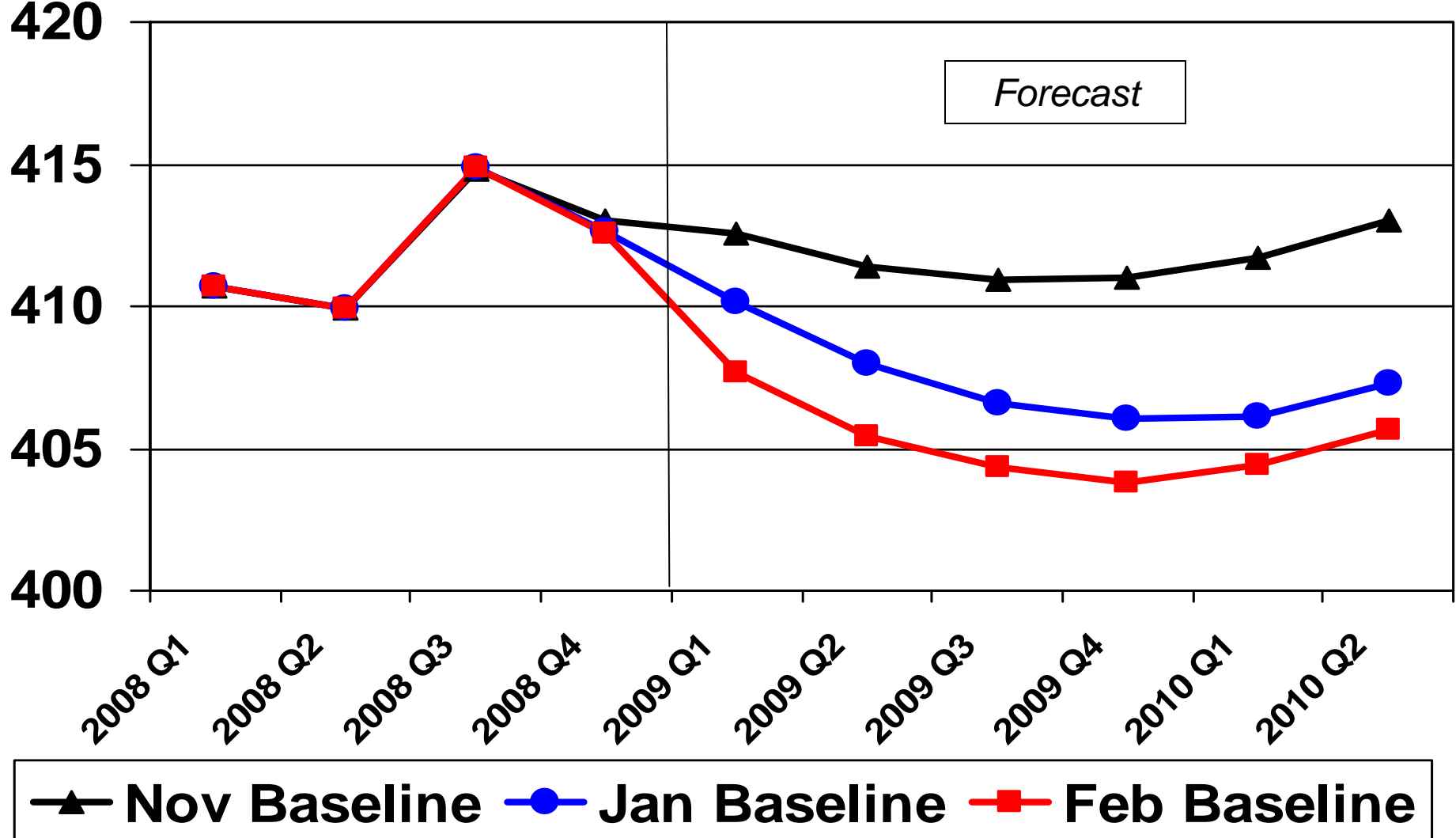


Unemployment Rates are rising sharply although **SD's** rate is still well below the **US**



Comparison of Baseline Forecasts for S.D. Nonfarm Employment

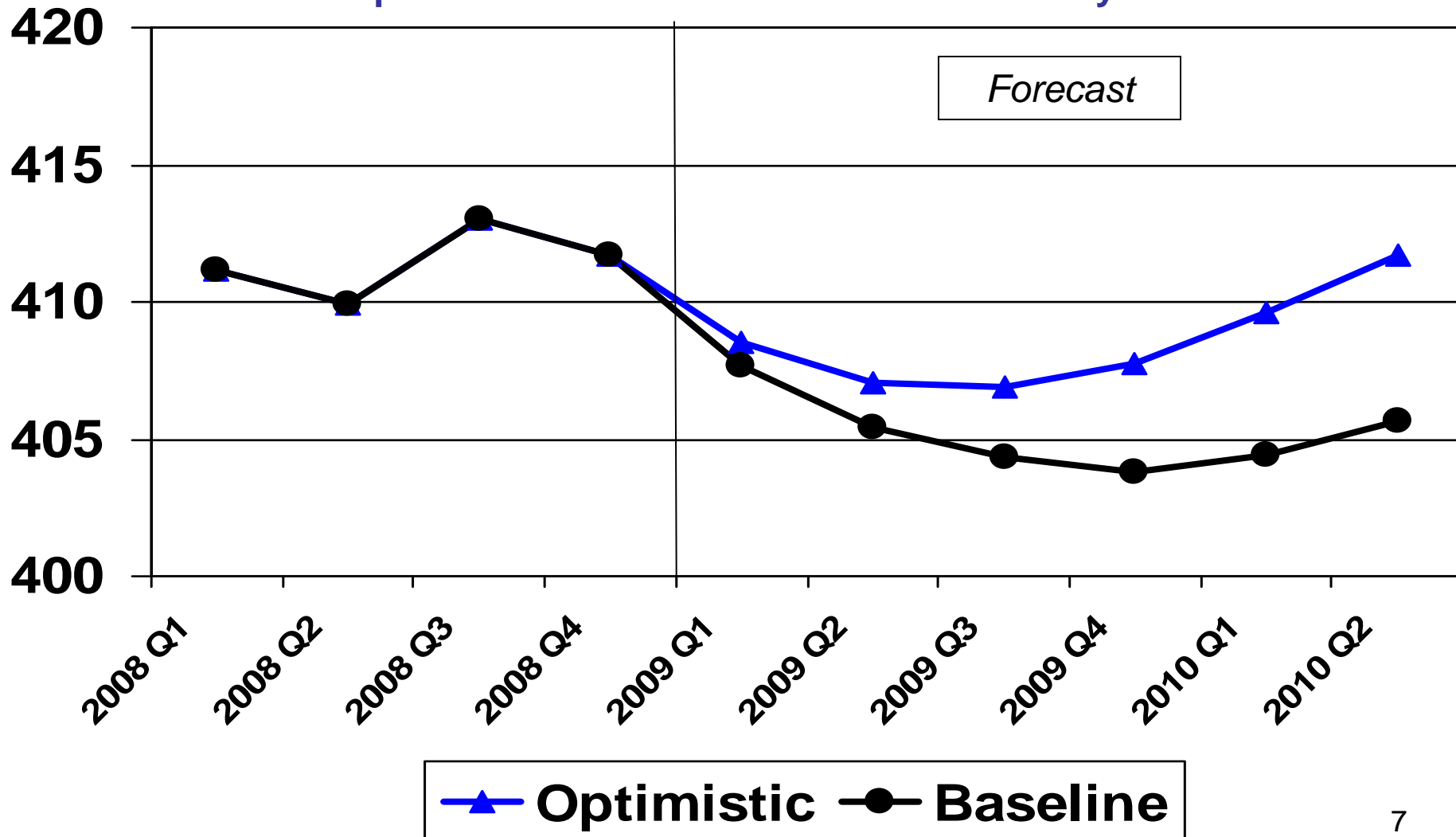
Thousands



February Updated Forecast for S.D. Nonfarm Employment

Thousands

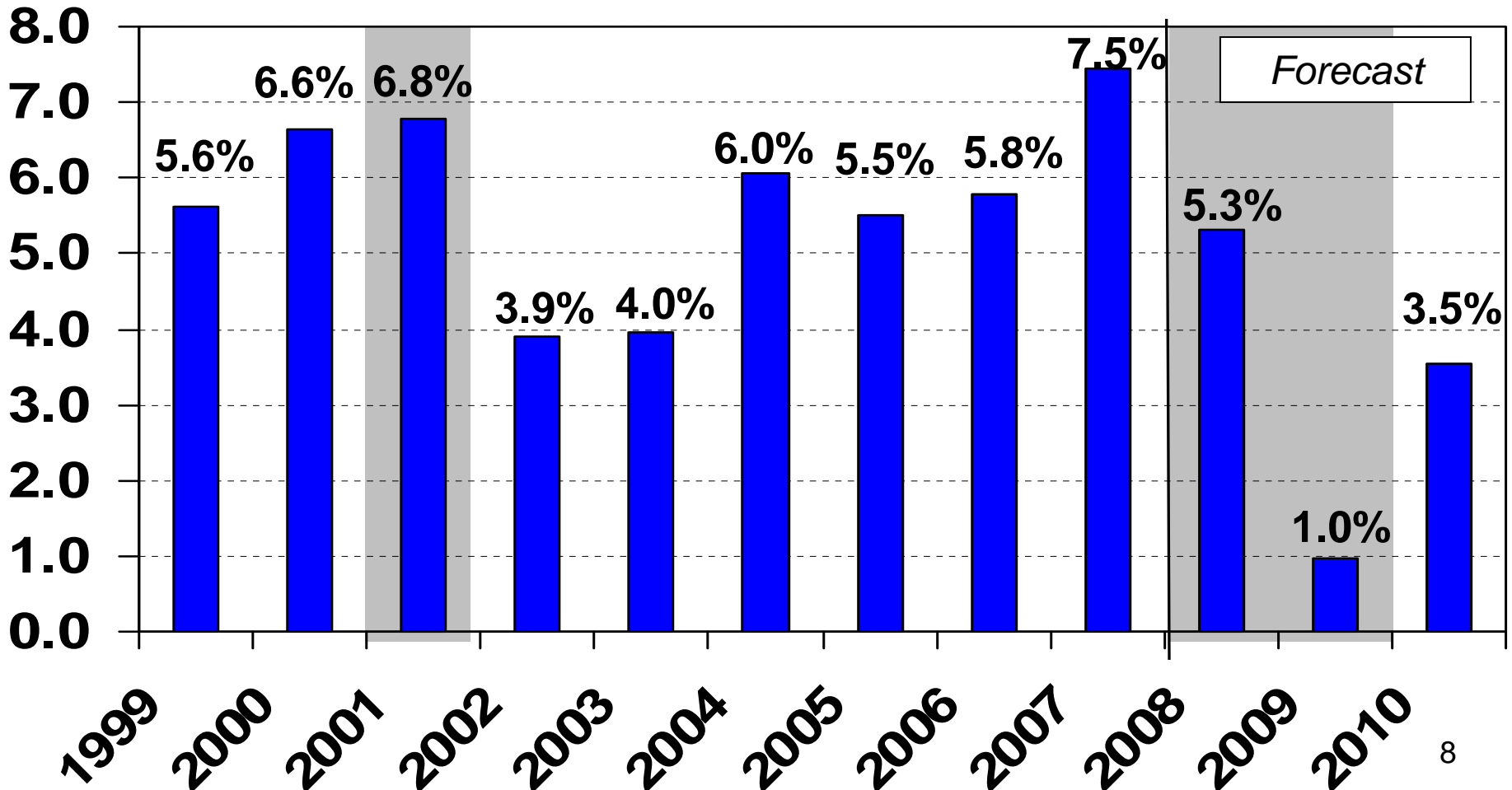
Optimistic scenario was used for February Forecast



Nonfarm Income Growth Estimates for 2009 and 2010 are well below ave. levels

Avg. Since 1999 = 5.7%

Percent



Source: IHS Global Insight & SD Econometric Model

Global Insight's Feb. Forecast for U.S. GDP Growth indicates large contraction in 2009

