

# Governor's Council of Economic Advisors

*February 2, 2026*



# *Outline of Presentation*

- US Economy
- US Economy Forecast
- SD Economy
- SD Economy Forecast
- General Fund Revenue Collections
- Roundtable Discussion
- Other Items

# *US Economy*

*Consumption*

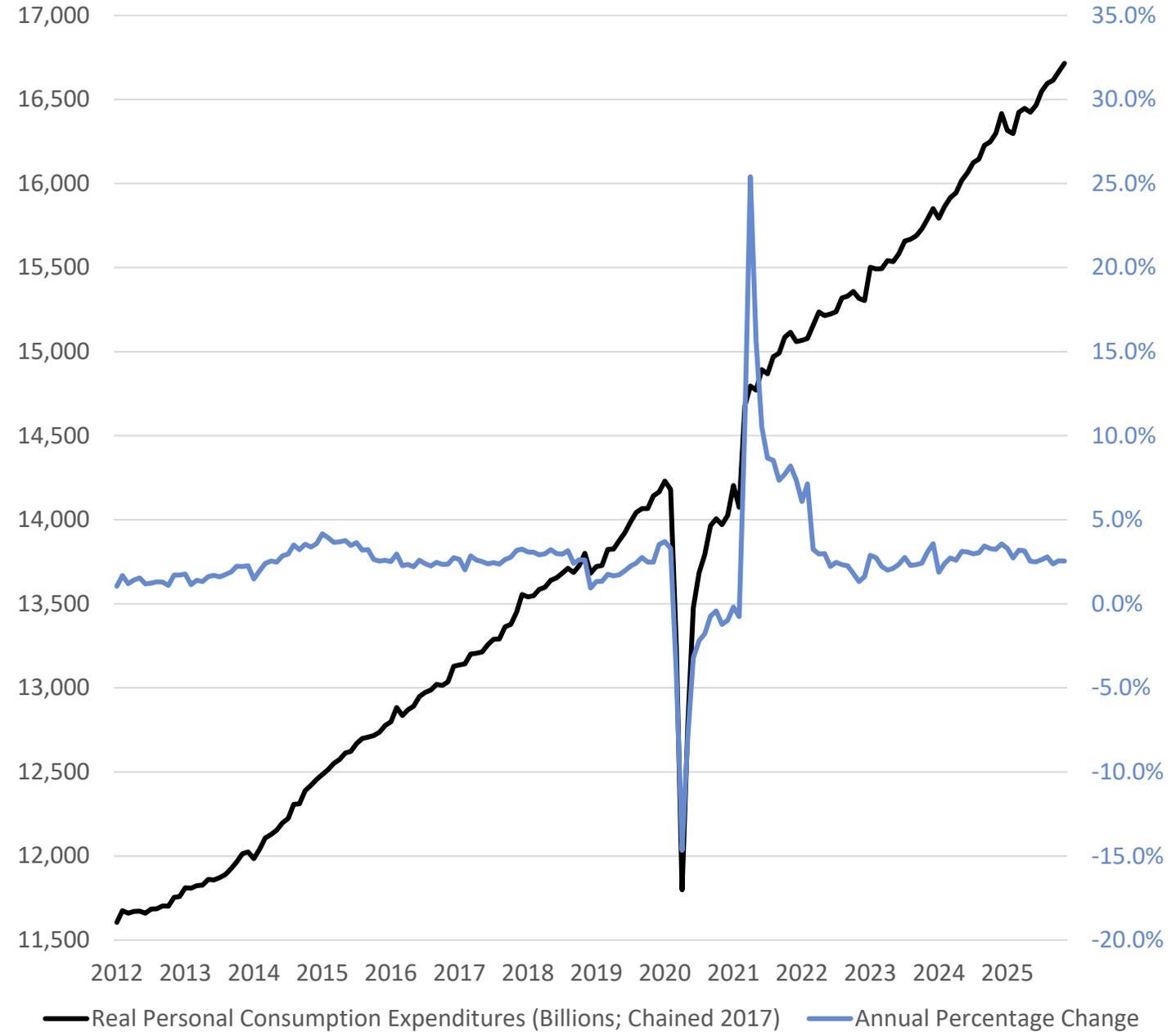
*Federal Fiscal Picture*

*Employment and Unemployment*

*Inflation*

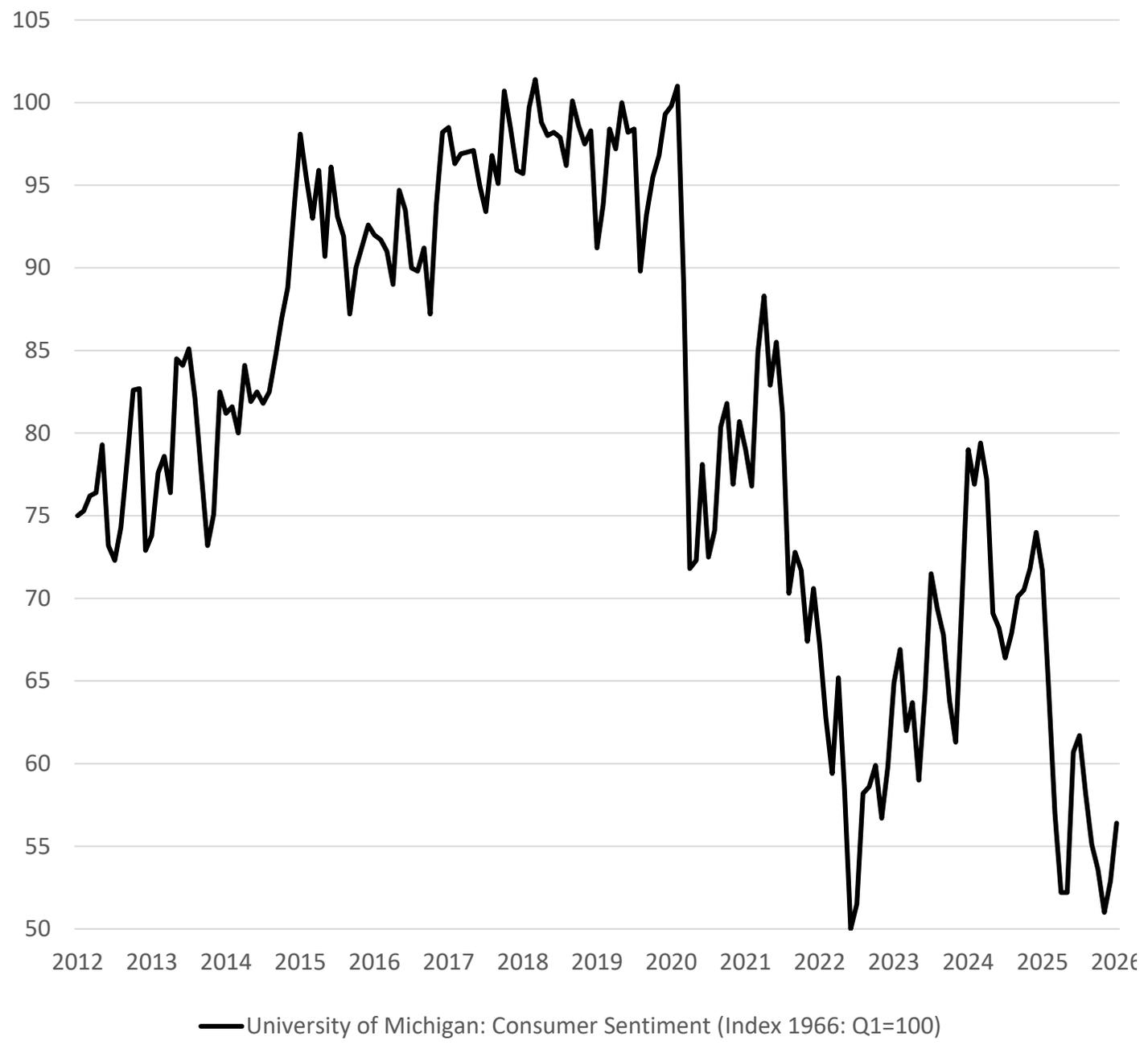


# US Real Personal Consumption Expenditures



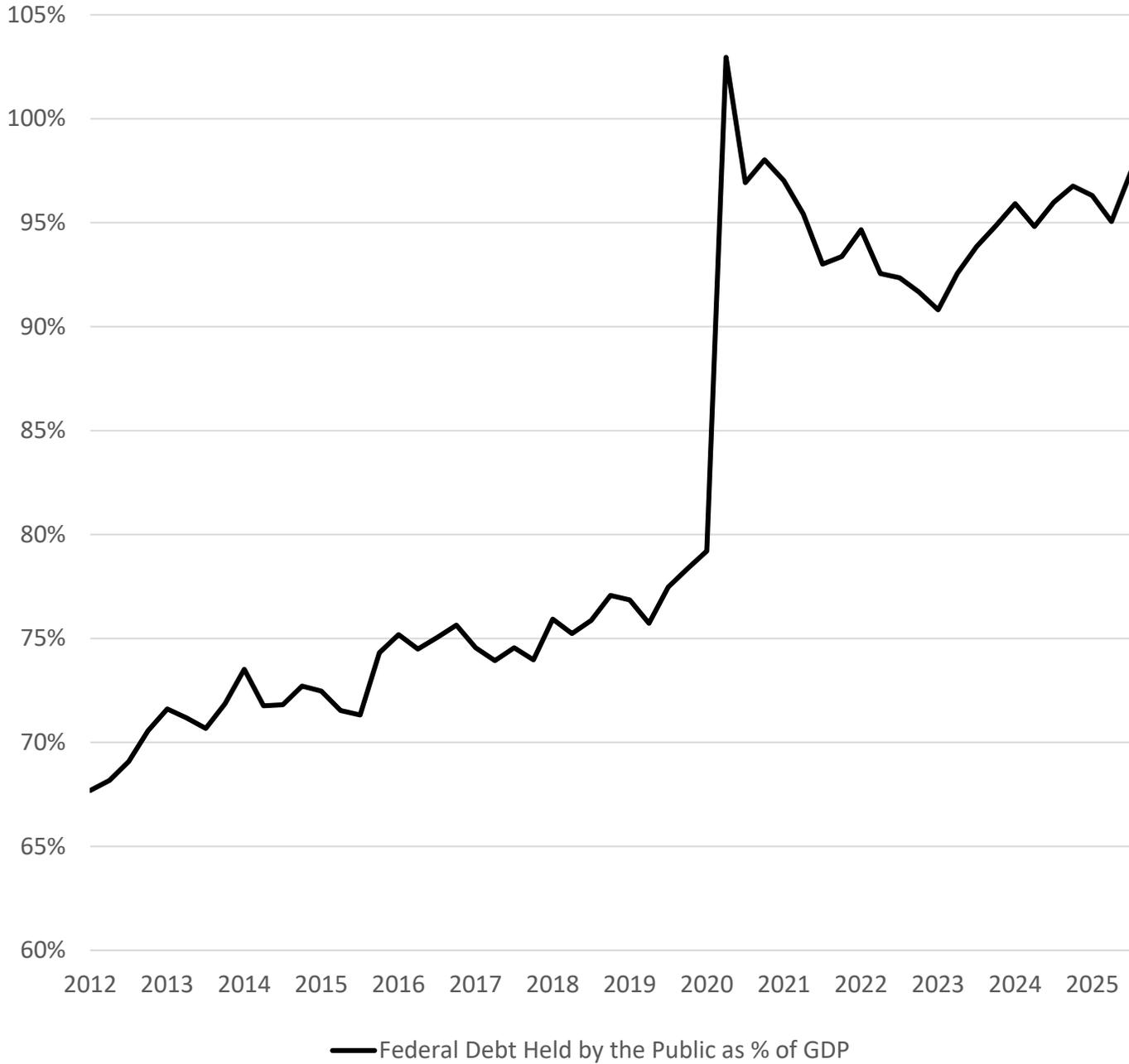


# US Consumer Sentiment





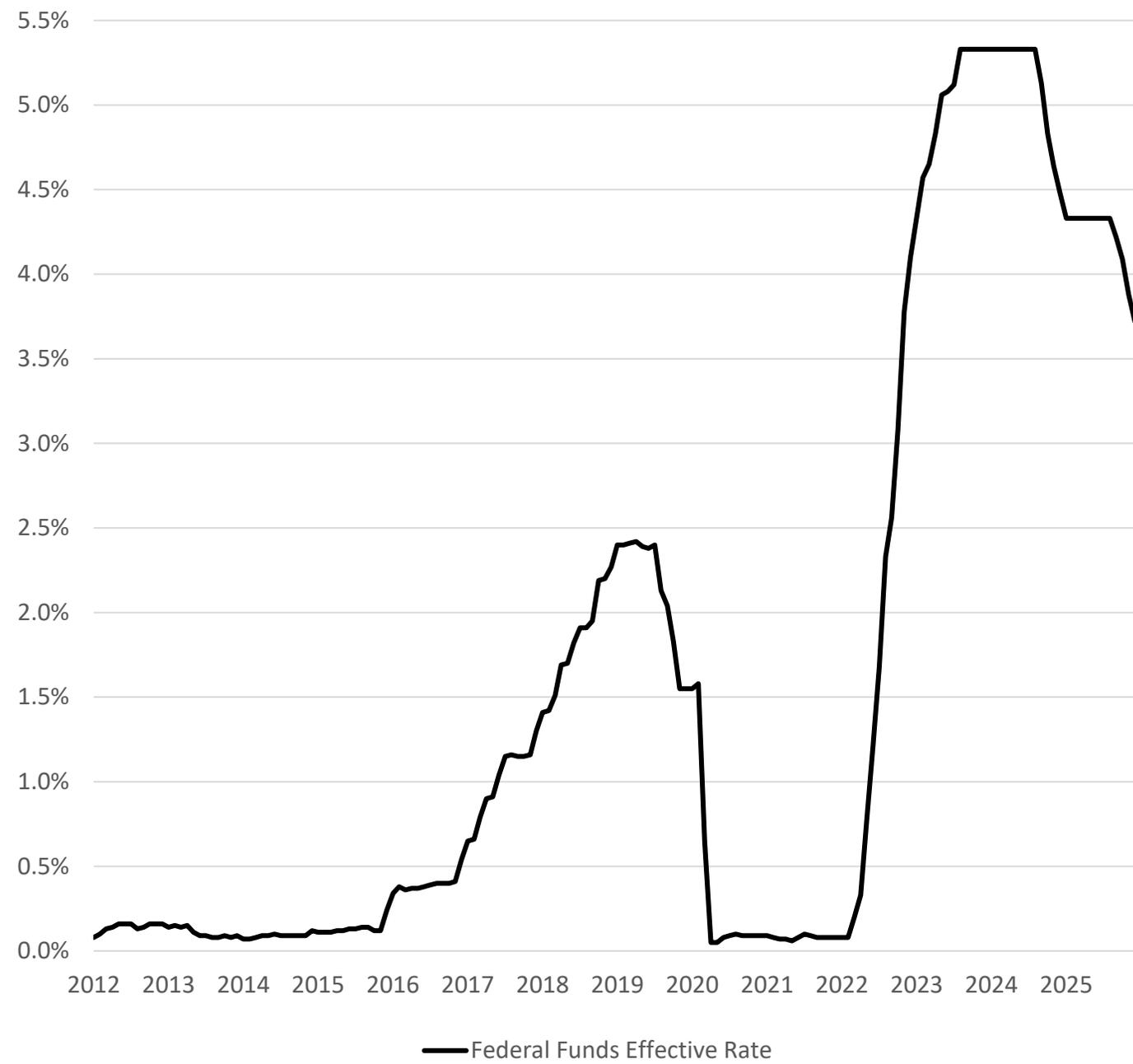
# Debt Held by Public



— Federal Debt Held by the Public as % of GDP



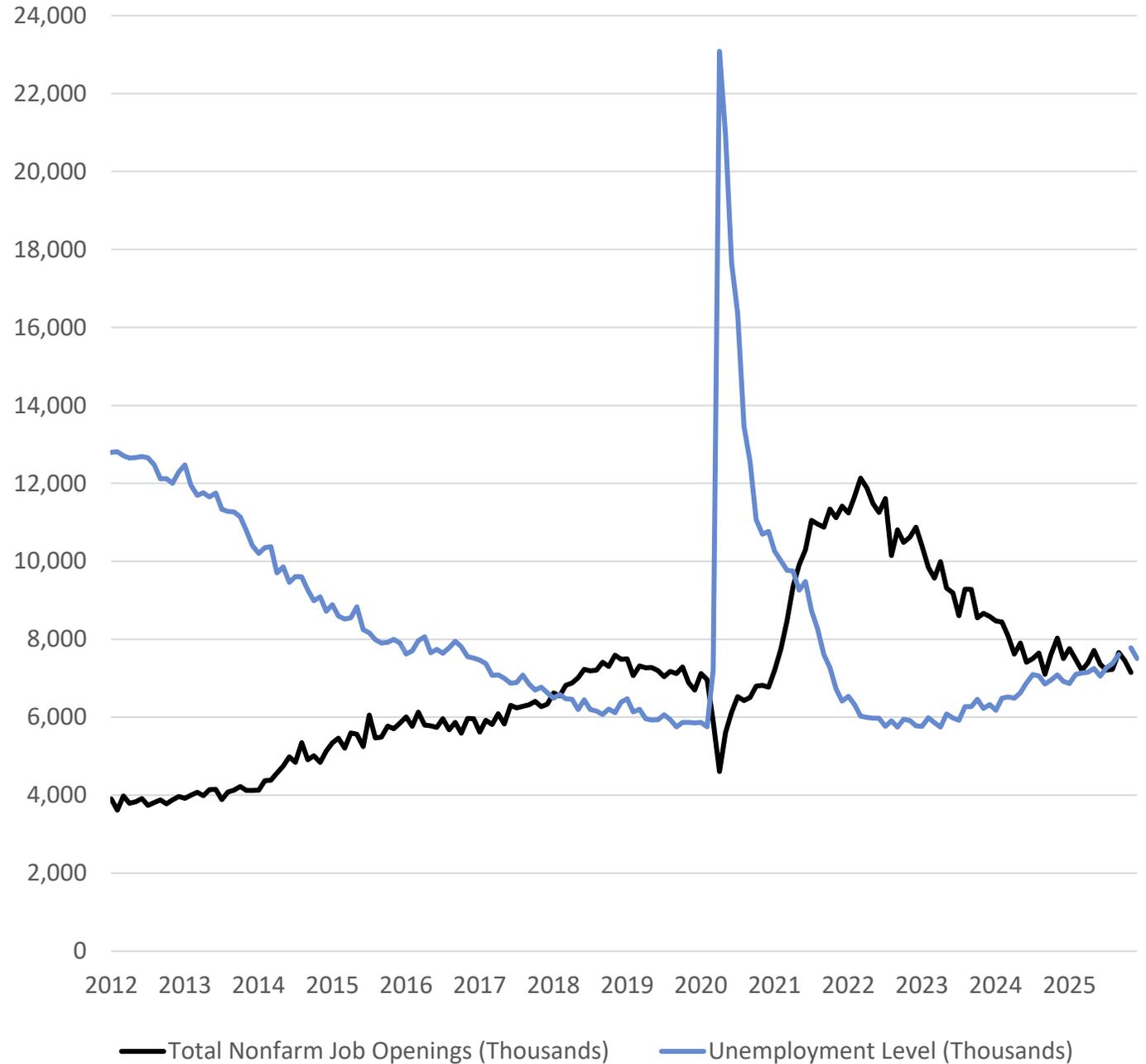
# Interest Rates



— Federal Funds Effective Rate

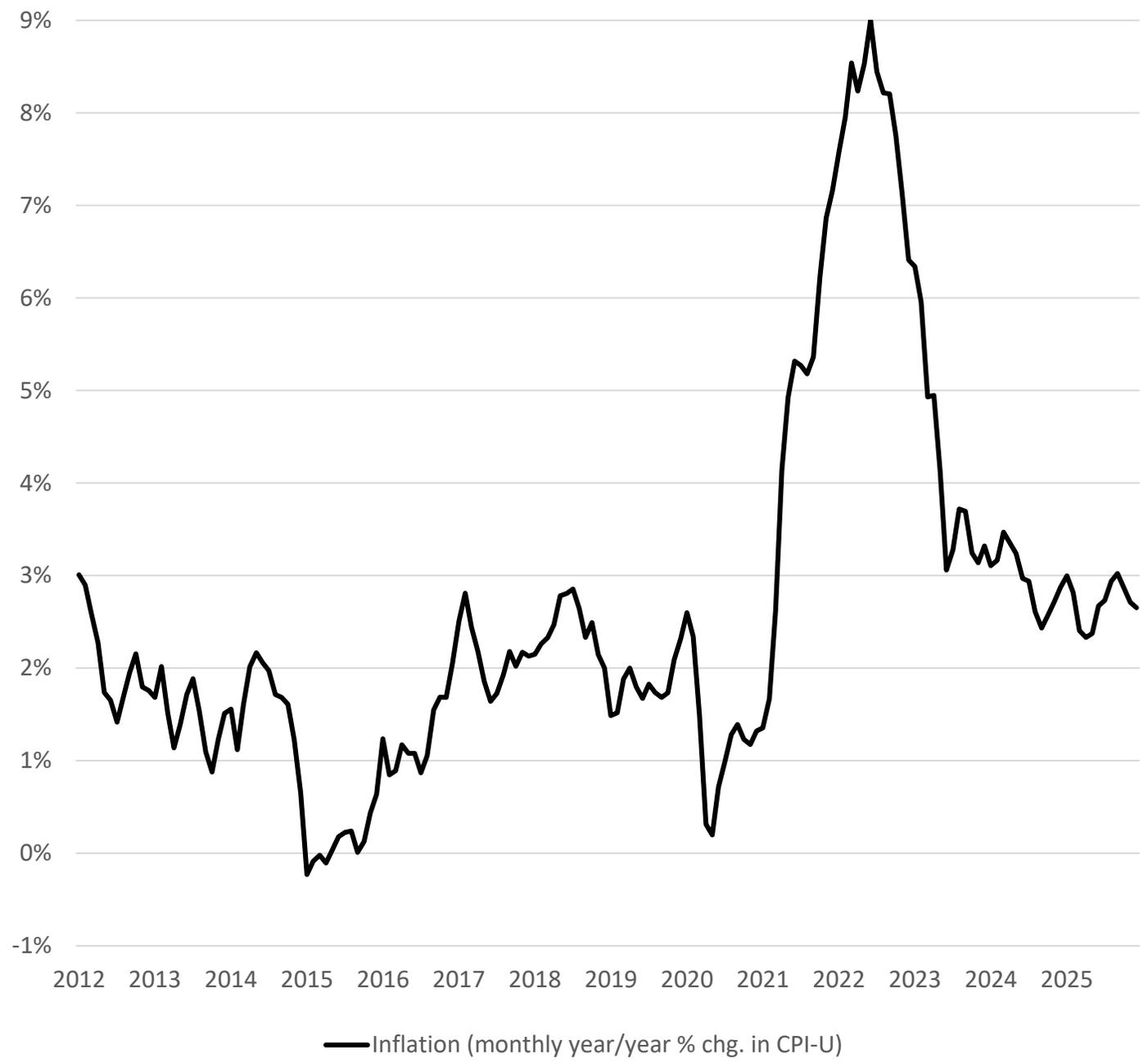


# US Job Openings vs. Unemployed





# Inflation: CPI



# S&P Global Forecast - US

	2020	2021	2022	2023	2024	2025	2026 f	2027 f	'15-'25 avg.
<b>Real GDP Growth</b>	-2.1%	6.2%	2.5%	2.9%	2.8%	2.2%↑	2.3%↑	1.9%↑	2.5%
<b>Nonfarm Employment</b>	-5.8%	2.9%	4.3%	2.2%	1.3%	0.9%↔	0.5%↓	0.5%↔	1.3%
<b>Personal Income</b>	6.9%	9.5%	3.0%	6.5%	5.6%	4.8%↓	5.3%↓	5.9%↑	5.3%
<b>Unemployment Rate</b>	8.1%	5.4%	3.6%	3.6%	4.0%	4.3%↑	4.7%↑	4.6%↑	4.6%
<b>CPI-U</b>	1.3%	4.7%	8.0%	4.1%	3.0%	2.6%↓	2.5%↓	2.8%↑	2.9%

# *S&P Global Alternate Scenarios - US*

Optimistic Scenario (30% probability)				Pessimistic Scenario (20% probability)			
	2025	2026 f	2027 f	2025	2026 f	2027 f	'15-'25 avg.
<b>Real GDP Growth</b>	2.2%	2.9%	2.2%	2.2%	0.9%	0.4%	2.5%
<b>Nonfarm Employment</b>	0.9%	0.7%	0.7%	0.9%	-0.1%	-1.1%	1.3%
<b>Personal Income</b>	4.8%	5.5%	6.5%	4.8%	4.5%	4.1%	5.3%
<b>Unemployment Rate</b>	4.3%	4.6%	4.5%	4.3%	5.2%	6.2%	4.6%
<b>CPI-U</b>	2.6%	2.4%	3.1%	2.6%	2.7%	2.5%	2.9%

# *SD Forecast*

*Employment*

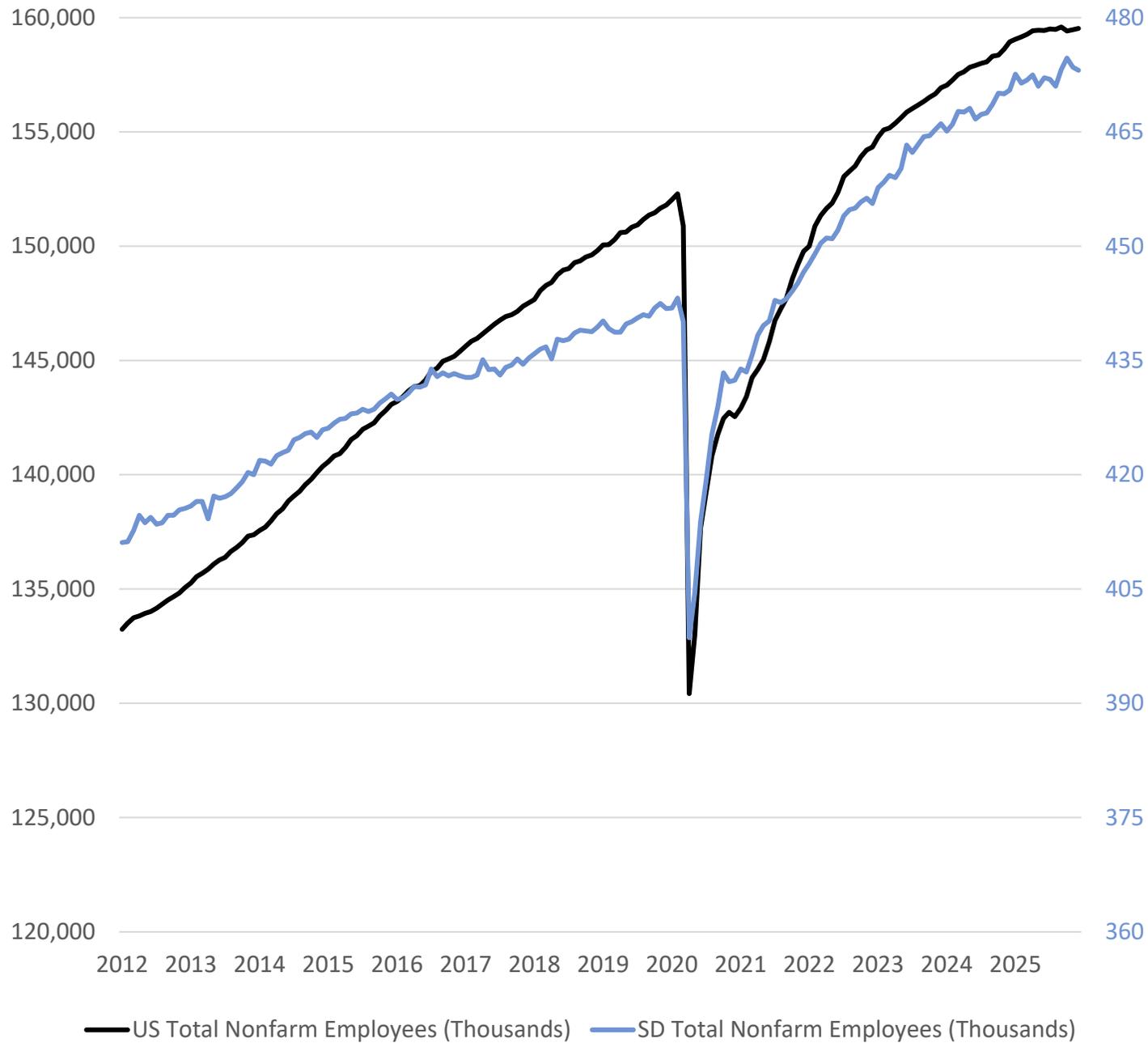
*Housing*

*Income*

*Tourism*

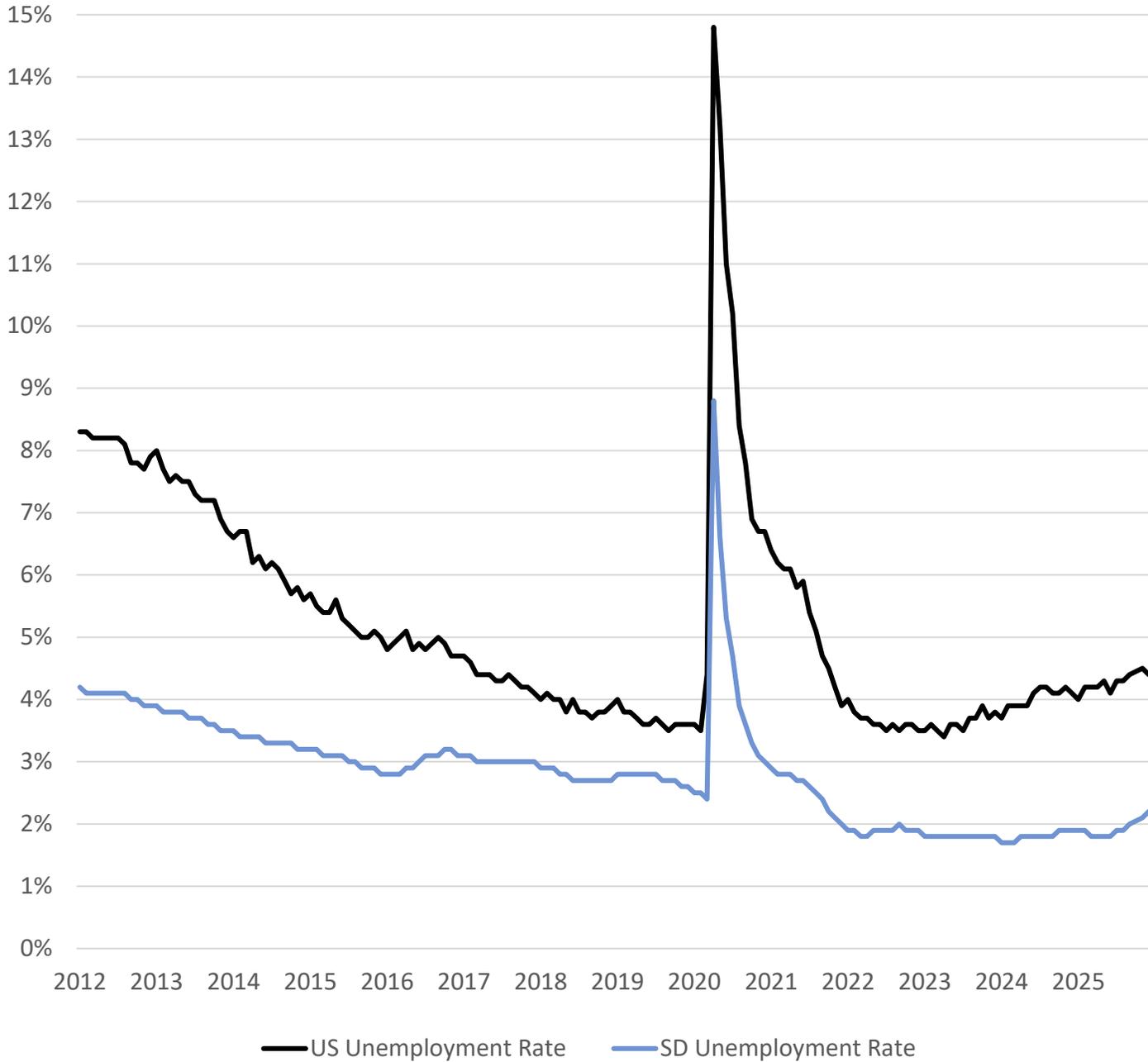


# Employment Growth



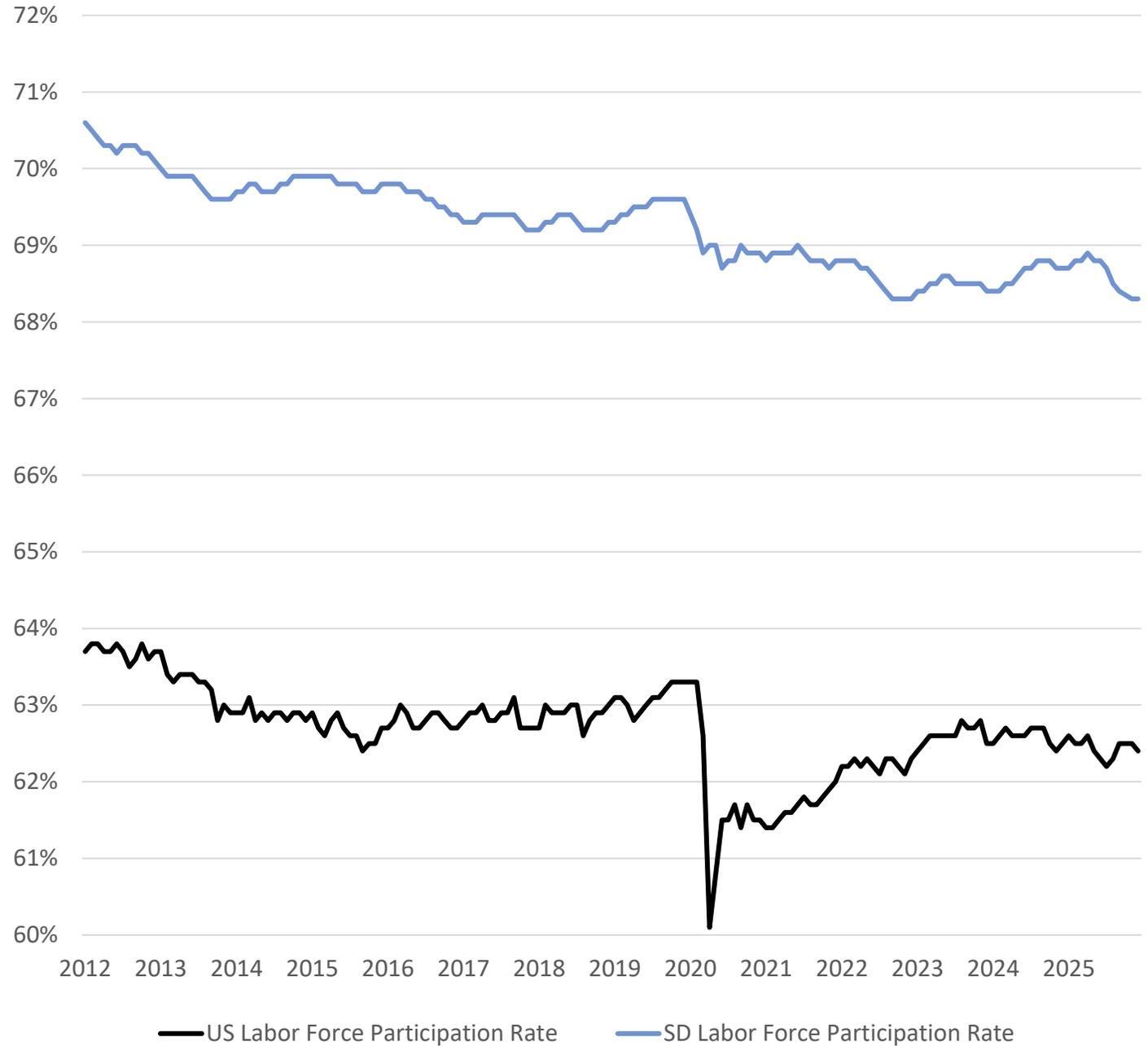


# Unemployment Rate



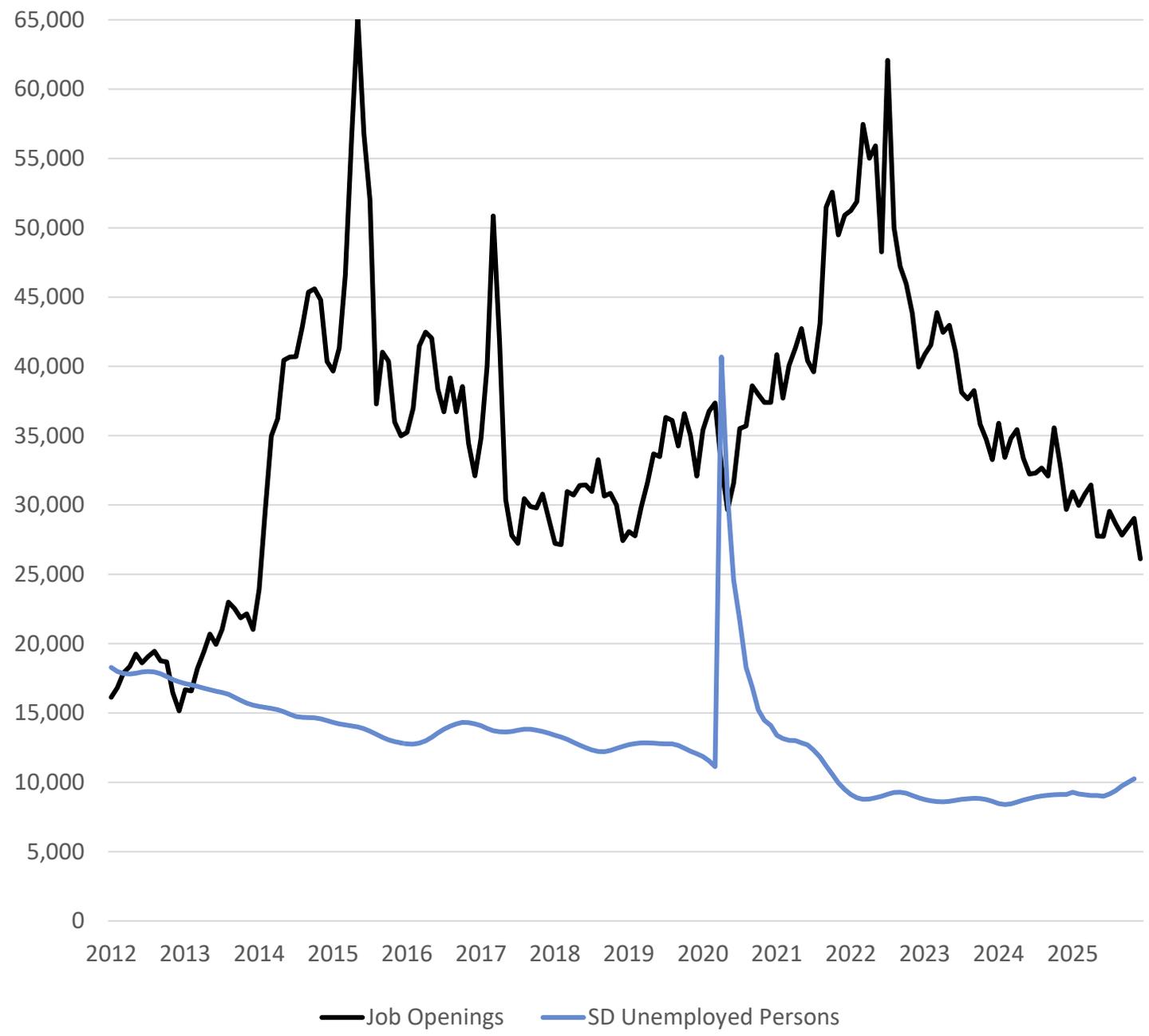


# Labor Force Participation Rate



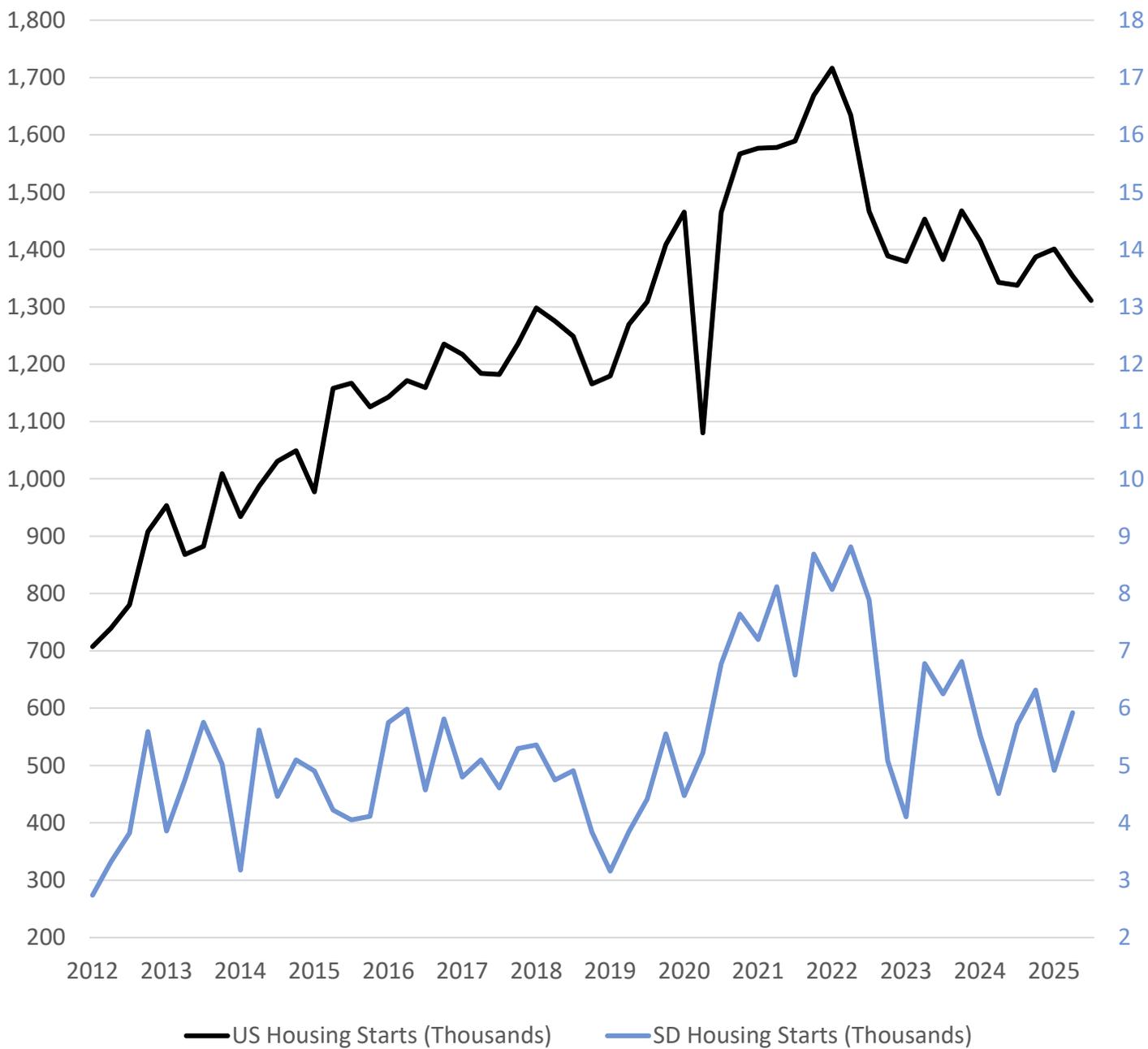


# SD Job Openings vs. Unemployed



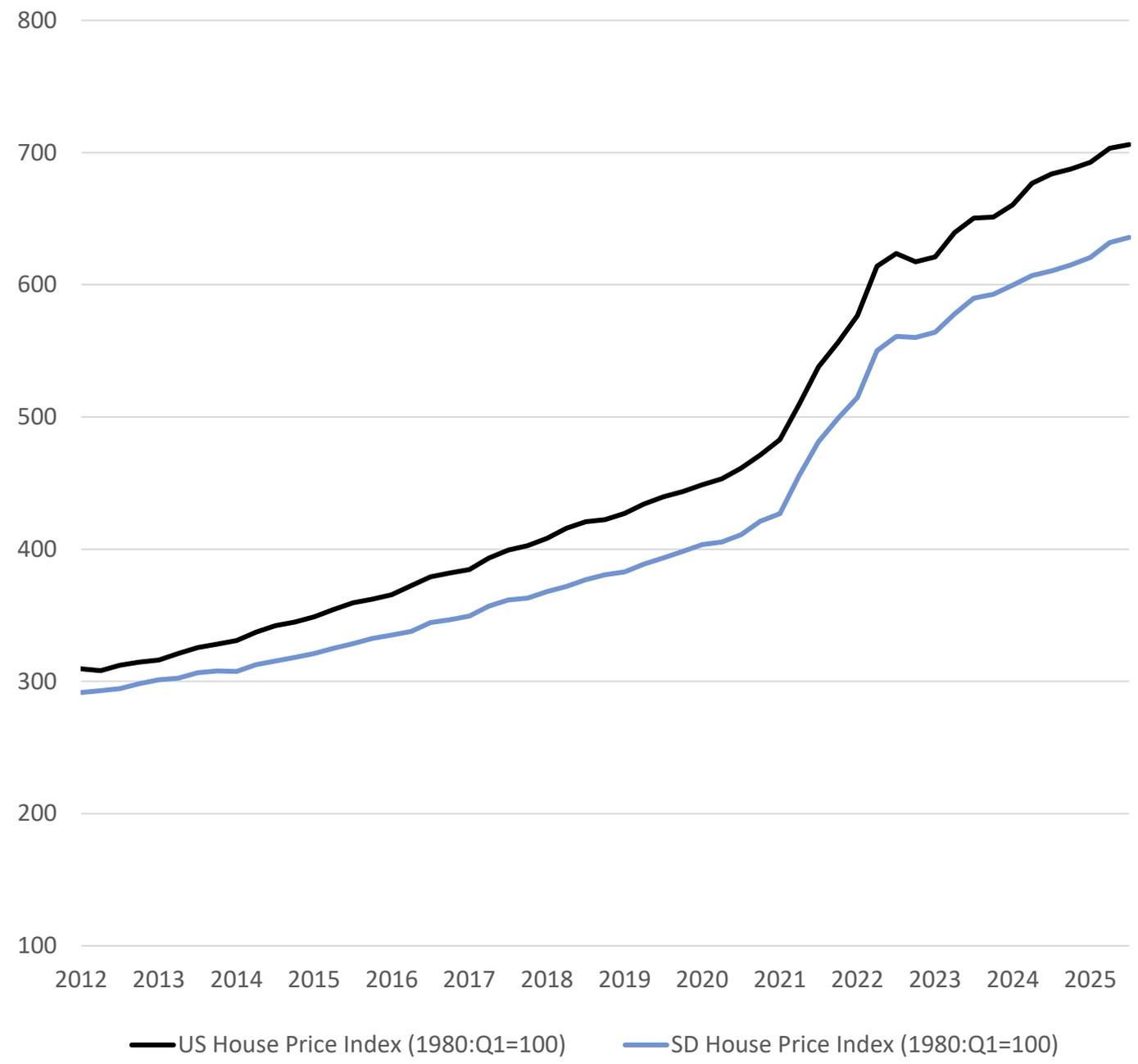


# Housing Starts



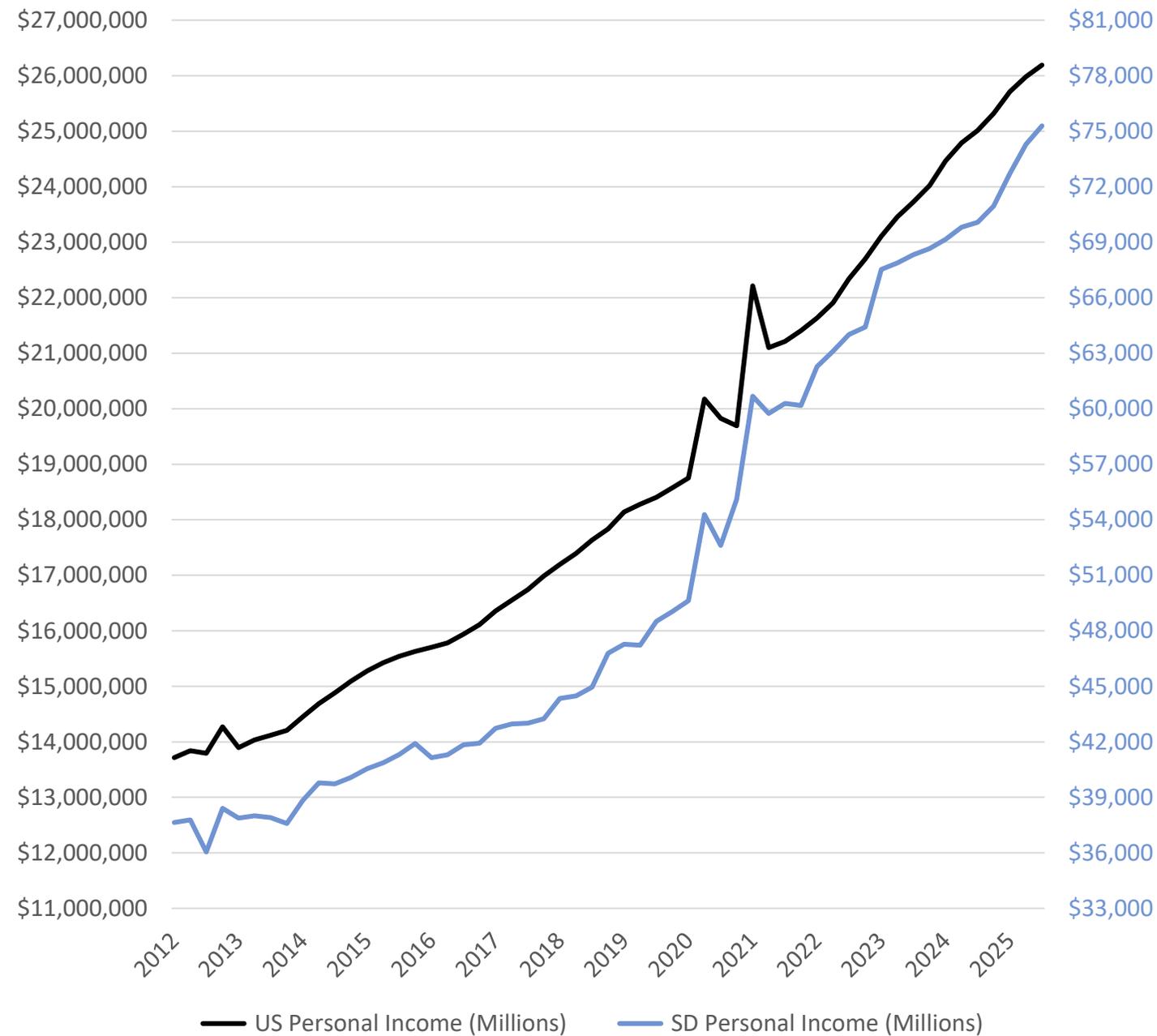


# Home Price



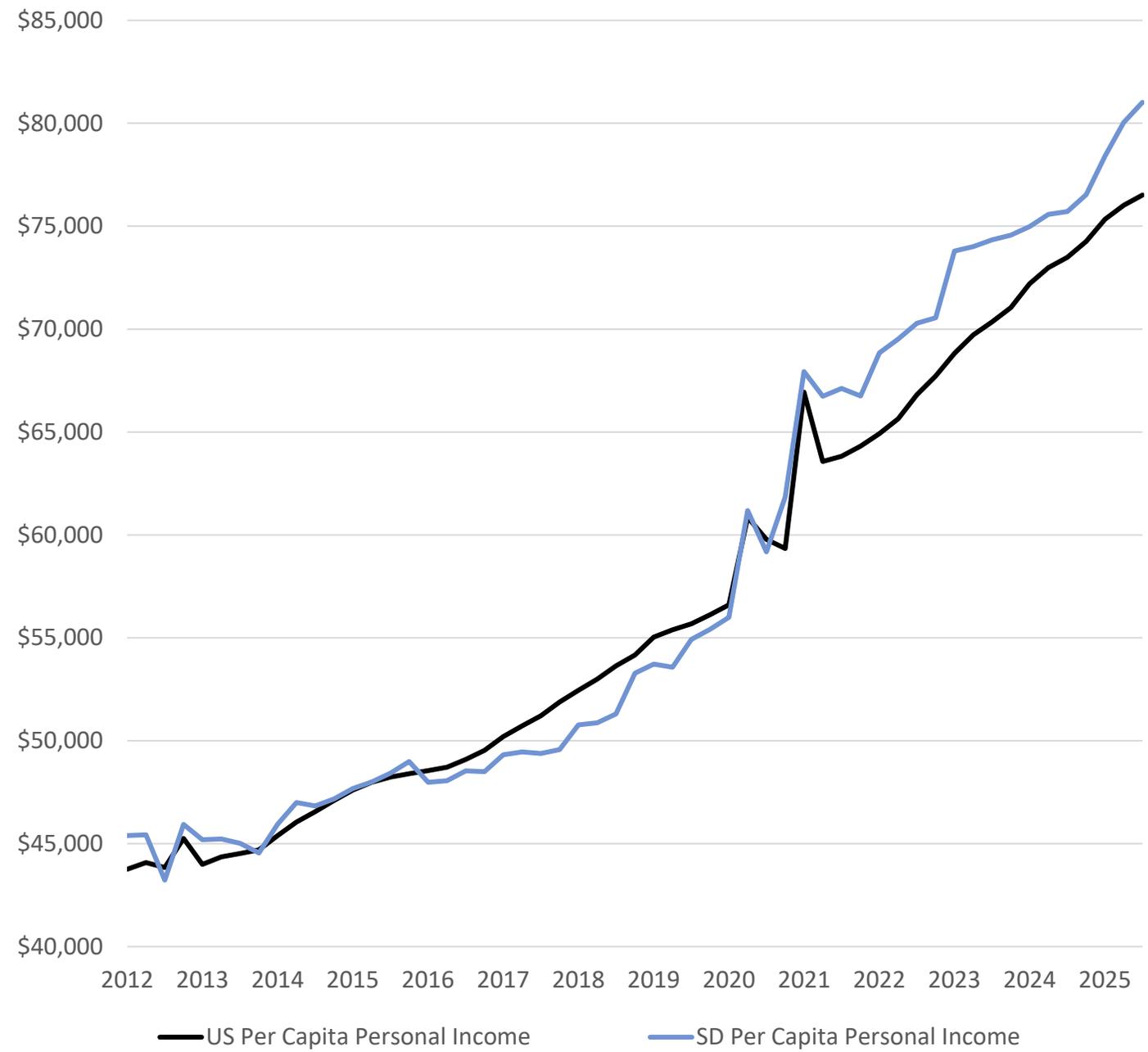


# Personal Income

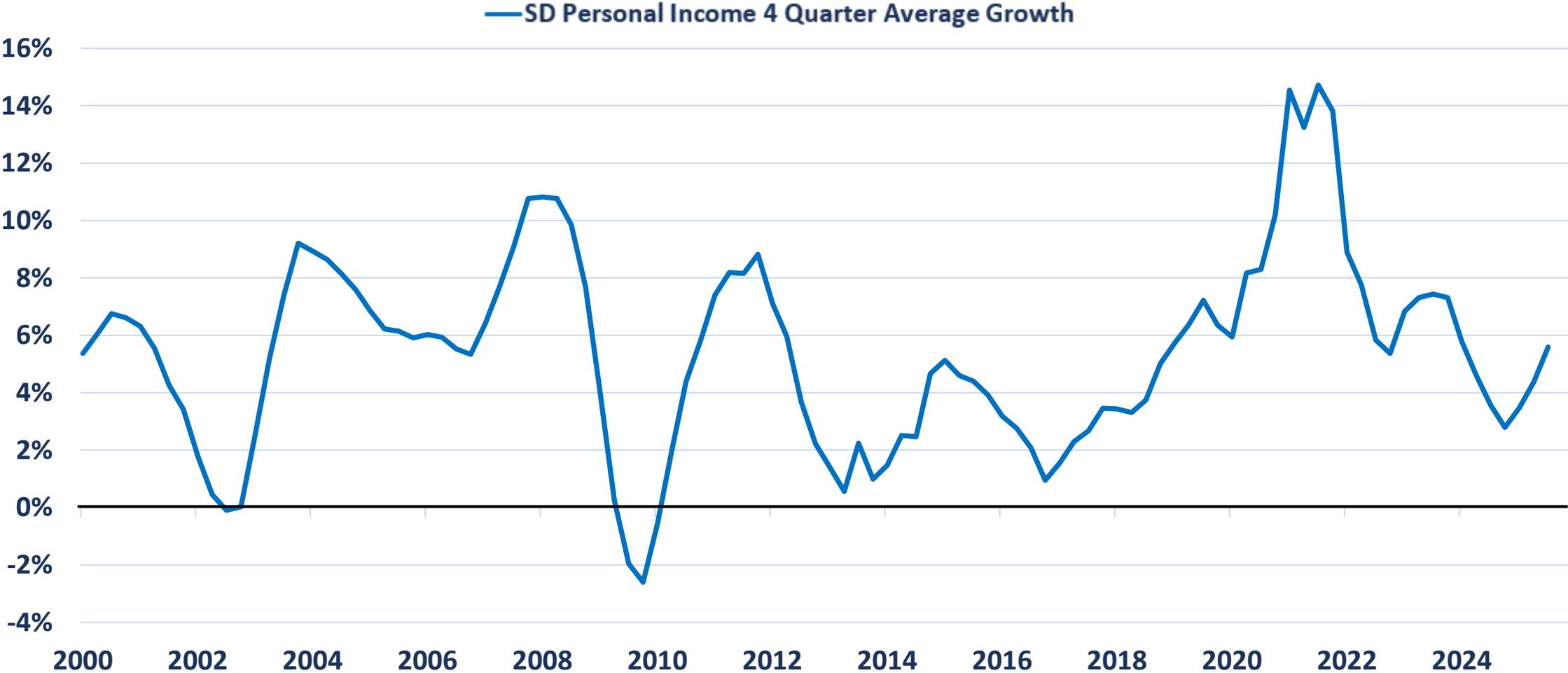




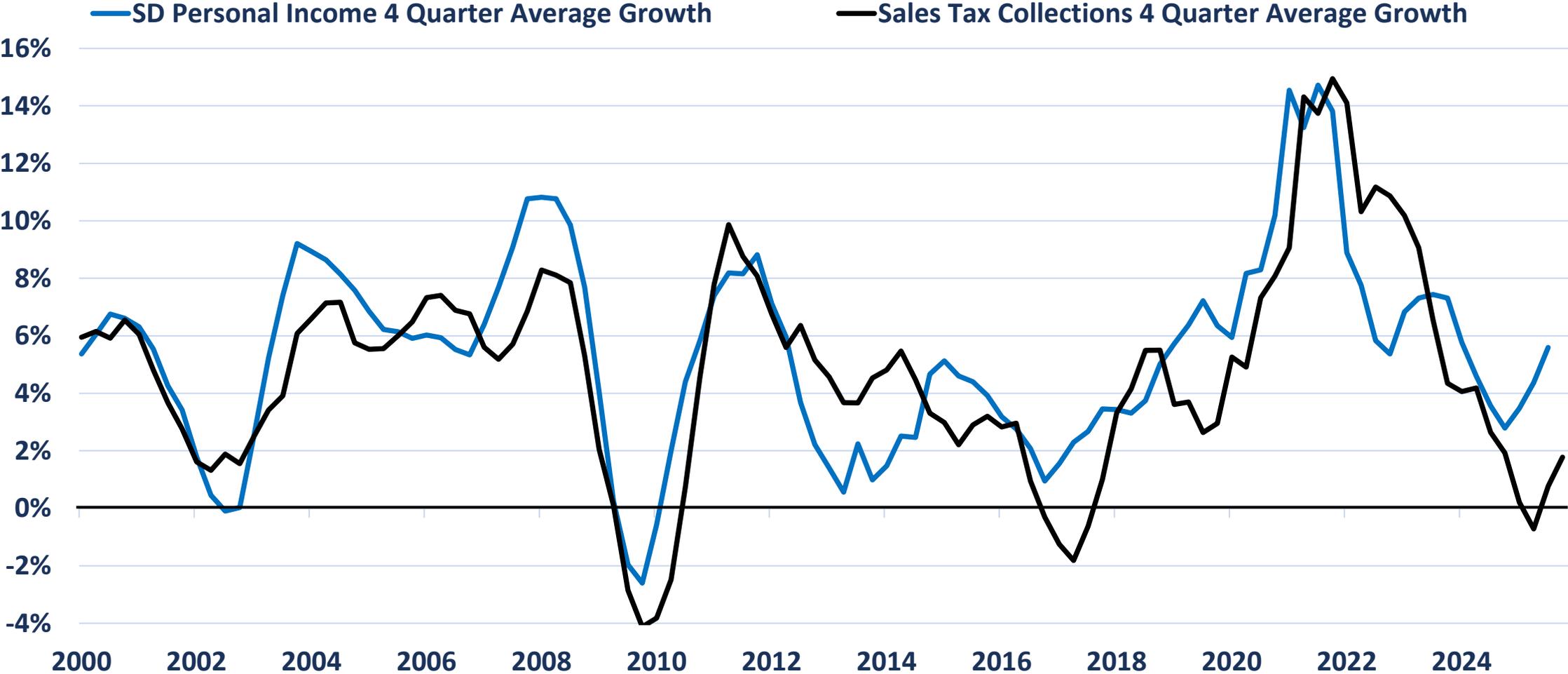
# Per Capita Personal Income



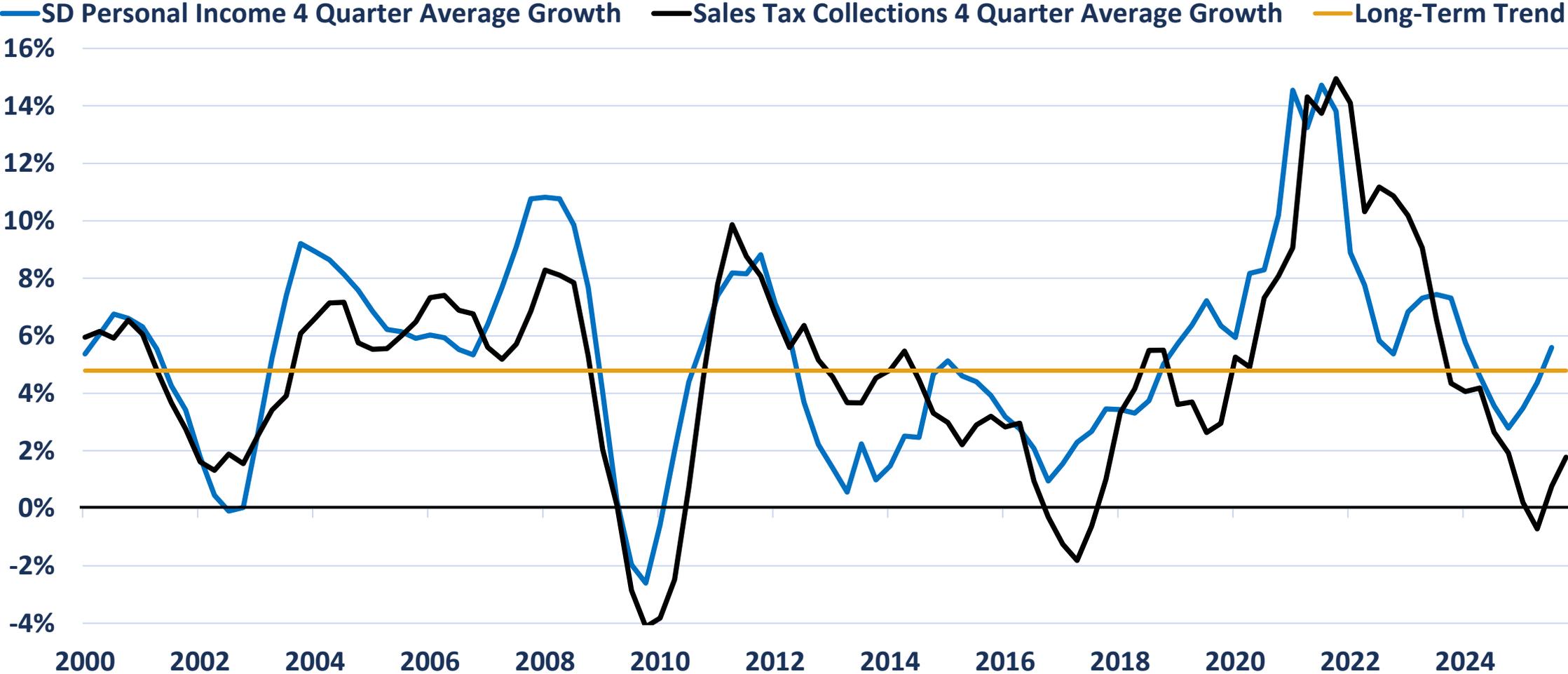
# SD Personal Income



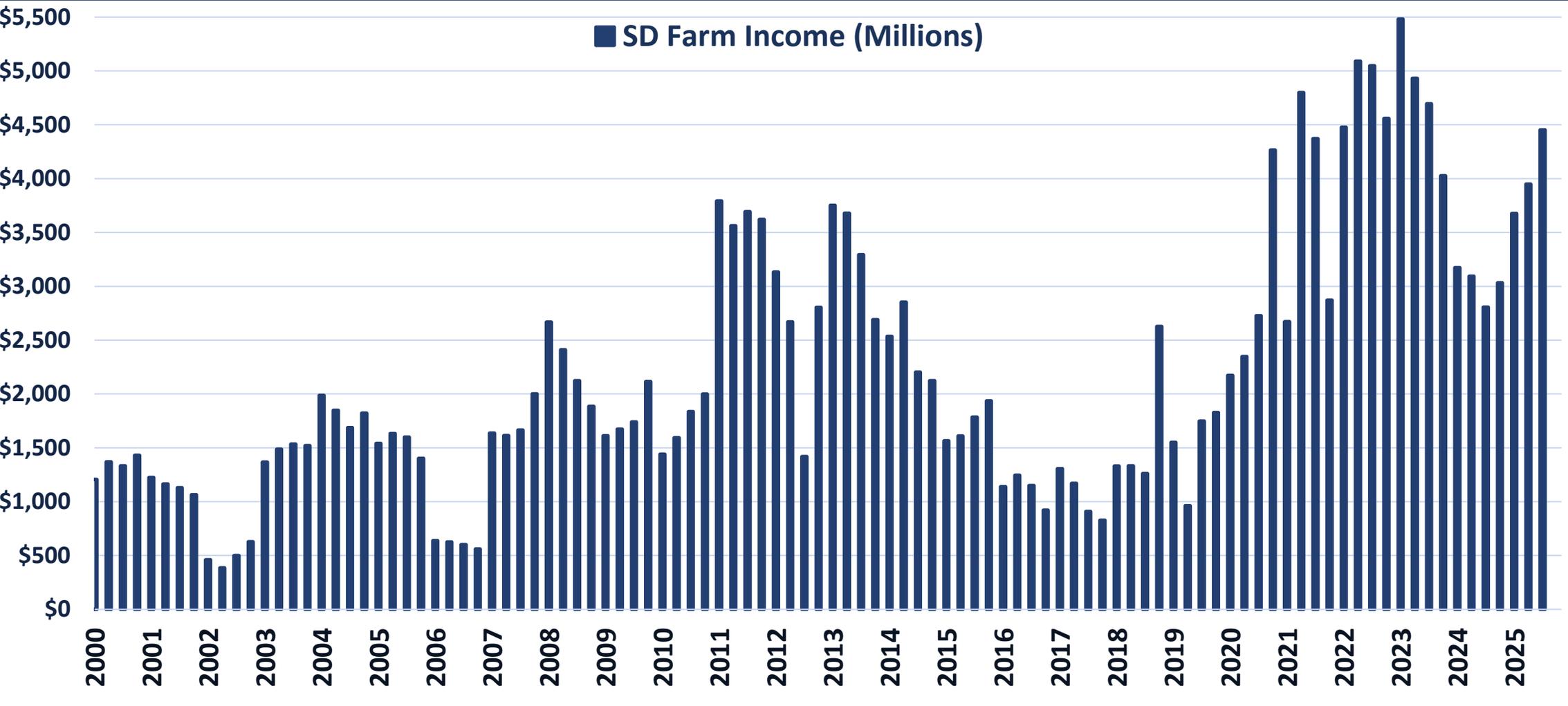
# SD Personal Income vs. Sales Tax Collections



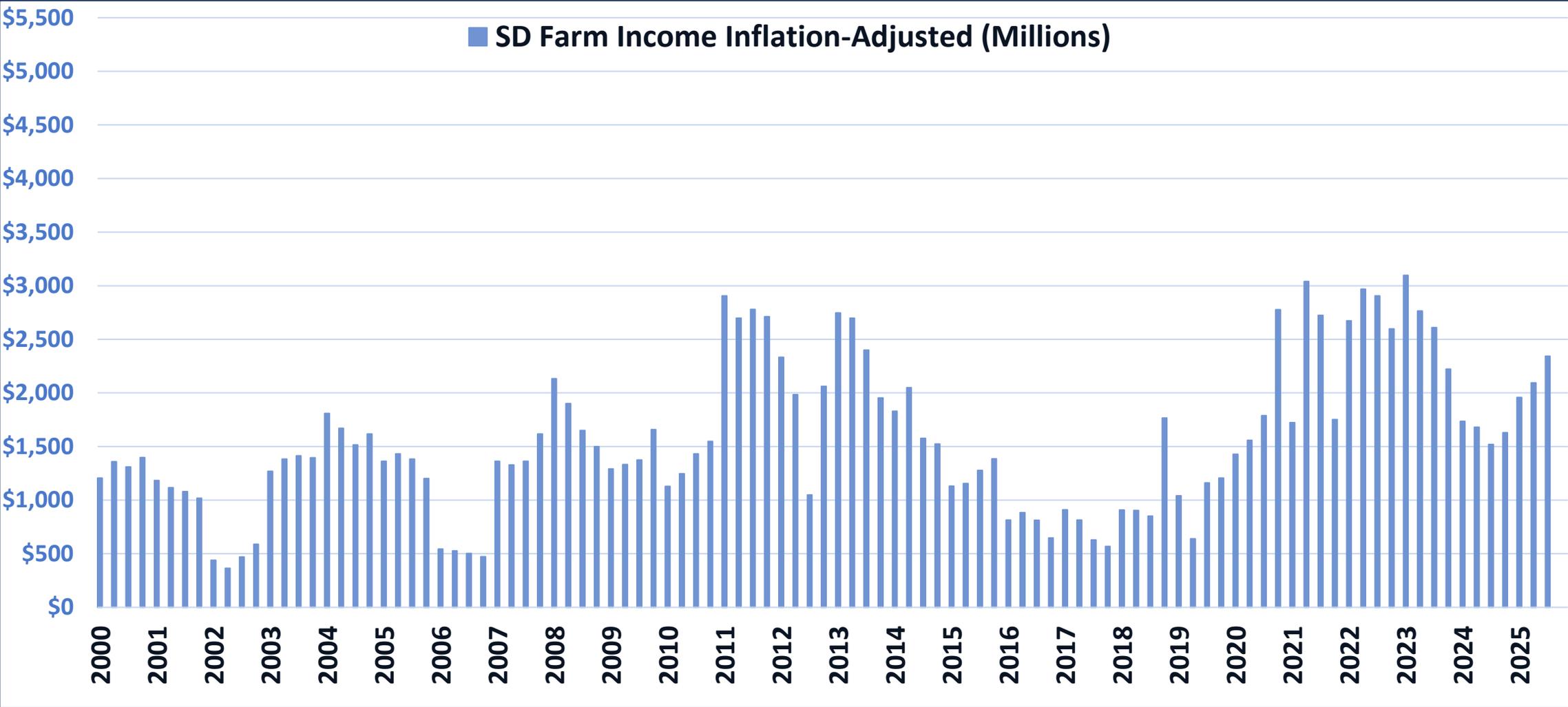
# SD Personal Income vs. Sales Tax Collections



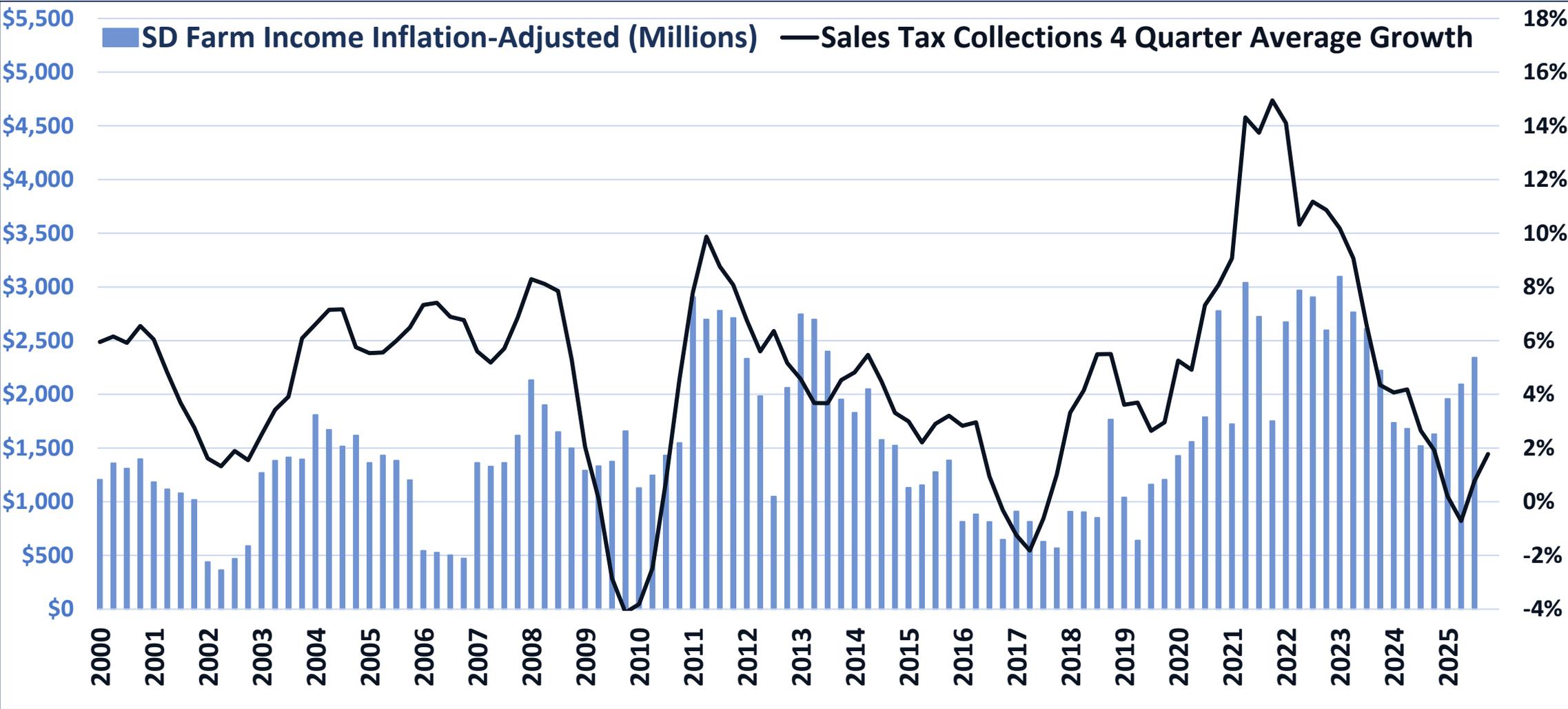
# SD Farm Income



# SD Farm Income

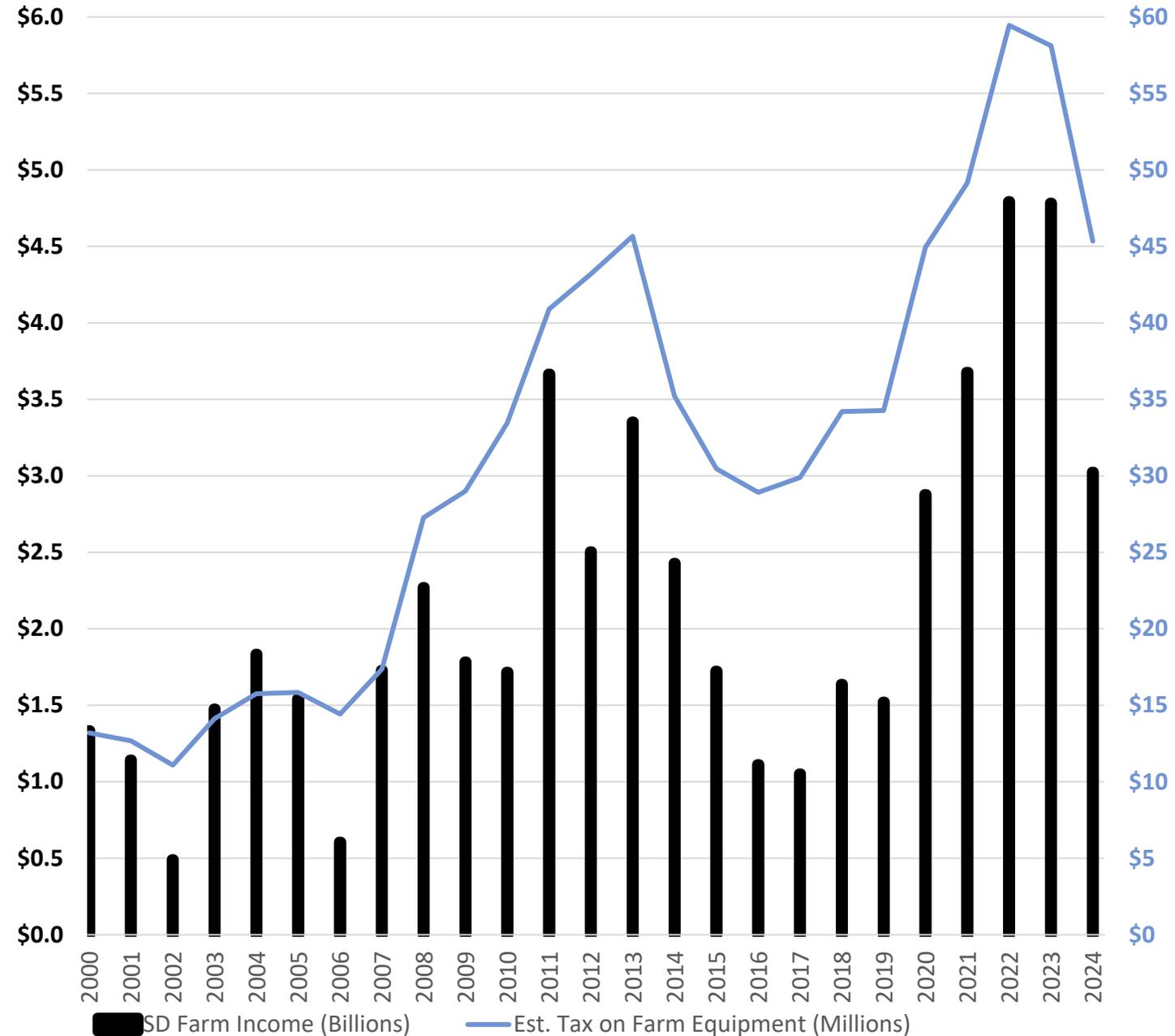


# SD Farm Income vs. Sales Tax Collections





# SD Farm Income & Spending on Equipment

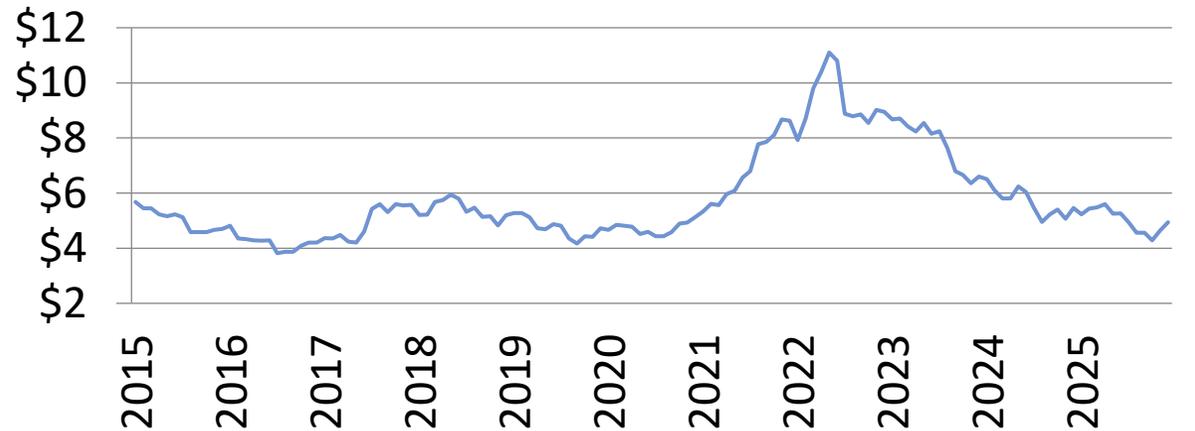


# Agriculture Economy/Prices

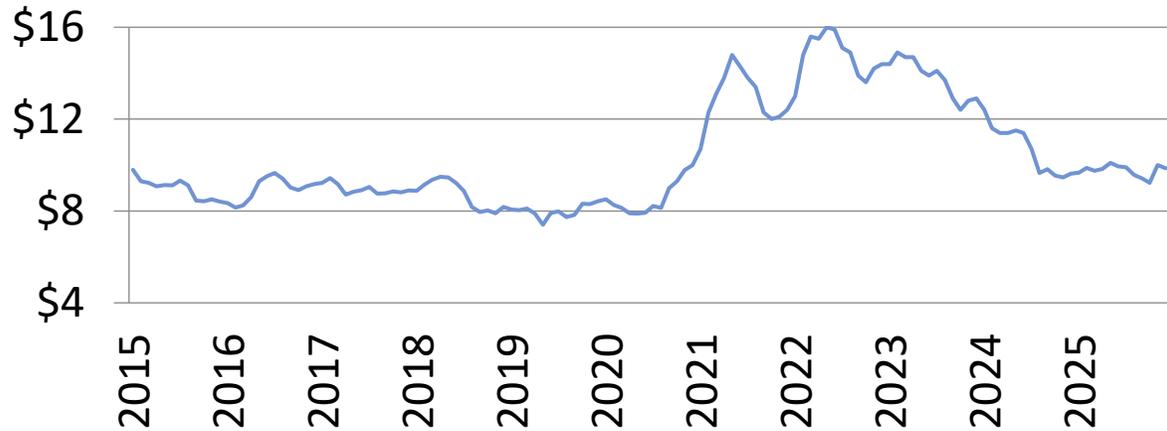
## SD Corn Prices



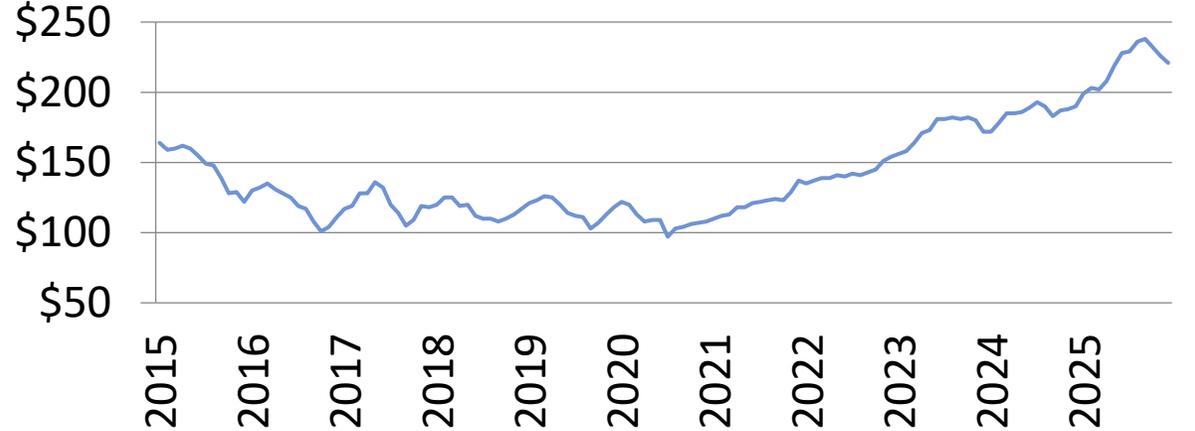
## SD Wheat Prices



## SD Soybean Prices

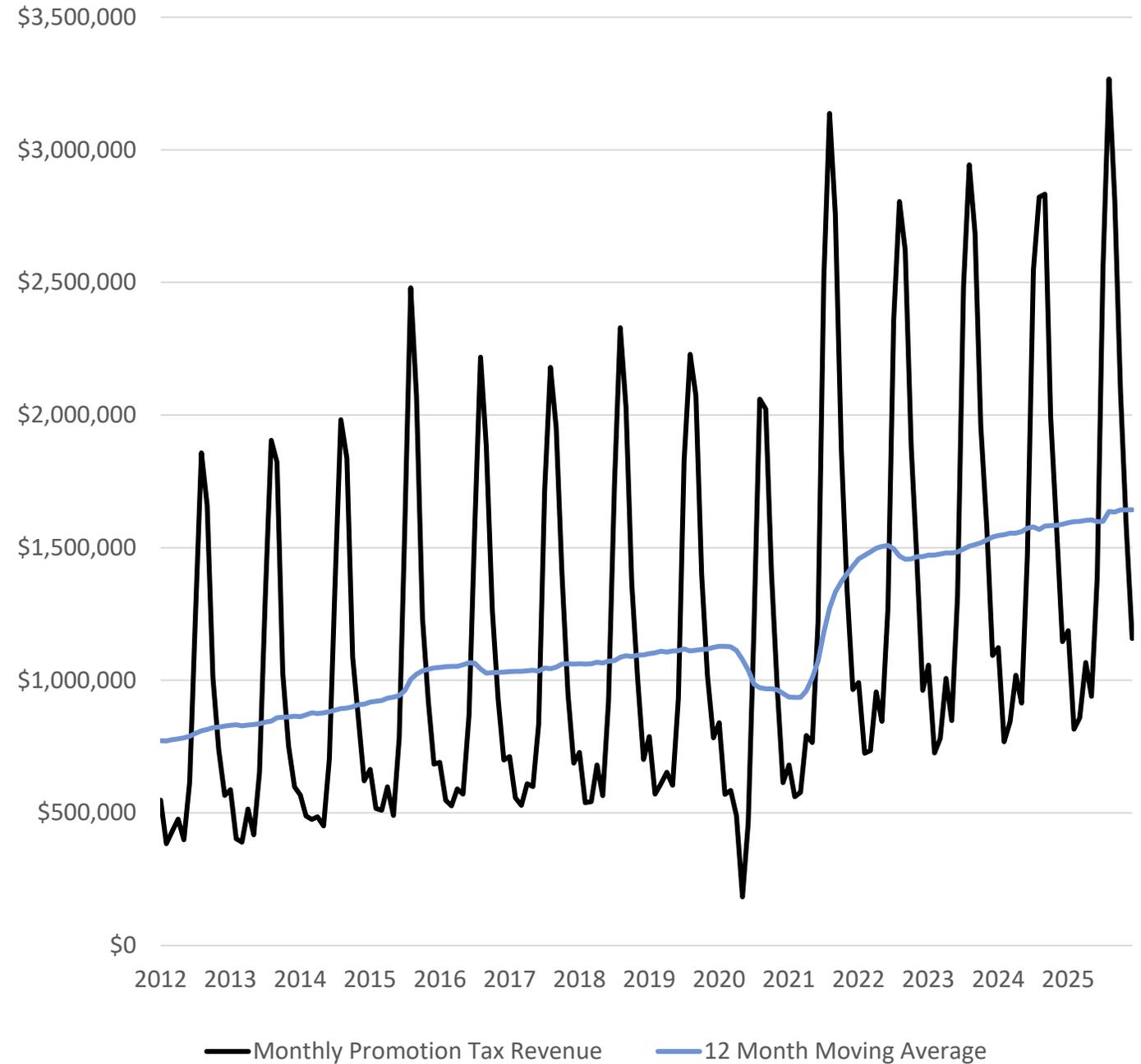


## Prices Received All Beef Cattle (US) \$/cwt



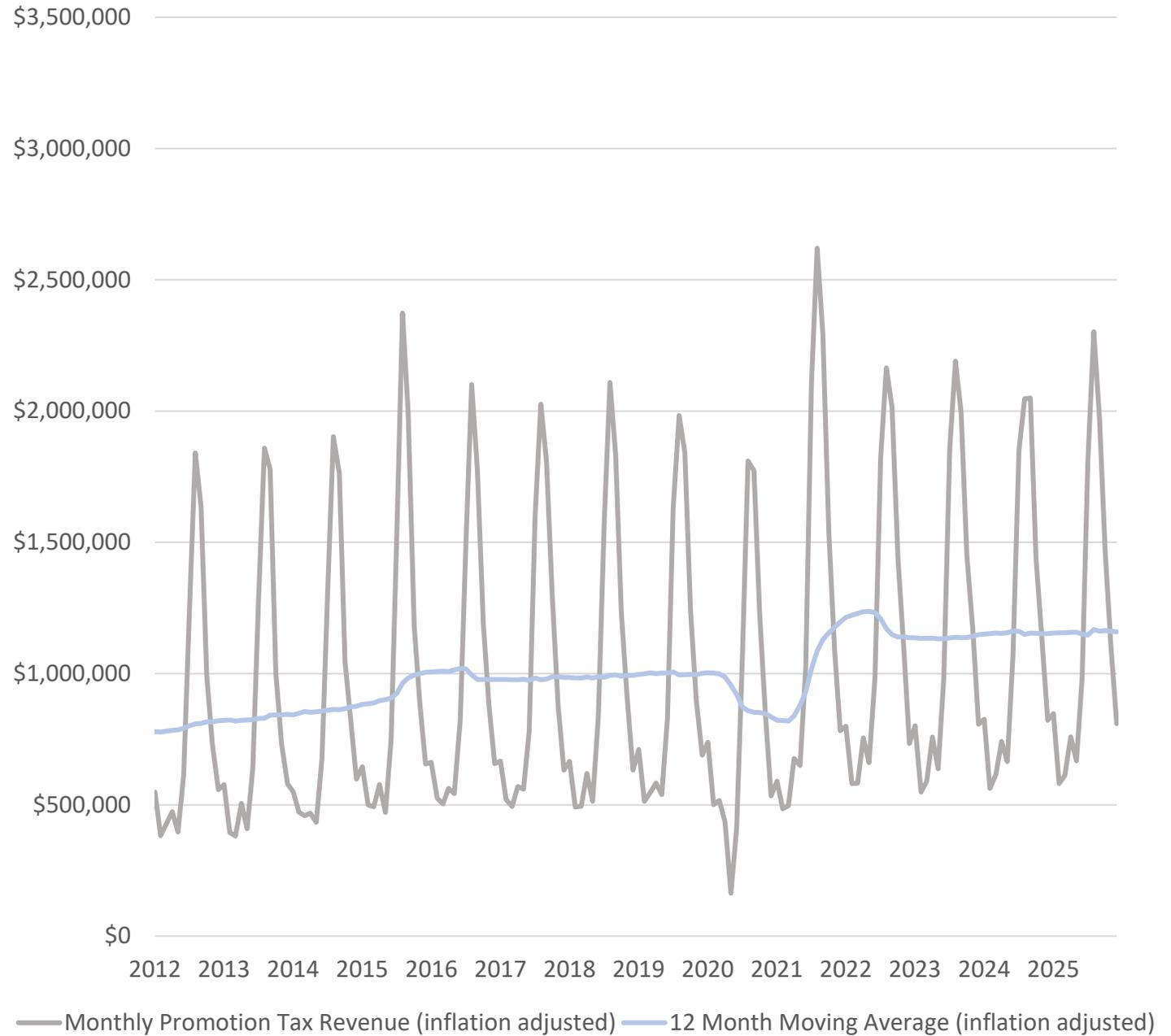


# SD Tourism Promotion Tax Collections





# SD Tourism Promotion Tax Collections (inflation adjusted)



# S&P Global Forecast - SD

	2020	2021	2022	2023	2024	2025	2026 f	2027 f	'15-'25 avg.
<b>Real GDP Growth</b>	1.6%	5.0%	-1.4%	3.6%	0.8%	1.2%↑	3.3%↑	2.0%↓	1.5%
<b>Nonfarm Employment</b>	-3.2%	3.4%	2.8%	2.0%	1.3%	1.0%↑	0.7%↑	0.6%↑	1.0%
<b>Personal Income</b>	10.2%	13.8%	5.4%	7.3%	2.8%	5.8%↔	5.2%↑	6.1%↑	5.9%
<b>Housing Starts</b>	6,029	7,646	7,464	5,989	5,518	5,536↓	5,250↑	4,938↑	5,631
<b>Unemployment Rate</b>	4.1%	2.5%	1.9%	1.8%	1.8%	1.9%↔	2.3%↔	2.5%↔	2.6%



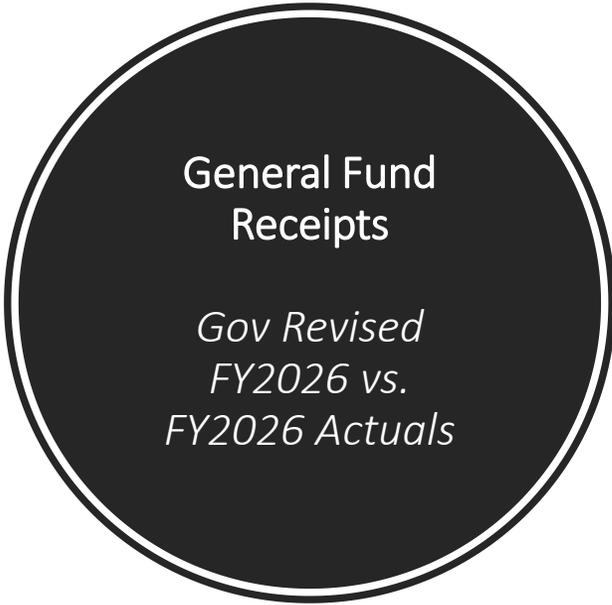
# General Fund Revenue

**Legislative Adopted FY2026 Estimate (Feb. 2025) vs. Actual Revenues  
Year-to-Date Through DECEMBER FY2026 Comparison**



	<b>Leg. Adopted DECEMBER YTD FY2026</b>	<b>Actual DECEMBER YTD FY2026</b>	<b>DOLLAR CHANGE</b>	<b>YTD % Chg. Actual/Adopt Comparison</b>
<b>ONGOING RECEIPTS</b>				
Net Sales and Use Tax (excl. cost of admin)	783,214,454	782,795,684	(418,769)	-0.1%
Lottery	88,832,546	88,222,276	(610,270)	-0.7%
Net Contractor's Excise Tax	126,003,009	124,409,380	(1,593,629)	-1.3%
Insurance Company Tax	65,055,401	63,530,850	(1,524,550)	-2.3%
Unclaimed Property Receipts	61,384,827	61,384,827	0	0.0%
Licenses, Permits, and Fees	14,510,458	15,397,647	887,190	6.1%
Tobacco Taxes	23,193,284	23,049,459	(143,824)	-0.6%
Trust Funds	37,300,000	37,307,402	7,402	0.0%
Net Transfers In (excluding one-time)	14,706,186	14,098,281	(607,905)	-4.1%
Alcohol Beverage Tax	2,522,302	2,427,427	(94,876)	-3.8%
Bank Franchise Tax	5,362,925	9,522,403	4,159,478	77.6%
Charges for Goods and Services	6,077,835	5,797,367	(280,468)	-4.6%
Telecommunications Tax	880,325	1,298,252	417,927	47.5%
Severance Taxes	8,584,590	11,486,825	2,902,235	33.8%
Investment Income and Interest	81,279,659	71,795,145	(9,484,514)	-11.7%
Alcohol Beverage 2% Wholesale Tax	1,656,416	1,664,337	7,921	0.5%
<b>SUBTOTAL (ONGOING RECEIPTS)</b>	<b>\$ 1,320,564,215</b>	<b>\$ 1,314,187,562</b>	<b>\$ (6,376,653)</b>	<b>-0.5%</b>
<b>ONE-TIME RECEIPTS</b>				
Bank Franchise Tax Prior Year Revenue	-	25,923	25,923	N/A
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 0</b>	<b>\$ 25,923</b>	<b>\$ 25,923</b>	<b>N/A</b>
<b>GRAND TOTAL</b>	<b>\$ 1,320,564,215</b>	<b>\$ 1,314,213,485</b>	<b>\$ (6,350,730)</b>	<b>-0.5%</b>

**Governor's Revised FY2026 Estimate (Nov. 2025) vs. Actual Revenues  
Year-To-Date Through DECEMBER FY2026 Comparison**

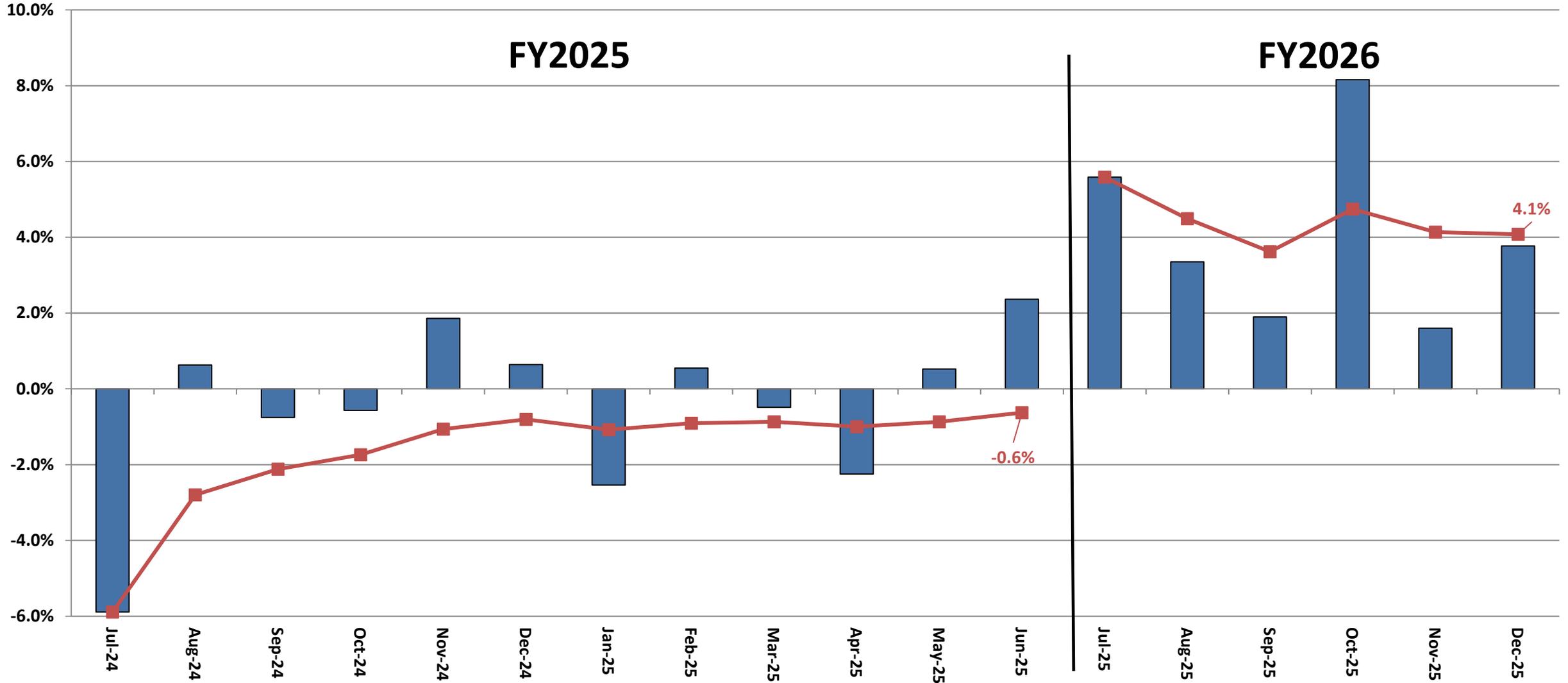


	<b>Gov. Revised DECEMBER YTD FY2026</b>	<b>Actual DECEMBER YTD FY2026</b>	<b>DOLLAR CHANGE</b>	<b>YTD % Chg. Actual/Revised Comparison</b>
<b>ONGOING RECEIPTS</b>				
Net Sales and Use Tax (excl. cost of admin)	782,145,890	782,795,684	649,795	0.1%
Lottery	88,094,194	88,222,276	128,082	0.1%
Net Contractor's Excise Tax	125,598,416	124,409,380	(1,189,036)	-0.9%
Insurance Company Tax	62,446,359	63,530,850	1,084,492	1.7%
Unclaimed Property Receipts	61,384,827	61,384,827	0	0.0%
Licenses, Permits, and Fees	15,041,331	15,397,647	356,316	2.4%
Tobacco Taxes	22,480,744	23,049,459	568,715	2.5%
Trust Funds	37,307,402	37,307,402	0	0.0%
Net Transfers In (excluding one-time)	14,676,192	14,098,281	(577,912)	-3.9%
Alcohol Beverage Tax	2,436,981	2,427,427	(9,554)	-0.4%
Bank Franchise Tax	7,561,973	9,522,403	1,960,430	25.9%
Charges for Goods and Services	5,908,683	5,797,367	(111,315)	-1.9%
Telecommunications Tax	1,261,306	1,298,252	36,947	2.9%
Severance Taxes	12,189,502	11,486,825	(702,677)	-5.8%
Investment Income and Interest	71,791,046	71,795,145	4,099	0.0%
Alcohol Beverage 2% Wholesale Tax	1,658,064	1,664,337	6,273	0.4%
<b>SUBTOTAL (ONGOING RECEIPTS)</b>	<b>\$ 1,311,982,909</b>	<b>\$ 1,314,187,562</b>	<b>\$ 2,204,653</b>	<b>0.2%</b>
<b>ONE-TIME RECEIPTS</b>				
Bank Franchise Tax Prior Year Revenue	25,923	25,923	0	0.0%
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 25,923</b>	<b>\$ 25,923</b>	<b>\$ -</b>	<b>0.0%</b>
<b>GRAND TOTAL</b>	<b>\$ 1,312,008,832</b>	<b>\$ 1,314,213,485</b>	<b>\$ 2,204,653</b>	<b>0.2%</b>

# Sales & Use Tax Growth

Sales & Use Tax (y/y)

Sales & Use Tax YTD





# Council Discussion

# S&P Global Forecast - US

	2020	2021	2022	2023	2024	2025	2026 f	2027 f	'15-'25 avg.
<b>Real GDP Growth</b>	-2.1%	6.2%	2.5%	2.9%	2.8%	2.2%↑	2.3%↑	1.9%↑	2.5%
<b>Nonfarm Employment</b>	-5.8%	2.9%	4.3%	2.2%	1.3%	0.9%↔	0.5%↓	0.5%↔	1.3%
<b>Personal Income</b>	6.9%	9.5%	3.0%	6.5%	5.6%	4.8%↓	5.3%↓	5.9%↑	5.3%
<b>Unemployment Rate</b>	8.1%	5.4%	3.6%	3.6%	4.0%	4.3%↑	4.7%↑	4.6%↑	4.6%
<b>CPI-U</b>	1.3%	4.7%	8.0%	4.1%	3.0%	2.6%↓	2.5%↓	2.8%↑	2.9%

# S&P Global Forecast - SD

	2020	2021	2022	2023	2024	2025	2026 f	2027 f	'15-'25 avg.
<b>Real GDP Growth</b>	1.6%	5.0%	-1.4%	3.6%	0.8%	1.2%↑	3.3%↑	2.0%↓	1.5%
<b>Nonfarm Employment</b>	-3.2%	3.4%	2.8%	2.0%	1.3%	1.0%↑	0.7%↑	0.6%↑	1.0%
<b>Personal Income</b>	10.2%	13.8%	5.4%	7.3%	2.8%	5.8%↔	5.2%↑	6.1%↑	5.9%
<b>Housing Starts</b>	6,029	7,646	7,464	5,989	5,518	5,536↓	5,250↑	4,938↑	5,631
<b>Unemployment Rate</b>	4.1%	2.5%	1.9%	1.8%	1.8%	1.9%↔	2.3%↔	2.5%↔	2.6%

# *Other Discussion Items*

- Next Meeting Date – May
- Other Comments
- Public Comments