

# Governor's Council of Economic Advisors

*June 9, 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*

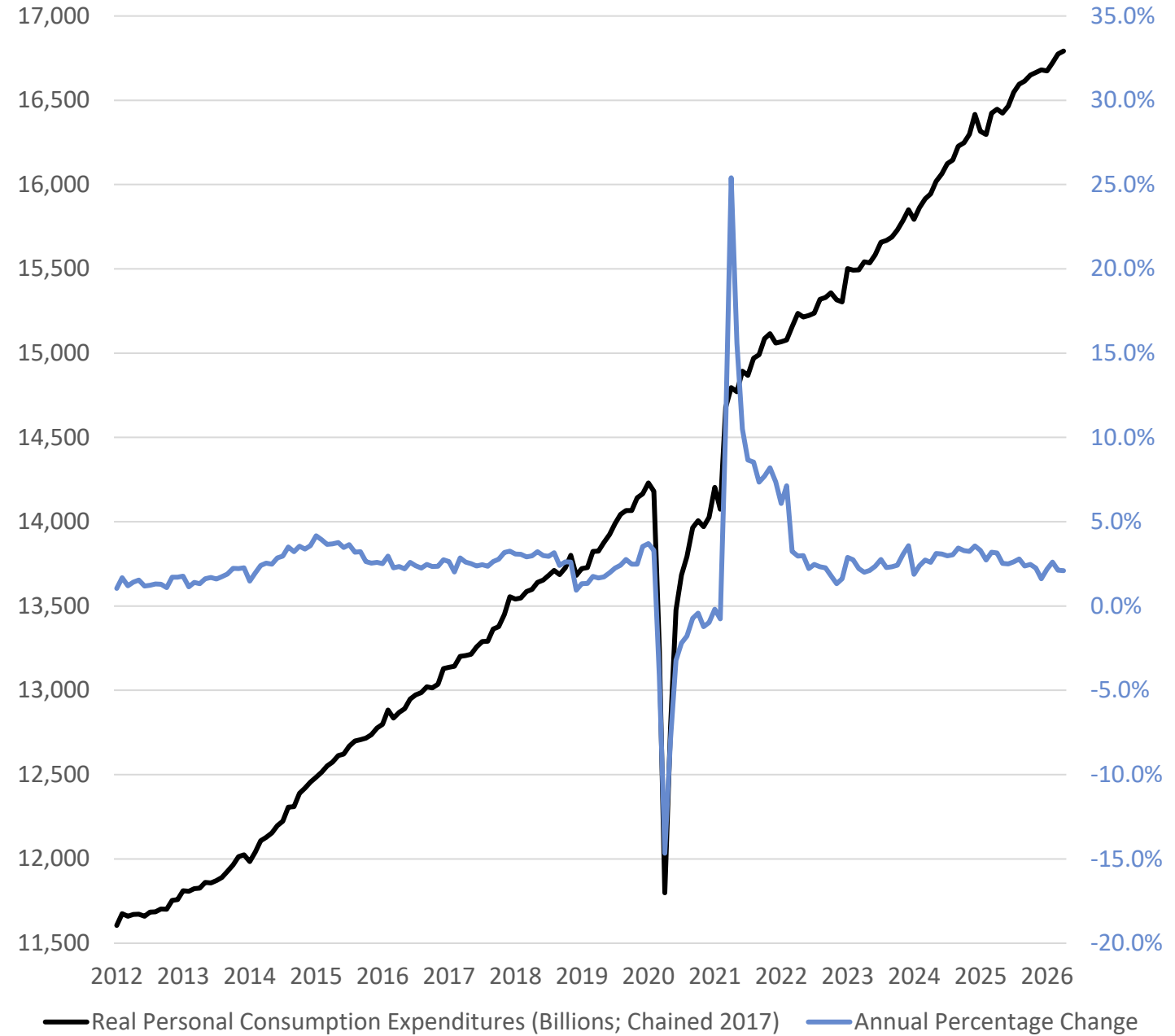
*Federal Fiscal Picture*

*Employment and Unemployment*

*Inflation*

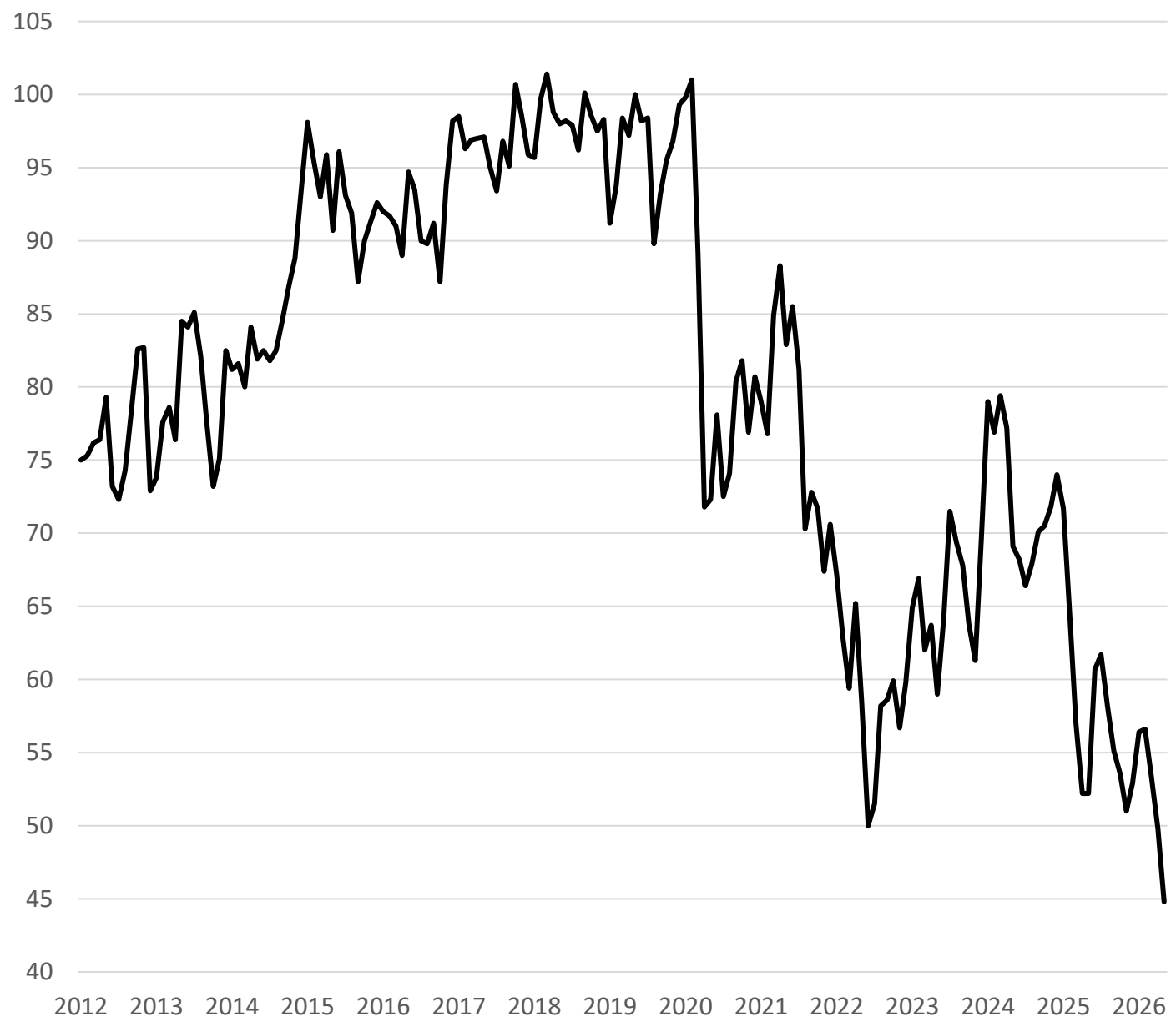


# US Real Personal Consumption Expenditures





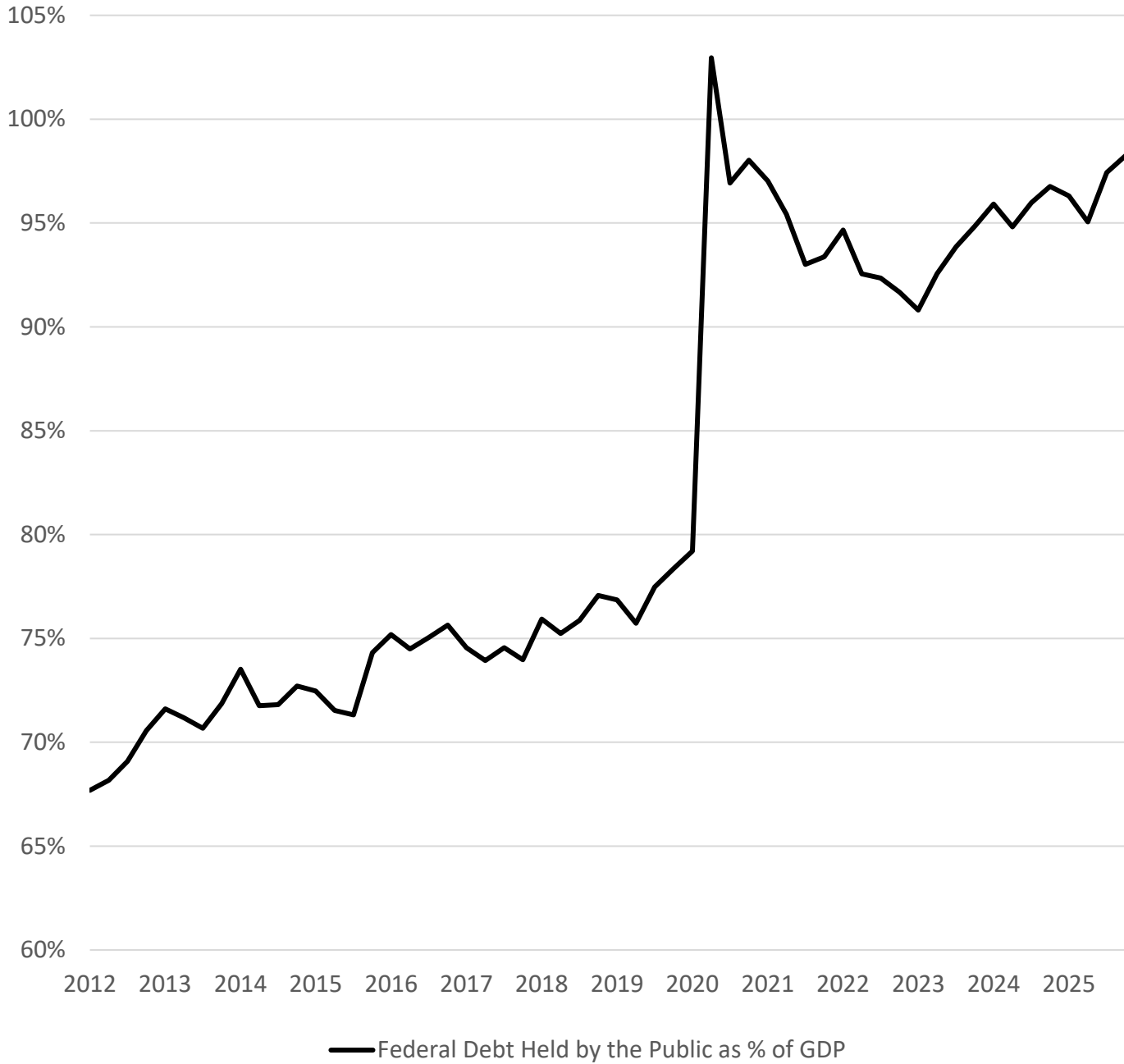
# US Consumer Sentiment



— University of Michigan: Consumer Sentiment (Index 1966: Q1=100)



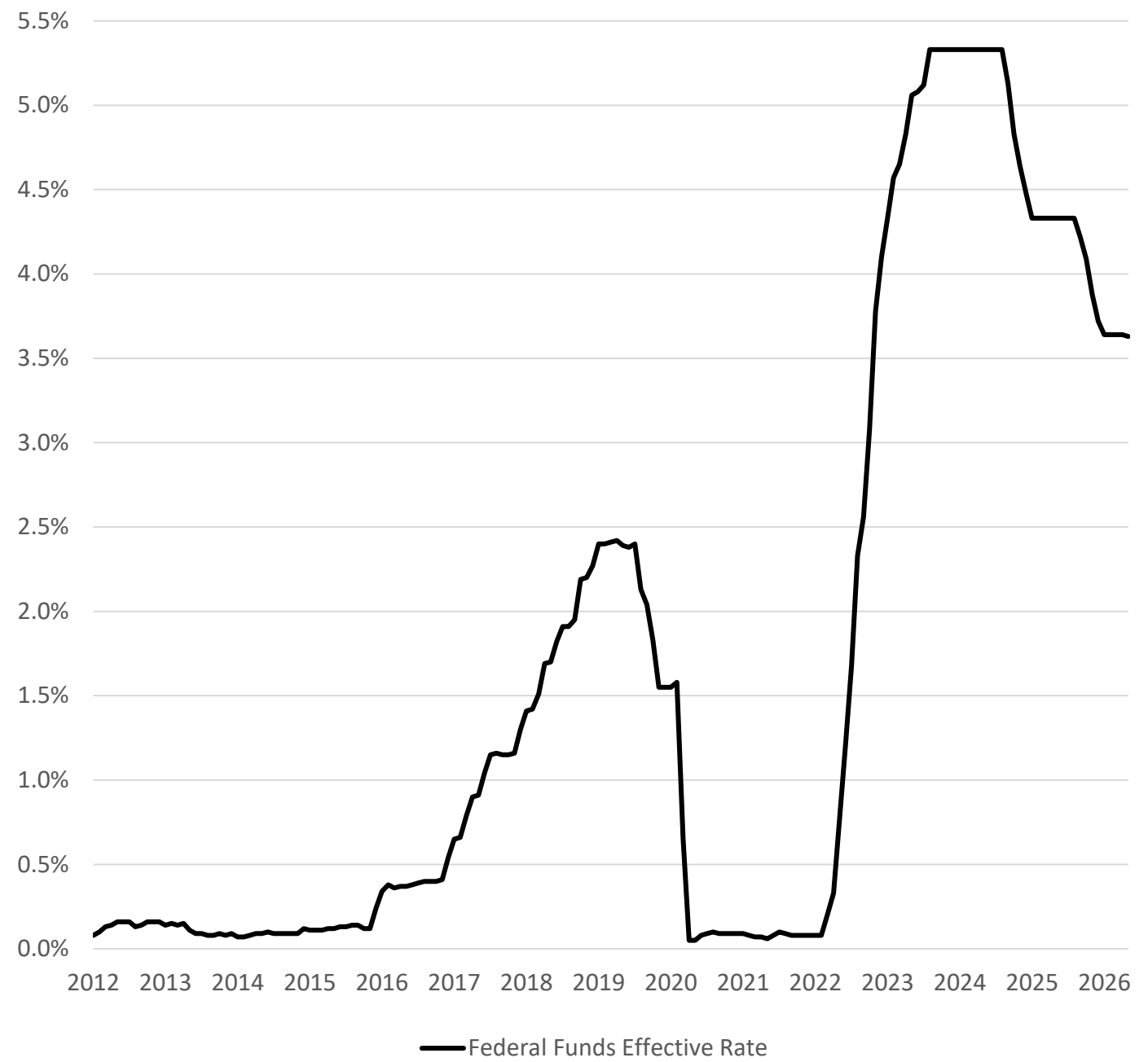
# Debt Held by Public



— Federal Debt Held by the Public as % of GDP

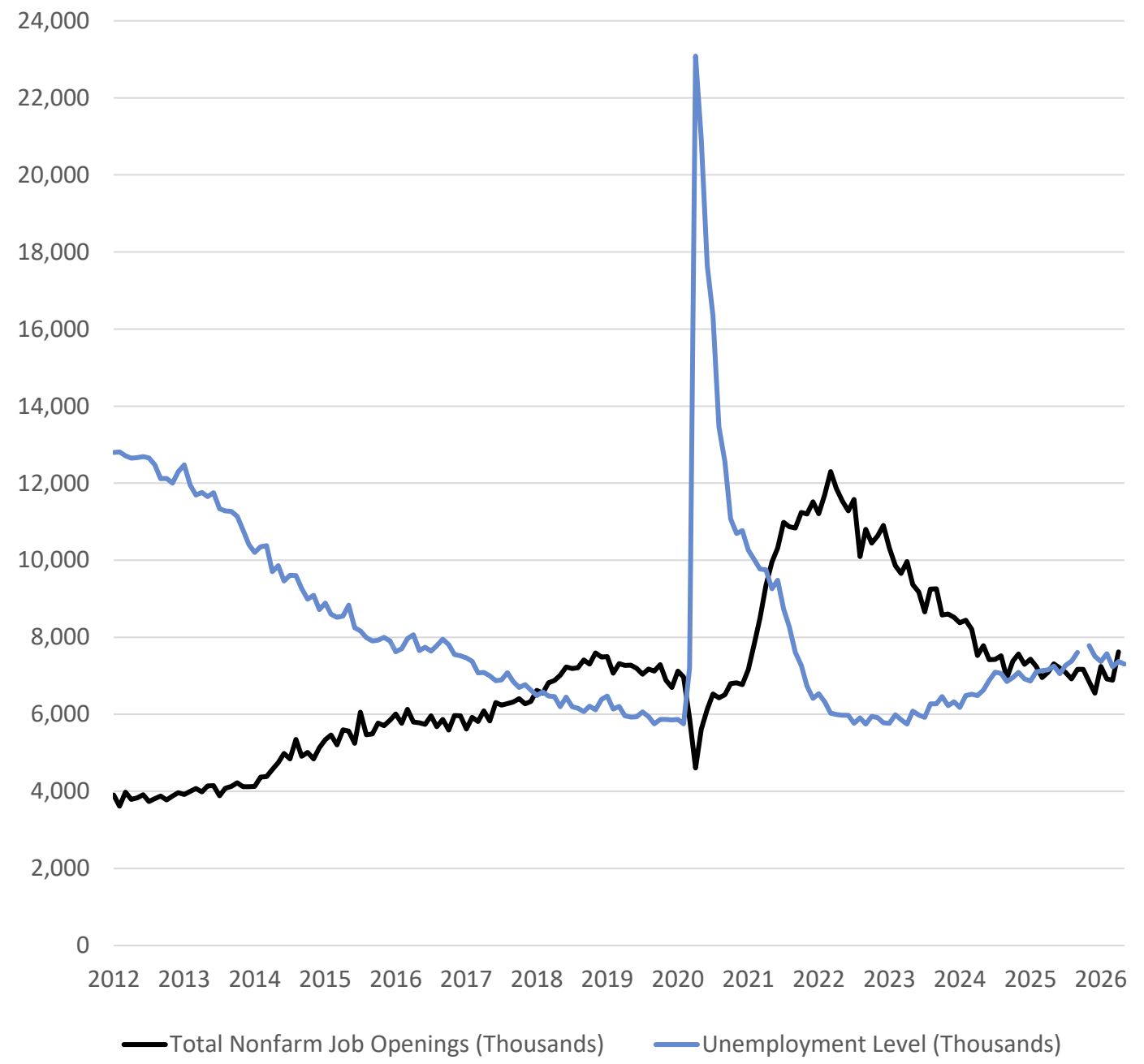


# Interest Rates





# US Job Openings vs. Unemployed





# Inflation: CPI



— Inflation (monthly year/year % chg. in CPI-U)

# *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%	2.1%	2.1%	2.1%	2.5%
<b>Nonfarm Employment</b>	-5.8%	2.9%	4.3%	2.2%	1.2%	0.5%	0.2%	0.0%	1.2%
<b>Personal Income</b>	6.9%	9.5%	3.0%	6.5%	5.6%	4.8%	3.6%	6.0%	5.3%
<b>Unemployment Rate</b>	8.1%	5.4%	3.6%	3.6%	4.0%	4.3%	4.5%	4.7%	4.6%
<b>CPI-U</b>	1.3%	4.7%	8.0%	4.1%	3.0%	2.6%	4.0%	2.5%	2.9%

# *S&P Global Alternate Scenarios - US*

Optimistic Scenario (25% probability)				Pessimistic Scenario (25% probability)			
	2025	2026 f	2027 f	2025	2026 f	2027 f	'15-'25 avg.
<b>Real GDP Growth</b>	2.1%	2.2%	2.4%	2.1%	2.0%	1.8%	2.5%
<b>Nonfarm Employment</b>	0.5%	0.2%	0.3%	0.5%	0.2%	-0.2%	1.2%
<b>Personal Income</b>	4.8%	3.5%	5.7%	4.8%	3.7%	6.4%	5.3%
<b>Unemployment Rate</b>	4.3%	4.4%	4.4%	4.3%	4.5%	4.9%	4.6%
<b>CPI-U</b>	2.6%	2.8%	2.0%	2.6%	4.4%	3.7%	2.9%

# *SD Forecast*

*Employment*

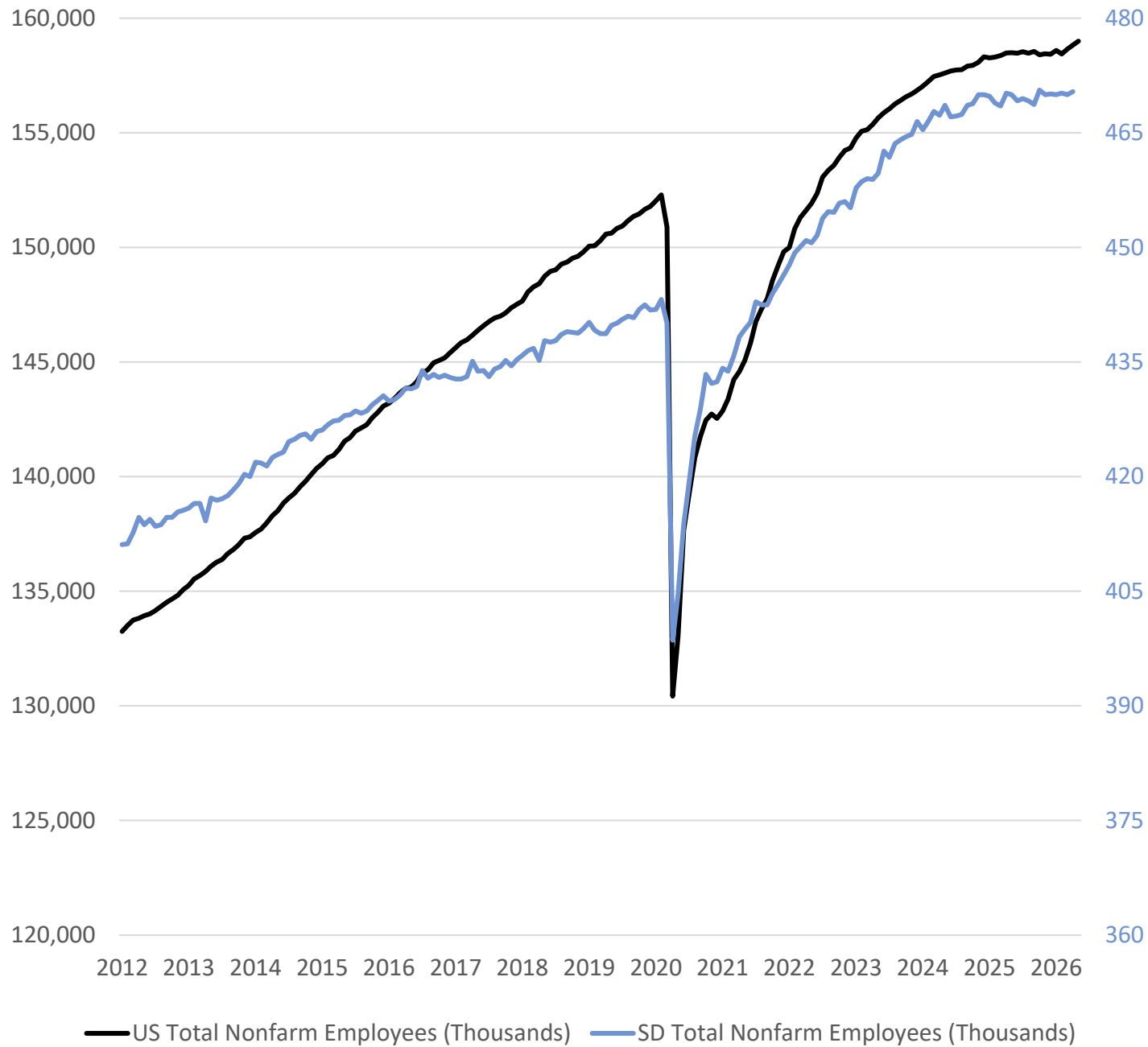
*Housing*

*Income*

*Tourism*

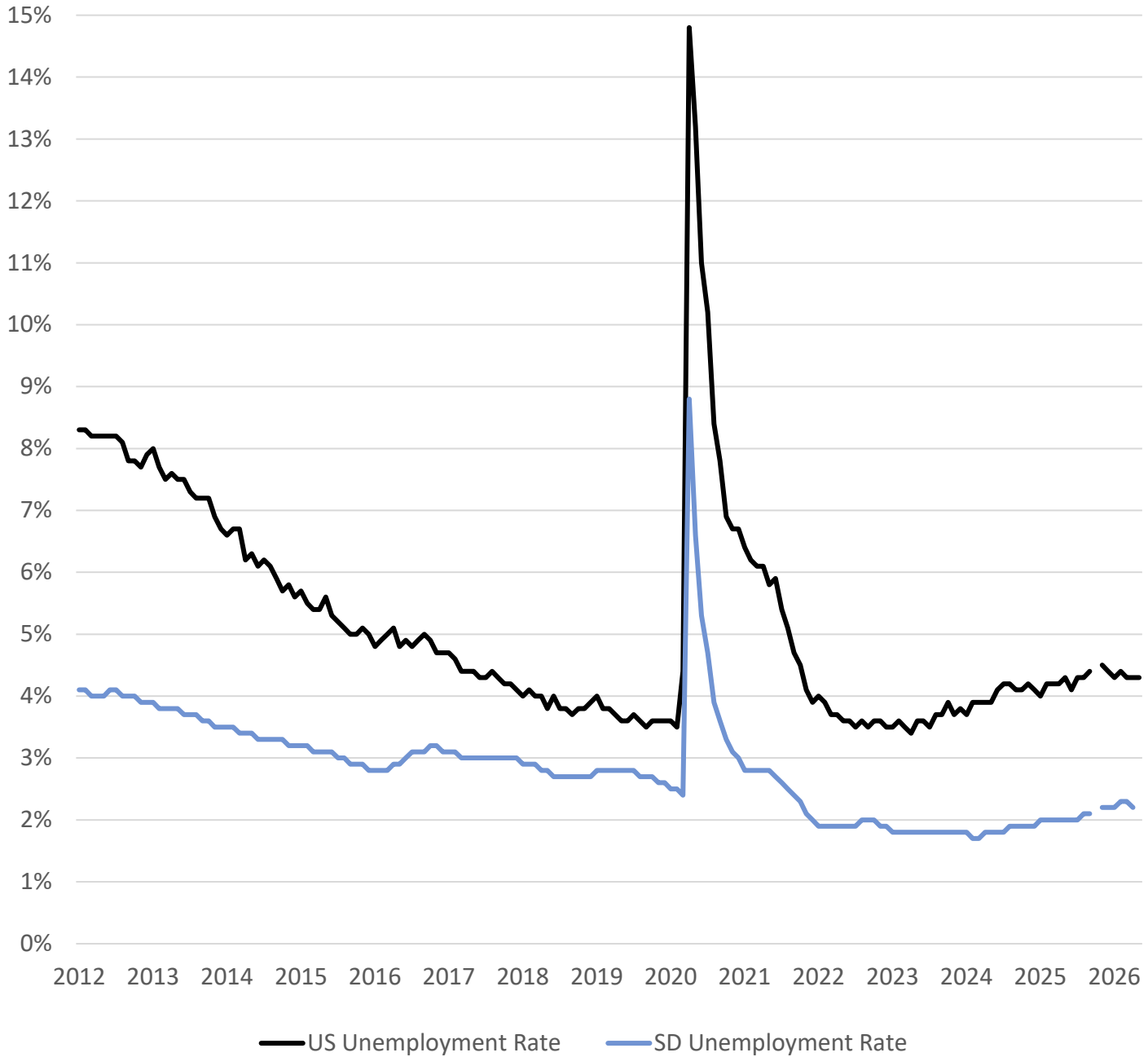


# Employment Growth





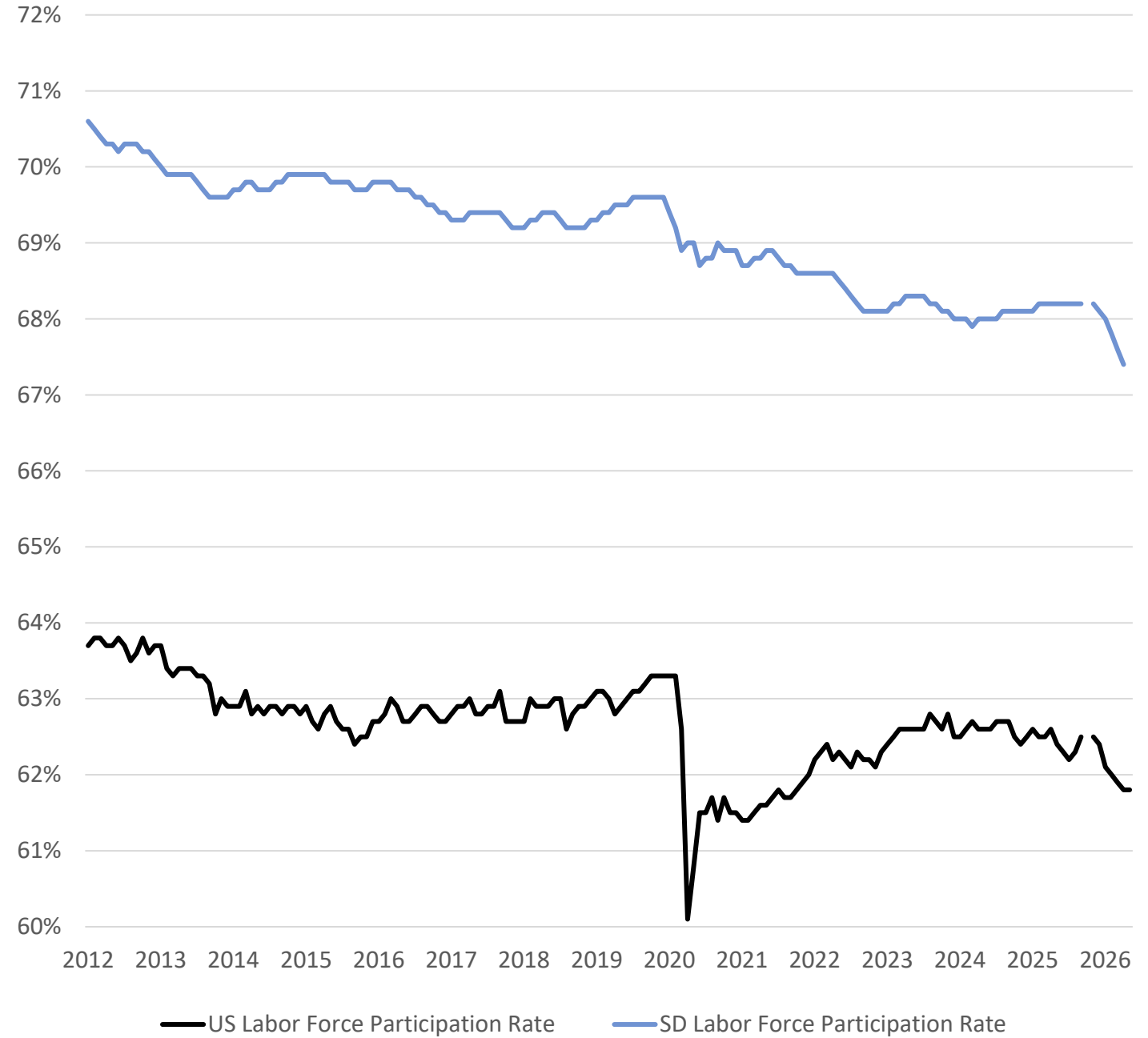
# Unemployment Rate



— US Unemployment Rate — SD Unemployment Rate

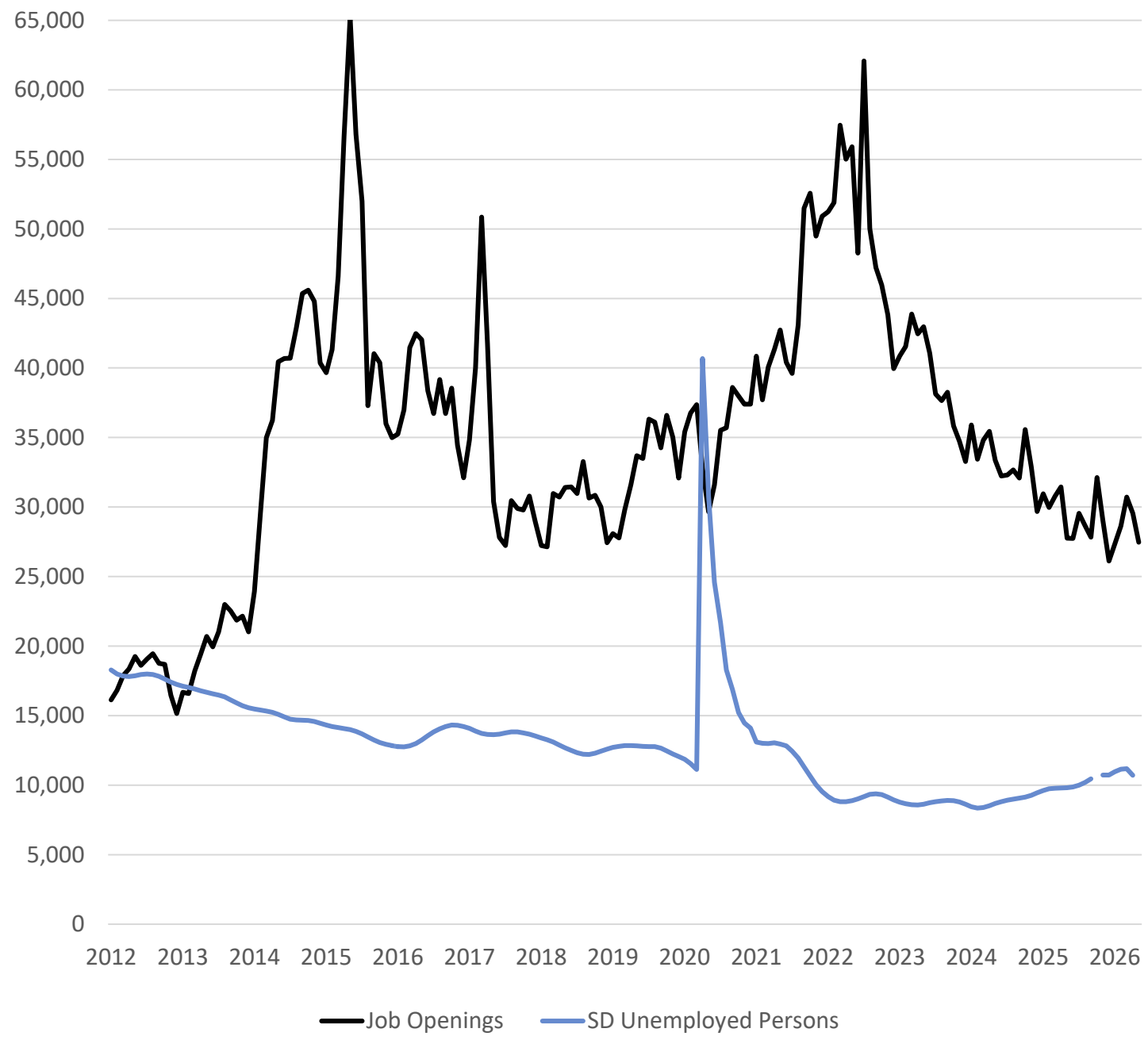


# Labor Force Participation Rate



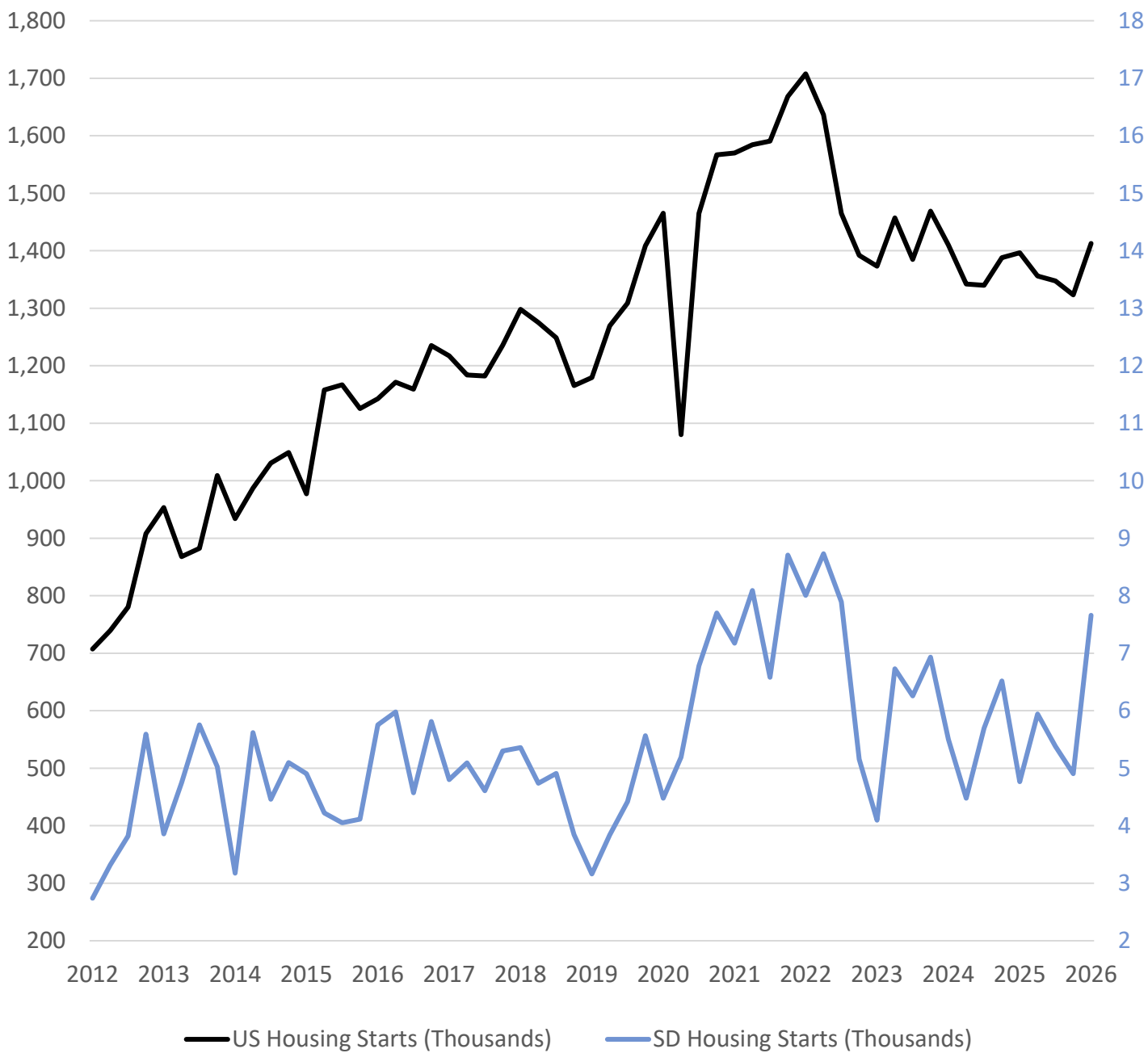


# SD Job Openings vs. Unemployed



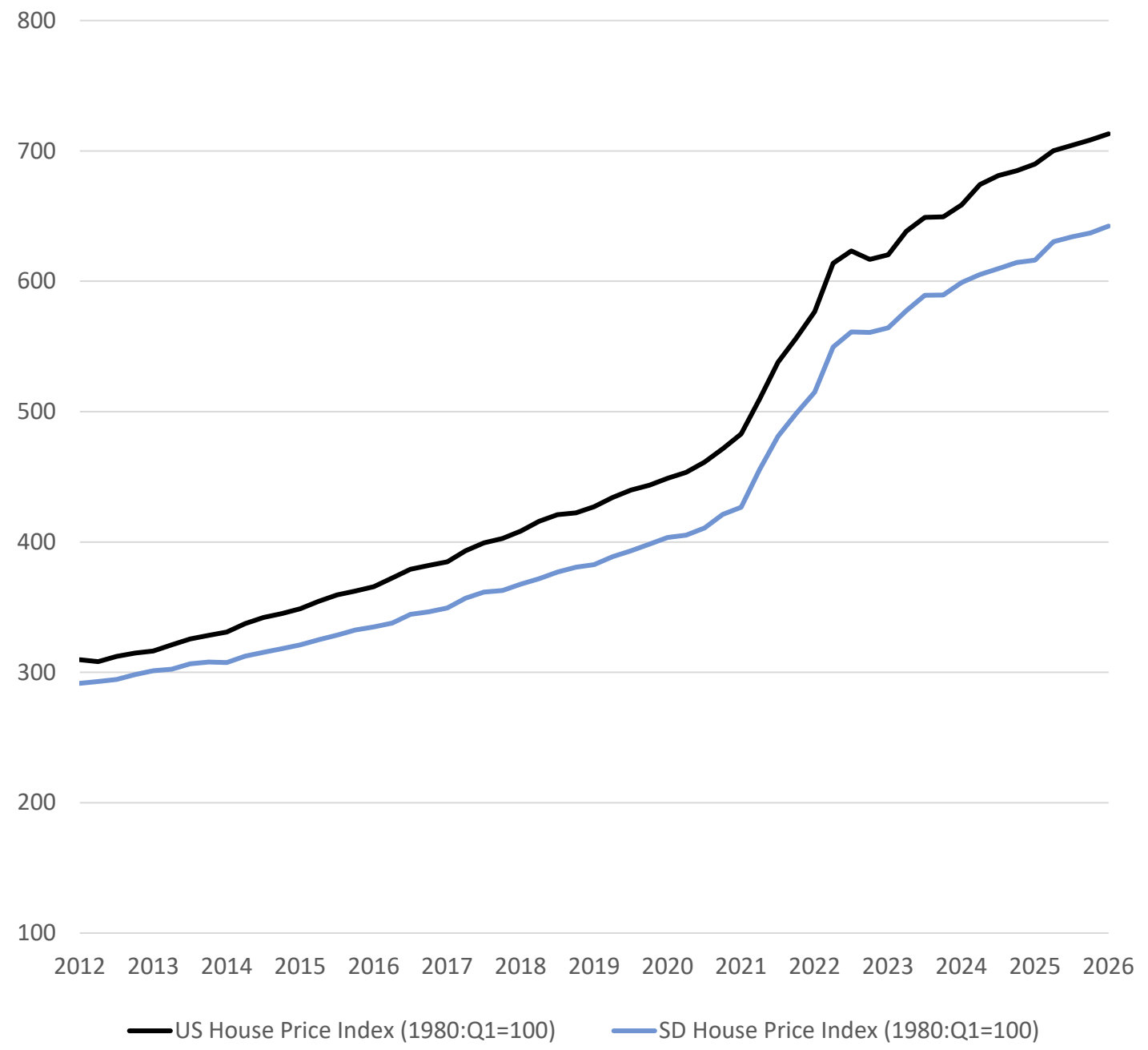


# Housing Starts



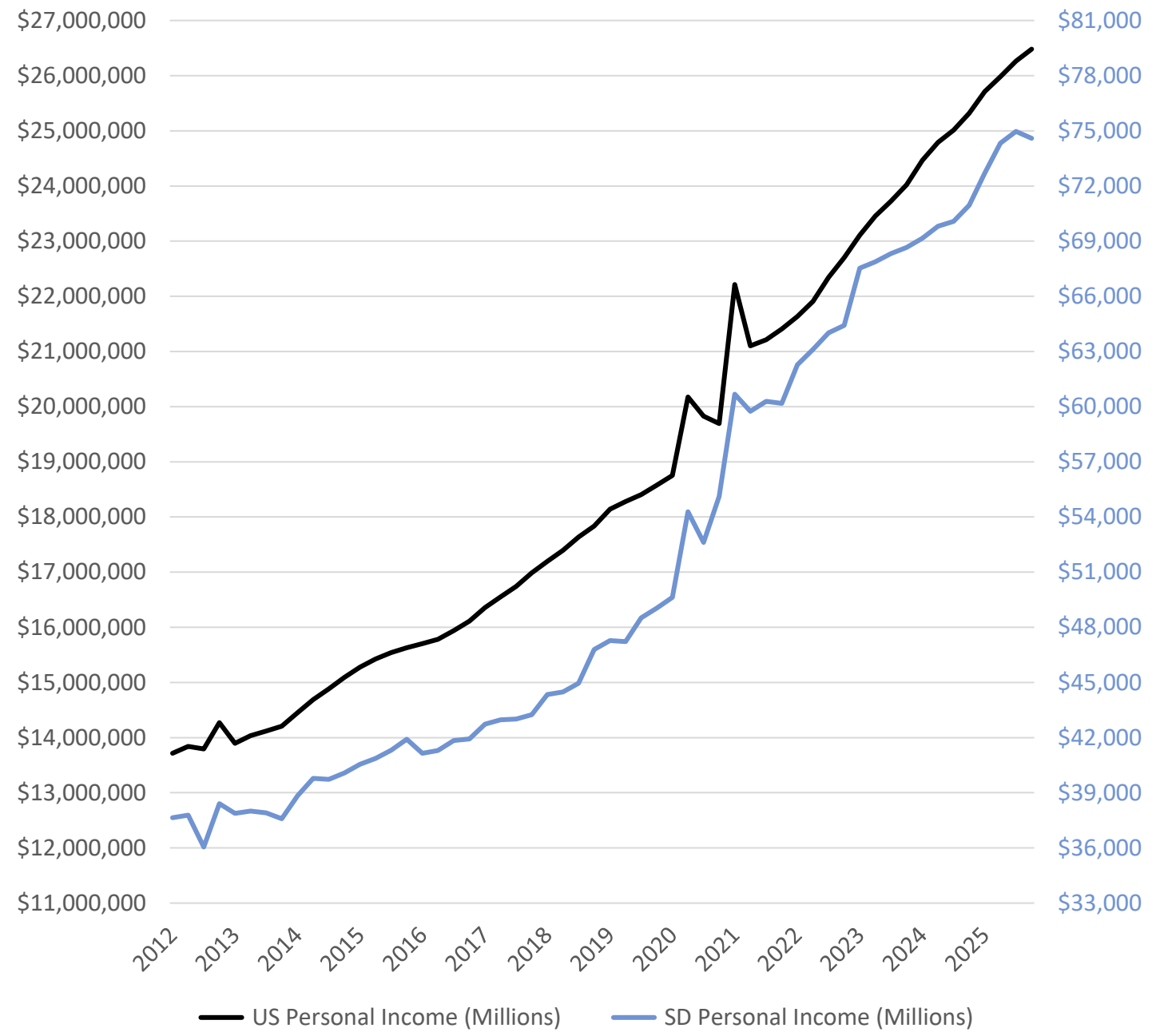


# Home Price



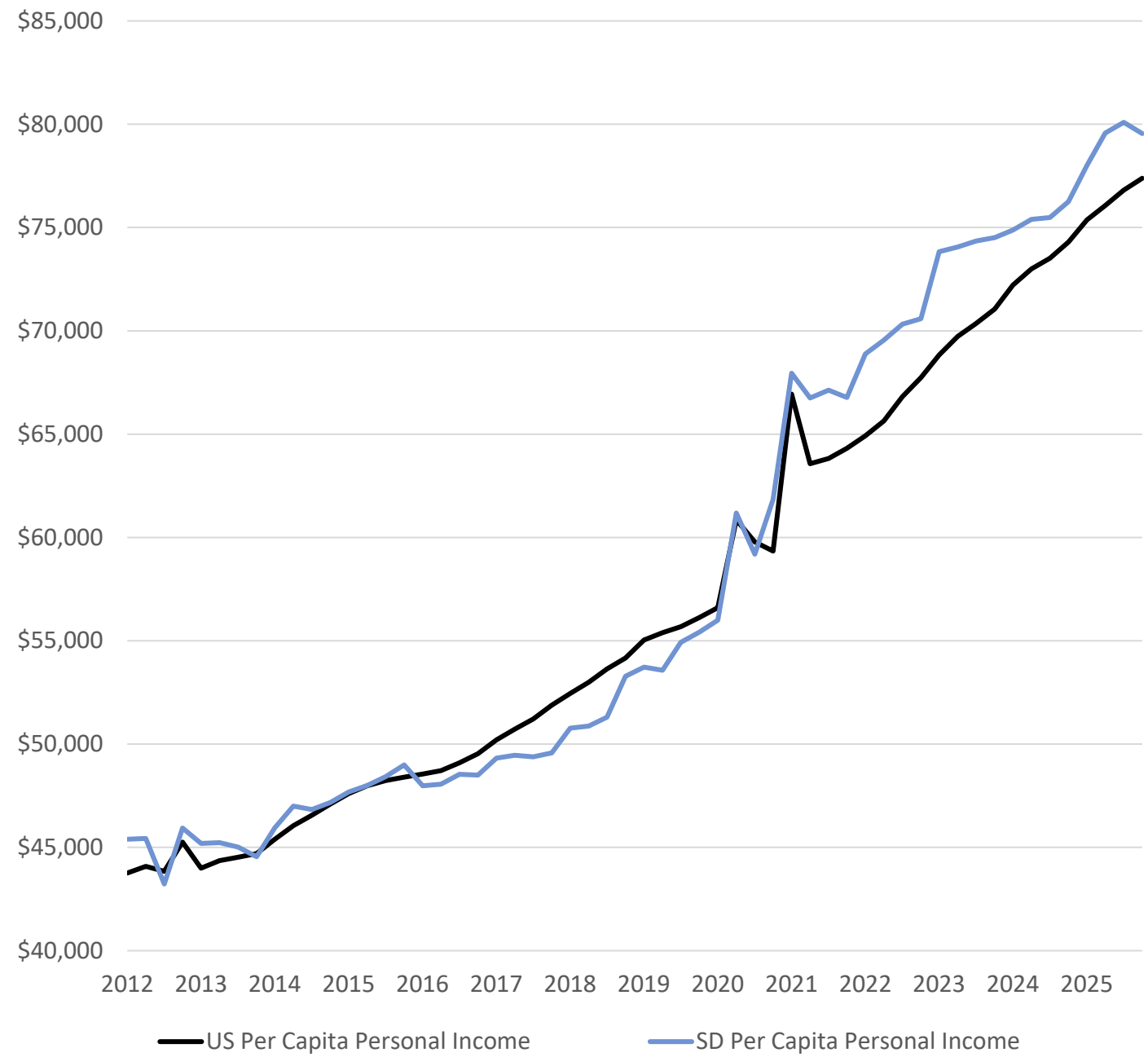


# Personal Income

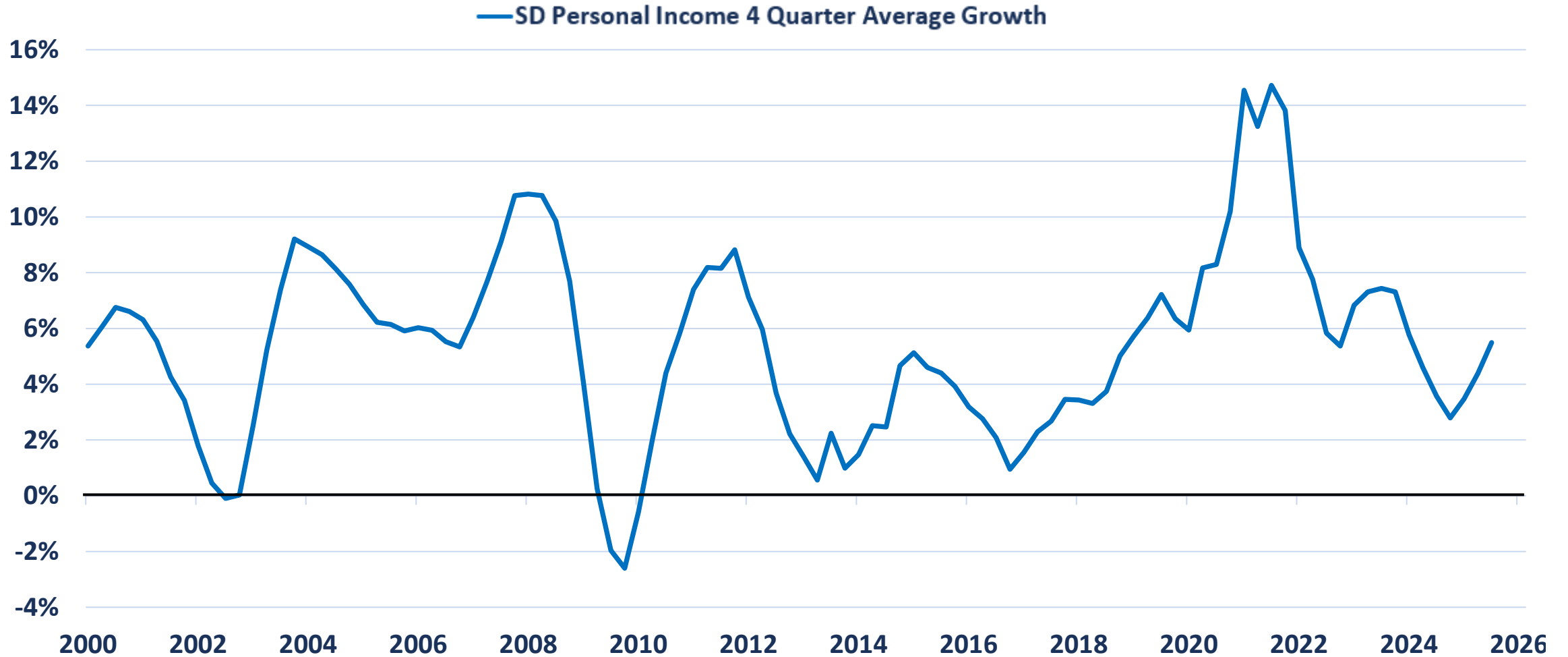




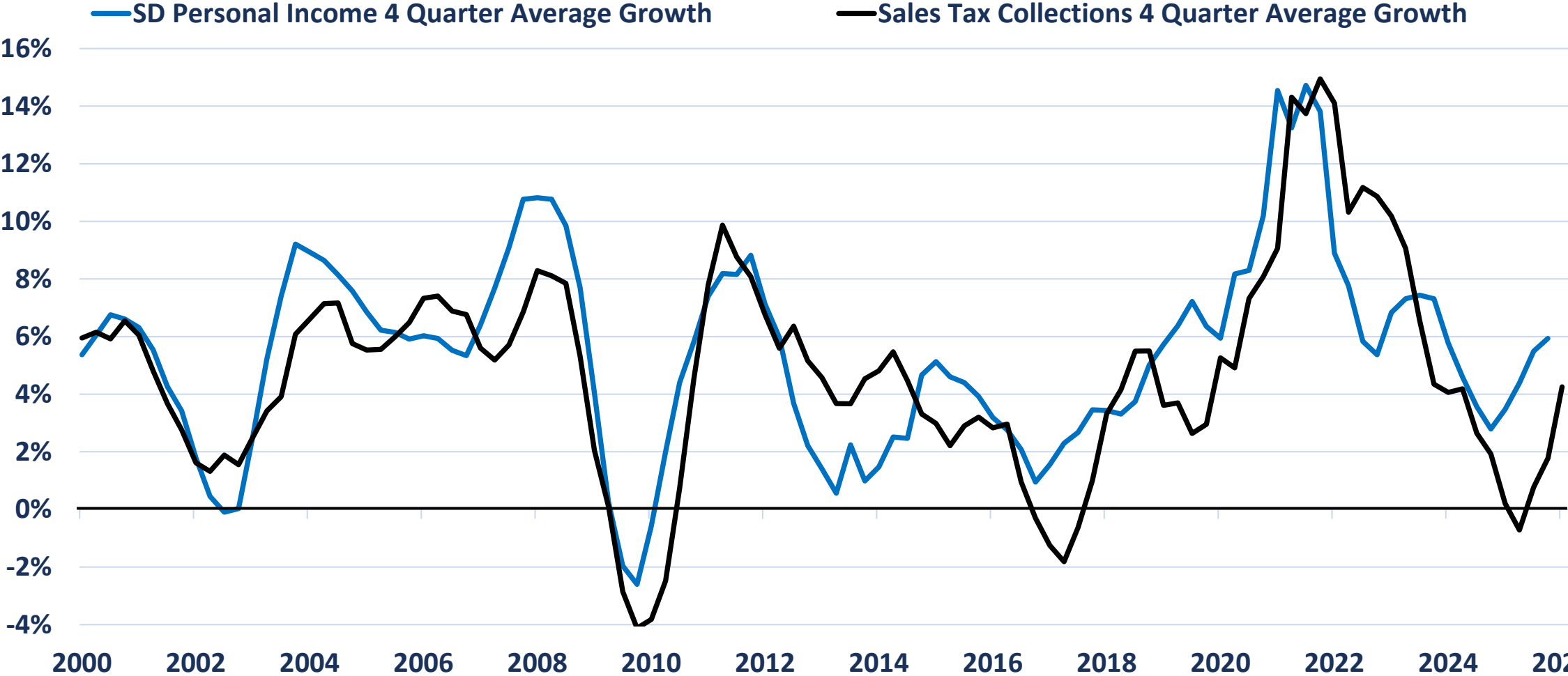
# Per Capita Personal Income



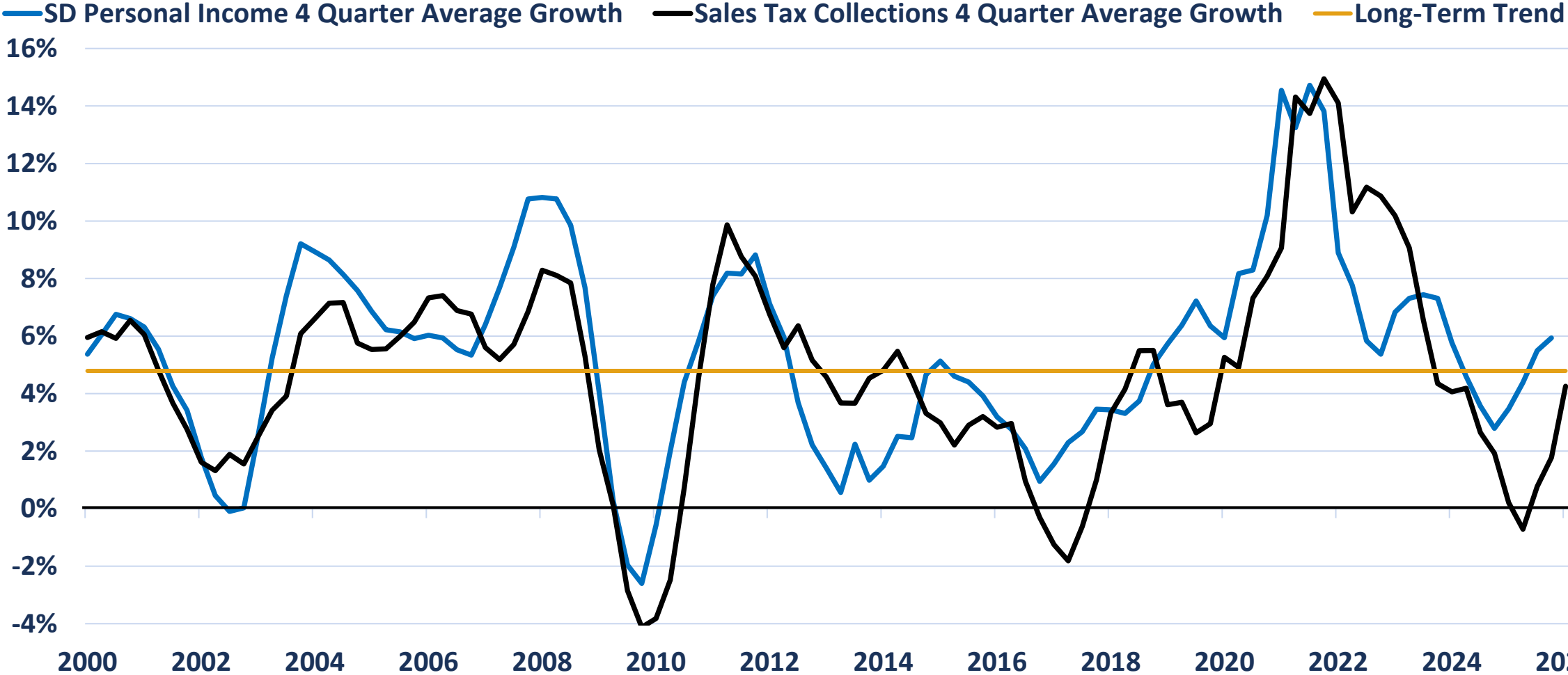
# SD Personal Income



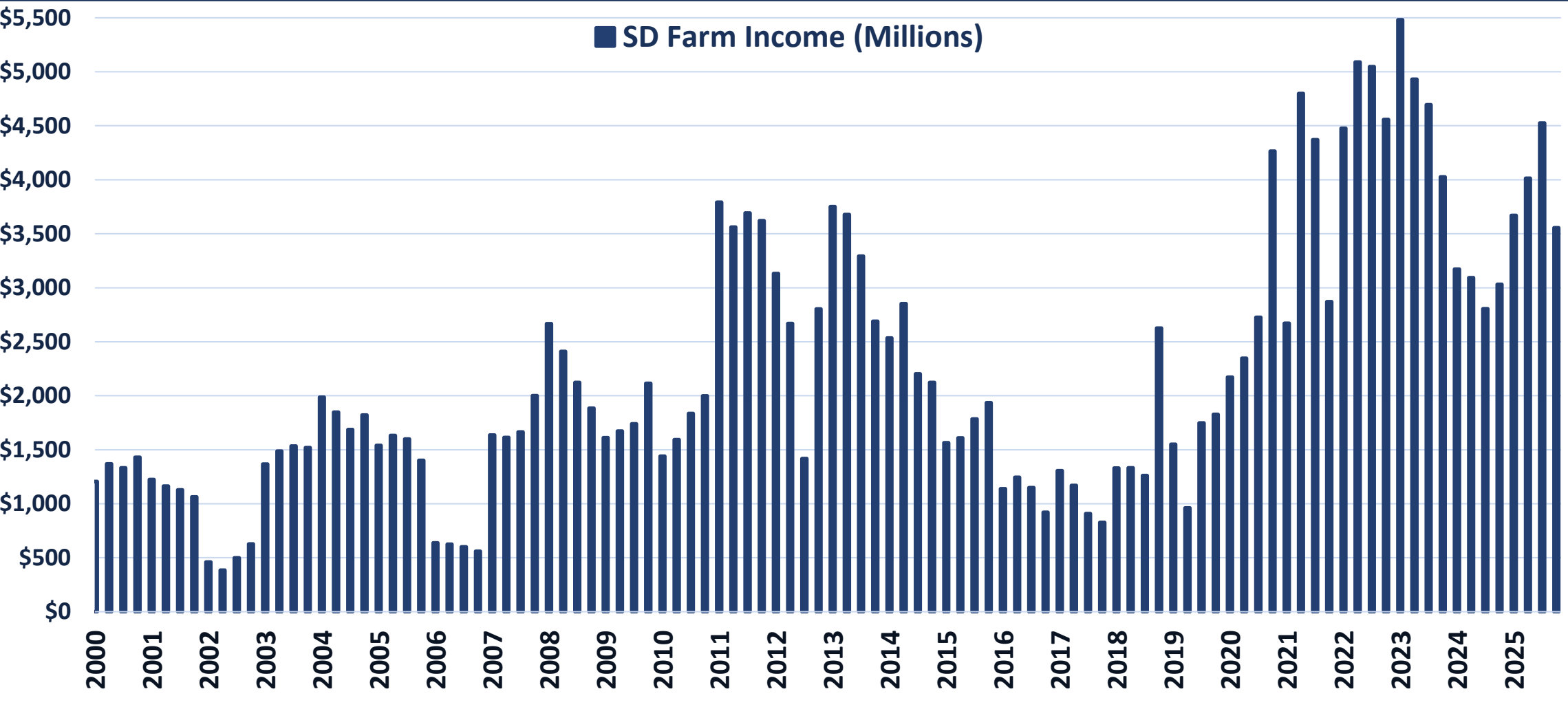
# SD Personal Income vs. Sales Tax Collections



# SD Personal Income vs. Sales Tax Collections

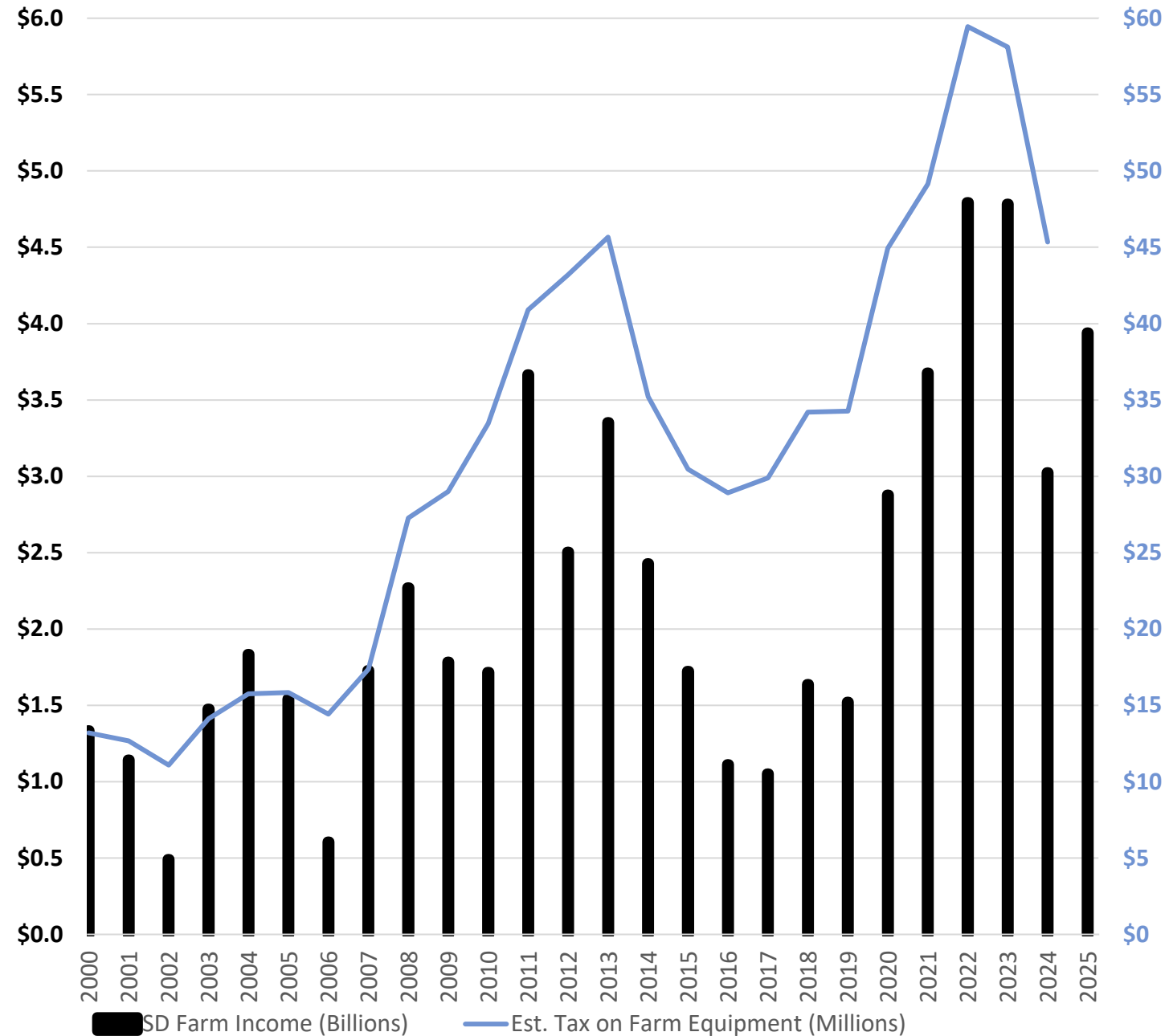


# SD Farm Income



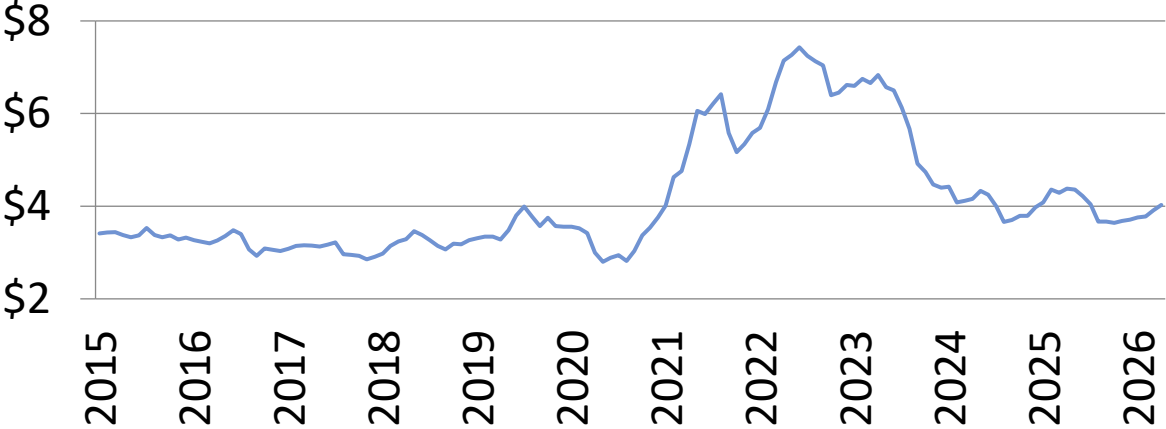


# SD Farm Income & Spending on Equipment

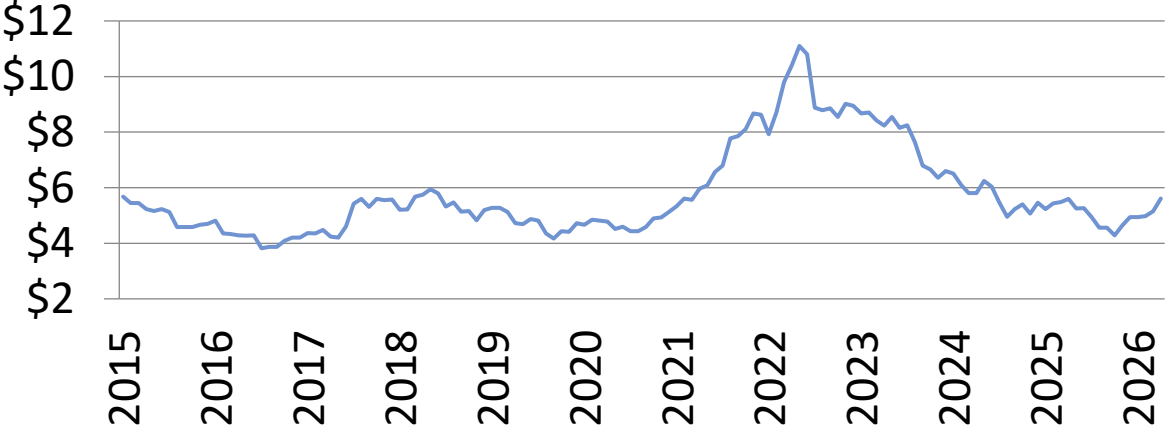


# Agriculture Economy/Prices

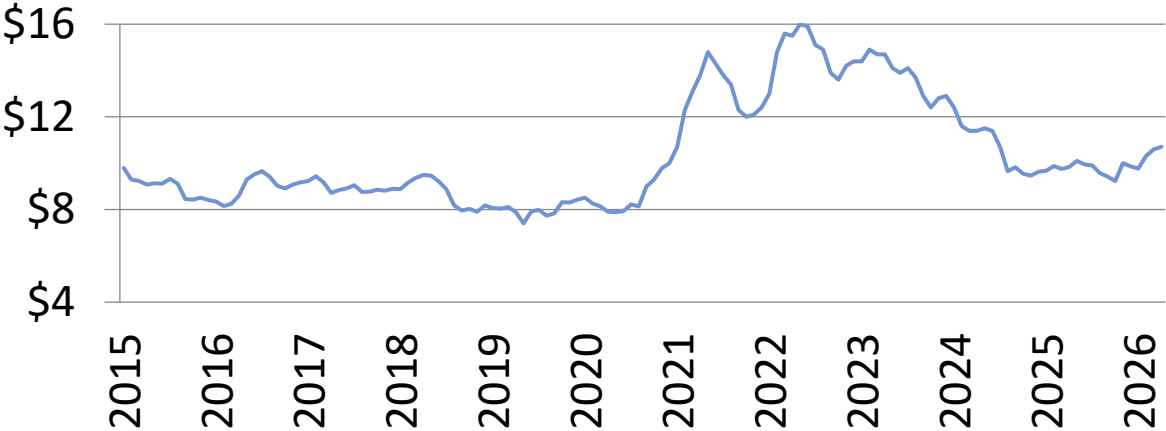
### SD Corn Prices



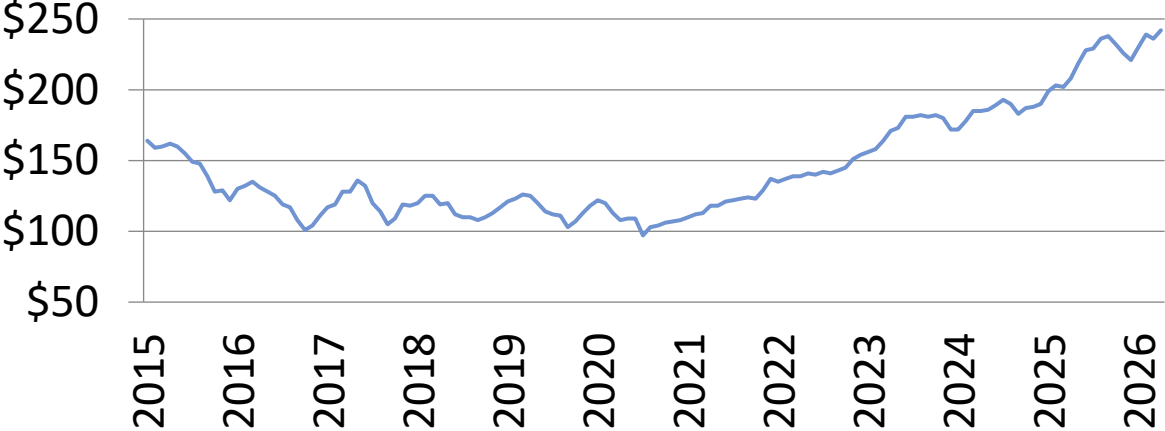
### SD Wheat Prices



### SD Soybean Prices

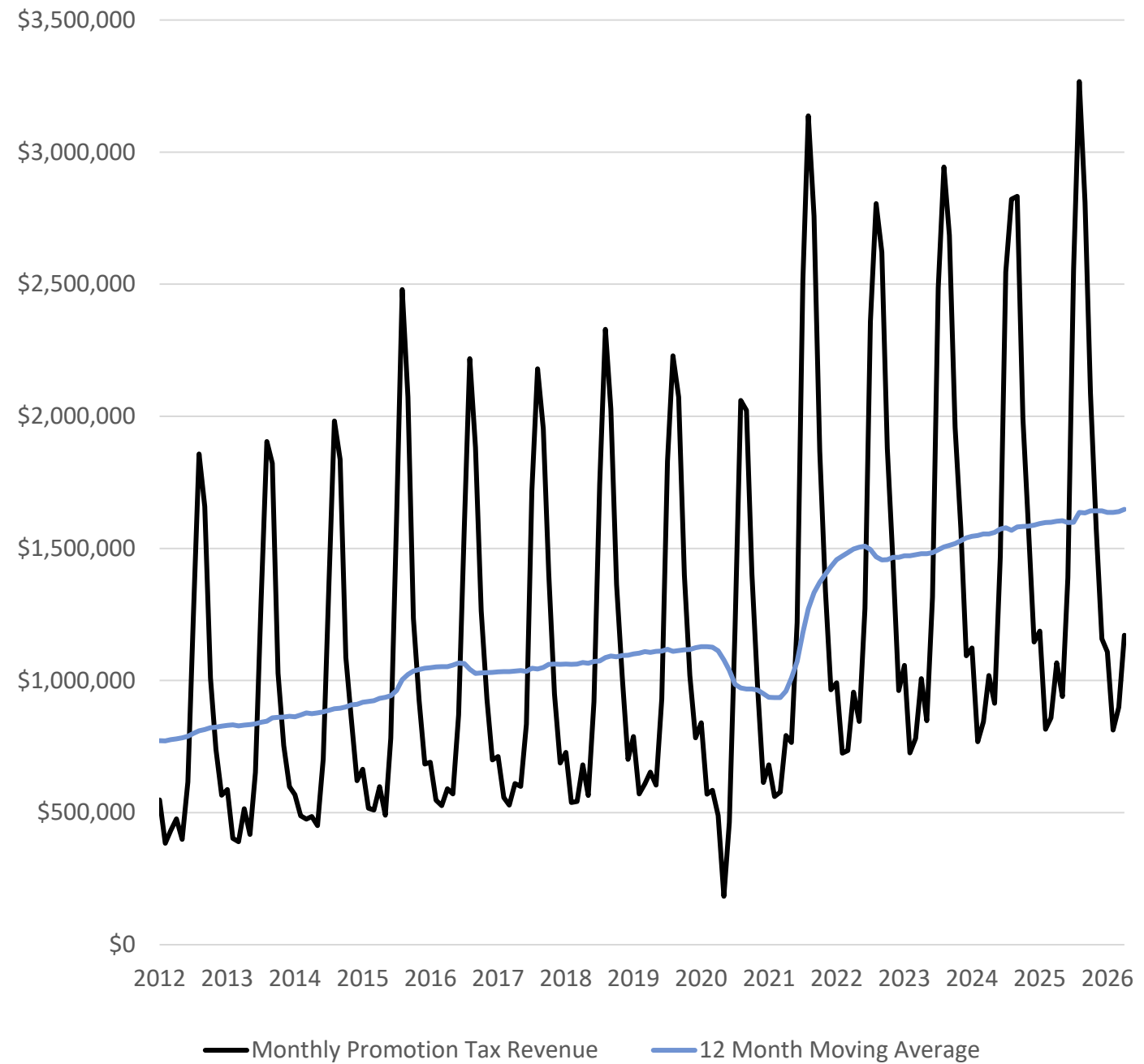


### Prices Received All Beef Cattle (US) \$/cwt



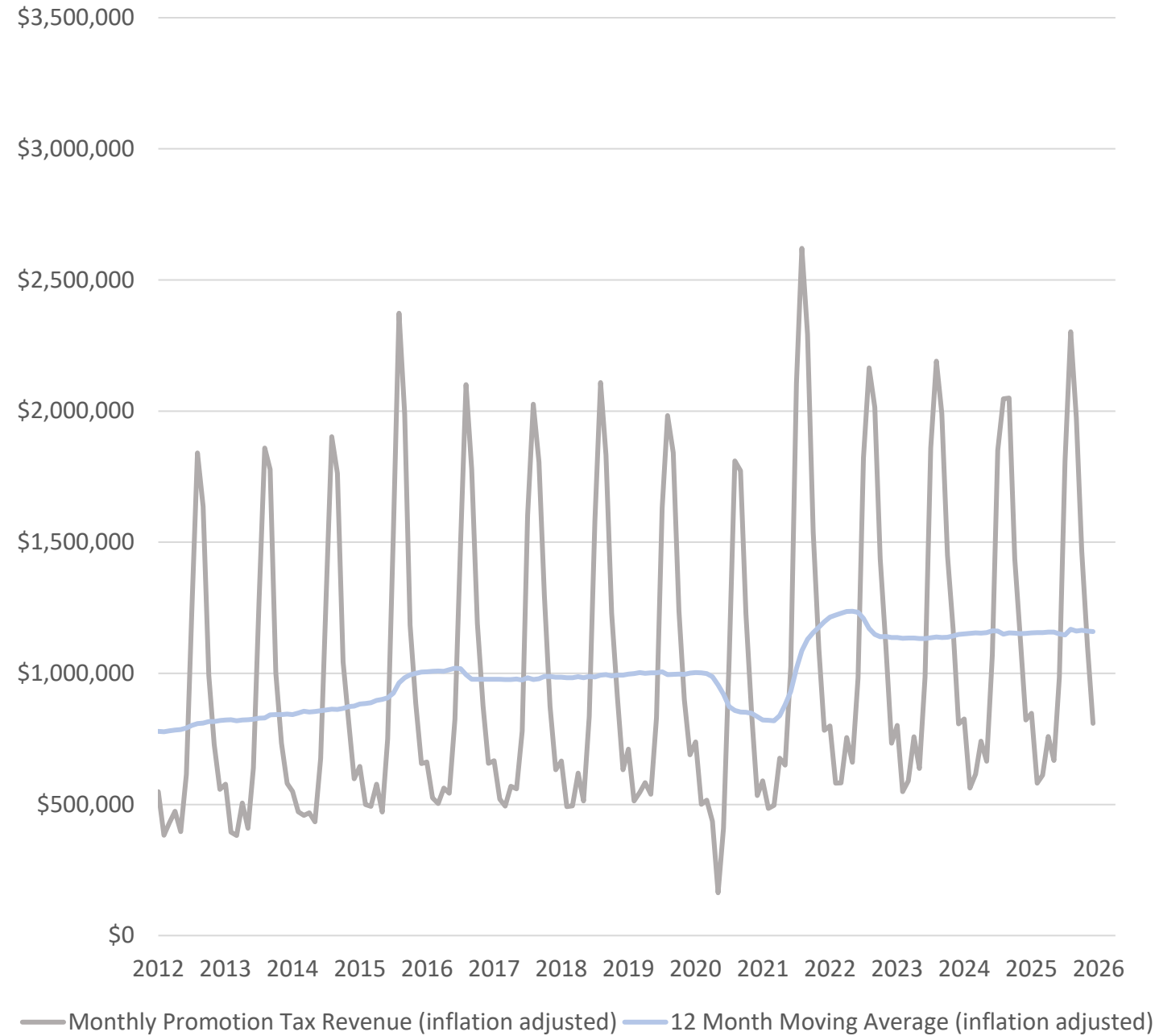


# SD Tourism Promotion Tax Collections





# 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%	1.4%	2.5%	1.6%	1.5%
<b>Nonfarm Employment</b>	-3.2%	3.4%	2.7%	2.1%	1.3%	0.4%	0.1%	0.1%	1.0%
<b>Personal Income</b>	10.2%	13.8%	5.4%	7.3%	2.8%	5.9%	3.7%	5.4%	5.9%
<b>Housing Starts</b>	6,037	7,639	7,447	6,004	5,549	5,250	7,053	6,211	5,608
<b>Unemployment Rate</b>	4.1%	2.6%	1.9%	1.8%	1.8%	2.1%	2.4%	2.7%	2.6%



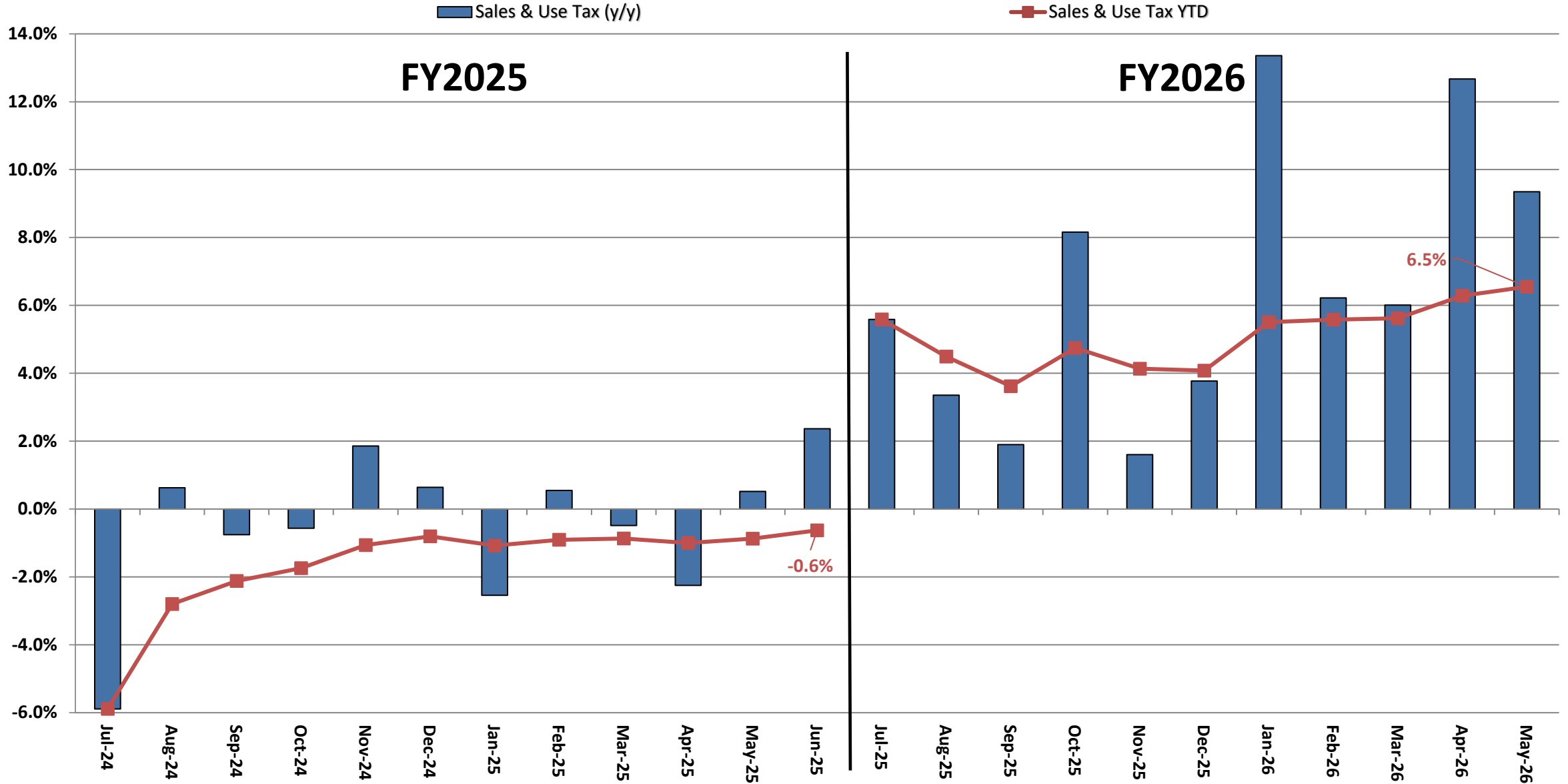
# General Fund Revenue

**Actual Revenue FY2025 vs. Actual Revenue FY2026  
Year-To-Date Through MAY FY2026 Comparison**



	<b>Actual MAY YTD FY2025</b>	<b>Actual MAY YTD FY2026</b>	<b>DOLLAR CHANGE</b>	<b>YTD GROWTH OVER FY2025</b>
<b>ONGOING RECEIPTS</b>				
Net Sales and Use Tax (excl. cost of admin)	1,321,830,113	1,408,393,970	86,563,857	6.5%
Lottery	157,081,059	161,423,160	4,342,101	2.8%
Net Contractor's Excise Tax	196,668,830	201,685,655	5,016,825	2.6%
Insurance Company Tax	142,641,943	142,886,985	245,042	0.2%
Unclaimed Property Receipts	69,046,729	61,384,827	(7,661,902)	-11.1%
Licenses, Permits, and Fees	59,149,978	57,530,044	(1,619,934)	-2.7%
Tobacco Taxes	36,528,311	38,642,018	2,113,708	5.8%
Trust Funds	50,366,006	52,387,122	2,021,116	4.0%
Net Transfers In (excluding one-time)	26,149,712	25,347,314	(802,398)	-3.1%
Alcohol Beverage Tax	6,680,179	6,552,304	(127,876)	-1.9%
Bank Franchise Tax	25,788,252	34,672,266	8,884,014	34.4%
Charges for Goods and Services	10,776,839	11,375,178	598,338	5.6%
Telecommunications Tax	1,812,928	2,545,701	732,773	40.4%
Severance Taxes	14,717,662	20,709,249	5,991,586	40.7%
Investment Income and Interest	95,935,154	71,927,632	(24,007,522)	-25.0%
Alcohol Beverage 2% Wholesale Tax	2,771,351	2,769,166	(2,185)	-0.1%
<b>SUBTOTAL (ONGOING RECEIPTS)</b>	<b>\$ 2,217,945,047</b>	<b>\$ 2,300,232,591</b>	<b>\$ 82,287,544</b>	<b>3.7%</b>
<b>ONE-TIME RECEIPTS</b>				
One-Time Sales and Use Tax	-	4,135,875	4,135,875	N/A
Bank Franchise Tax Prior Year Revenue	1,414,044	1,761,519	347,475	24.6%
One-Time Unclaimed Property	224,059,807	-	(224,059,807)	-100.0%
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 225,473,851</b>	<b>\$ 5,897,394</b>	<b>\$ (219,576,457)</b>	<b>-97.4%</b>
<b>GRAND TOTAL</b>	<b>\$ 2,443,418,898</b>	<b>\$ 2,306,129,985</b>	<b>\$ (137,288,913)</b>	<b>-5.6%</b>

# Sales & Use Tax Growth



**Legislative Revised FY2026 Estimate (Feb. 2026) vs. Actual Revenues  
Year-to-Date Through MAY FY2026 Comparison**



	<b>Leg. Adopted MAY YTD FY2026</b>	<b>Actual MAY 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)	1,393,596,278	1,408,393,970	14,797,691	1.1%
Lottery	160,424,082	161,423,160	999,078	0.6%
Net Contractor's Excise Tax	201,583,037	201,685,655	102,617	0.1%
Insurance Company Tax	155,002,997	142,886,985	(12,116,012)	-7.8%
Unclaimed Property Receipts	61,384,827	61,384,827	0	0.0%
Licenses, Permits, and Fees	54,219,724	57,530,044	3,310,320	6.1%
Tobacco Taxes	38,330,639	38,642,018	311,380	0.8%
Trust Funds	52,387,402	52,387,122	(280)	0.0%
Net Transfers In (excluding one-time)	24,876,725	25,347,314	470,589	1.9%
Alcohol Beverage Tax	6,883,168	6,552,304	(330,865)	-4.8%
Bank Franchise Tax	28,509,704	34,672,266	6,162,562	21.6%
Charges for Goods and Services	11,261,293	11,375,178	113,885	1.0%
Telecommunications Tax	2,547,822	2,545,701	(2,121)	-0.1%
Severance Taxes	23,987,067	20,709,249	(3,277,819)	-13.7%
Investment Income and Interest	71,832,137	71,927,632	95,495	0.1%
Alcohol Beverage 2% Wholesale Tax	2,880,777	2,769,166	(111,611)	-3.9%
<b>SUBTOTAL (ONGOING RECEIPTS)</b>	<b>\$ 2,289,707,680</b>	<b>\$ 2,300,232,591</b>	<b>\$ 10,524,911</b>	<b>0.5%</b>
<b>ONE-TIME RECEIPTS</b>				
One-Time Sales and Use Tax	-	4,135,875	4,135,875	N/A
Bank Franchise Tax Prior Year Revenue	155,380	1,761,519	1,606,139	1033.7%
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 155,380</b>	<b>\$ 5,897,394</b>	<b>\$ 5,742,014</b>	<b>3695.5%</b>
<b>GRAND TOTAL</b>	<b>\$ 2,289,863,060</b>	<b>\$ 2,306,129,985</b>	<b>\$ 16,266,925</b>	<b>0.7%</b>



# 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%	2.1%	2.1%	2.1%	2.5%
<b>Nonfarm Employment</b>	-5.8%	2.9%	4.3%	2.2%	1.2%	0.5%	0.2%	0.0%	1.2%
<b>Personal Income</b>	6.9%	9.5%	3.0%	6.5%	5.6%	4.8%	3.6%	6.0%	5.3%
<b>Unemployment Rate</b>	8.1%	5.4%	3.6%	3.6%	4.0%	4.3%	4.5%	4.7%	4.6%
<b>CPI-U</b>	1.3%	4.7%	8.0%	4.1%	3.0%	2.6%	4.0%	2.5%	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%	1.4%	2.5%	1.6%	1.5%
<b>Nonfarm Employment</b>	-3.2%	3.4%	2.7%	2.1%	1.3%	0.4%	0.1%	0.1%	1.0%
<b>Personal Income</b>	10.2%	13.8%	5.4%	7.3%	2.8%	5.9%	3.7%	5.4%	5.9%
<b>Housing Starts</b>	6,037	7,639	7,447	6,004	5,549	5,250	7,053	6,211	5,608
<b>Unemployment Rate</b>	4.1%	2.6%	1.9%	1.8%	1.8%	2.1%	2.4%	2.7%	2.6%

# *Other Discussion Items*

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