

# Governor's Council of Economic Advisors

*May 27, 2025*



# *Outline of Presentation*

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

# *US Economy*

*Consumption*

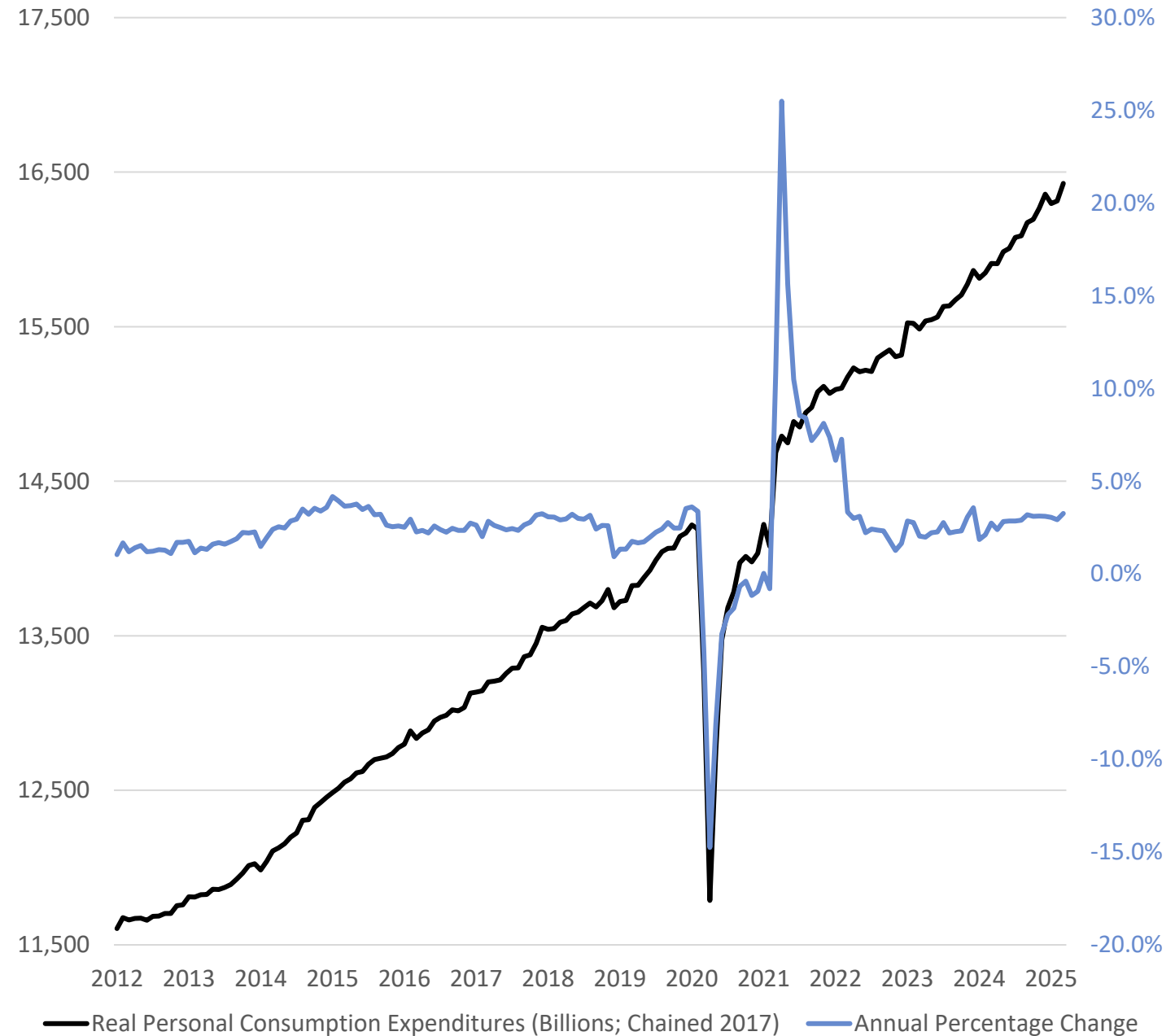
*Federal Fiscal Picture*

*Employment and Unemployment*

*Inflation*

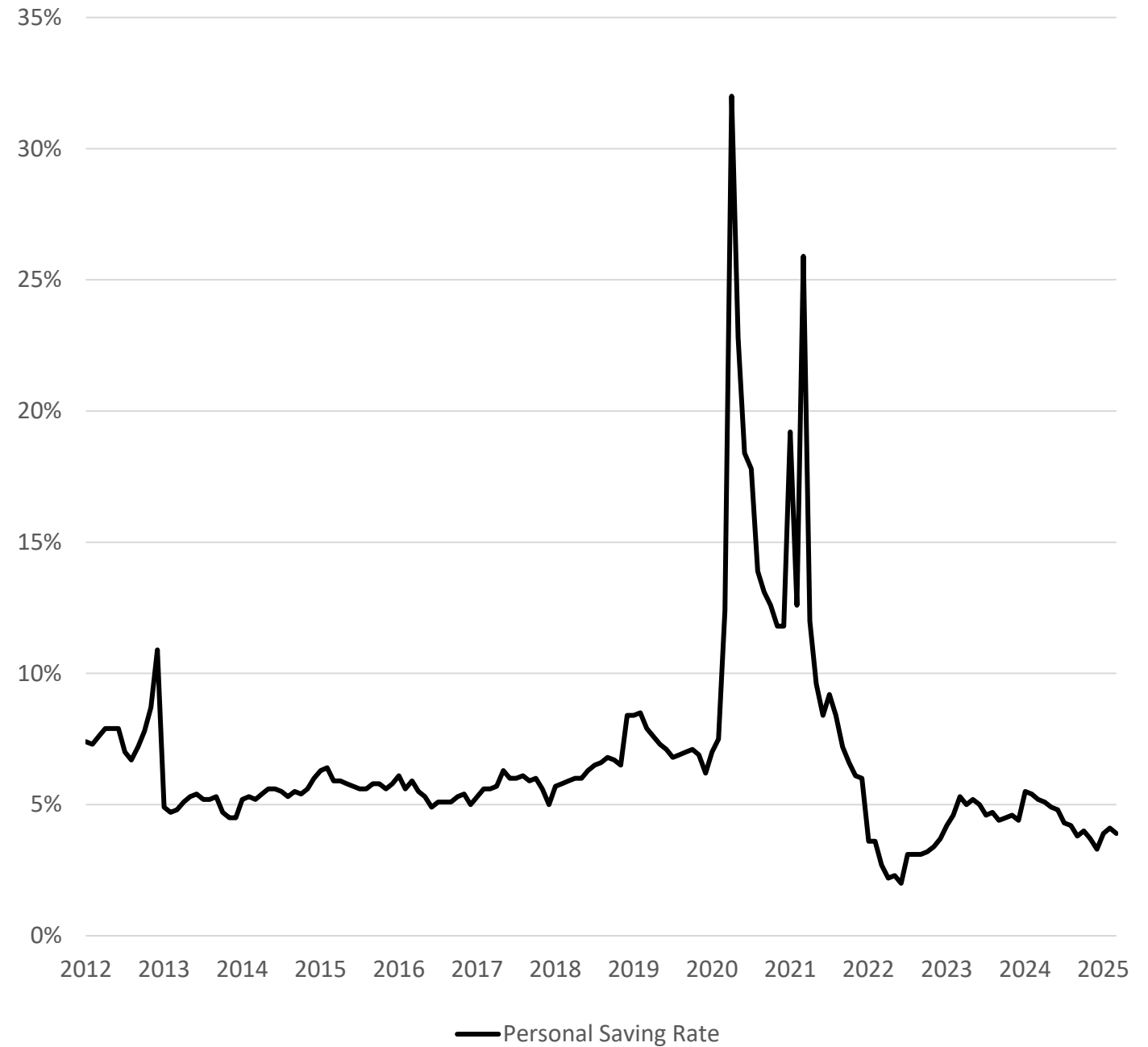


# US Real Personal Consumption Expenditures



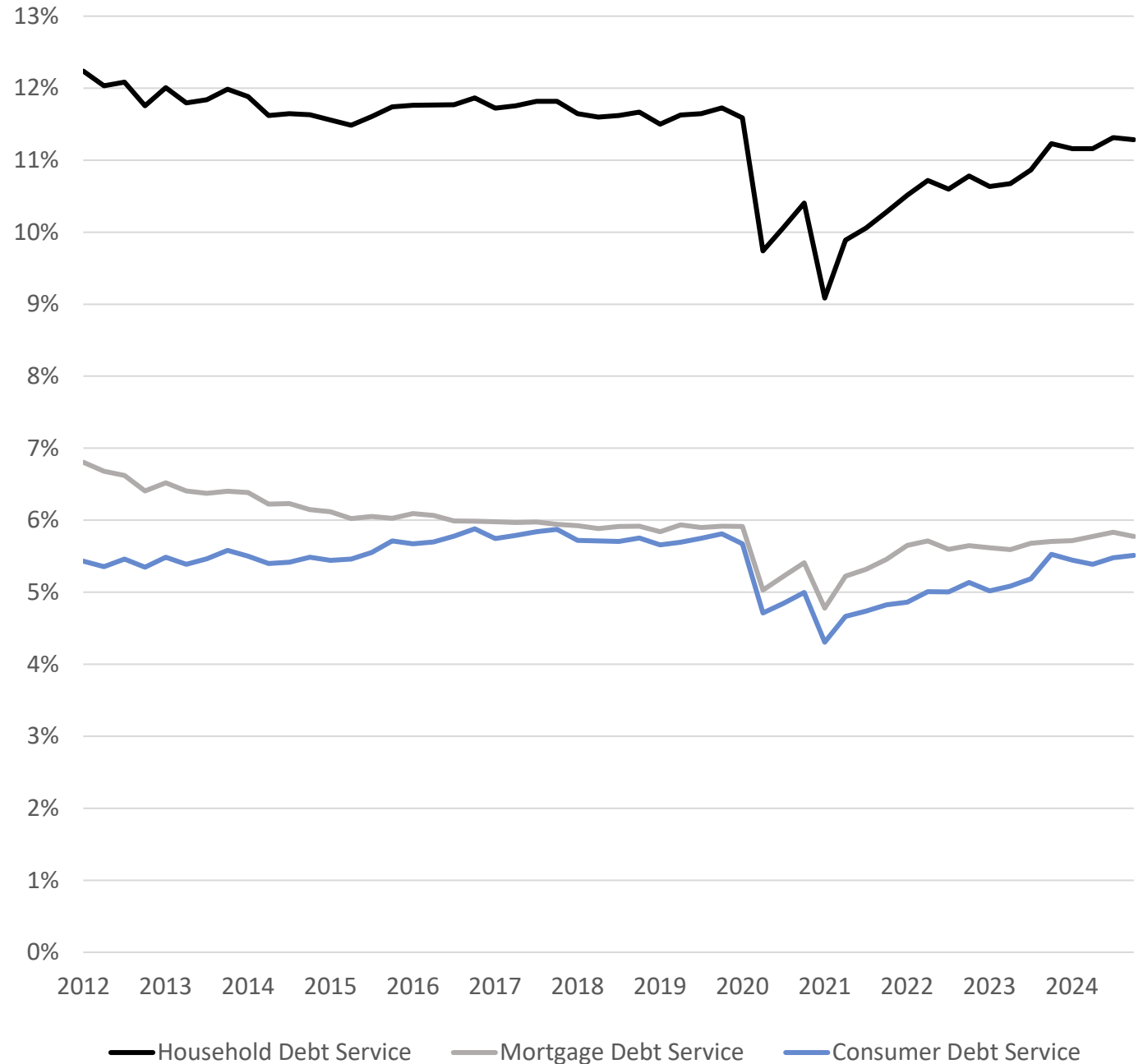


# US Personal Saving Rate





# US Household Debt Service Ratio





# US Consumer Sentiment





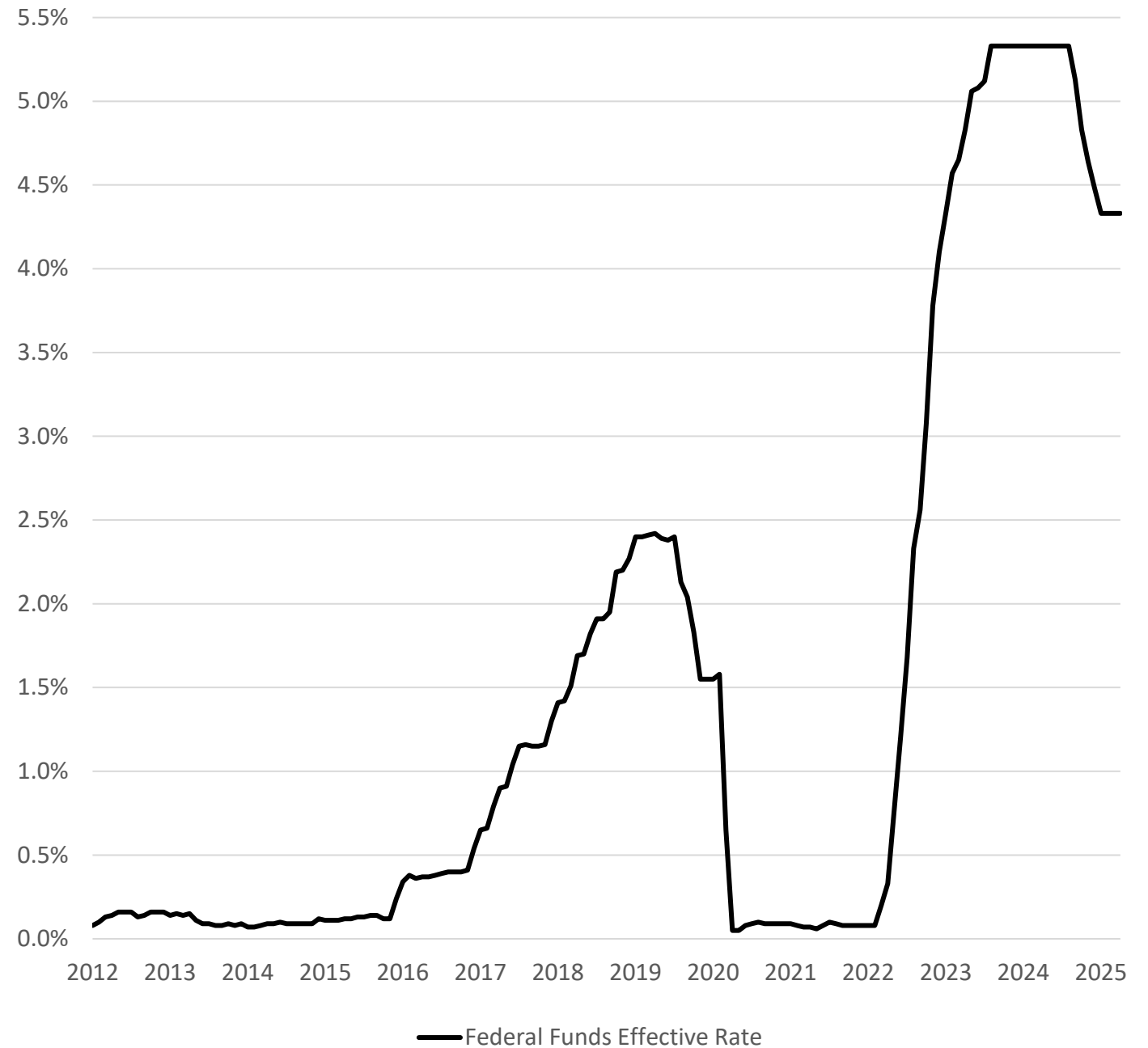
# Debt Held by Public





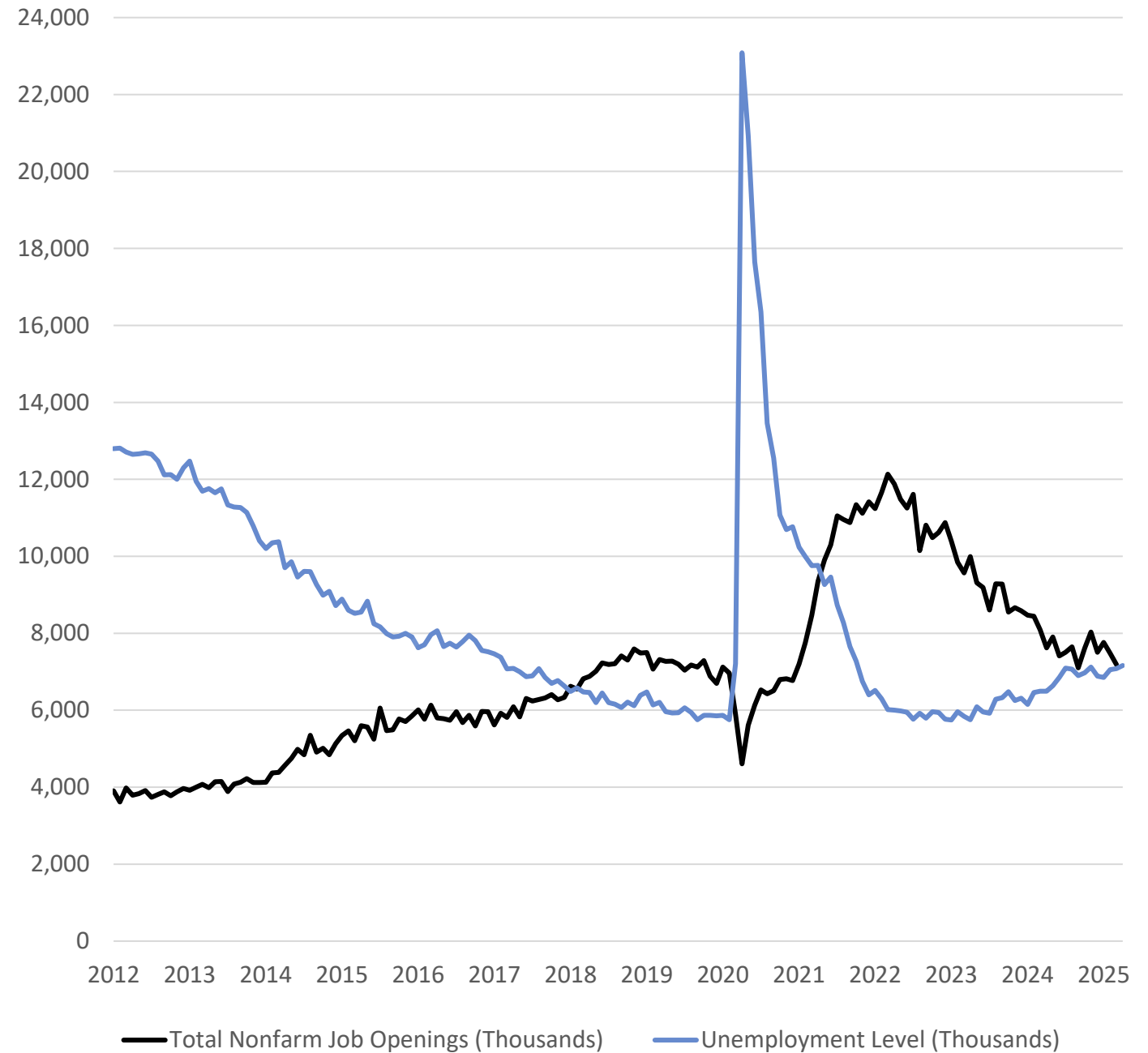


# Interest Rates





# US Job Openings vs. Unemployed





# Inflation: CPI



# *S&P Global Forecast - US*

	2019	2020	2021	2022	2023	2024	2025 f	2026 f	'14-'24 avg.
<b>Real GDP Growth</b>	2.6%	-2.2%	6.1%	2.5%	2.9%	2.8%	1.3%	1.7%	2.5%
<b>Nonfarm Employment</b>	1.3%	-5.8%	2.9%	4.3%	2.2%	1.3%	1.0%	0.2%	1.4%
<b>Personal Income</b>	4.8%	6.8%	9.2%	3.1%	5.9%	5.4%	4.6%	4.9%	5.2%
<b>Unemployment Rate</b>	3.7%	8.1%	5.4%	3.6%	3.6%	4.0%	4.4%	4.9%	4.8%
<b>CPI-U</b>	1.8%	1.3%	4.7%	8.0%	4.1%	3.0%	3.4%	2.9%	2.8%

# *S&P Global Alternate Scenarios - US*

Optimistic Scenario (15% probability)					Pessimistic Scenario (35% probability)			
	2024	2025 f	2026 f		2024	2025 f	2026 f	'14-'24 avg.
Real GDP Growth	2.8%	1.7%	2.7%		2.8%	0.9%	0.3%	2.5%
Nonfarm Employment	1.3%	1.1%	0.7%		1.3%	0.9%	-0.8%	1.4%
Personal Income	5.4%	4.7%	5.9%		5.4%	4.3%	3.8%	5.2%
Unemployment Rate	4.0%	4.3%	4.6%		4.0%	4.5%	5.9%	4.8%
CPI-U	3.0%	3.2%	3.0%		3.0%	3.2%	2.5%	2.8%

# *SD Forecast*

*Employment*

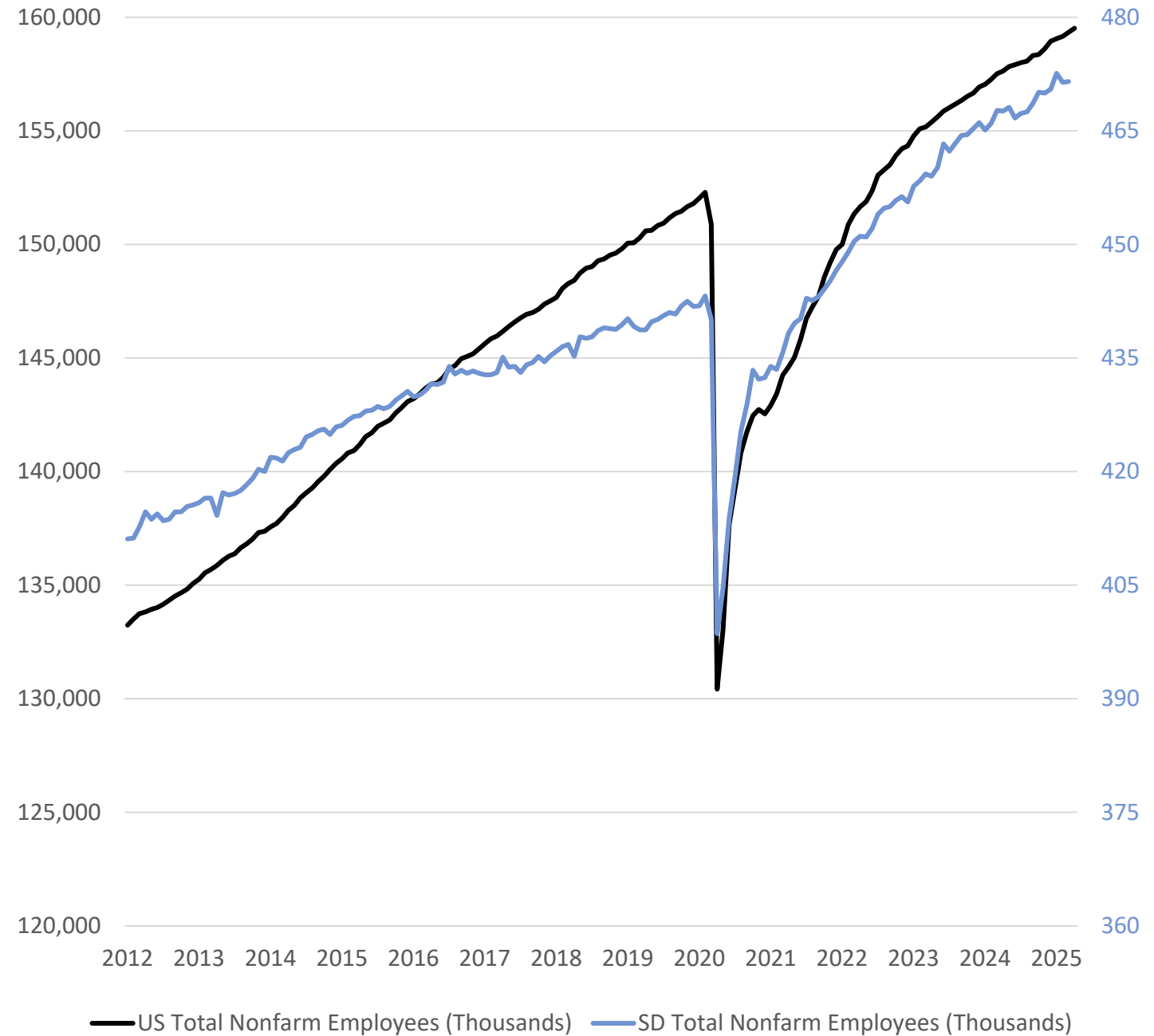
*Housing*

*Personal Income*

*Tourism*

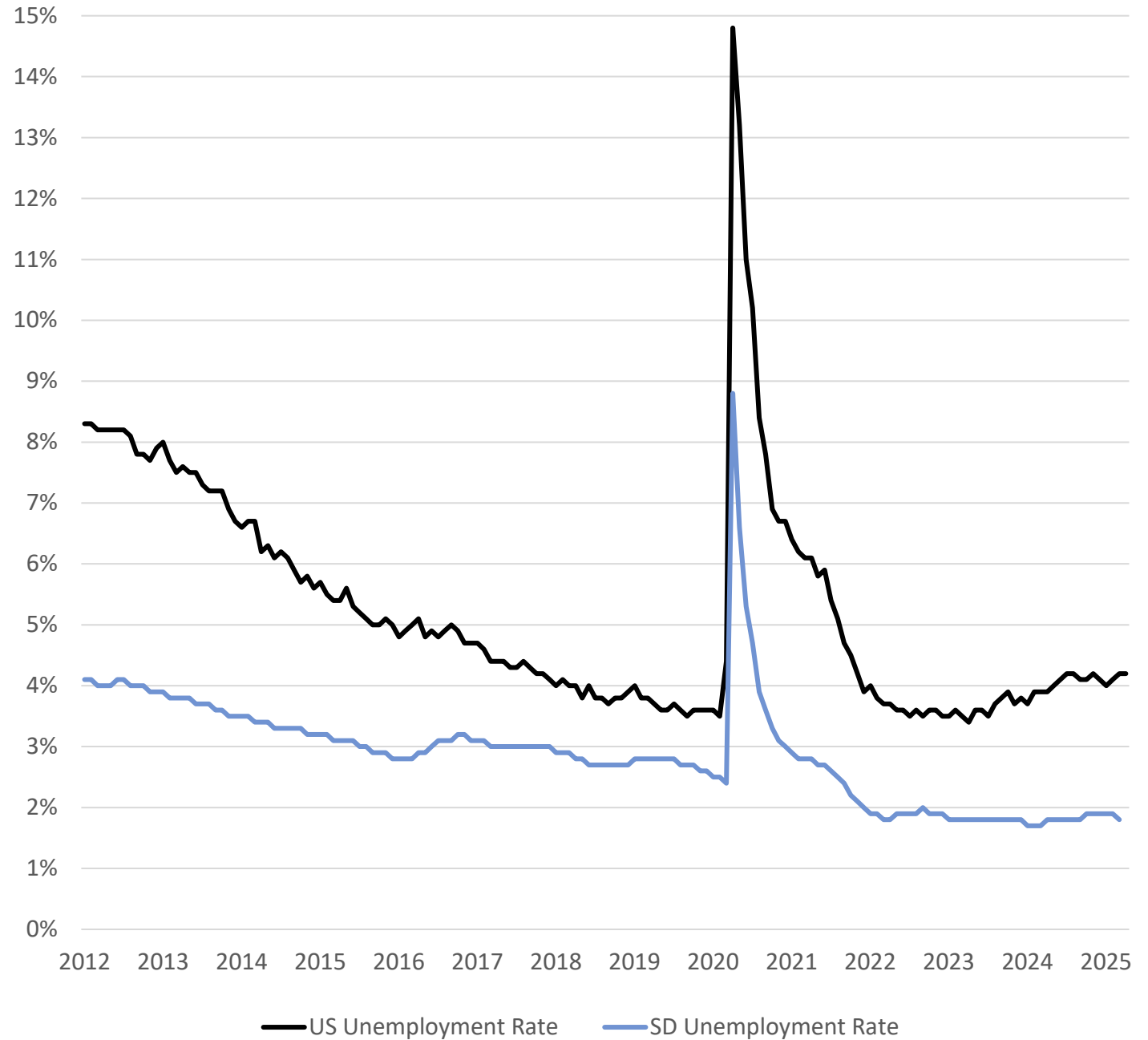


# Employment Growth





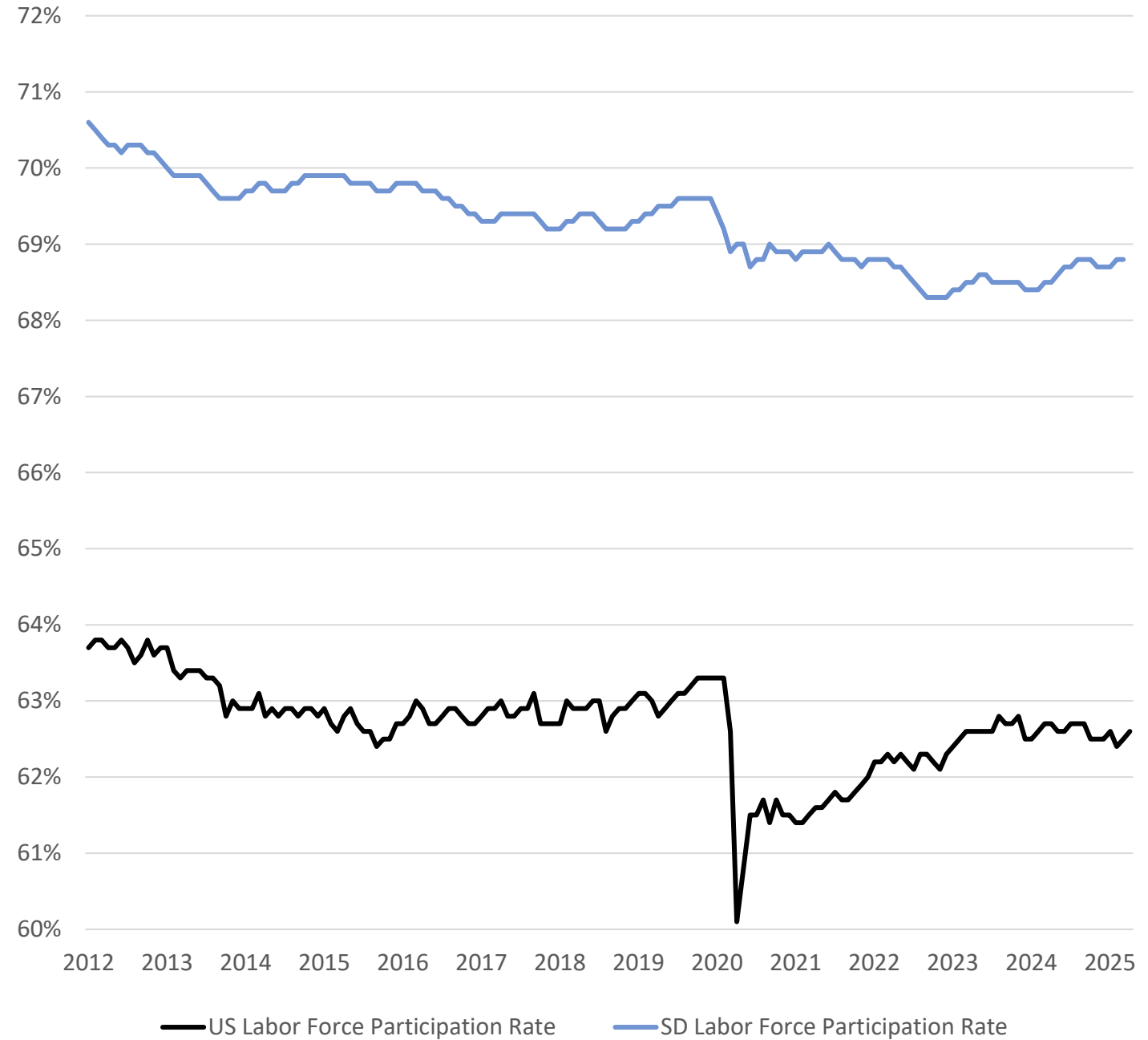
# Unemployment Rate





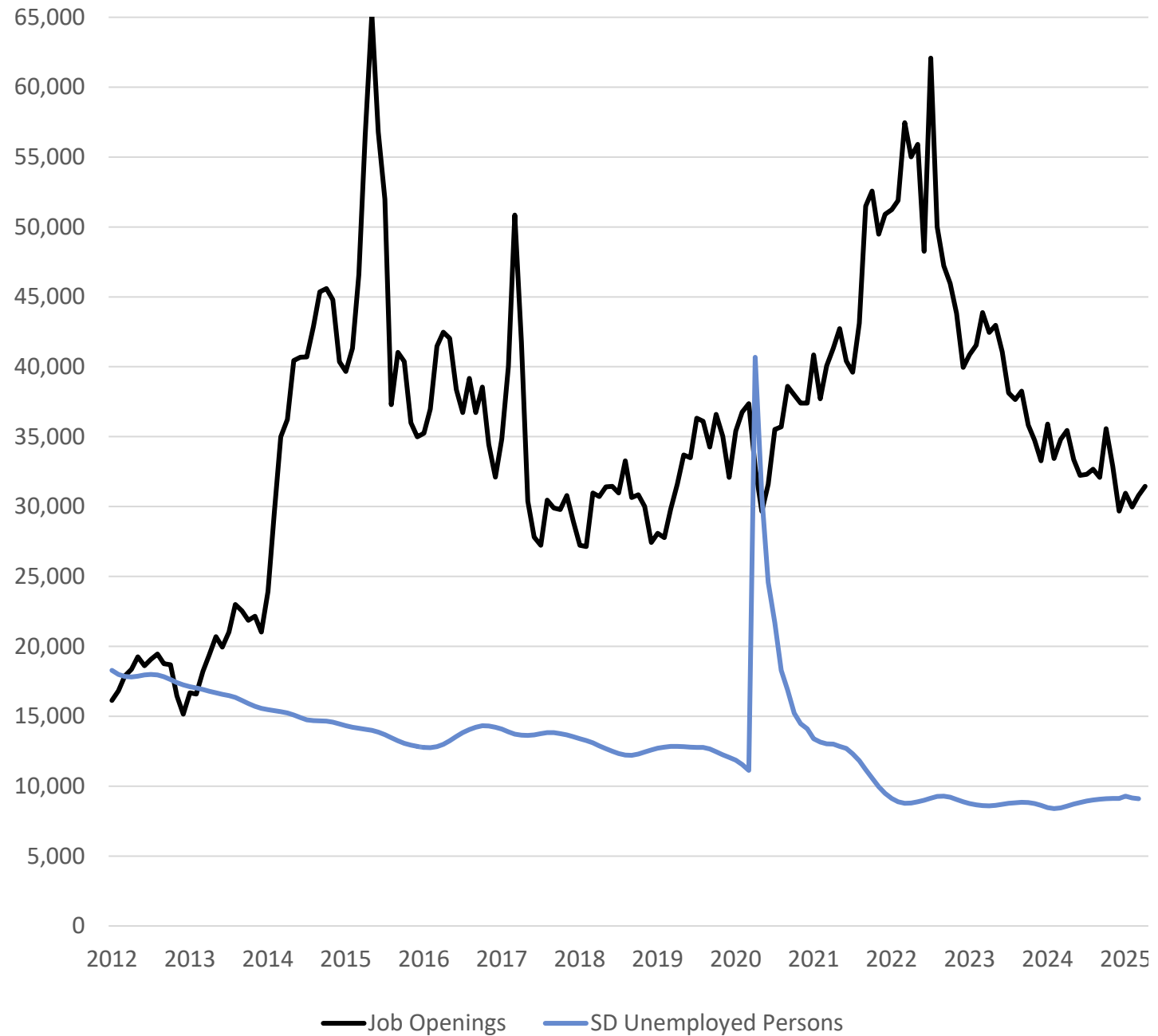


# Labor Force Participation Rate



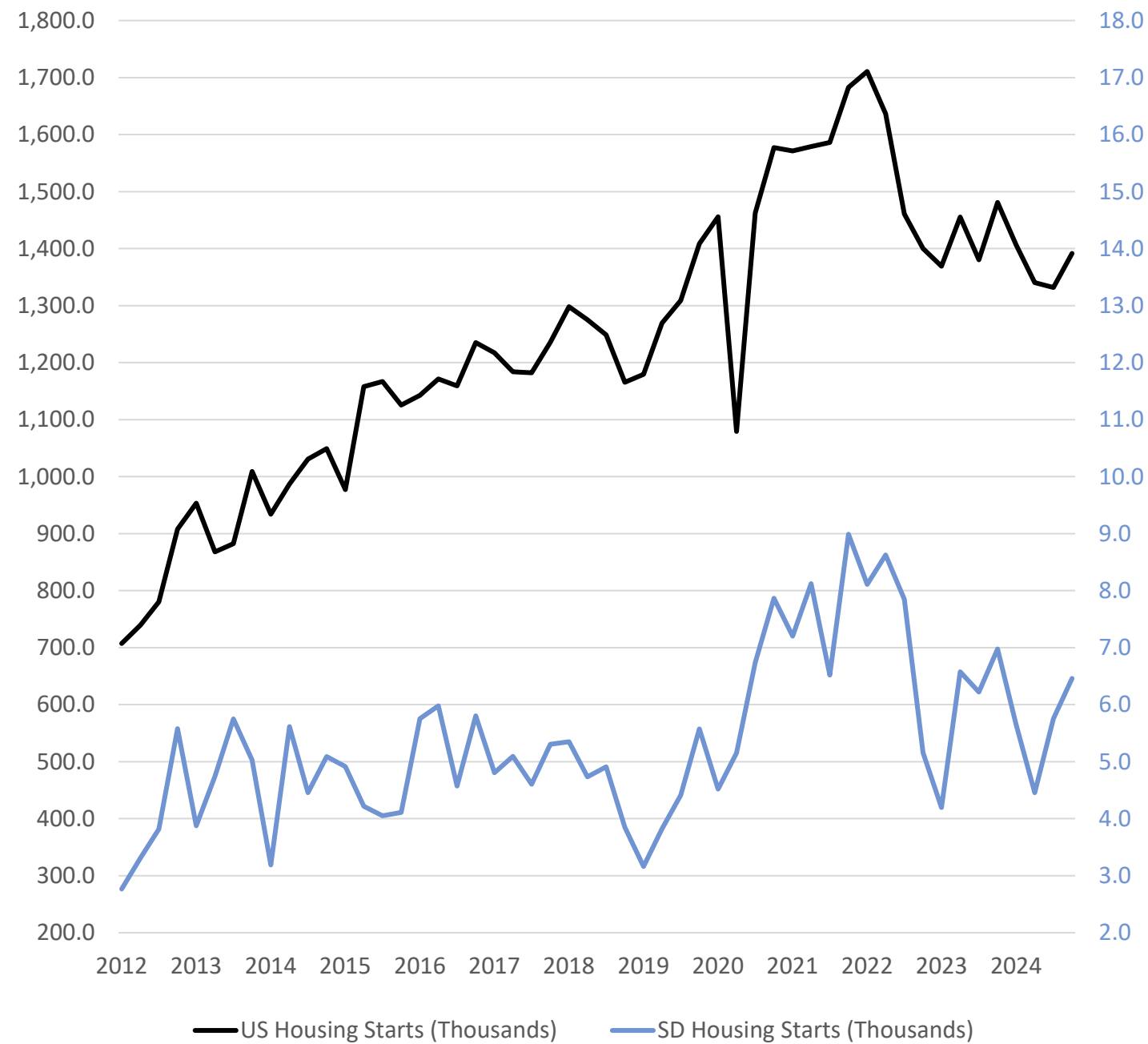


# SD Job Openings vs. Unemployed



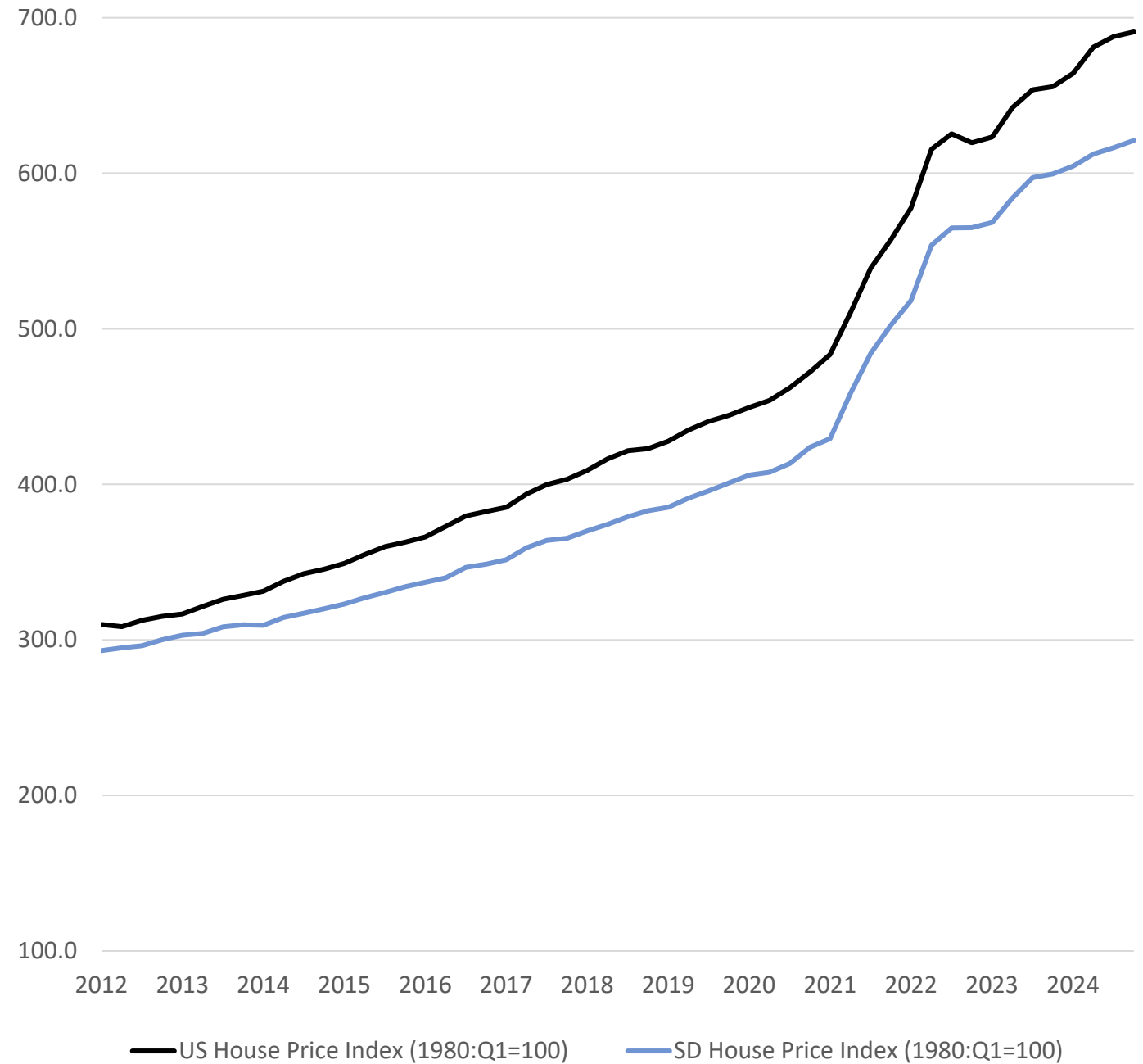


# Housing Starts



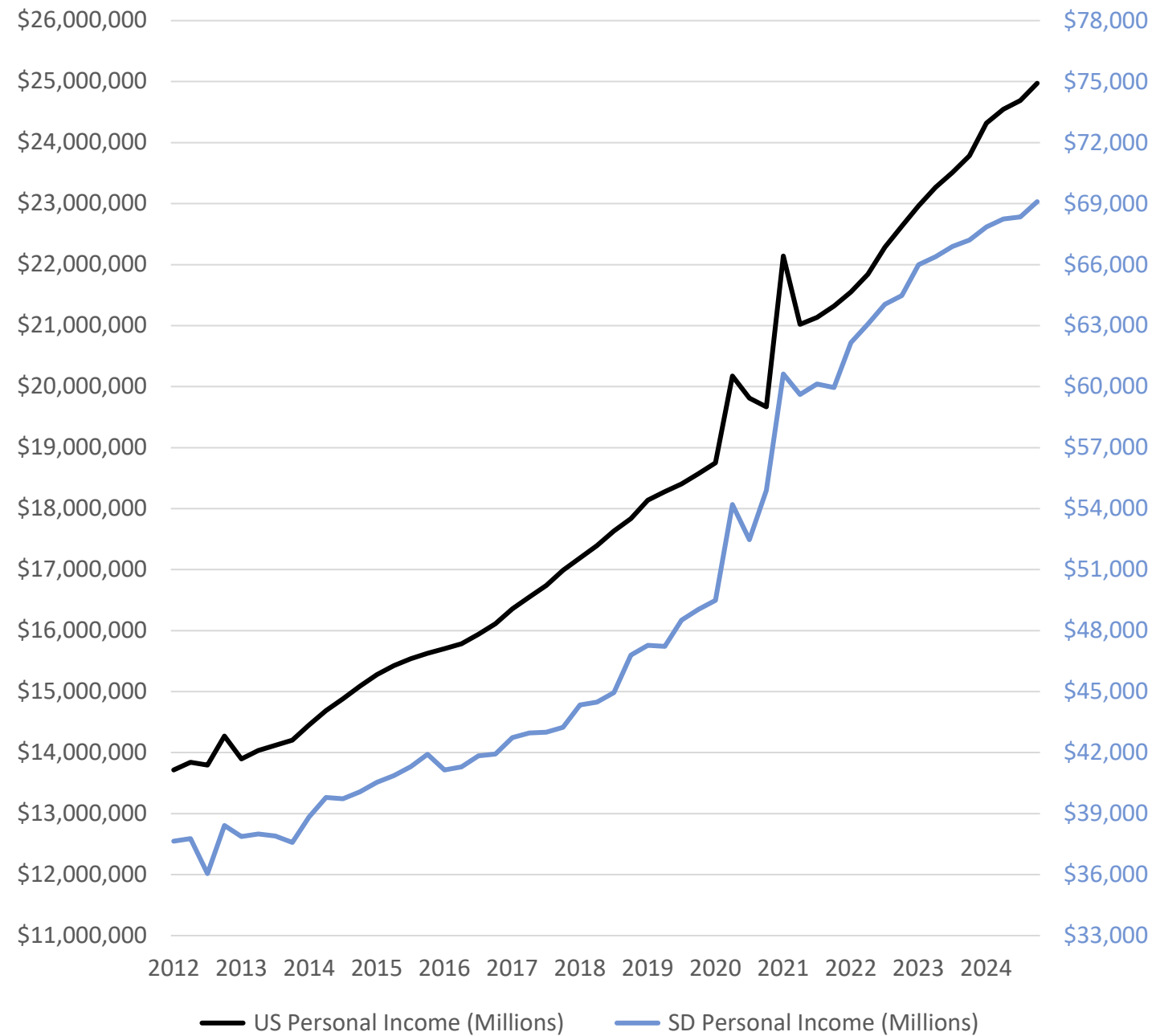


# Home Price



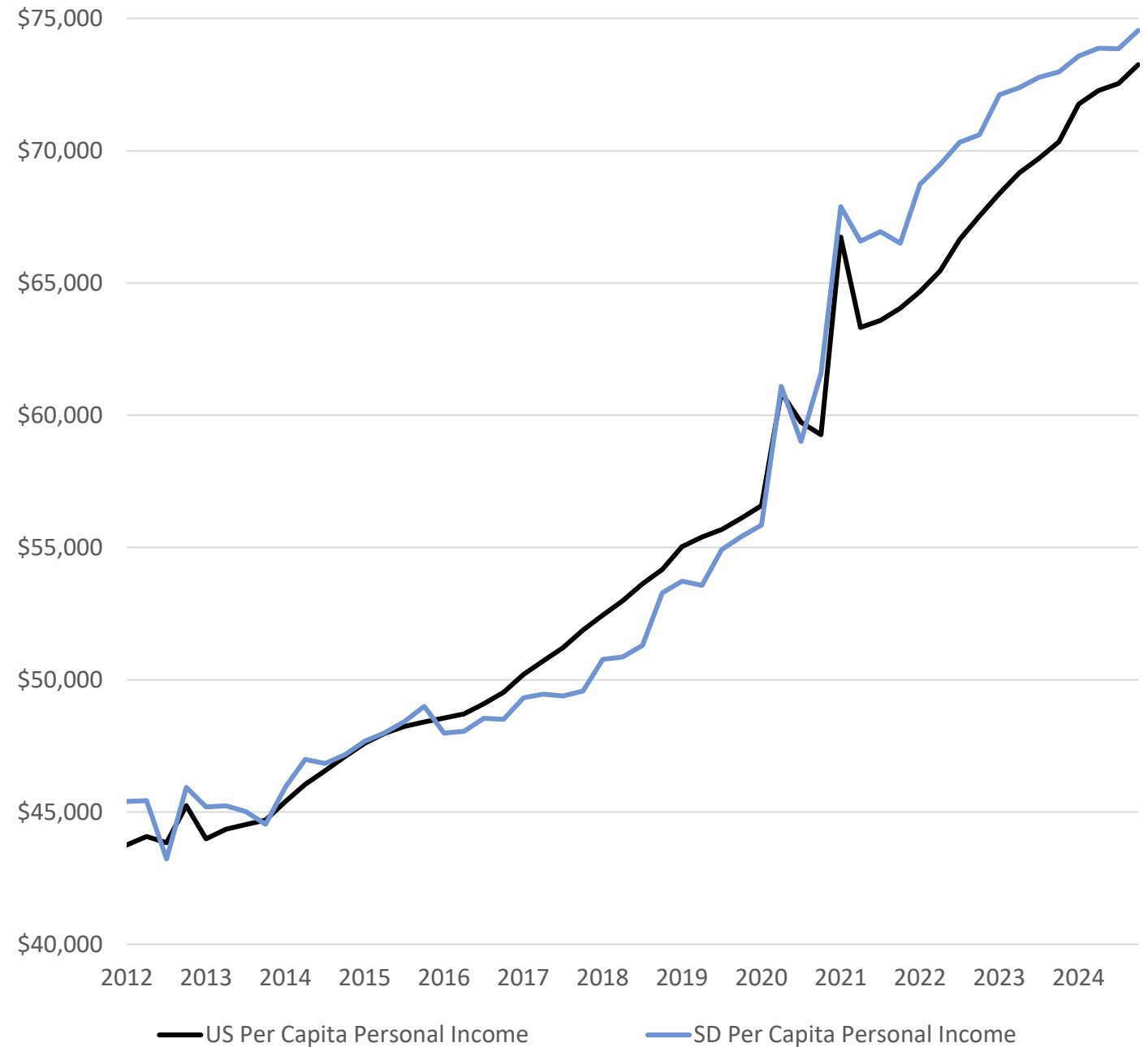


# Personal Income

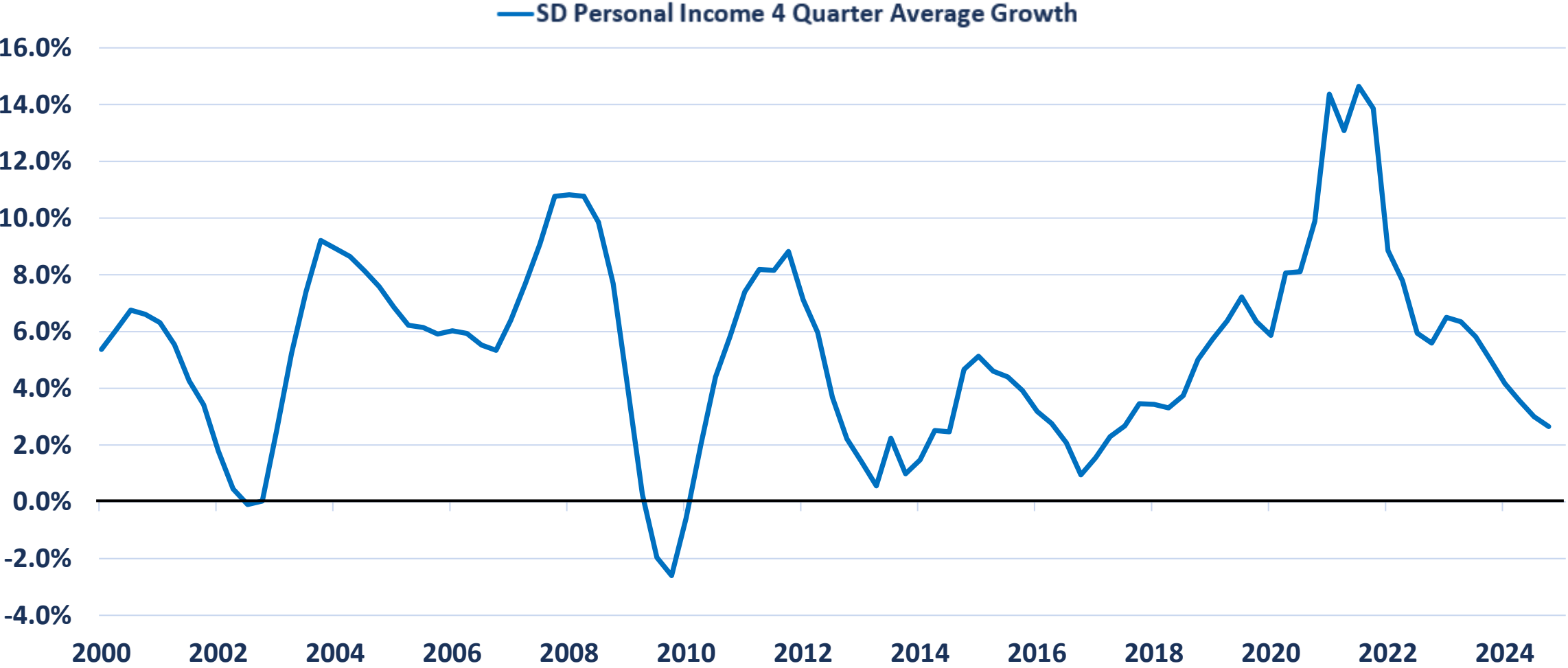




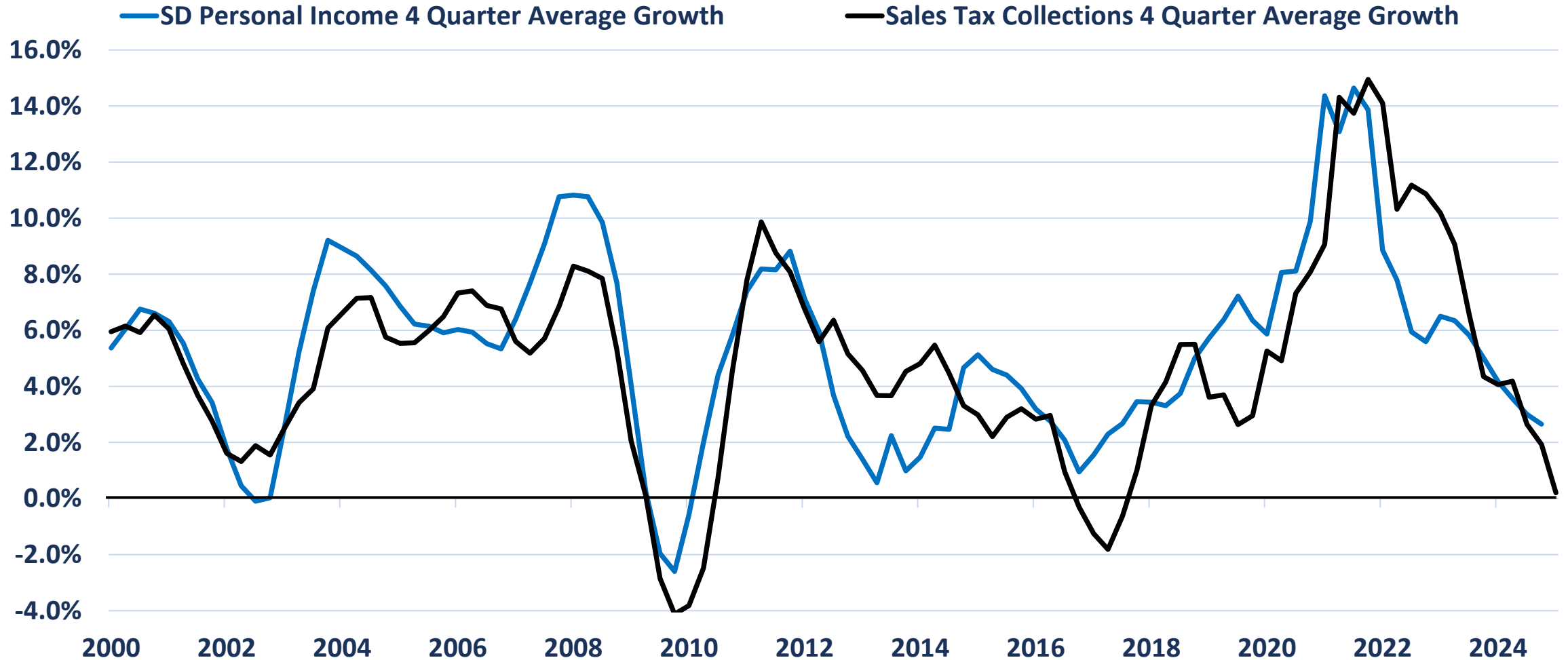
# Per Capita Personal Income



# SD Personal Income

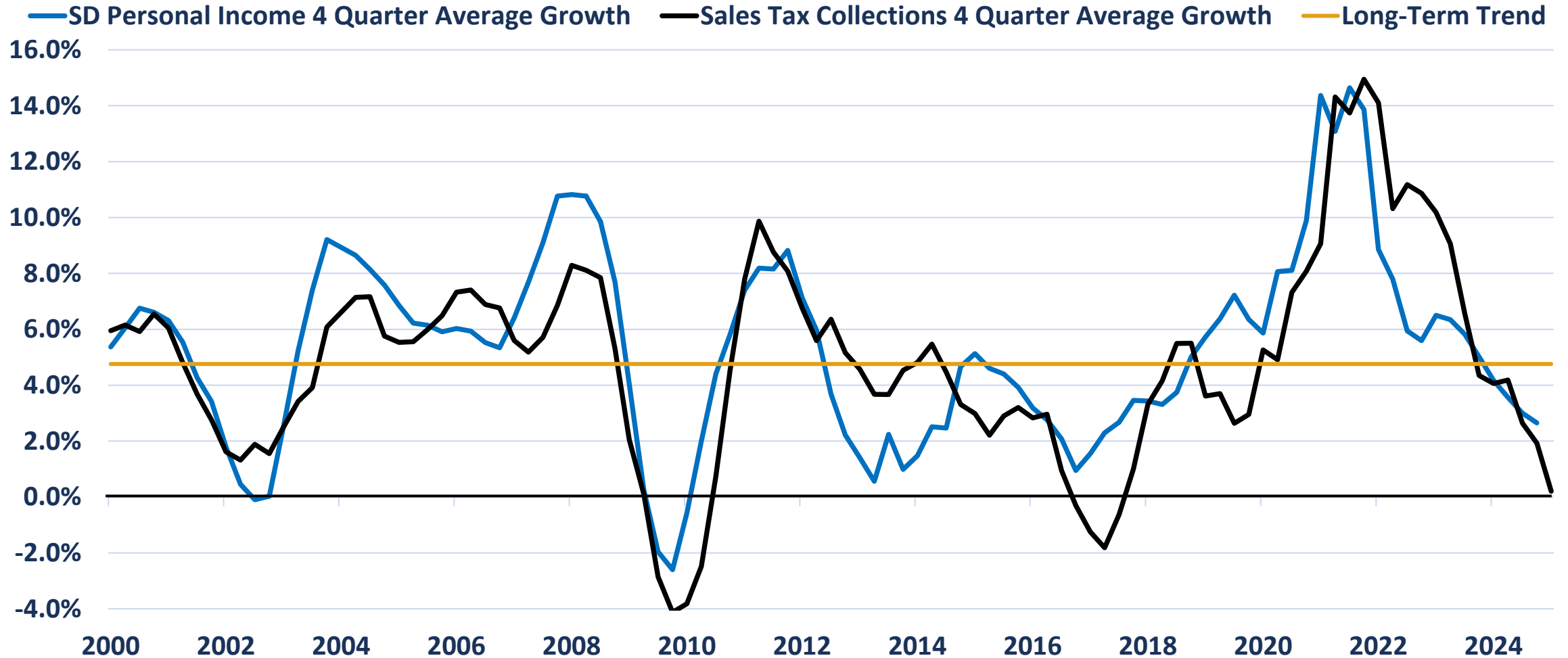


# SD Personal Income vs. Sales Tax Collections

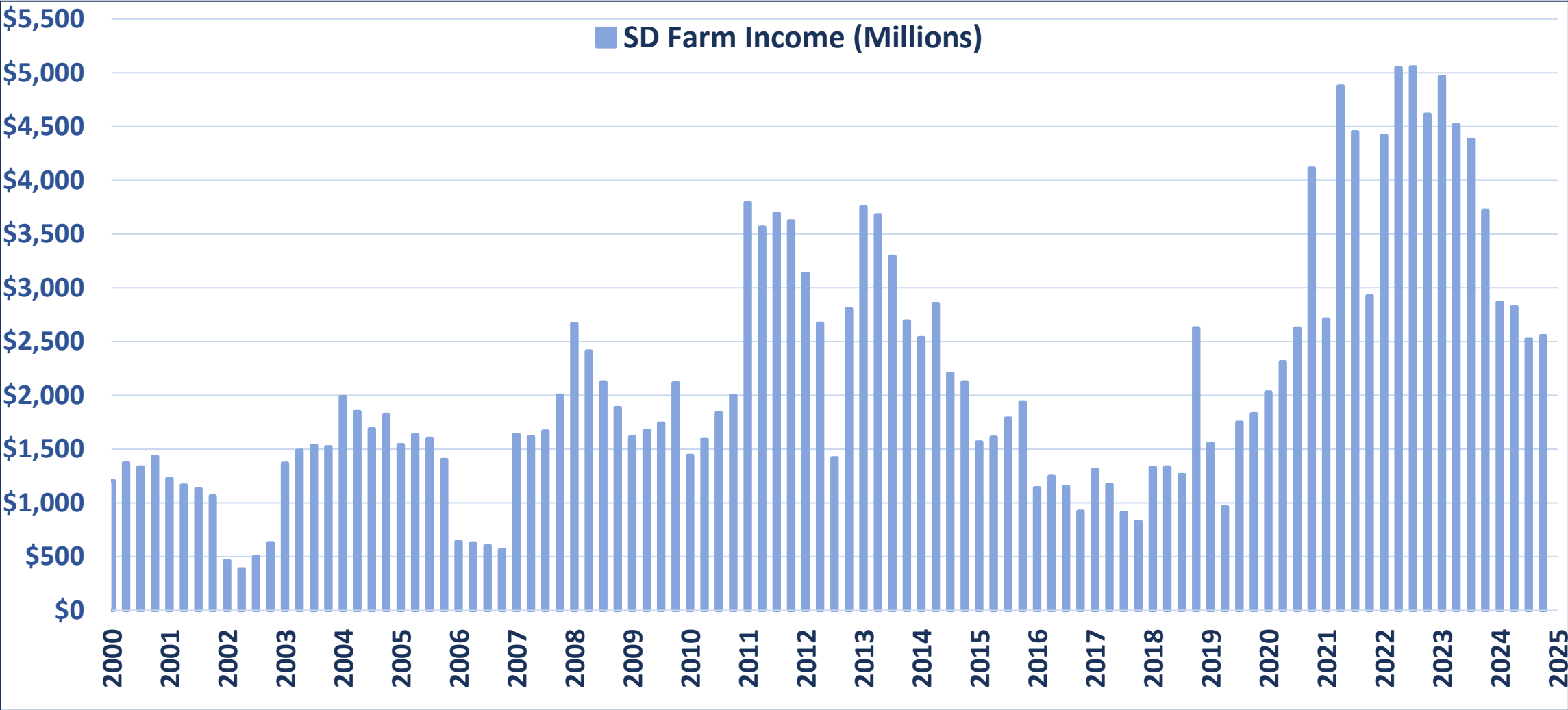




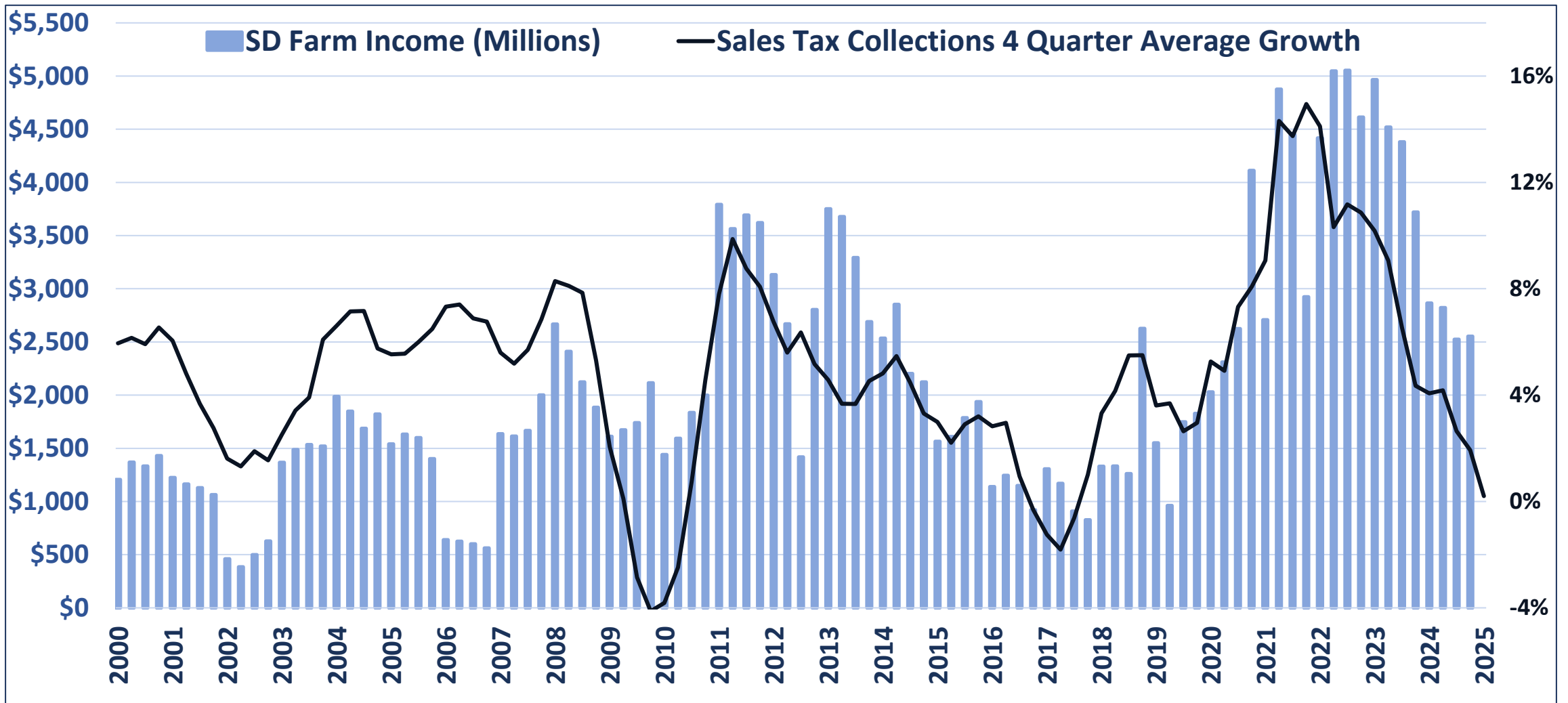
# SD Personal Income vs. Sales Tax Collections



# SD Farm Income

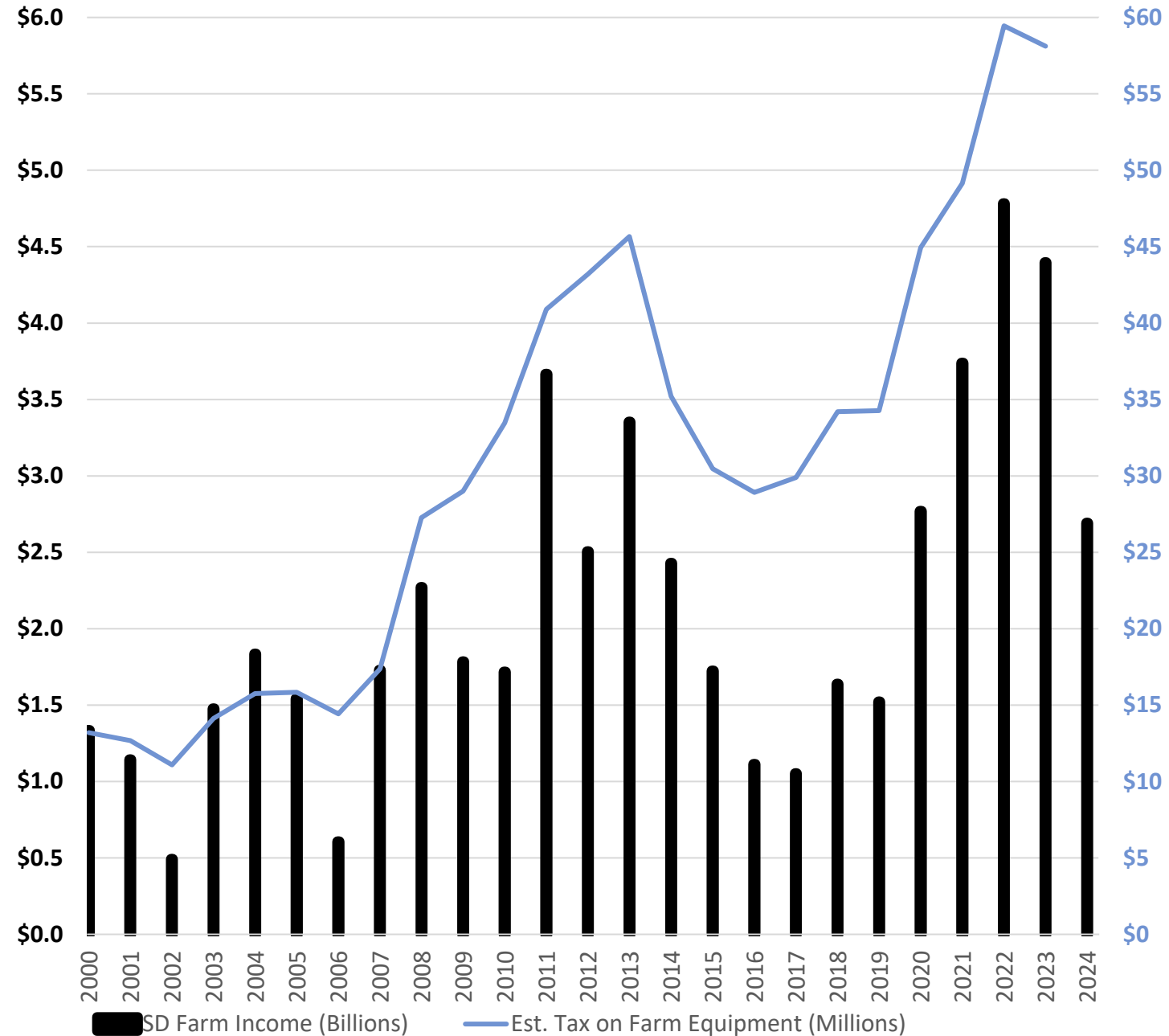


# SD Farm Income vs. Sales Tax Collections





# SD Farm Income & Spending on Equipment



# South Dakota Crop Progress and Condition

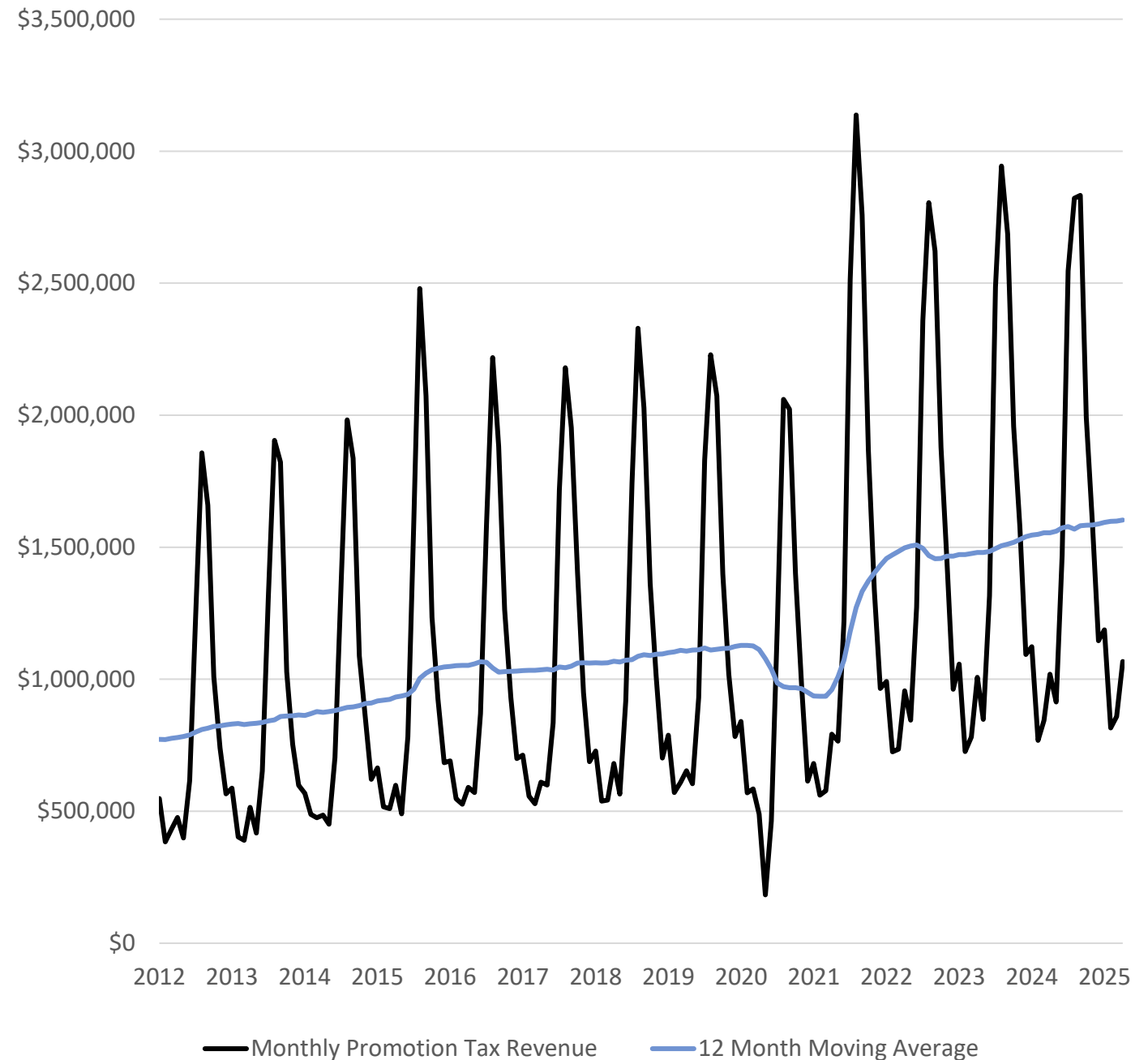
*For the week ending May 18, 2025:*

- Corn planted was 85%
  - 61% last year
  - 66% 5-year average
- Soybeans planted was 71%
  - 34% last year
  - 43% 5-year average
- Pasture and Range Conditions
  - 50% rated fair; 24% rated good or excellent
- Topsoil Moisture Supplies
  - 50% rated adequate; 5% rated surplus
- Subsoil Moisture Supplies
  - 42% rated adequate; 1% rated surplus



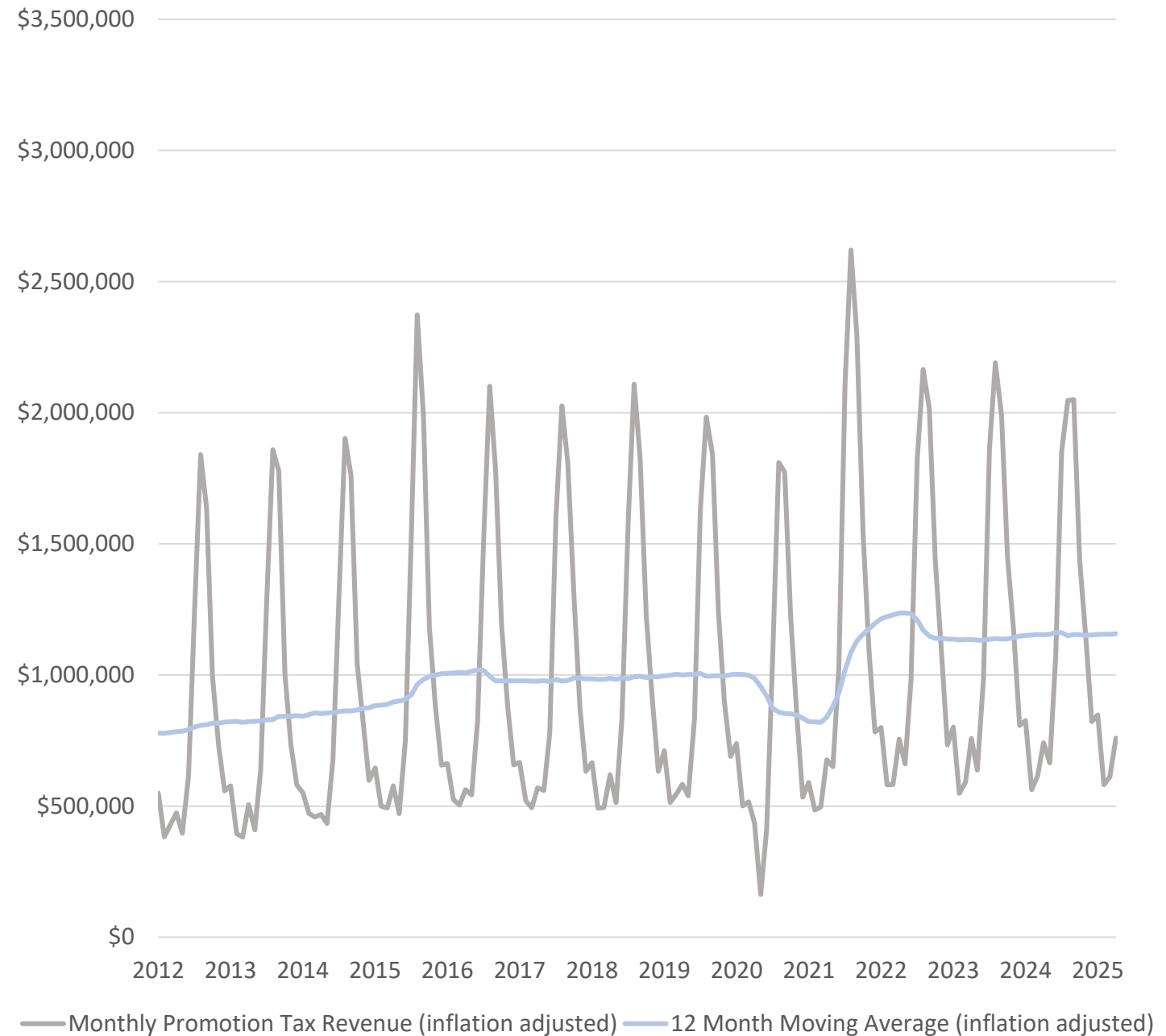


# SD Tourism Promotion Tax Collections



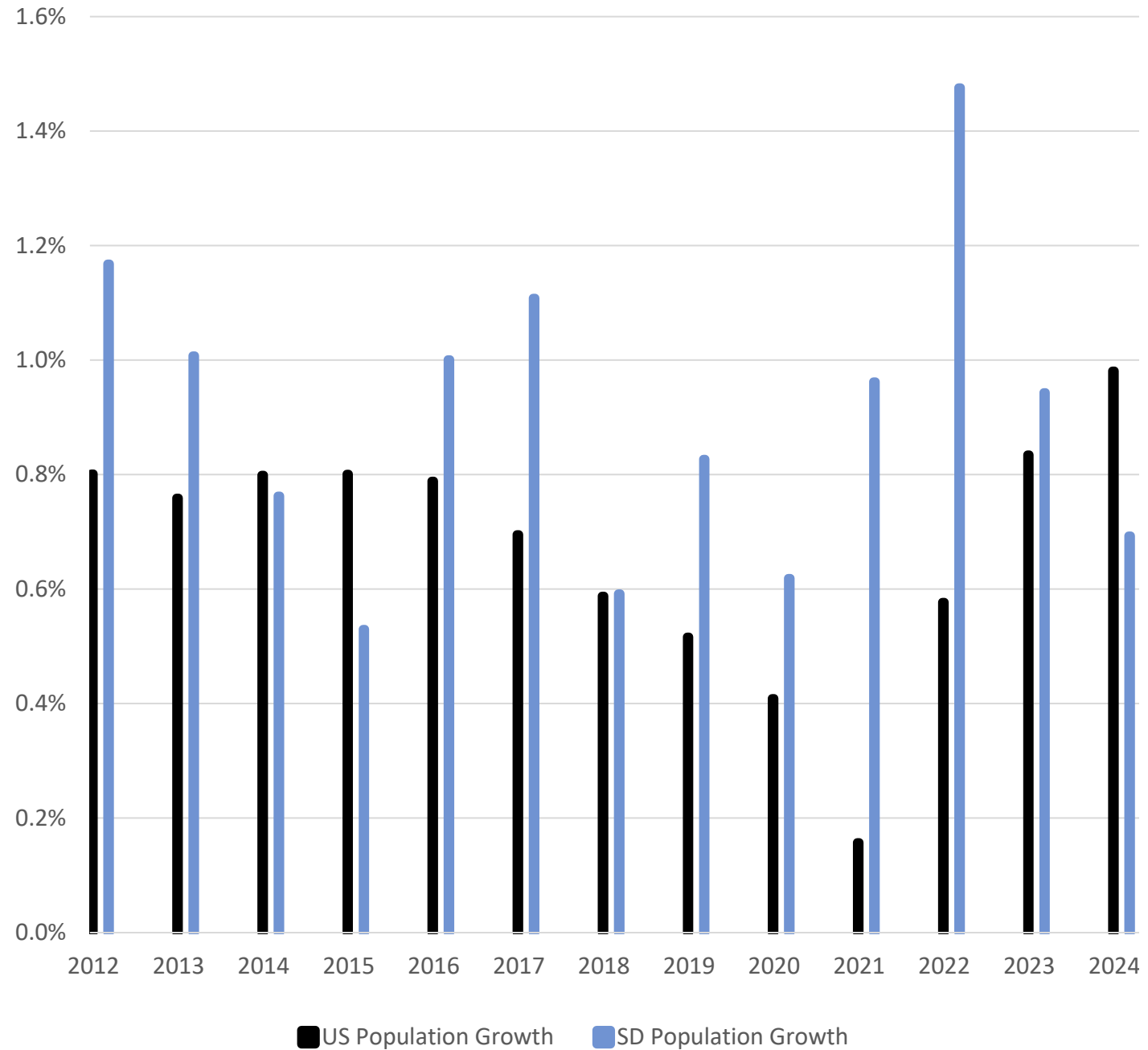


# SD Tourism Promotion Tax Collections (inflation adjusted)





# Population Growth





# *S&P Global Forecast - SD*

	2019	2020	2021	2022	2023	2024	2025 f	2026 f	'14-'24 avg.
<b>Real GDP Growth</b>	1.1%	0.5%	5.2%	-0.5%	3.6%	0.4%	1.2%	2.4%	1.6%
<b>Nonfarm Employment</b>	0.6%	-3.2%	3.4%	2.8%	2.0%	1.3%	1.3%	0.4%	1.1%
<b>Personal Income</b>	6.4%	9.9%	13.9%	5.6%	5.0%	2.7%	5.2%	4.8%	5.6%
<b>Housing Starts</b>	4,243	6,069	7,708	7,435	5,992	5,582	4,963	4,889	5,557
<b>Unemployment Rate</b>	2.7%	4.1%	2.5%	1.9%	1.8%	1.8%	2.2%	2.7%	2.7%



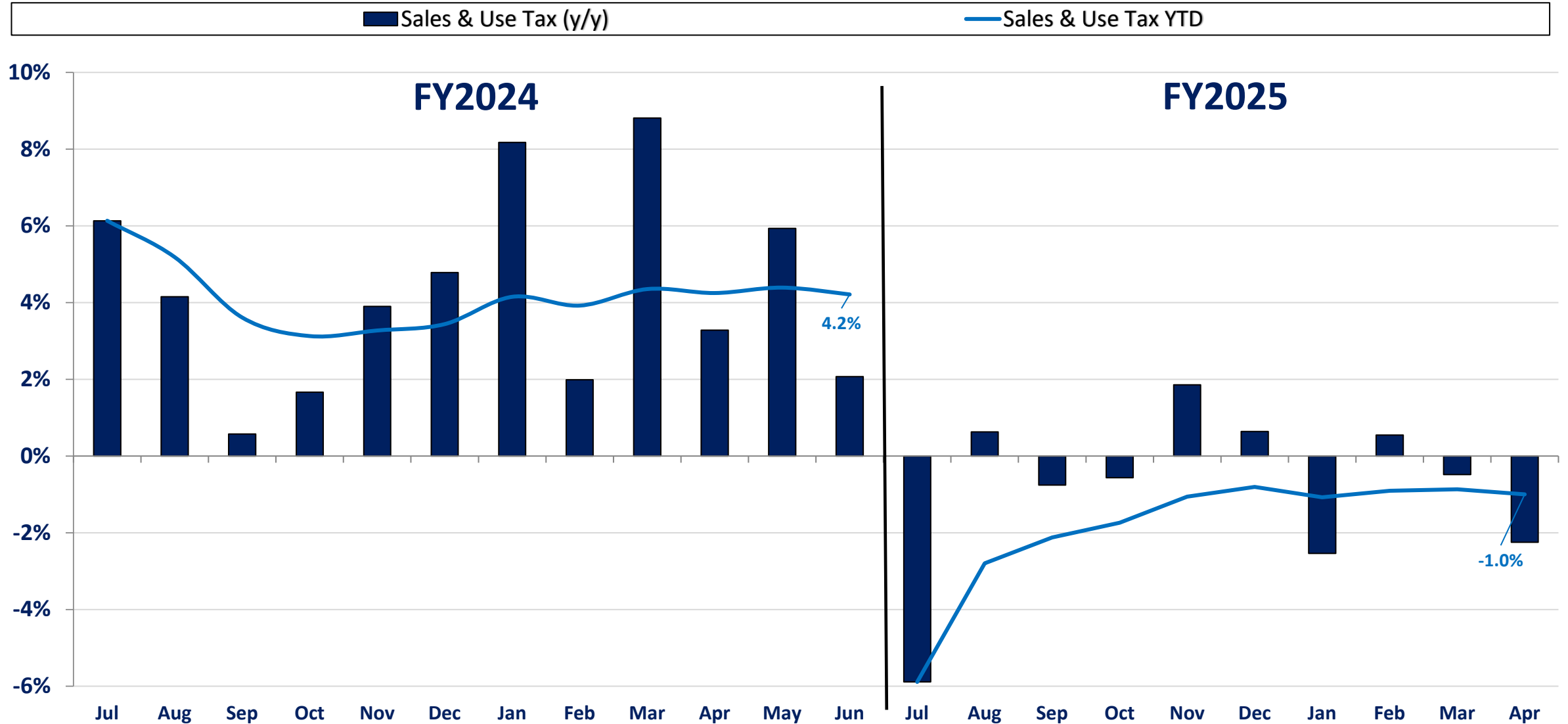
# General Fund Revenue

**Legislative Revised Adopted FY2025 Estimate (Feb. 2025) vs. Actual Revenues**  
**Year-to-Date Through APRIL FY2025 Comparison**



	Leg. Rev. Adopted APRIL YTD FY2025	Actual APRIL YTD FY2025	DOLLAR CHANGE	YTD % Chg. Actual/Adopt Comparison
<b>ONGOING RECEIPTS</b>				
Net Sales and Use Tax (excl. cost of admin)	1,210,731,285	1,207,762,984	(2,968,300)	-0.2%
Lottery	143,441,669	143,341,806	(99,863)	-0.1%
Net Contractor's Excise Tax	183,049,264	182,752,171	(297,094)	-0.2%
Insurance Company Tax	132,606,800	135,226,959	2,620,159	2.0%
Unclaimed Property Receipts	78,091,748	78,091,748	0	0.0%
Licenses, Permits, and Fees	53,673,777	48,890,468	(4,783,309)	-8.9%
Tobacco Taxes	32,729,849	32,343,985	(385,864)	-1.2%
Trust Funds	35,309,002	35,309,002	0	0.0%
Net Transfers In (excluding one-time)	21,274,686	20,397,395	(877,292)	-4.1%
Alcohol Beverage Tax	6,674,327	6,675,223	896	0.0%
Bank Franchise Tax	26,143,831	28,248,924	2,105,093	8.1%
Charges for Goods and Services	10,285,515	10,151,086	(134,429)	-1.3%
Telecommunications Tax	1,633,069	1,615,643	(17,426)	-1.1%
Severance Taxes	13,461,726	14,714,801	1,253,075	9.3%
Investment Income and Interest	95,920,059	95,933,897	13,839	0.0%
Alcohol Beverage 2% Wholesale Tax	2,610,506	2,538,971	(71,534)	-2.7%
<b>SUBTOTAL (ONGOING RECEIPTS)</b>	<b>\$ 2,047,637,113</b>	<b>2,043,995,063</b>	<b>\$ (3,642,050)</b>	<b>-0.2%</b>
<b>ONE-TIME RECEIPTS</b>				
Bank Franchise Tax Prior Year Revenue	1,539,871	1,414,044	(125,827)	-8.2%
One-Time Unclaimed Property	176,321,347	215,014,788	38,693,441	21.9%
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 177,861,218</b>	<b>\$ 216,428,832</b>	<b>\$ 38,567,614</b>	<b>21.7%</b>
<b>GRAND TOTAL</b>	<b>\$ 2,225,498,331</b>	<b>\$ 2,260,423,895</b>	<b>\$ 34,925,564</b>	<b>1.6%</b>

# Sales & Use Tax Growth *(RATE ADJUSTED)*





# Council Discussion

# *S&P Global Forecast - US*

	2019	2020	2021	2022	2023	2024	2025 f	2026 f	'14-'24 avg.
<b>Real GDP Growth</b>	2.6%	-2.2%	6.1%	2.5%	2.9%	2.8%	1.3%	1.7%	2.5%
<b>Nonfarm Employment</b>	1.3%	-5.8%	2.9%	4.3%	2.2%	1.3%	1.0%	0.2%	1.4%
<b>Personal Income</b>	4.8%	6.8%	9.2%	3.1%	5.9%	5.4%	4.6%	4.9%	5.2%
<b>Unemployment Rate</b>	3.7%	8.1%	5.4%	3.6%	3.6%	4.0%	4.4%	4.9%	4.8%
<b>CPI-U</b>	1.8%	1.3%	4.7%	8.0%	4.1%	3.0%	3.4%	2.9%	2.8%

# *S&P Global Forecast - SD*

	2019	2020	2021	2022	2023	2024	2025 f	2026 f	'14-'24 avg.
<b>Real GDP Growth</b>	1.1%	0.5%	5.2%	-0.5%	3.6%	0.4%	1.2%	2.4%	1.6%
<b>Nonfarm Employment</b>	0.6%	-3.2%	3.4%	2.8%	2.0%	1.3%	1.3%	0.4%	1.1%
<b>Personal Income</b>	6.4%	9.9%	13.9%	5.6%	5.0%	2.7%	5.2%	4.8%	5.6%
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<b>Unemployment Rate</b>	2.7%	4.1%	2.5%	1.9%	1.8%	1.8%	2.2%	2.7%	2.7%

## *Other Discussion Items*

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