Governor's Council of Economic Advisors

October 29, 2026

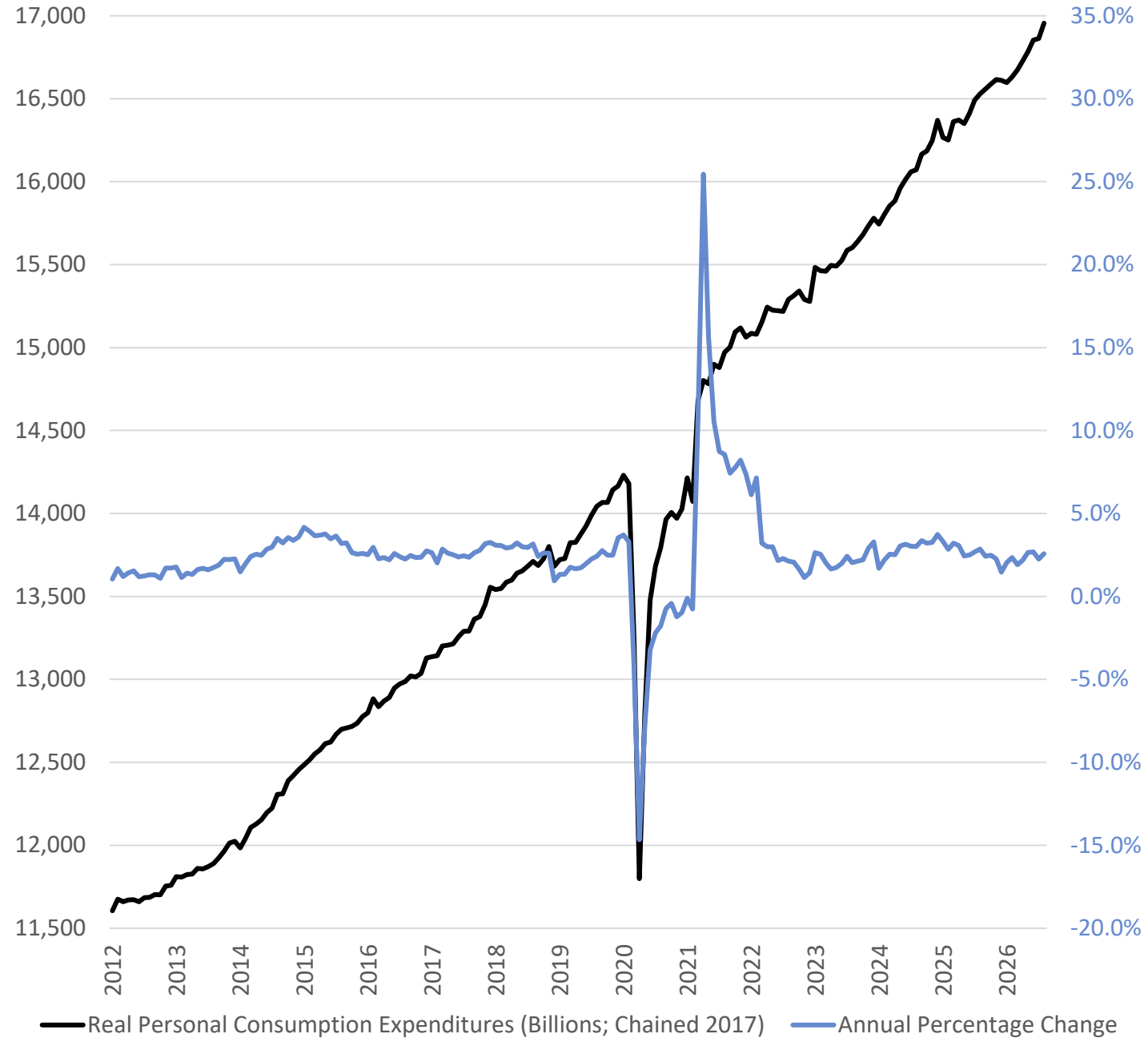
Outline of Presentation

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

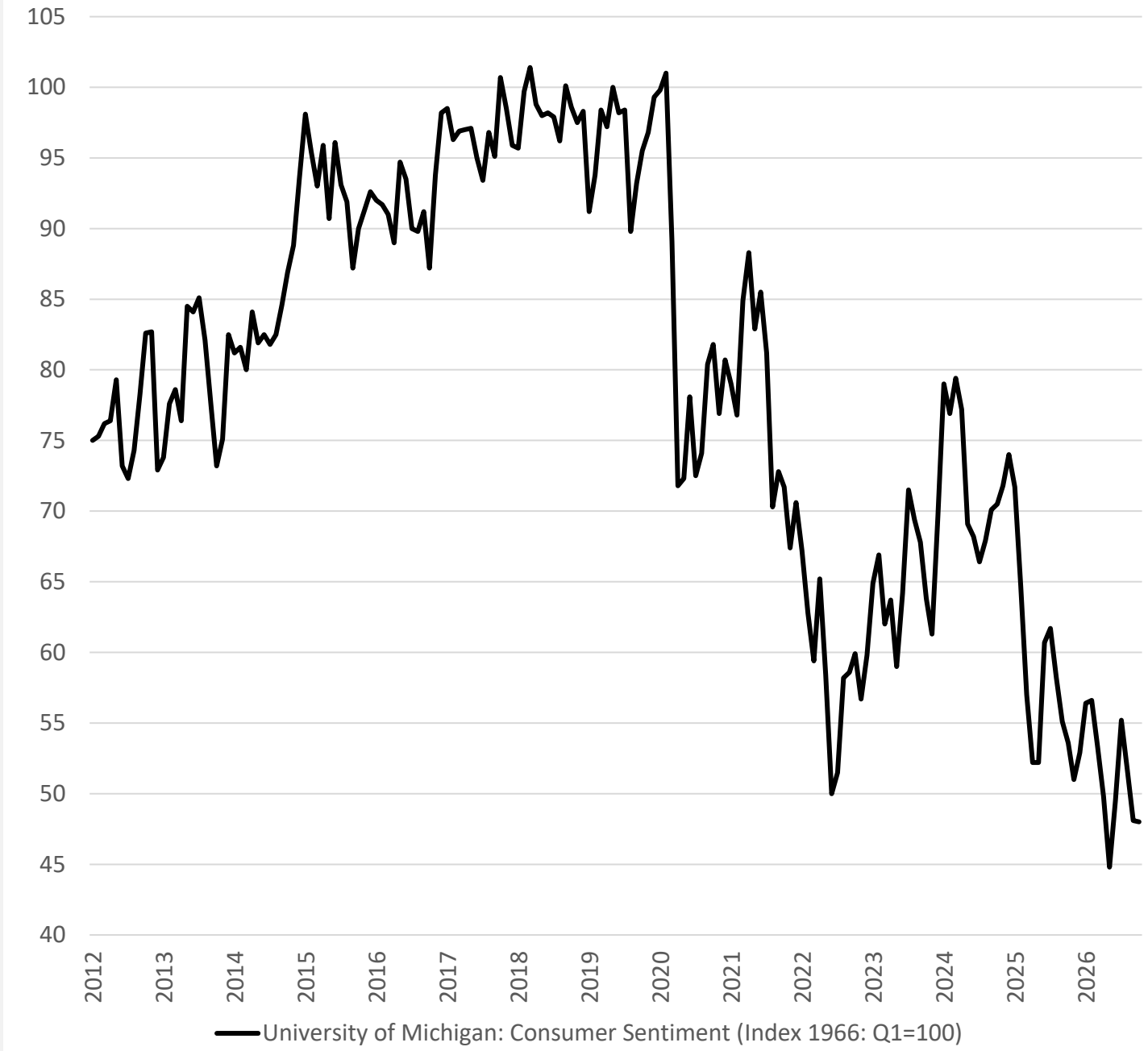
US Economy

- Consumption
- Federal Fiscal Picture
- Employment and Unemployment
- Inflation

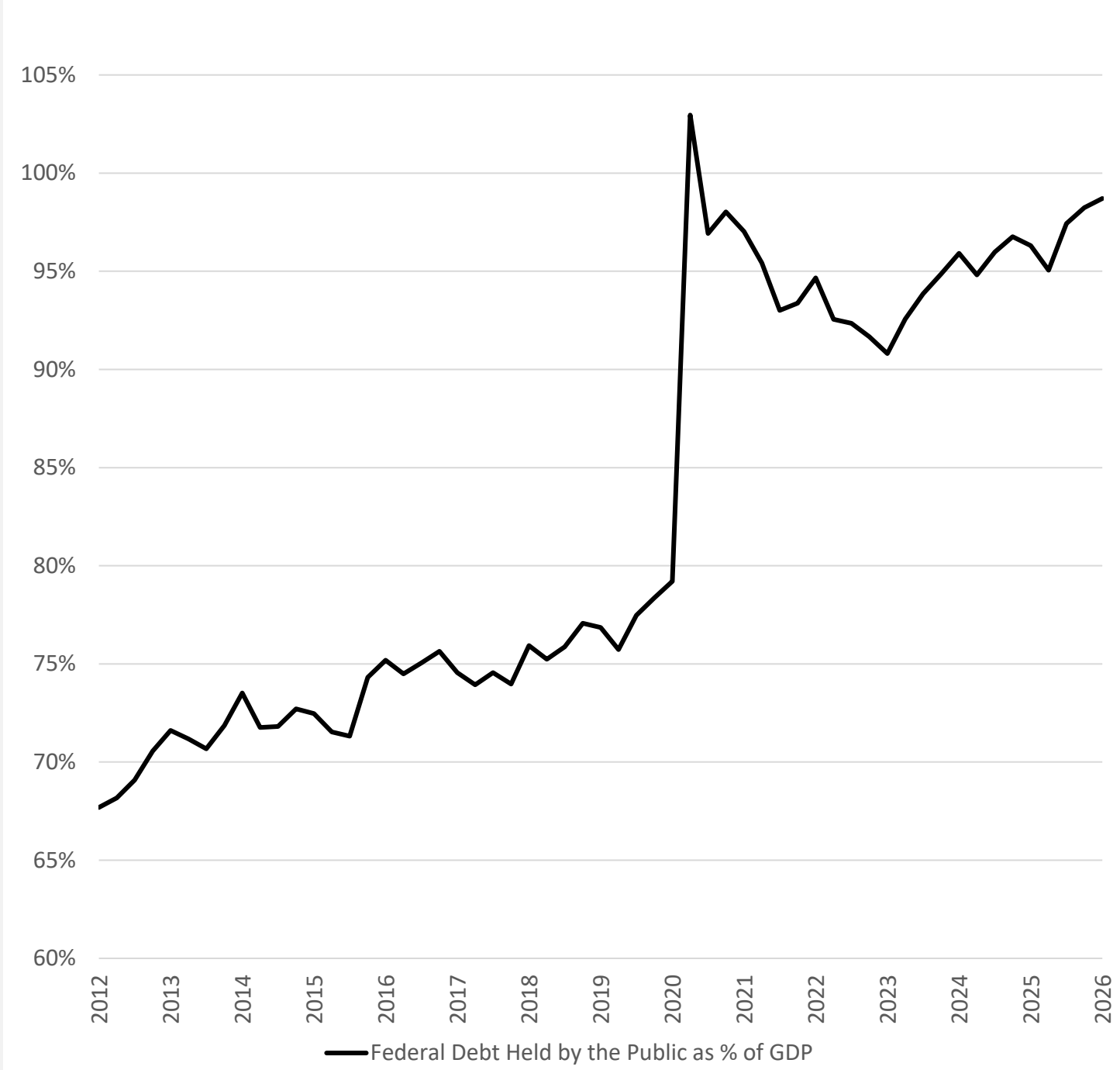
US Real Personal Consumption Expenditures



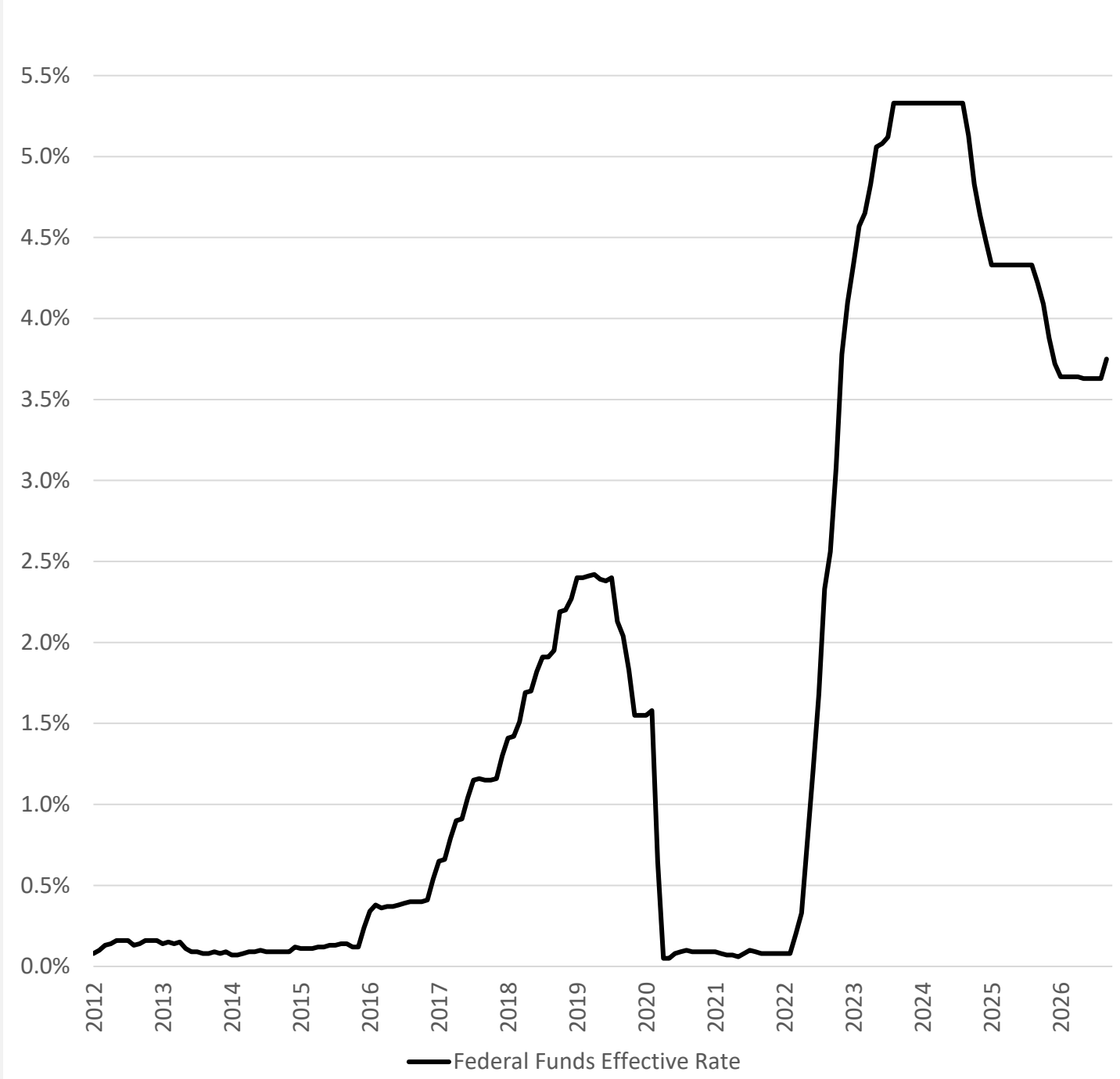
US Consumer Sentiment



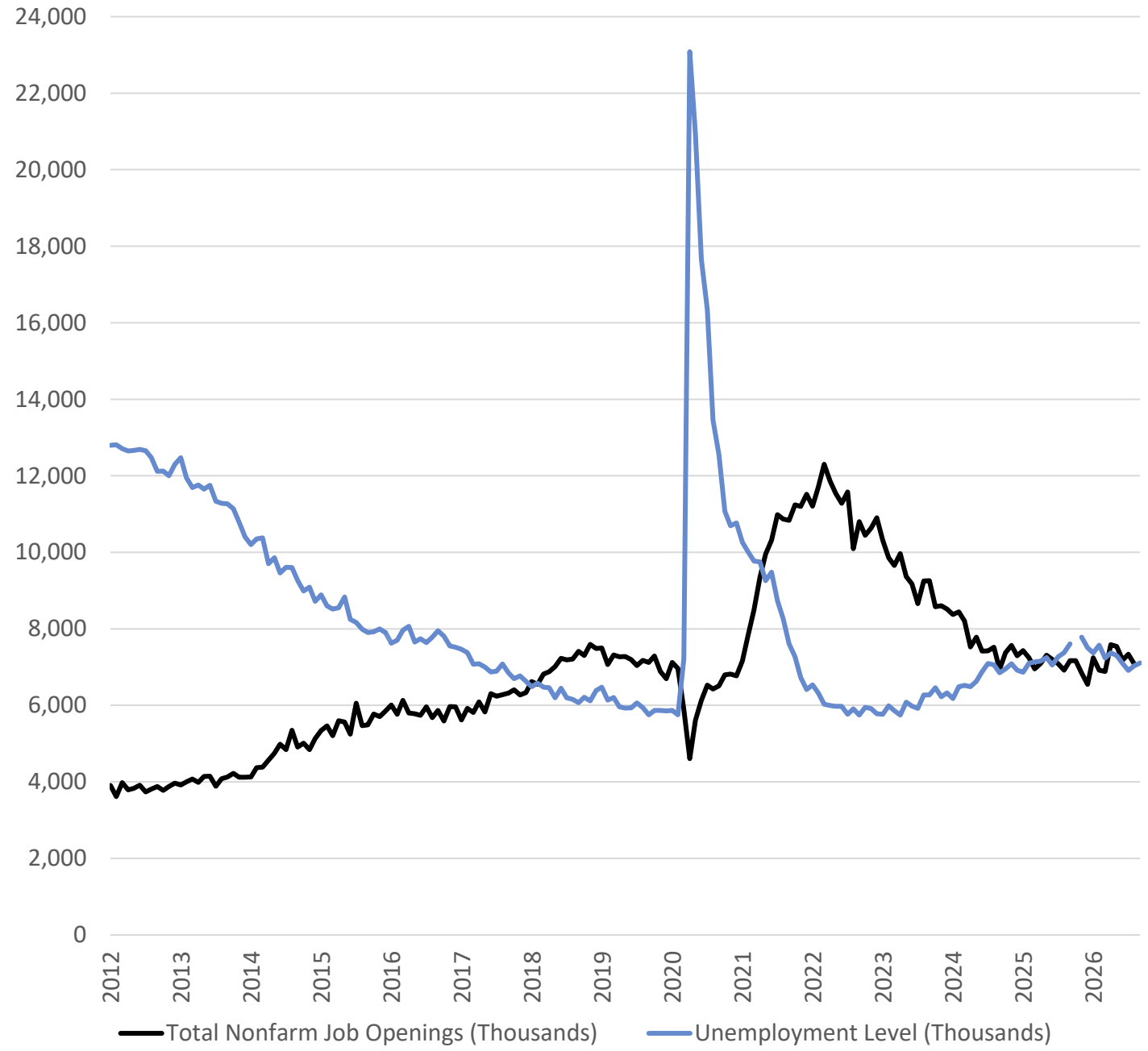
Debt Held by Public



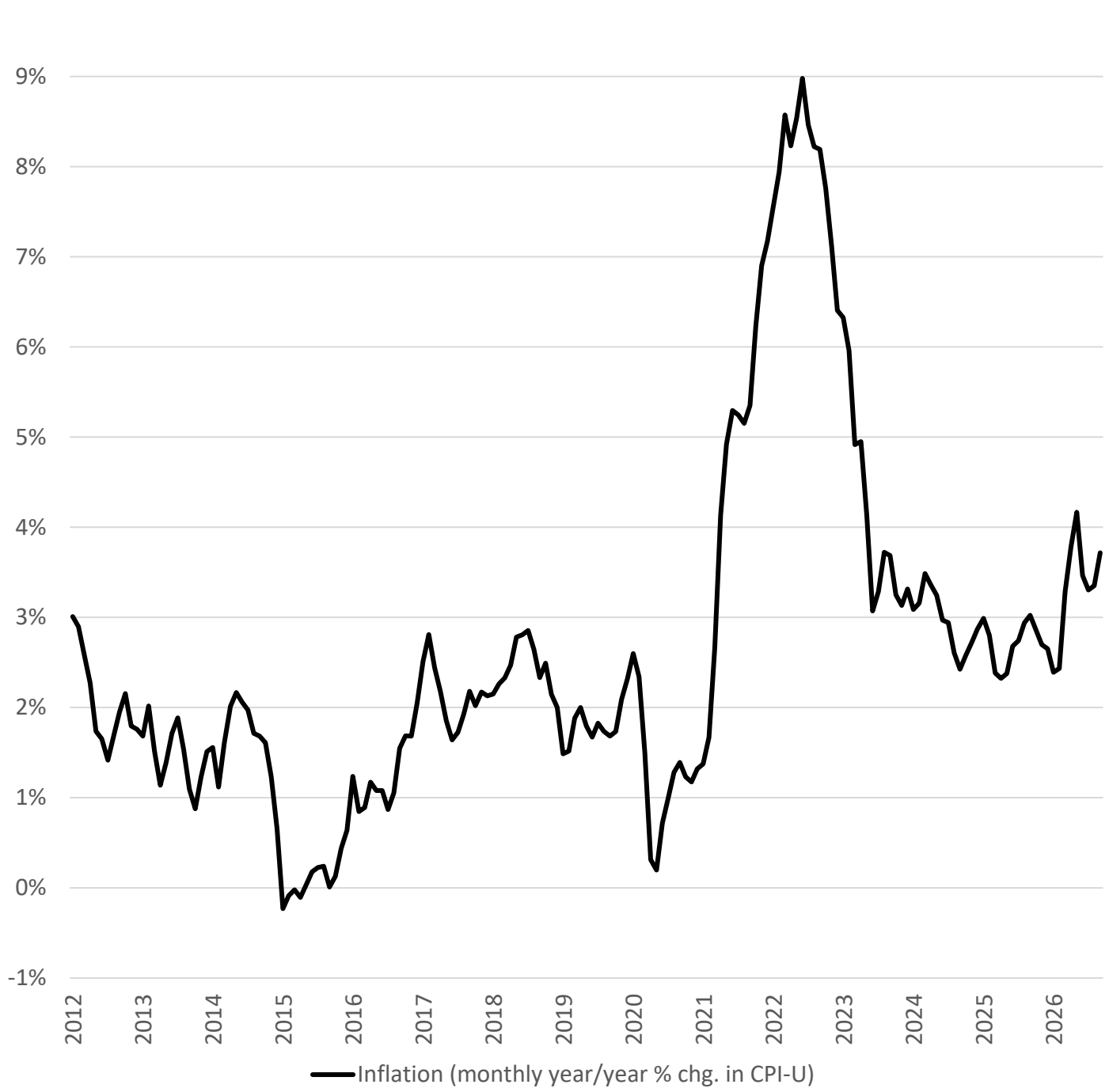
Interest Rates



US Job Openings vs. Unemployed



Inflation: CPI



S&P Global Forecast - US

	2020	2021	2022	2023	2024	2025	2026 f	2027 f	2028 f	'15-'25 avg.
Real GDP Growth	-2.1%	6.3%	2.4%	2.9%	3.0%	2.3%	2.4%↑	2.7%↑	2.4%↑	*2.5%*
Nonfarm Employment	-5.8%	2.9%	4.3%	2.2%	1.2%	0.5%	0.3%↔	0.4%↑	0.4%↑	*1.2%*
Personal Income	6.9%	9.6%	3.0%	6.7%	5.9%	5.1%	4.4%↑	5.4%↓	5.5%↓	*5.4%*
Unemployment Rate	8.1%	5.4%	3.6%	3.6%	4.0%	4.3%	4.2%↓	4.3%↓	4.3%↔	*4.6%*
CPI-U	1.3%	4.7%	8.0%	4.1%	3.0%	2.6%	3.4%↑	2.4%↑	2.1%↓	*2.9%*

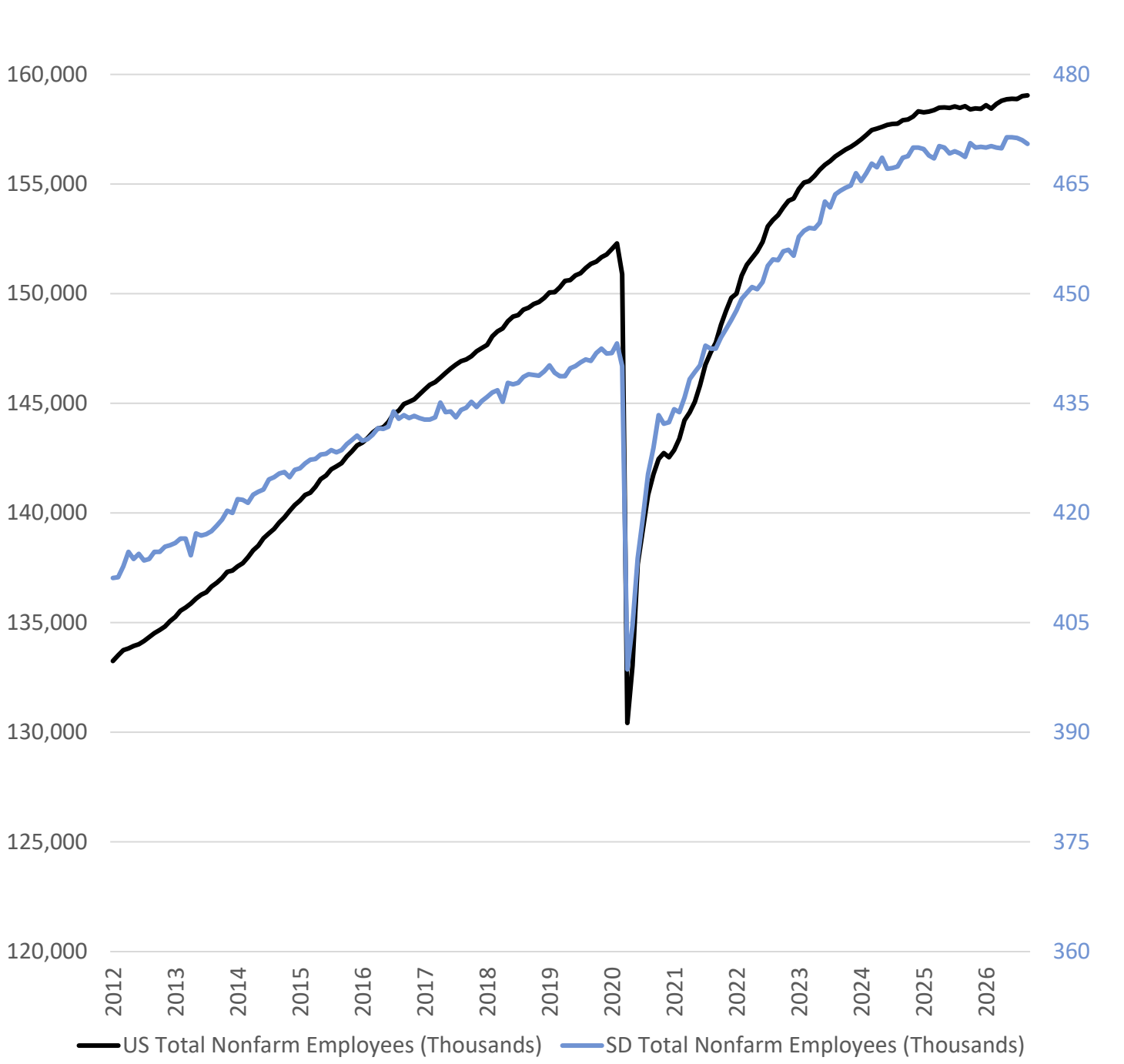
S&P Global Alternate Scenarios - US

Optimistic Scenario (20% probability)				Pessimistic Scenario (30% probability)			
	2026 f	**2027 f**	**2028 f**	**2026 f**	**2027 f**	**2028 f**	**'15-'25 avg.**
Real GDP Growth	**2.4%**	**3.3%**	**2.9%**	**2.3%**	**1.9%**	**2.0%**	***2.5%***
Nonfarm Employment	**0.3%**	**0.4%**	**0.3%**	**0.3%**	**0.1%**	**-0.3%**	***1.2%***
Personal Income	**4.4%**	**5.5%**	**5.9%**	**4.5%**	**5.2%**	**4.9%**	***5.4%***
Unemployment Rate	**4.2%**	**4.2%**	**4.3%**	**4.2%**	**4.7%**	**5.2%**	***4.6%***
CPI-U	**3.3%**	**1.3%**	**2.2%**	**3.8%**	**3.5%**	**1.5%**	***2.9%***

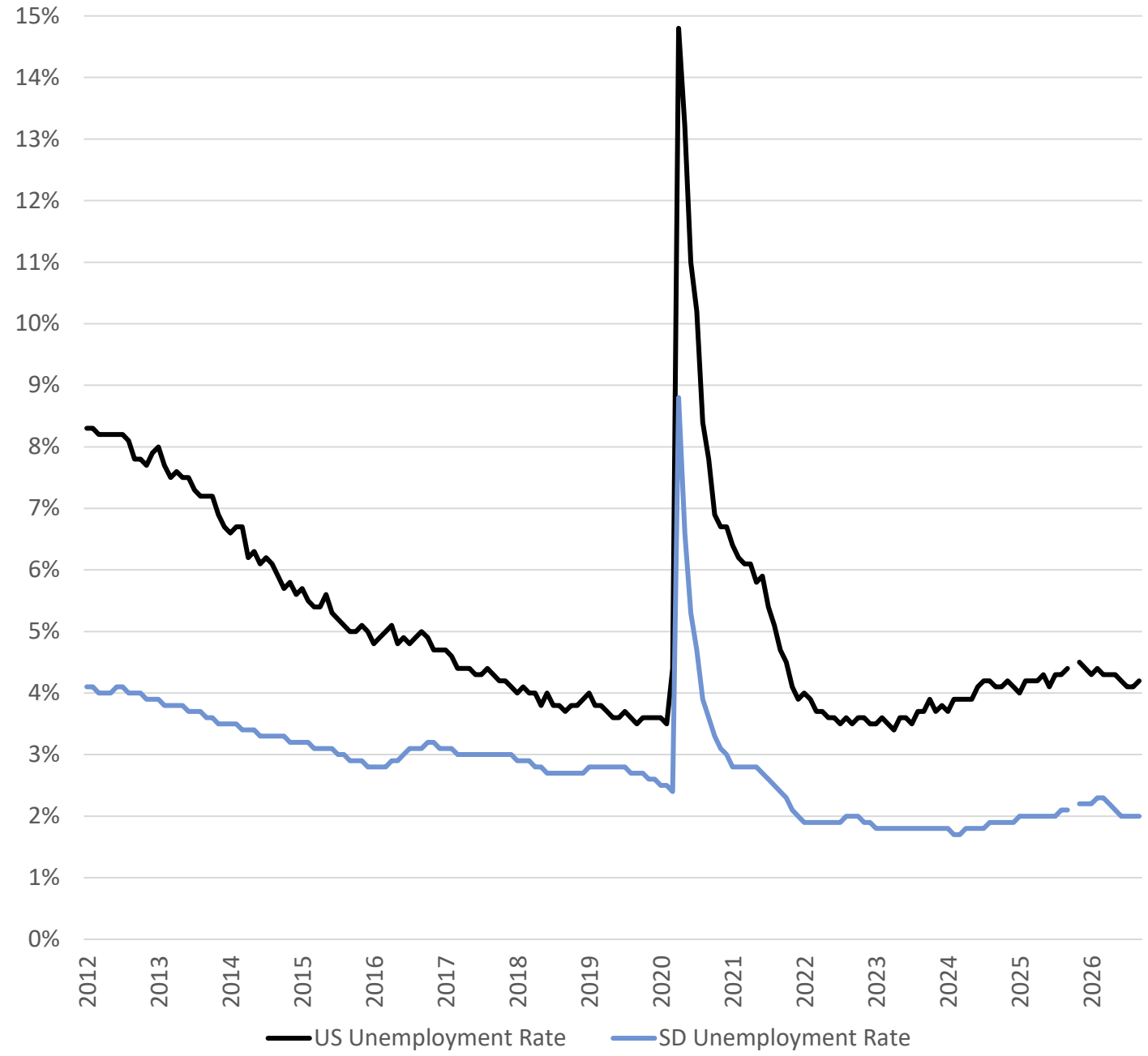
SD Forecast

- Employment
- Housing
- Income
- Tourism

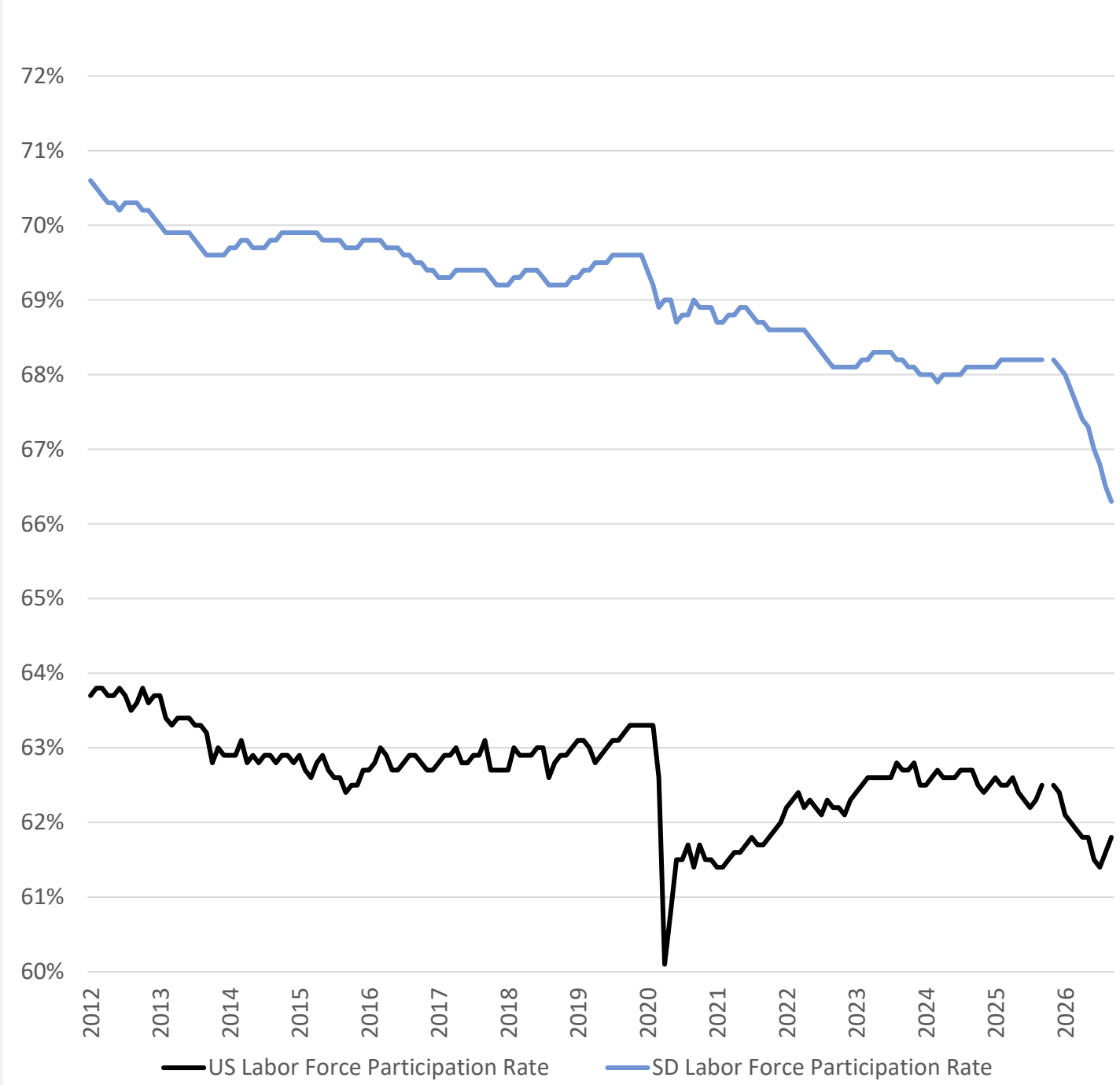
Employment Growth



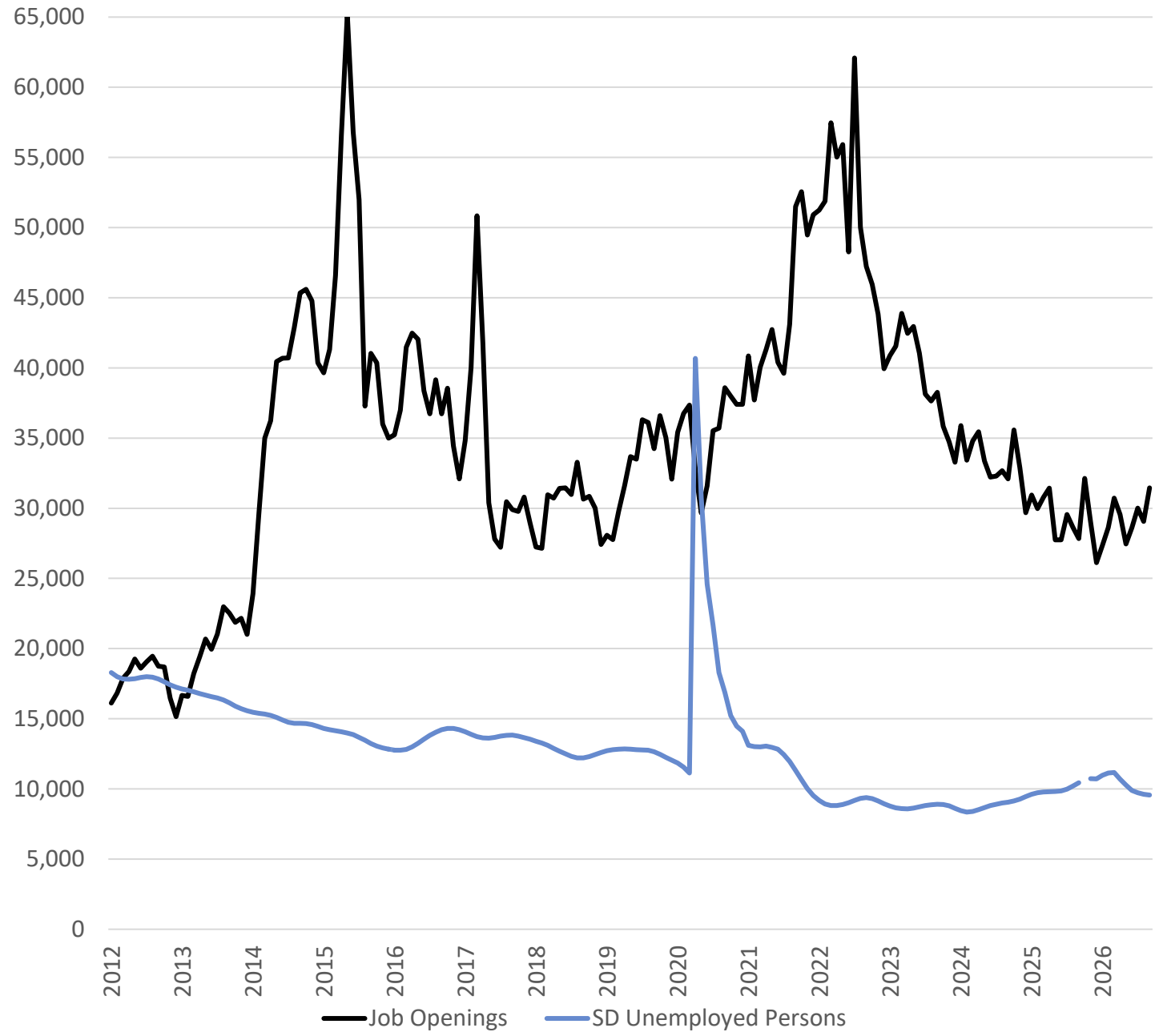
Unemployment Rate



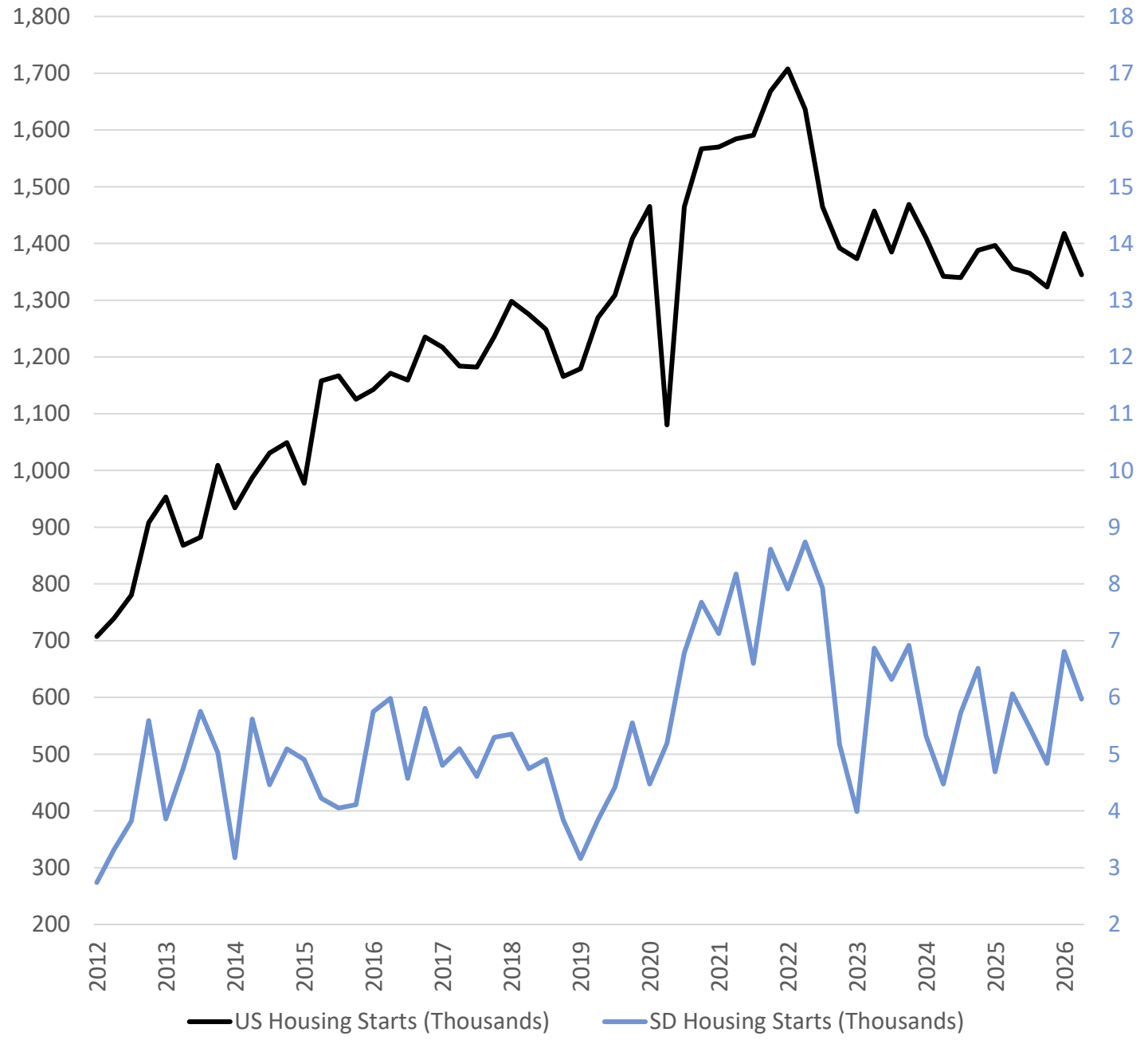
Labor Force Participation Rate



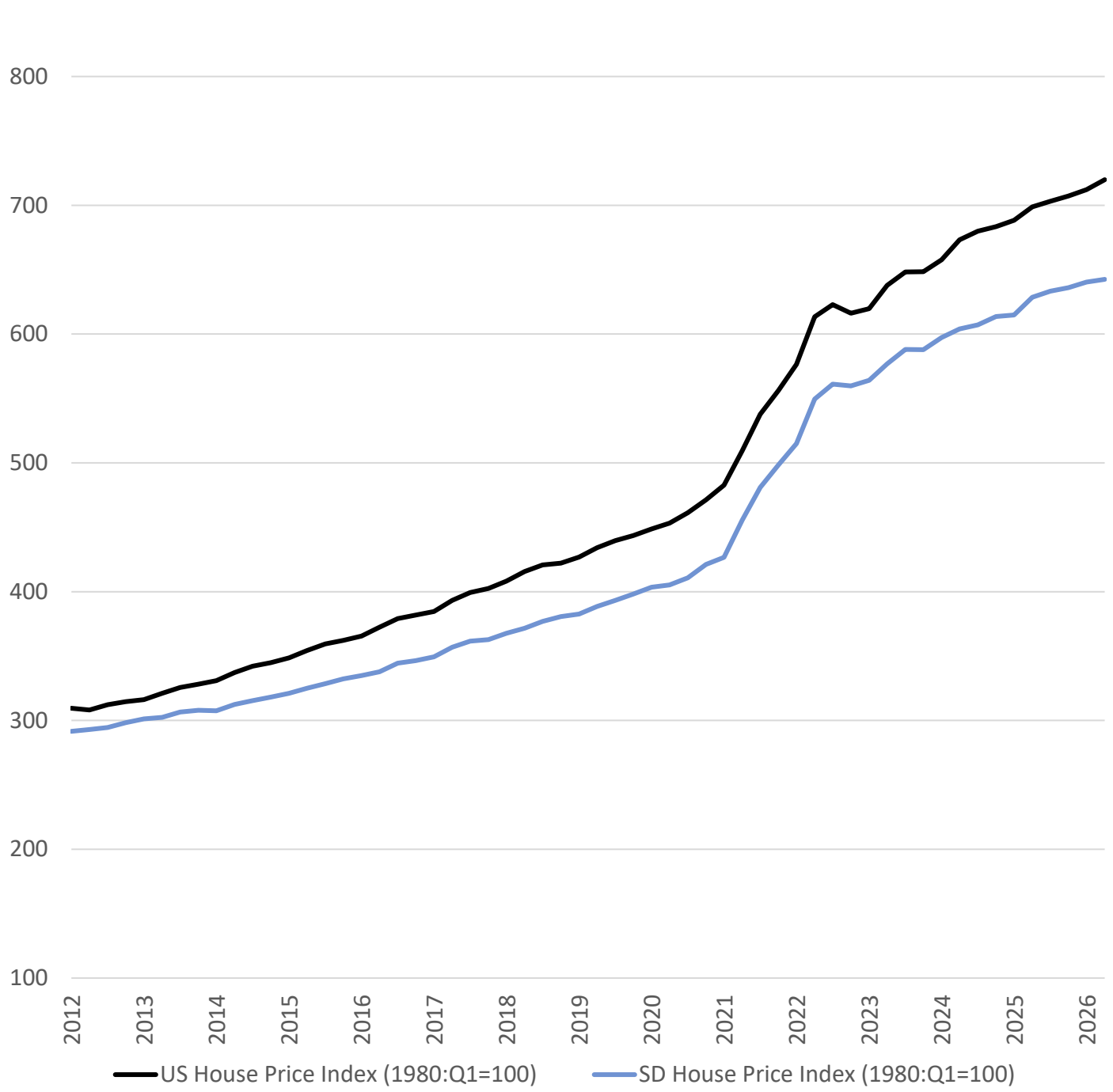
SD Job Openings vs. Unemployed



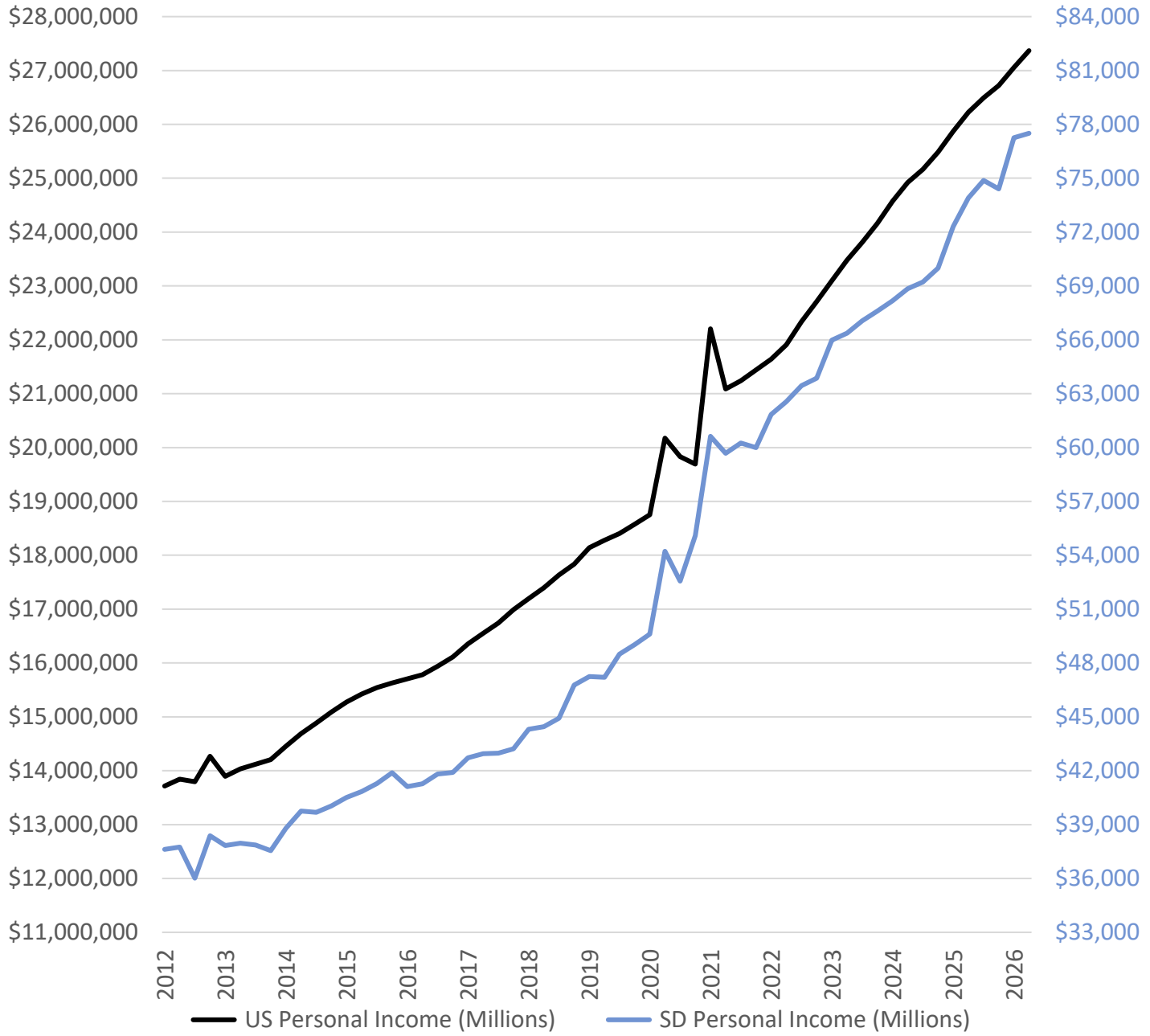
Housing Starts



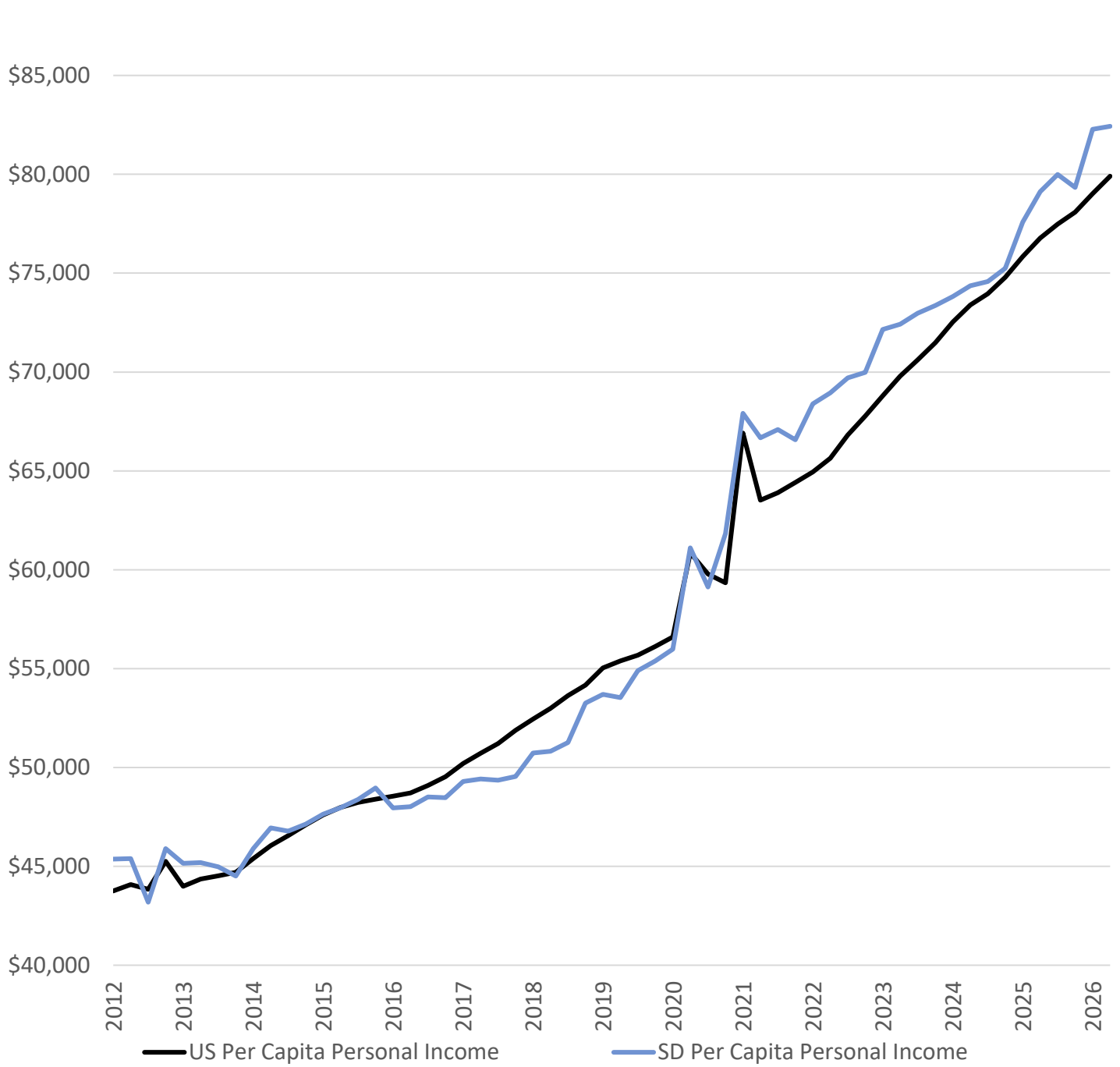
Home Price


800
700
600
500
400
300
200
100
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
US House Price Index (1980:Q1=100)
SD House Price Index (1980:Q1=100)

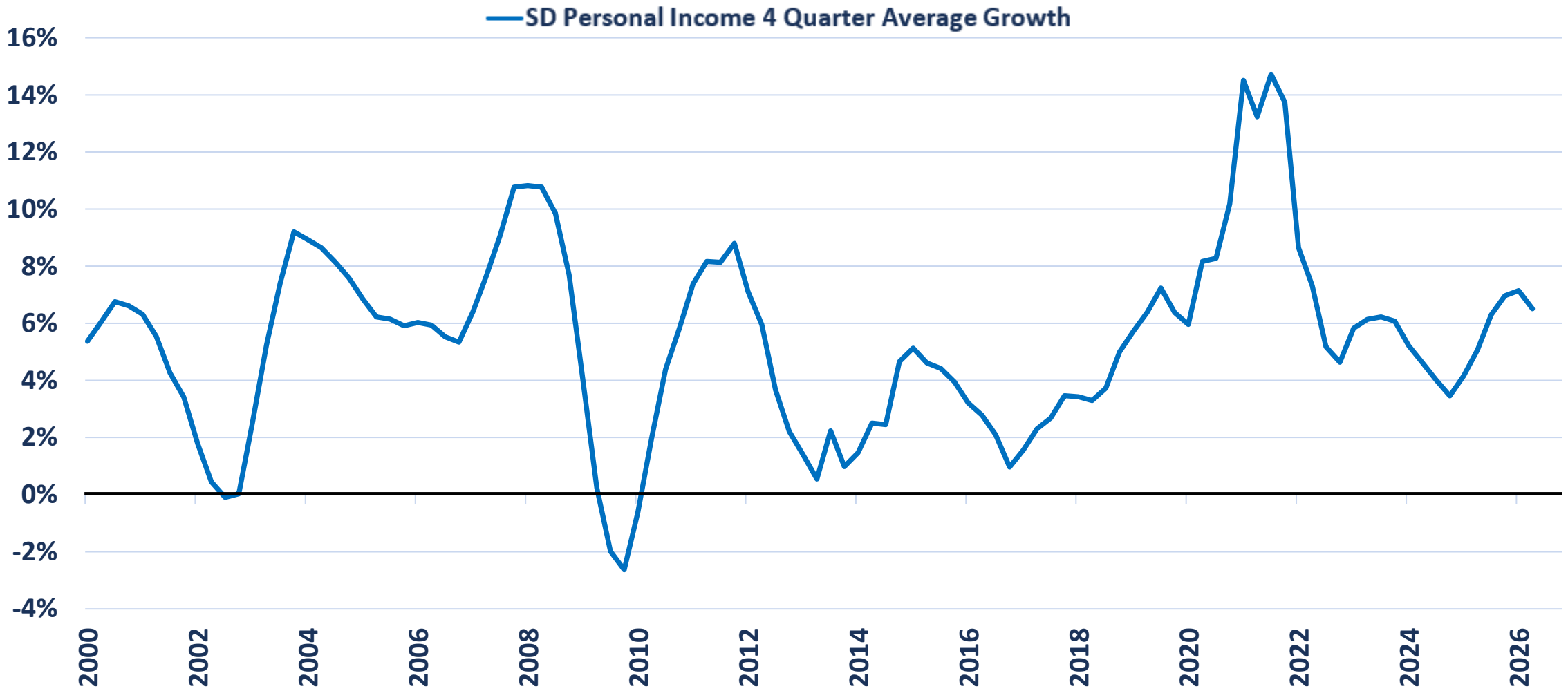
Personal Income



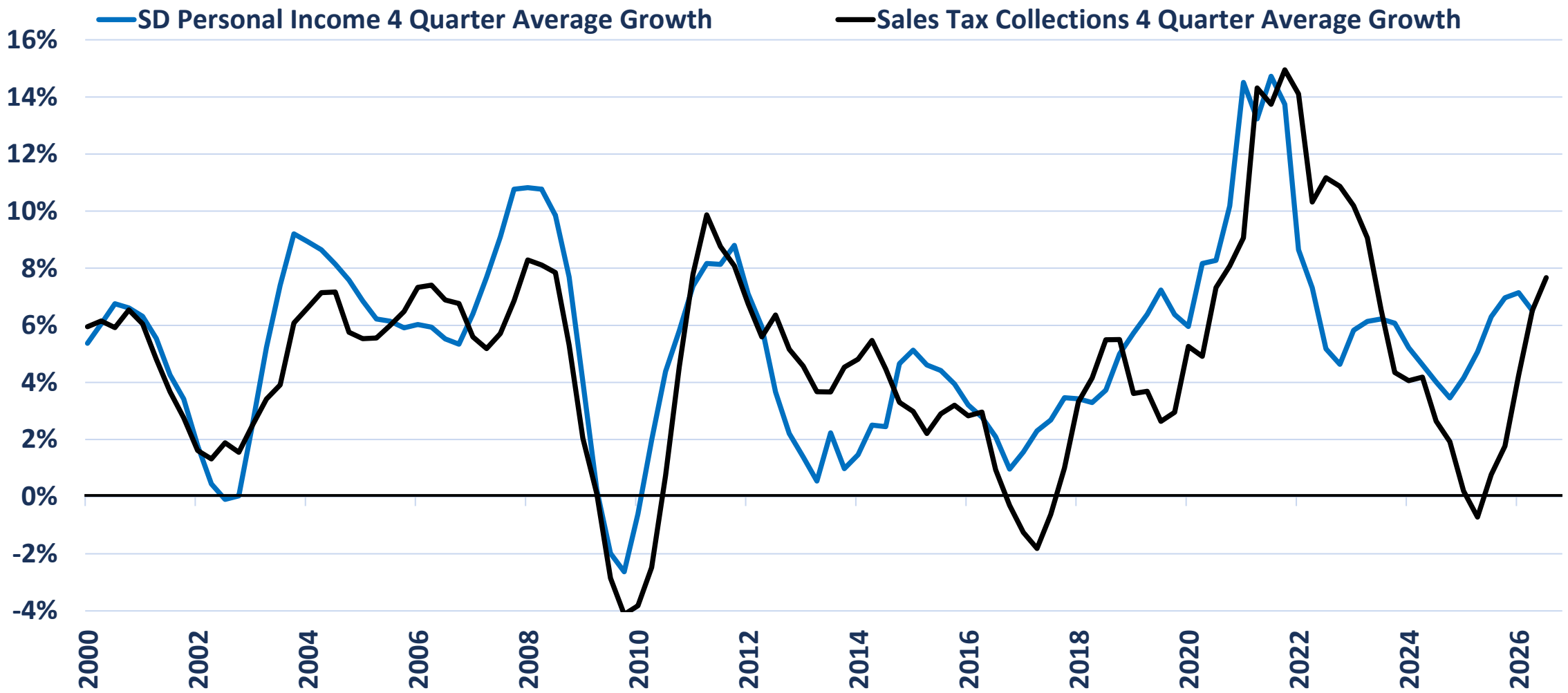
Per Capita Personal Income



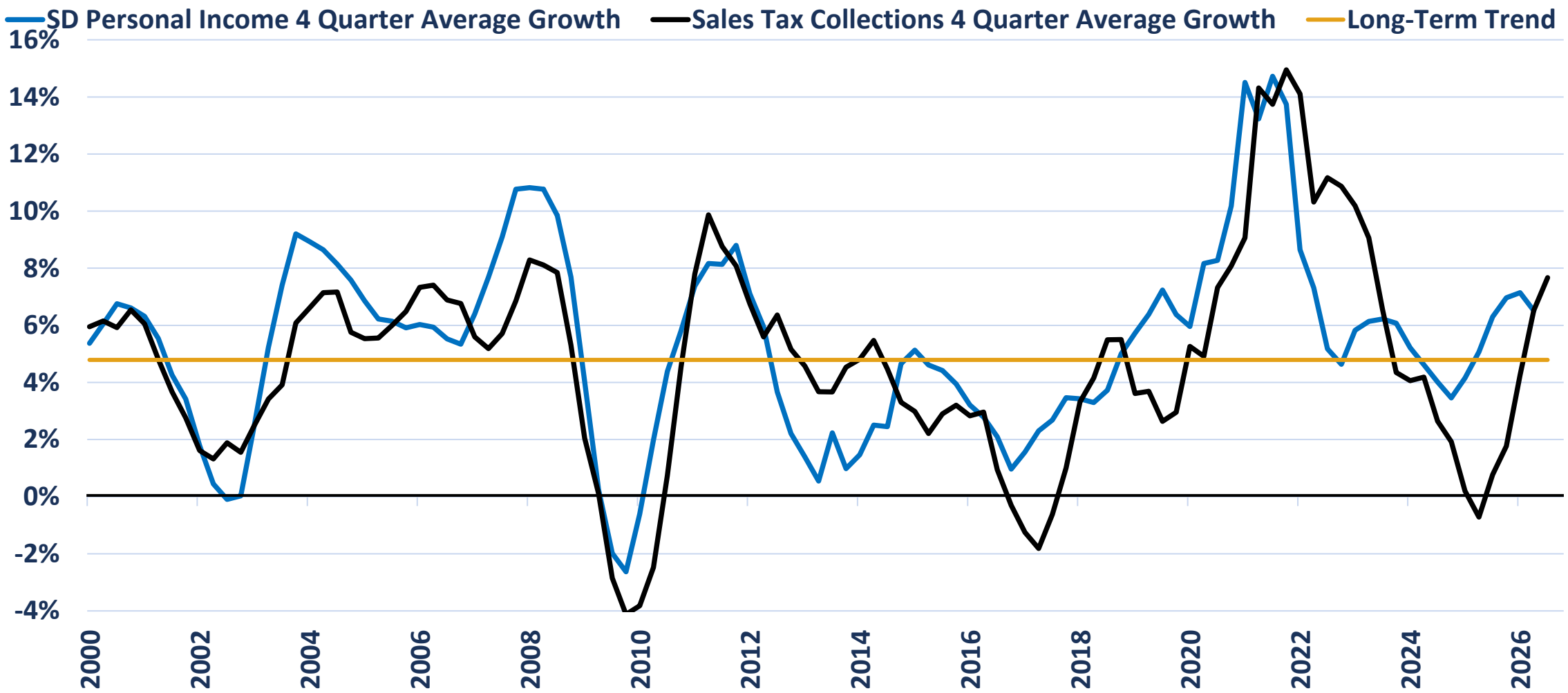
SD Personal Income



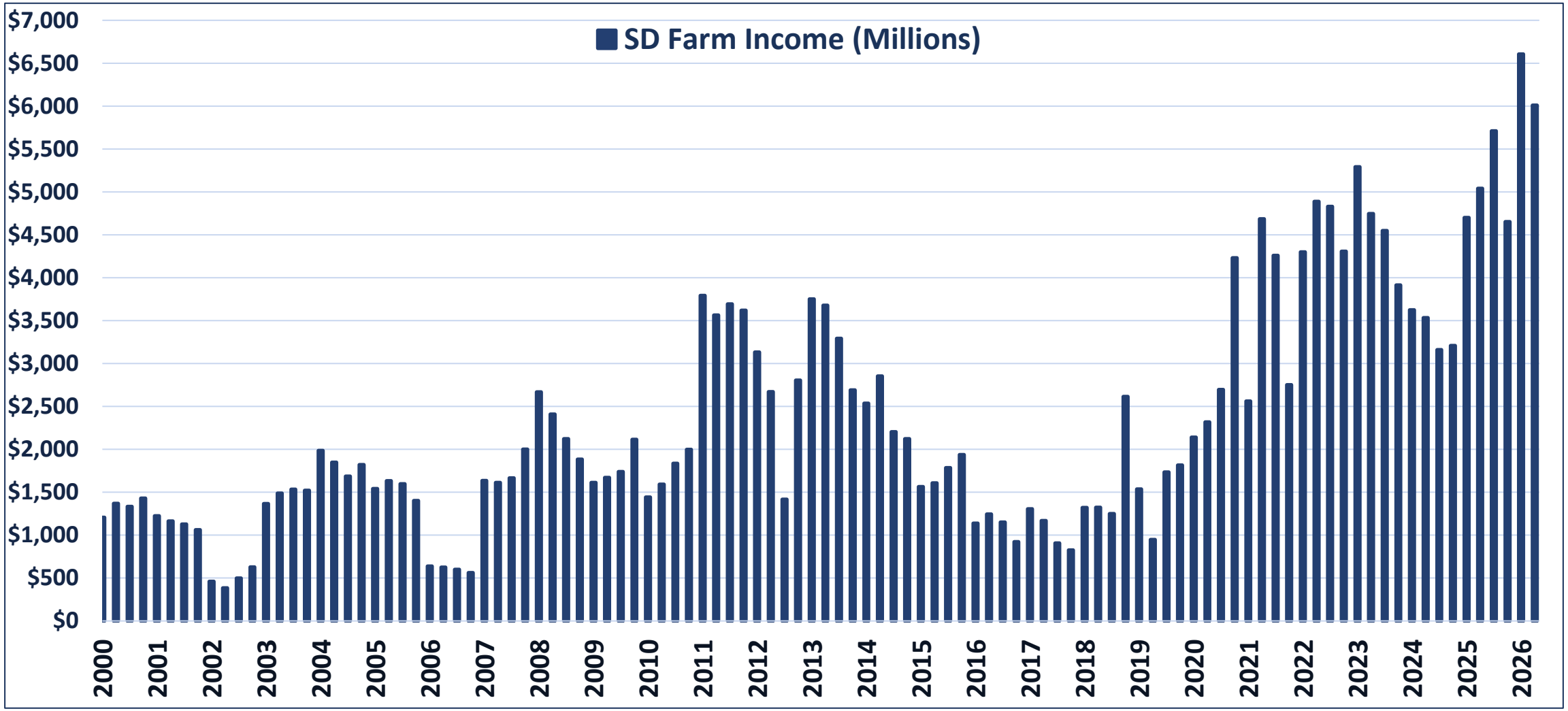
SD Personal Income vs. Sales Tax Collections



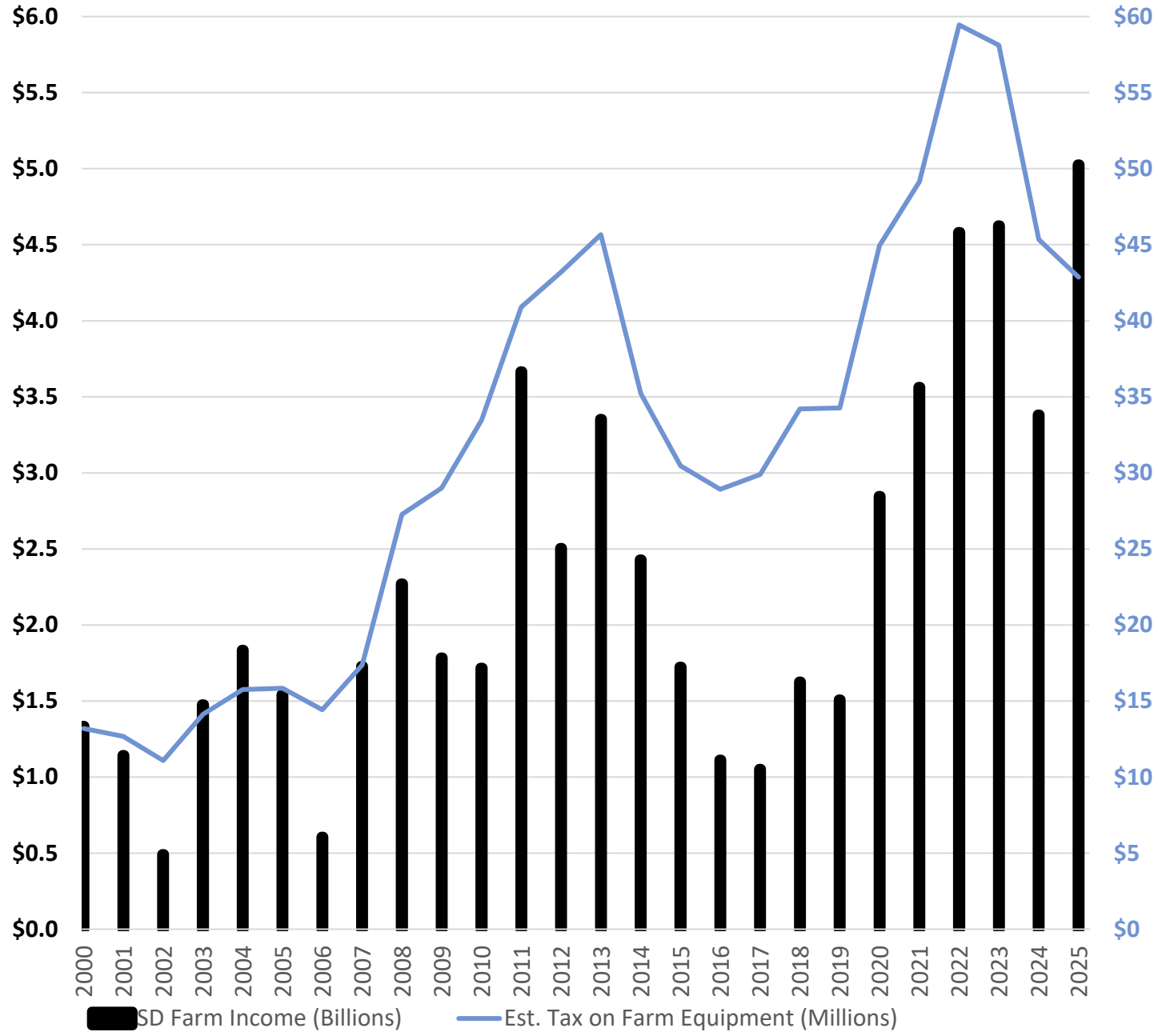
SD Personal Income vs. Sales Tax Collections



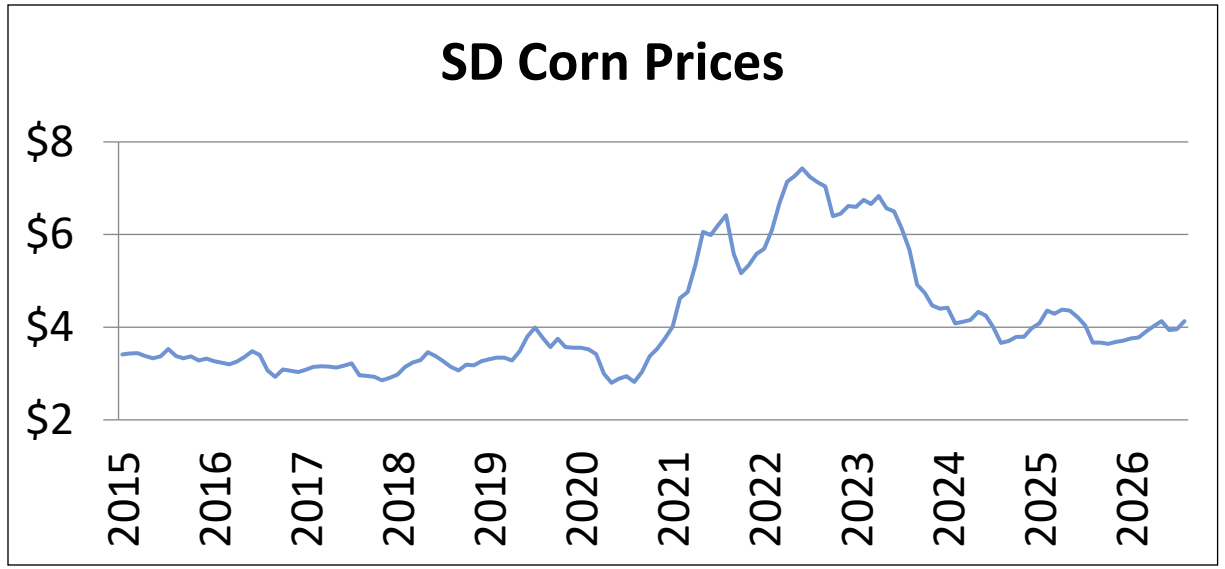
SD Farm Income

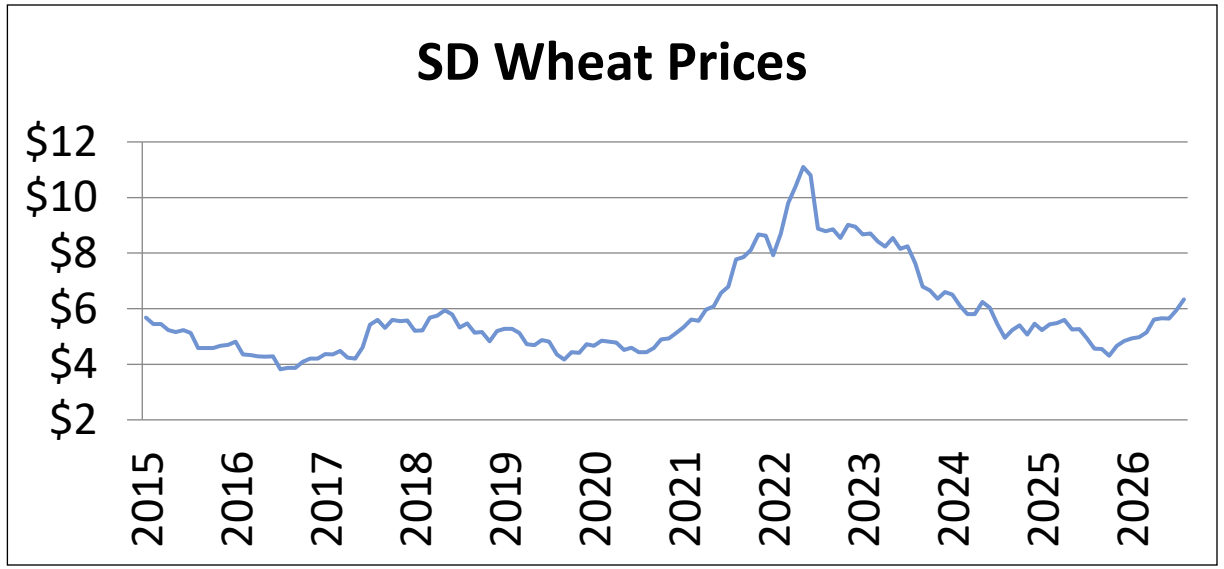


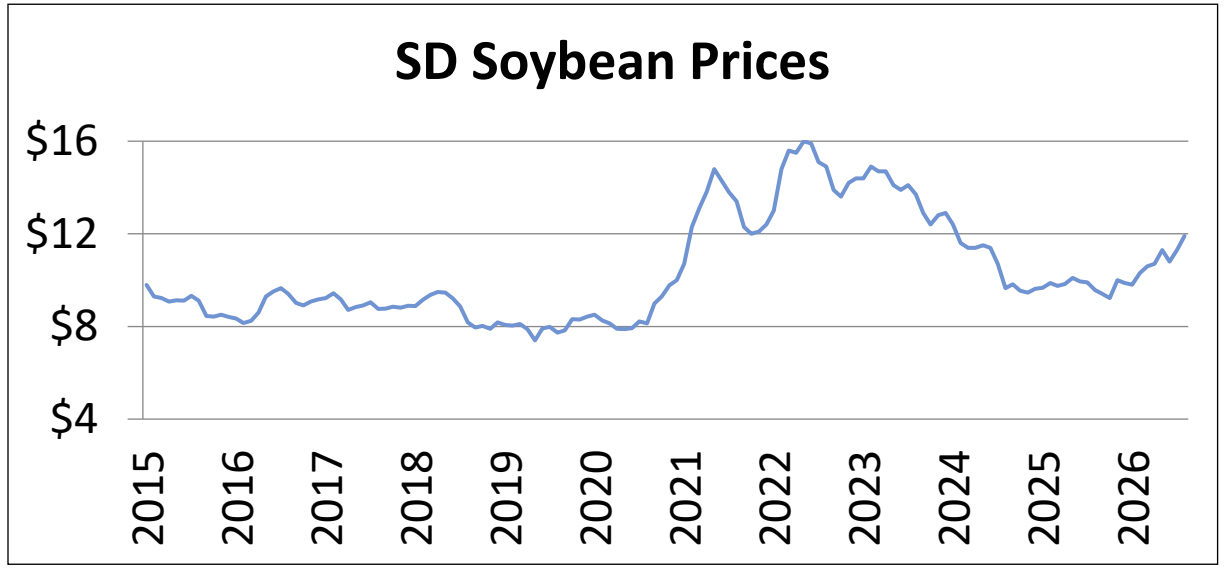
SD Farm Income & Spending on Equipment

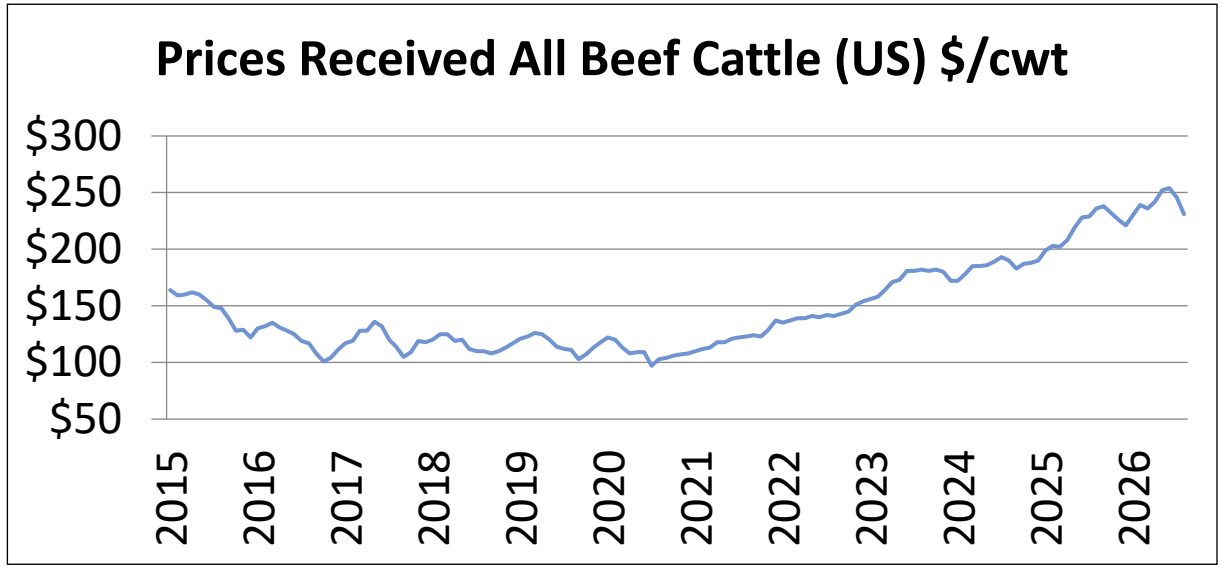


Agriculture Economy/Prices

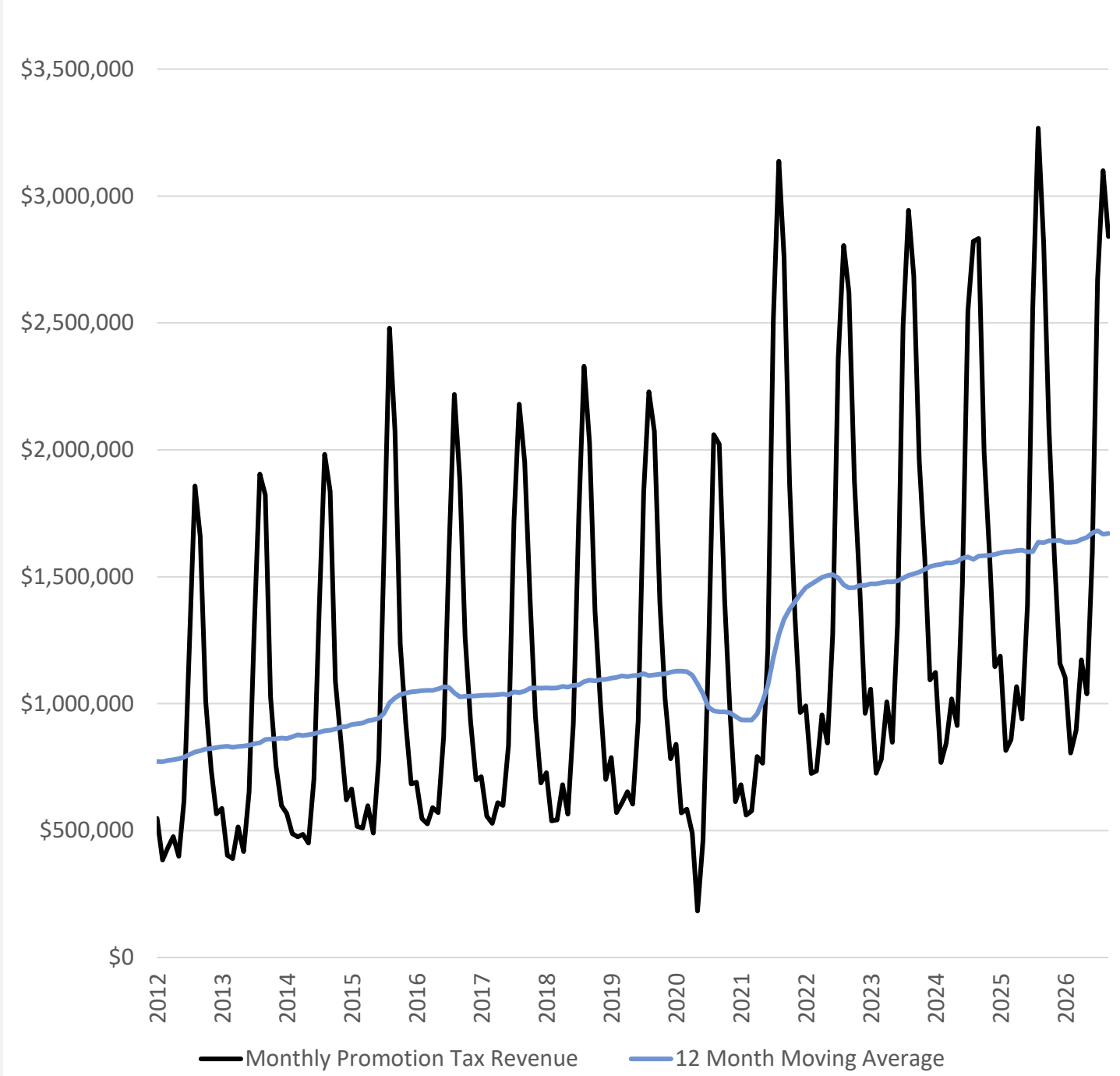




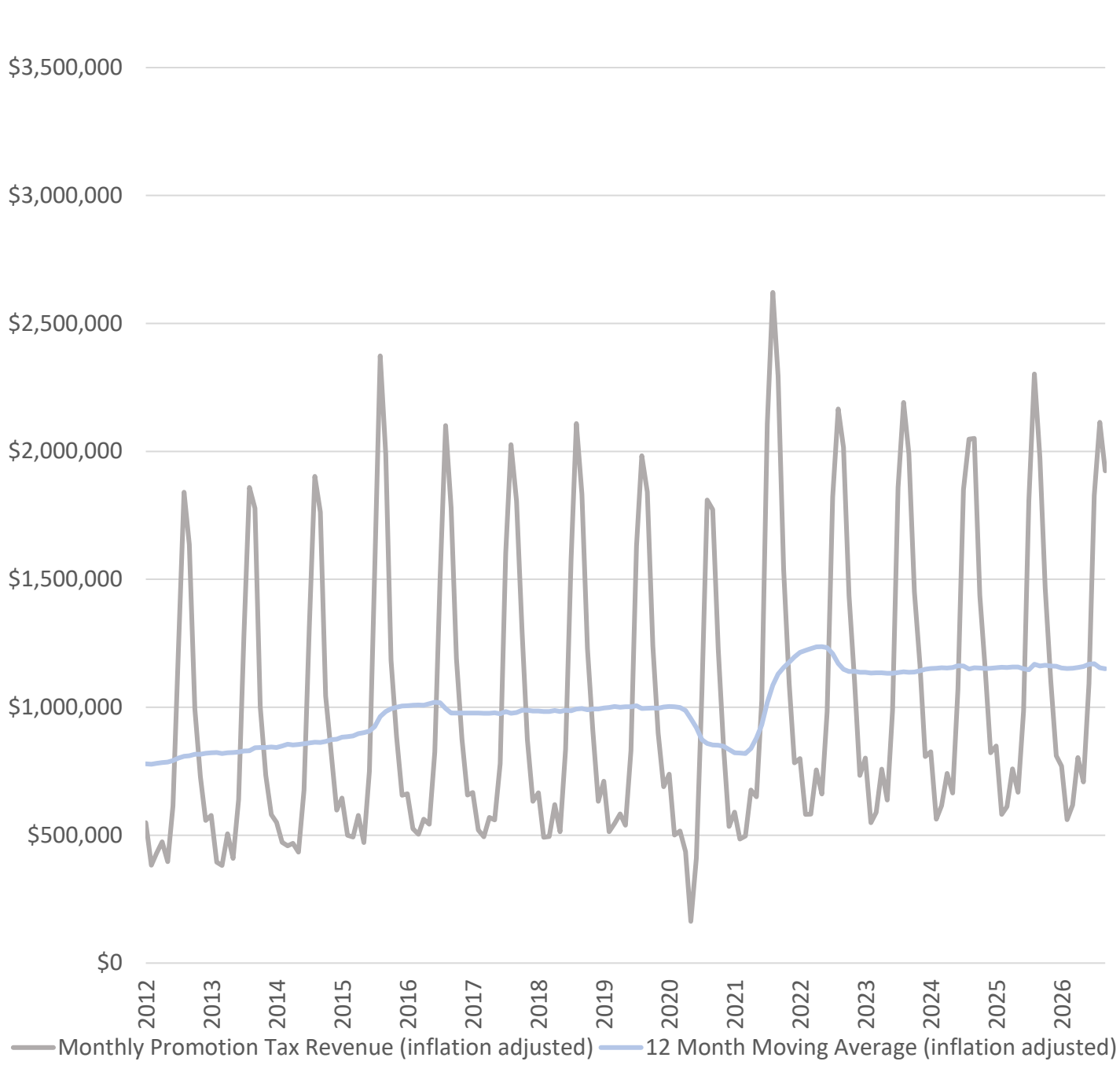




SD Tourism Promotion Tax Collections



SD Tourism Promotion Tax Collections (inflation adjusted)



S&P Global Forecast - SD

	2020	2021	2022	2023	2024	2025	2026 f	2027 f	2028 f	'15-'25 avg.
Real GDP Growth	1.5%	4.1%	1.9%	3.1%	1.1%	1.8%	2.2% ↓	2.3% ↓	2.2% ↑	*1.7%*
Nonfarm Employment	-3.2%	3.4%	2.7%	2.1%	1.3%	0.4%	0.3% ↓	0.5% ↑	0.3% ↑	*1.0%*
Personal Income	10.2%	13.7%	4.6%	6.1%	3.5%	7.0%	4.3% ↑	3.5% ↓	5.8% ↓	*5.9%*
Housing Starts	6,034	7,629	7,437	6,023	5,509	5,264	6,200 ↑	5,550 ↑	5,268 ↑	*5,605*
Unemployment Rate	4.1%	2.6%	1.9%	1.8%	1.8%	2.1%	2.1% ↓	2.2% ↓	2.3% ↓	*2.6%*

General Fund Revenue

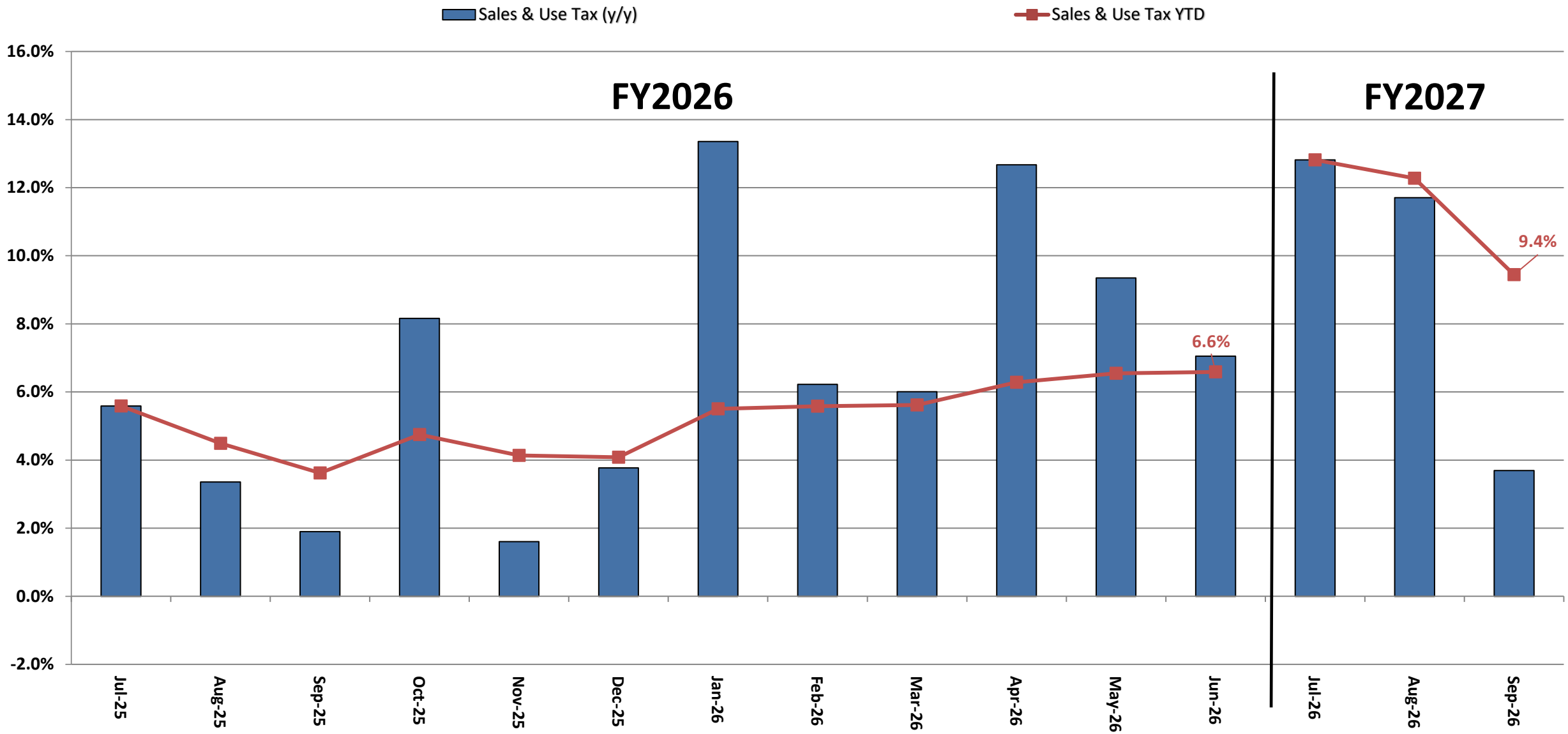
General Fund Receipts

FY2026 Actuals vs. FY2027 Actuals

Actual Revenue FY2026 vs. Actual Revenue FY2027
Year-To-Date Through SEPTEMBER FY2027 Comparison

	Actual SEPTEMBER YTD FY2026	Actual SEPTEMBER YTD FY2027	DOLLAR CHANGE	YTD GROWTH OVER FY2026
ONGOING RECEIPTS				
Sales and Use Tax (excl. cost of admin)	400,134,379	437,914,701	37,780,323	9.4%
Lottery	41,095,830	42,474,874	1,379,045	3.4%
Contractor's Excise Tax	60,539,071	63,509,005	2,969,934	4.9%
Insurance Company Tax	31,281,317	32,763,956	1,482,639	4.7%
Unclaimed Property Receipts	-	-	0	N/A
Licenses, Permits, and Fees	483,757	2,446,549	1,962,793	405.7%
Tobacco Taxes	12,056,825	12,812,561	755,736	6.3%
Trust Funds	37,307,402	38,022,107	714,706	1.9%
Net Transfers In (excluding one-time)	11,013,321	13,032,009	2,018,688	18.3%
Alcohol Beverage Tax	24,386	7,865	(16,521)	-67.7%
Bank Franchise Tax	4,139,187	835,973	(3,303,214)	-79.8%
Charges for Goods and Services	3,040,998	2,756,514	(284,484)	-9.4%
Telecommunications Tax	524,004	483,259	(40,744)	-7.8%
Severance Taxes	5,033,995	3,250,317	(1,783,678)	-35.4%
Investment Income and Interest	71,784,943	53,057,687	(18,727,256)	-26.1%
Alcohol Beverage 2% Wholesale Tax	785,764	795,384	9,621	1.2%
SUBTOTAL (ONGOING RECEIPTS)	$ 679,245,177	$ 704,162,763	$ 24,917,586	3.7%
ONE-TIME RECEIPTS				
Bank Franchise Tax Prior Year Revenue	2,795	459,369	456,574	16336.3%
SUBTOTAL (ONE-TIME RECEIPTS)	$ 2,795	$ 459,369	$ 456,574	16336.3%
GRAND TOTAL	**$ 679,247,972**	**$ 704,622,132**	**$ 25,374,160**	3.7%

Sales & Use Tax Growth





Legislative Adopted FY2027 Estimate (Feb. 2026) vs. Actual Revenues
Year-to-Date Through SEPTEMBER FY2027 Comparison

	Leg. Adopted SEPTEMBER YTD FY2027	Actual SEPTEMBER YTD FY2027	DOLLAR CHANGE	YTD % Chg. Actual/Adopt Comparison
ONGOING RECEIPTS				
Sales and Use Tax (excl. cost of admin)	425,381,787	437,914,701	12,532,914	2.9%
Lottery	41,863,152	42,474,874	611,723	1.5%
Contractor's Excise Tax	64,178,499	63,509,005	(669,494)	-1.0%
Insurance Company Tax	34,843,260	32,763,956	(2,079,304)	-6.0%
Unclaimed Property Receipts	-	-	0	N/A
Licenses, Permits, and Fees	2,116,149	2,446,549	330,400	15.6%
Tobacco Taxes	11,995,919	12,812,561	816,642	6.8%
Trust Funds	38,022,107	38,022,107	0	0.0%
Net Transfers In (excluding one-time)	11,556,422	13,032,009	1,475,587	12.8%
Alcohol Beverage Tax	31,919	7,865	(24,054)	-75.4%
Bank Franchise Tax	1,815,107	835,973	(979,134)	-53.9%
Charges for Goods and Services	2,380,746	2,756,514	375,768	15.8%
Telecommunications Tax	511,512	483,259	(28,253)	-5.5%
Severance Taxes	5,856,868	3,250,317	(2,606,551)	-44.5%
Investment Income and Interest	62,445,490	53,057,687	(9,387,803)	-15.0%
Alcohol Beverage 2% Wholesale Tax	809,559	795,384	(14,175)	-1.8%
SUBTOTAL (ONGOING RECEIPTS)	$ 703,808,498	704,162,763	$ 354,265	0.1%
ONE-TIME RECEIPTS				
Bank Franchise Tax Prior Year Revenue	-	459,369	459,369	N/A
SUBTOTAL (ONE-TIME RECEIPTS)	$ 0	$ 459,369	$ 459,369	N/A
GRAND TOTAL	**$ 703,808,498**	**$ 704,622,132**	**$ 813,634**	0.1%

Council Discussion

S&P Global Forecast - US

	2020	2021	2022	2023	2024	2025	2026 f	2027 f	2028 f	'15-'25 avg.
Real GDP Growth	-2.1%	6.3%	2.4%	2.9%	3.0%	2.3%	2.4%↑	2.7%↑	2.4%↑	*2.5%*
Nonfarm Employment	-5.8%	2.9%	4.3%	2.2%	1.2%	0.5%	0.3%↔	0.4%↑	0.4%↑	*1.2%*
Personal Income	6.9%	9.6%	3.0%	6.7%	5.9%	5.1%	4.4%↑	5.4%↓	5.5%↓	*5.4%*
Unemployment Rate	8.1%	5.4%	3.6%	3.6%	4.0%	4.3%	4.2%↓	4.3%↓	4.3%↔	*4.6%*
CPI-U	1.3%	4.7%	8.0%	4.1%	3.0%	2.6%	3.4%↑	2.4%↑	2.1%↓	*2.9%*

S&P Global Forecast - SD

	2020	2021	2022	2023	2024	2025	2026 f	2027 f	2028 f	'15-'25 avg.
Real GDP Growth	1.5%	4.1%	1.9%	3.1%	1.1%	1.8%	2.2% ↓	2.3% ↓	2.2% ↑	*1.7%*
Nonfarm Employment	-3.2%	3.4%	2.7%	2.1%	1.3%	0.4%	0.3% ↓	0.5% ↑	0.3% ↑	*1.0%*
Personal Income	10.2%	13.7%	4.6%	6.1%	3.5%	7.0%	4.3% ↑	3.5% ↓	5.8% ↓	*5.9%*
Housing Starts	6,034	7,629	7,437	6,023	5,509	5,264	6,200 ↑	5,550 ↑	5,268 ↑	*5,605*
Unemployment Rate	4.1%	2.6%	1.9%	1.8%	1.8%	2.1%	2.1% ↓	2.2% ↓	2.3% ↓	*2.6%*

Other Discussion Items

- Next Meeting Date – Late January/Early February
- Other Comments
- Public Comments