

# Governor's Council of Economic Advisors

*August 28, 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*

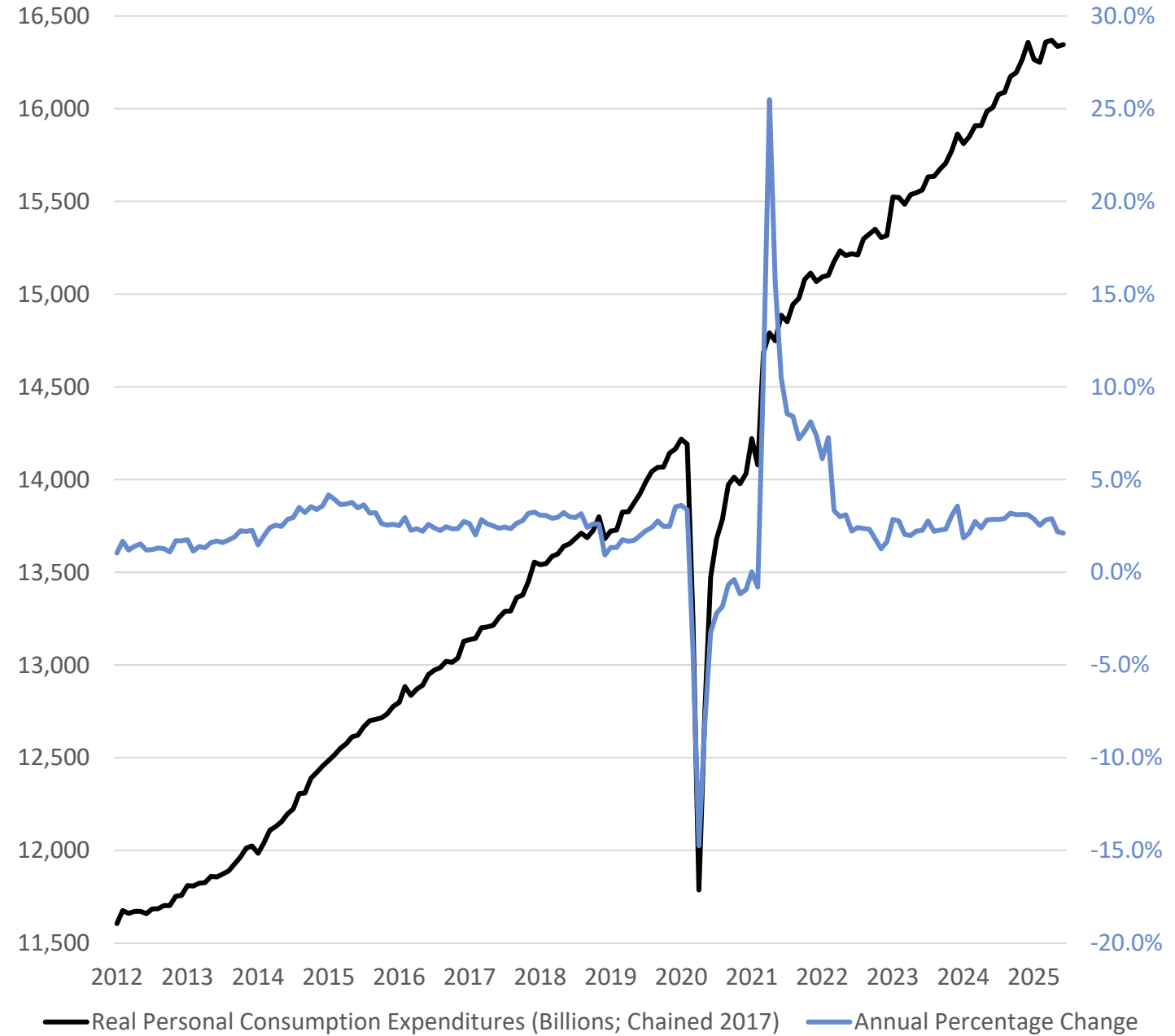
*Federal Fiscal Picture*

*Employment and Unemployment*

*Inflation*



# US Real Personal Consumption Expenditures



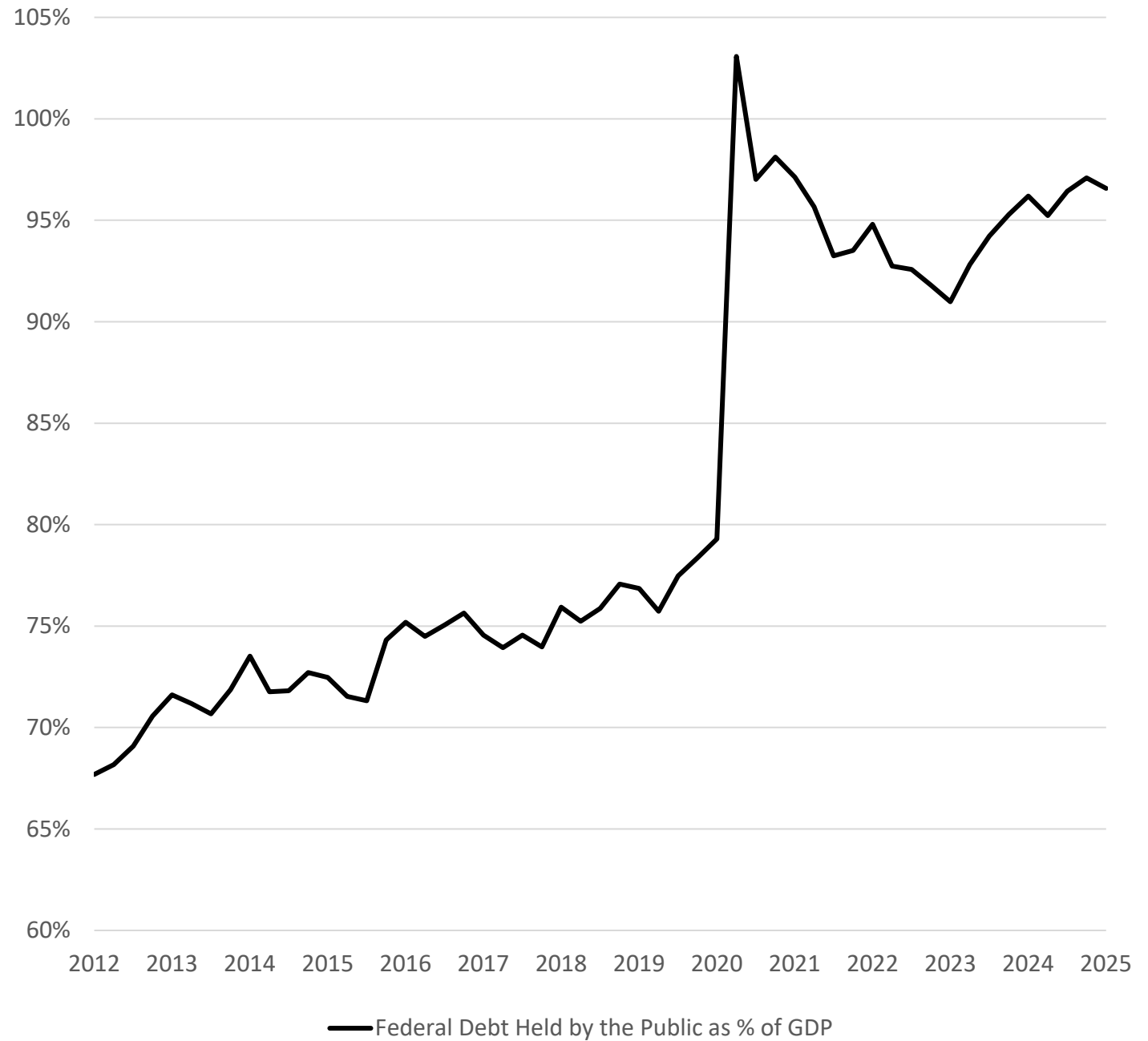


# US Consumer Sentiment



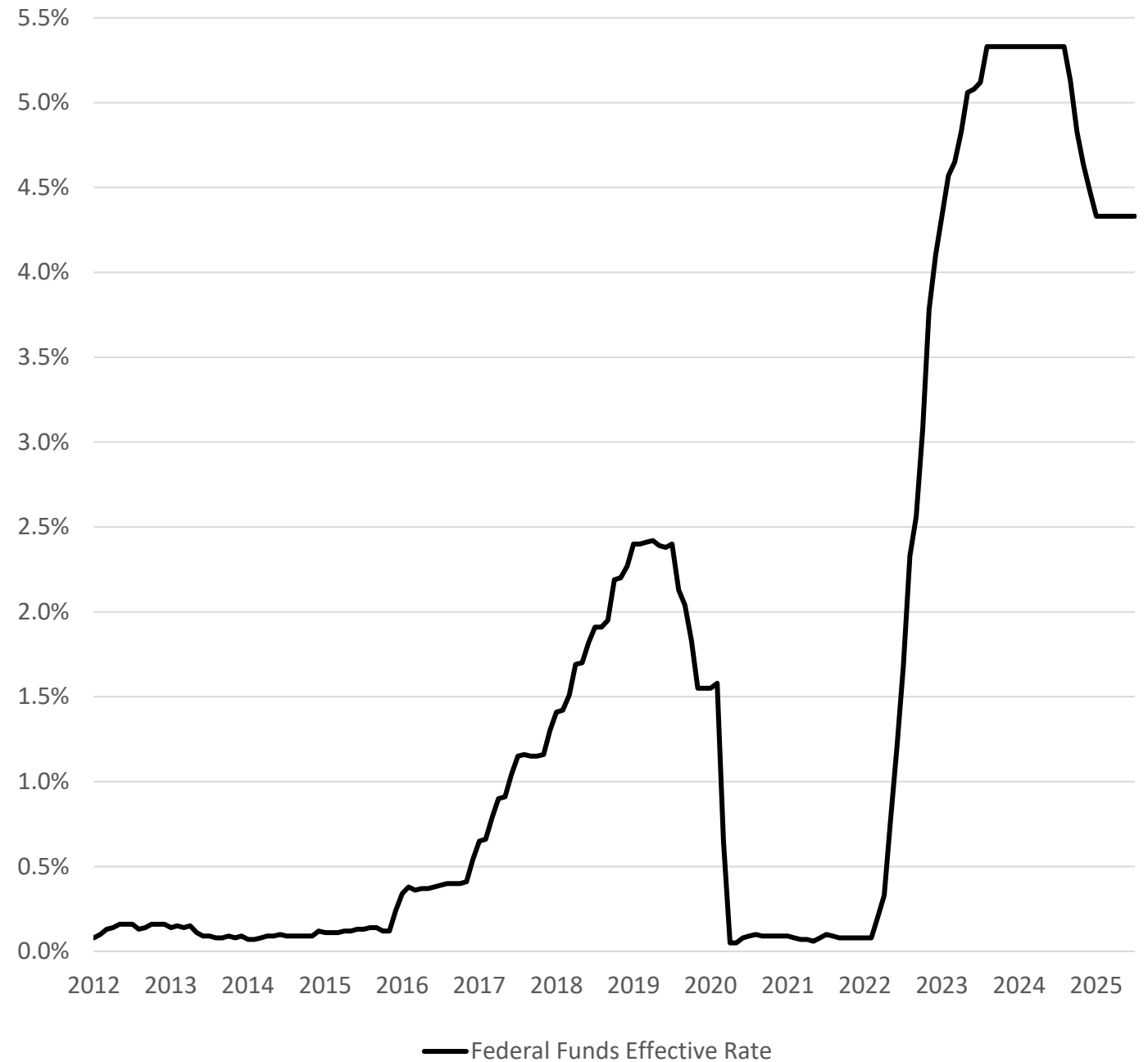


# Debt Held by Public



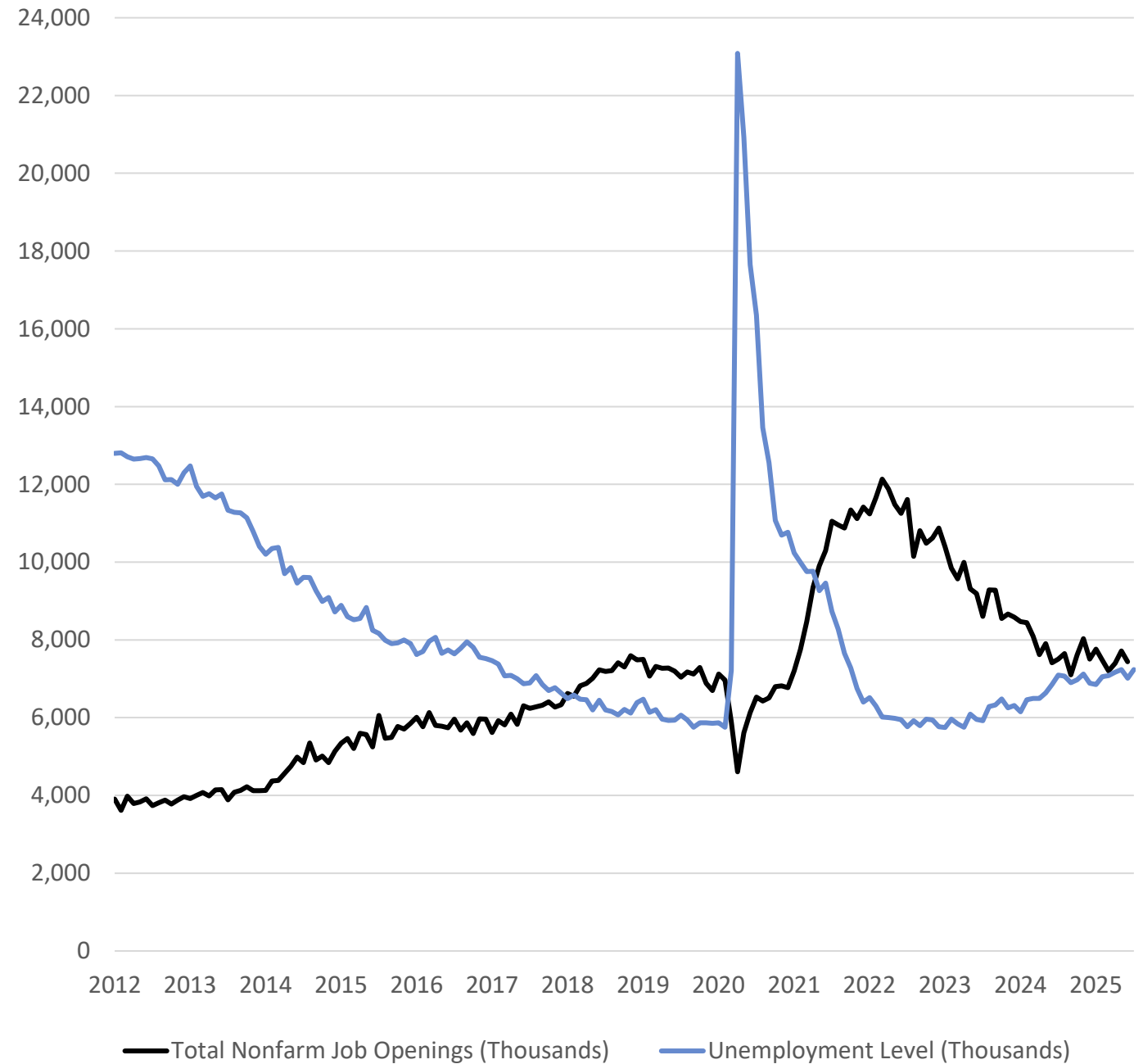


# Interest Rates





# US Job Openings vs. Unemployed







# Inflation: CPI



# *S&P Global Forecast - US*

	2020	2021	2022	2023	2024	2025 f	2026 f	2027 f	'14-'24 avg.
<b>Real GDP Growth</b>	-2.2%	6.1%	2.5%	2.9%	2.8%	1.7%↑	2.4%↑	1.7%	2.5%
<b>Nonfarm Employment</b>	-5.8%	2.9%	4.3%	2.2%	1.3%	1.0%↔	0.5%↑	0.4%	1.4%
<b>Personal Income</b>	6.8%	9.2%	3.1%	5.9%	5.4%	4.9%↑	5.5%↑	5.3%	5.3%
<b>Unemployment Rate</b>	8.1%	5.4%	3.6%	3.6%	4.0%	4.2%↓	4.5%↓	4.5%	4.8%
<b>CPI-U</b>	1.3%	4.7%	8.0%	4.1%	3.0%	2.8%↓	2.6%↓	2.5%	2.8%

# *S&P Global Alternate Scenarios - US*

Optimistic Scenario (20% probability)					Pessimistic Scenario (30% probability)			
	2025 f	2026 f	2027 f		2025 f	2026 f	2027 f	'14-'24 avg.
Real GDP Growth	1.9%	3.3%	2.0%		1.4%	0.9%	0.9%	2.5%
Nonfarm Employment	1.0%	0.8%	0.5%		0.9%	-0.5%	-0.7%	1.4%
Personal Income	5.0%	6.2%	6.1%		4.8%	4.4%	4.0%	5.3%
Unemployment Rate	4.2%	4.3%	4.3%		4.3%	5.4%	6.1%	4.8%
CPI-U	2.7%	2.6%	3.0%		2.8%	2.7%	2.2%	2.8%

# *SD Forecast*

*Employment*

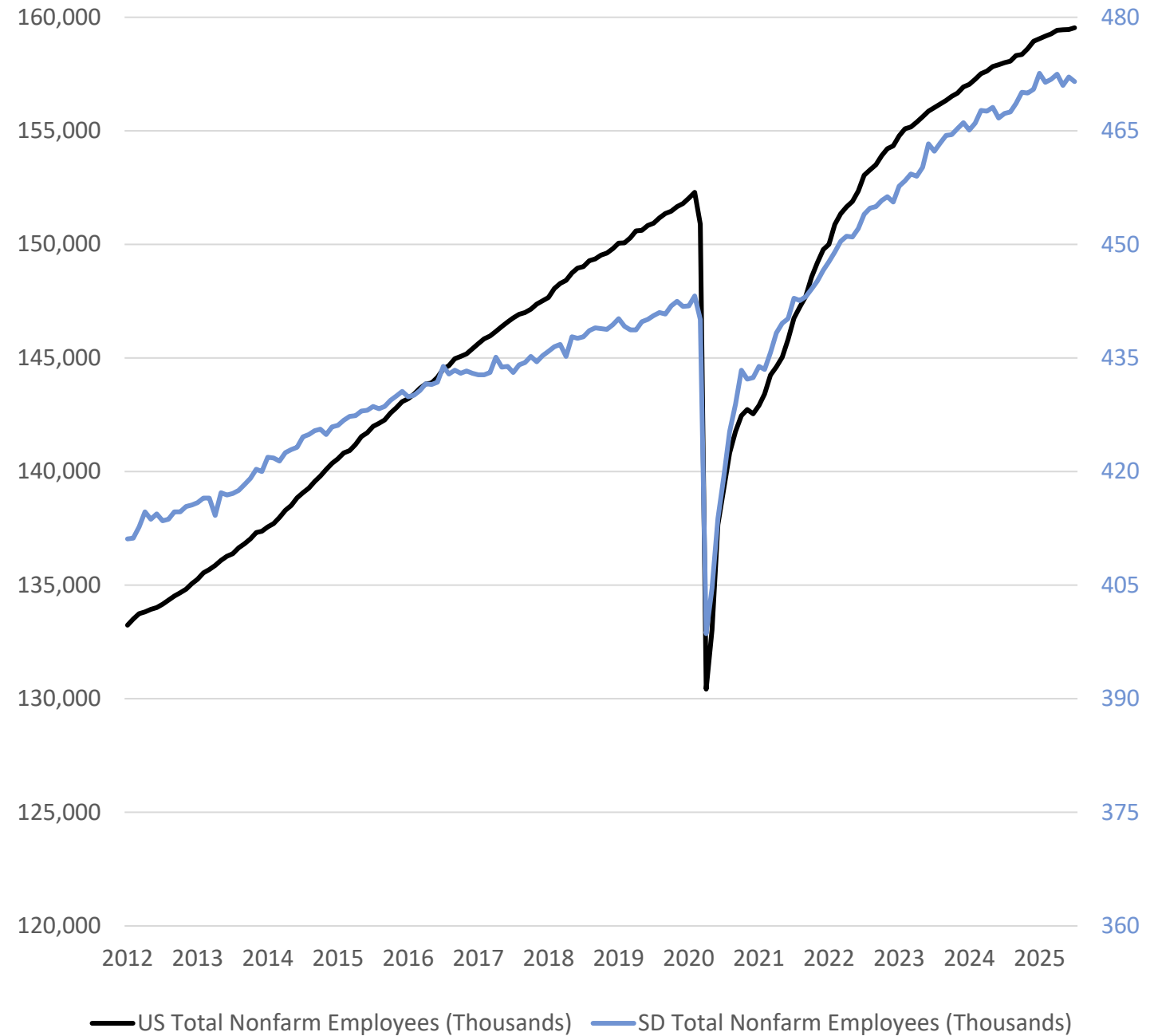
*Housing*

*Income*

*Tourism*

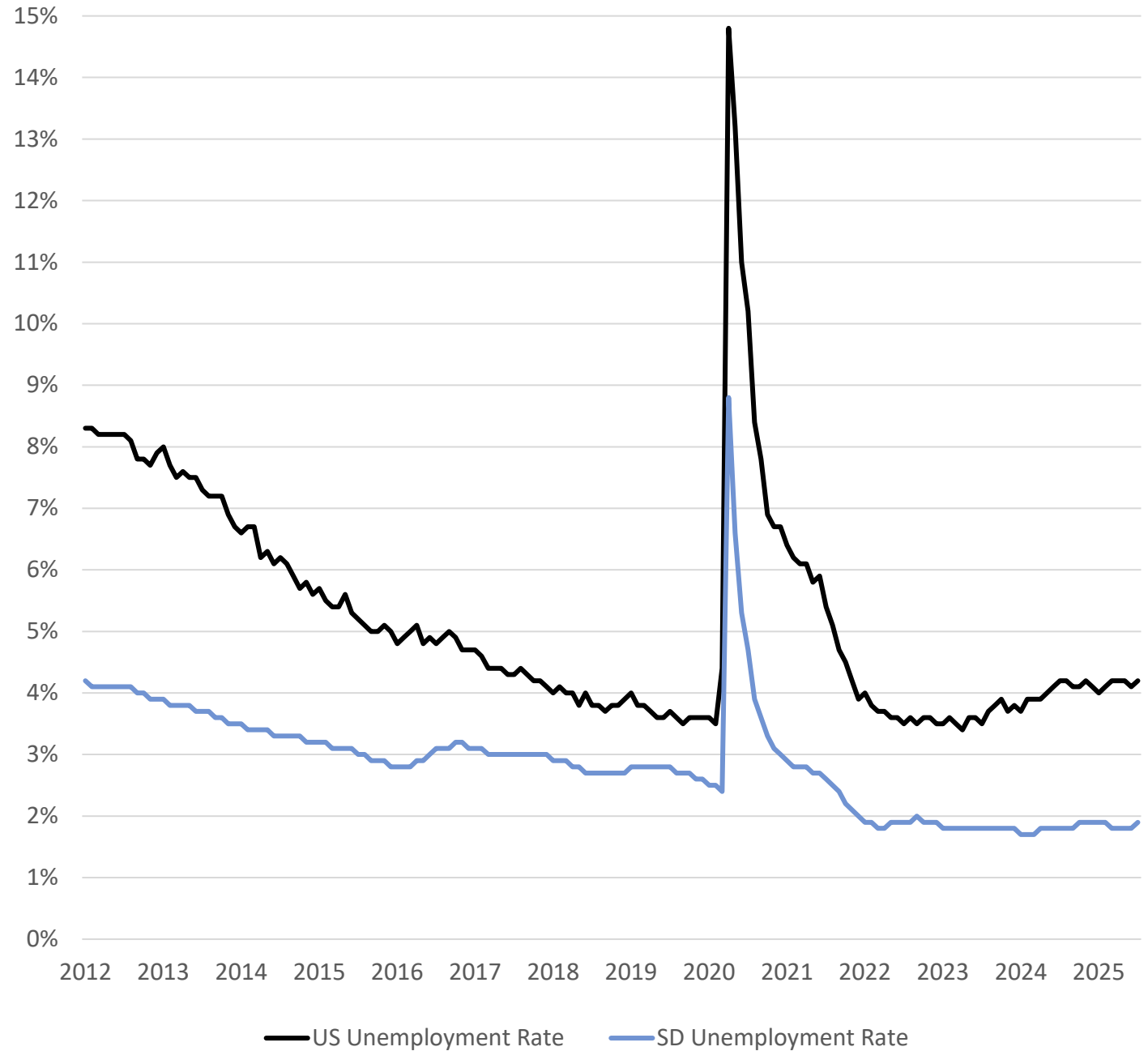


# Employment Growth



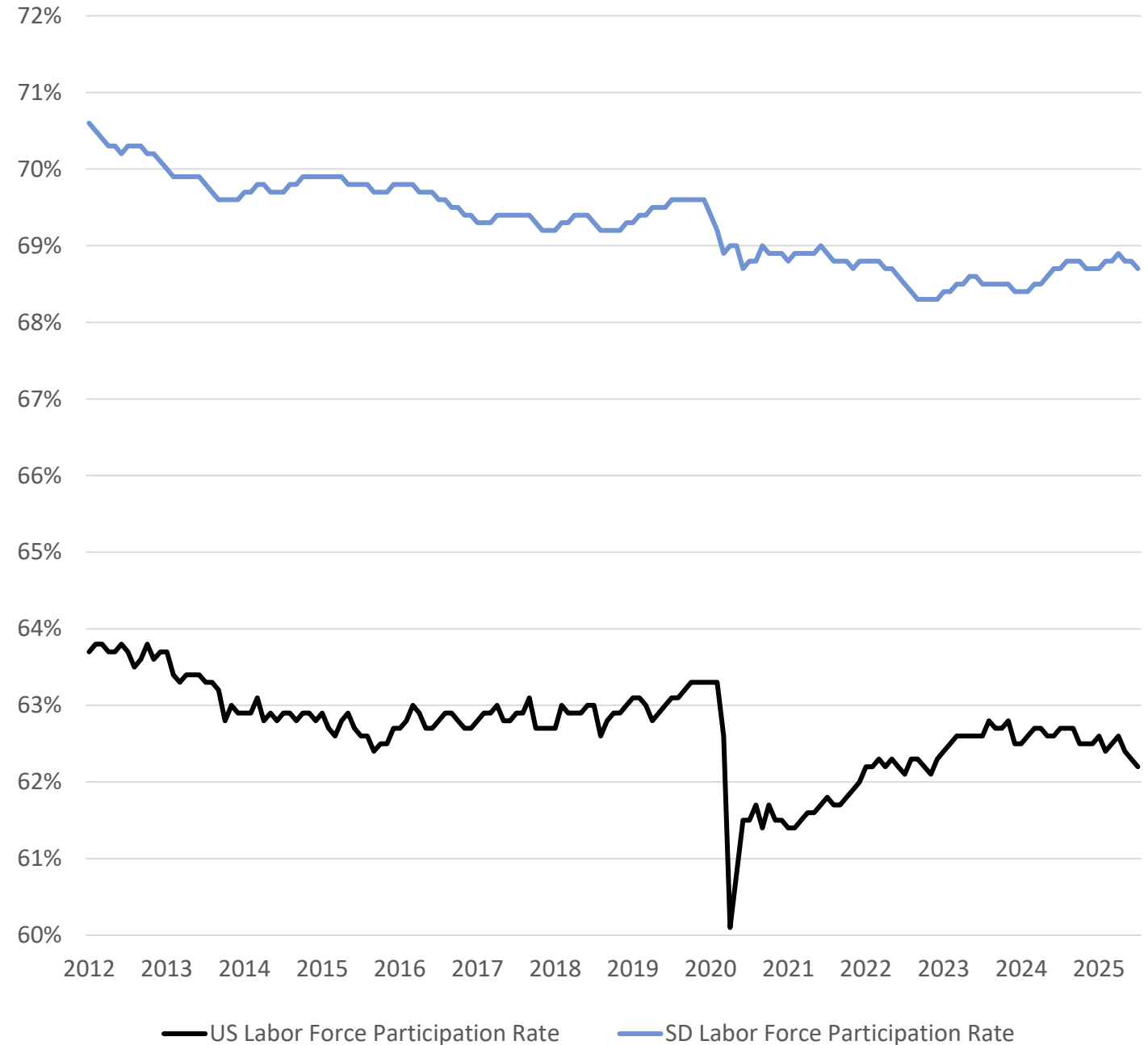


# Unemployment Rate





# Labor Force Participation Rate





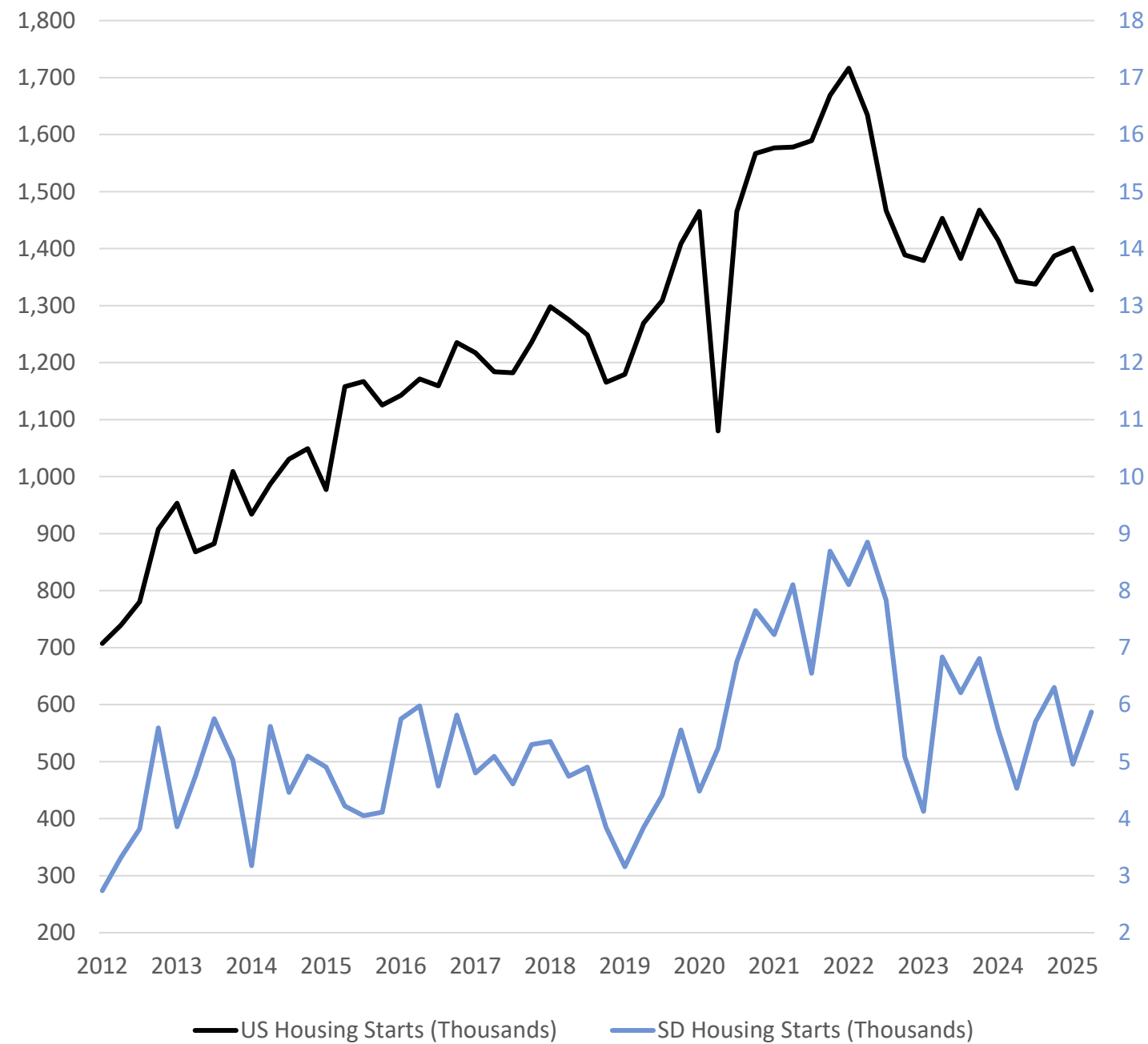
# SD Job Openings vs. Unemployed





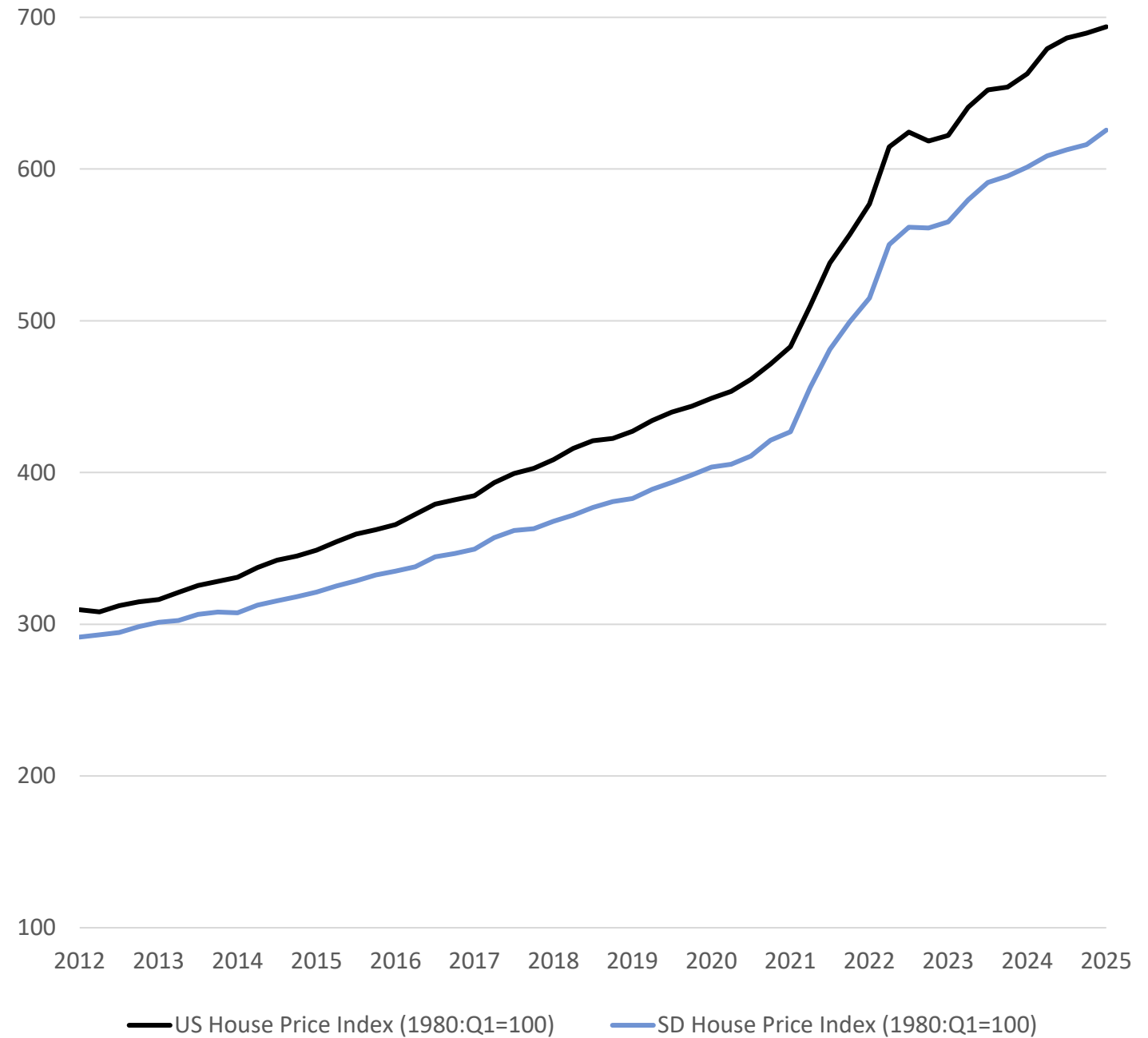


# Housing Starts



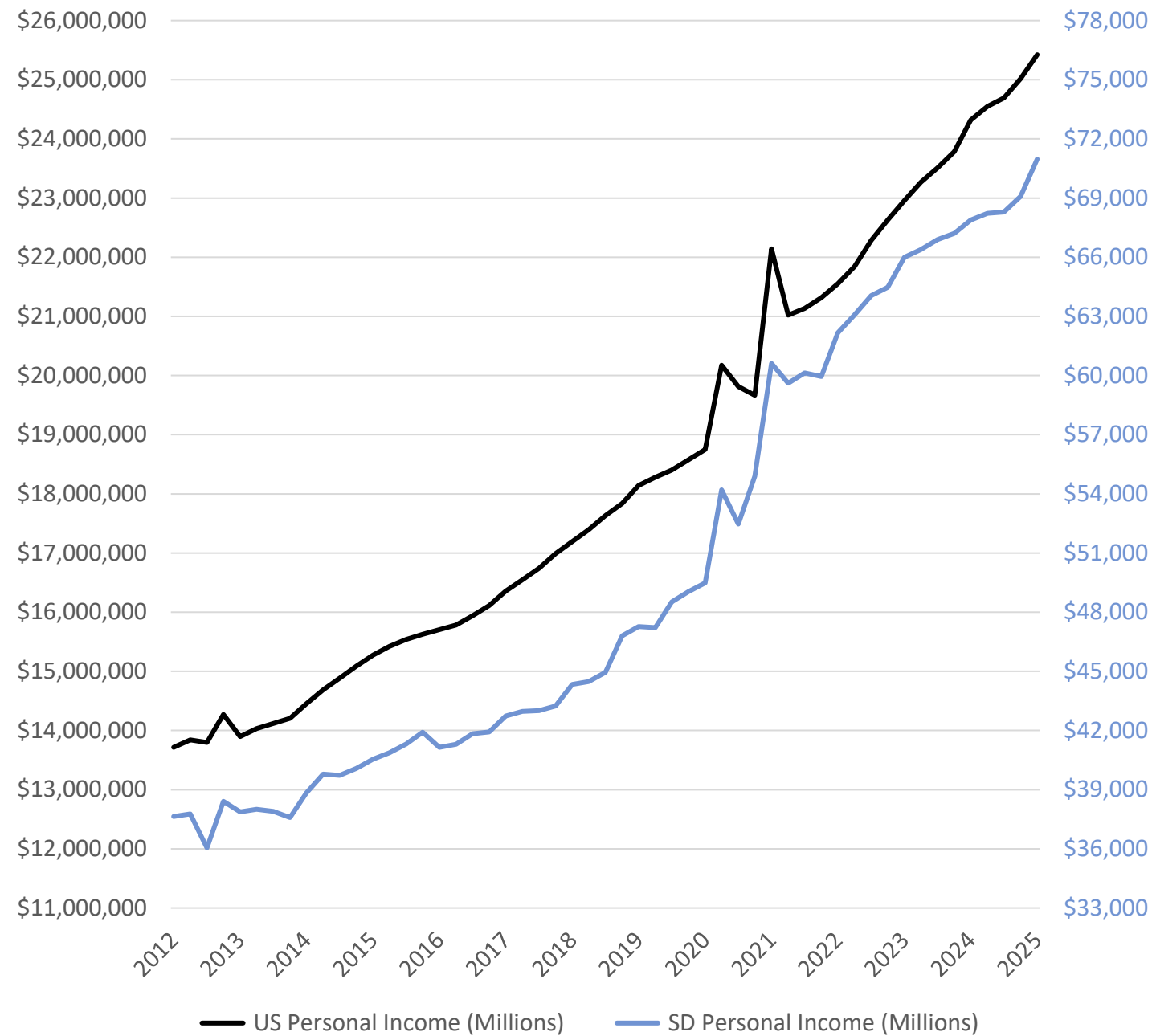


# Home Price



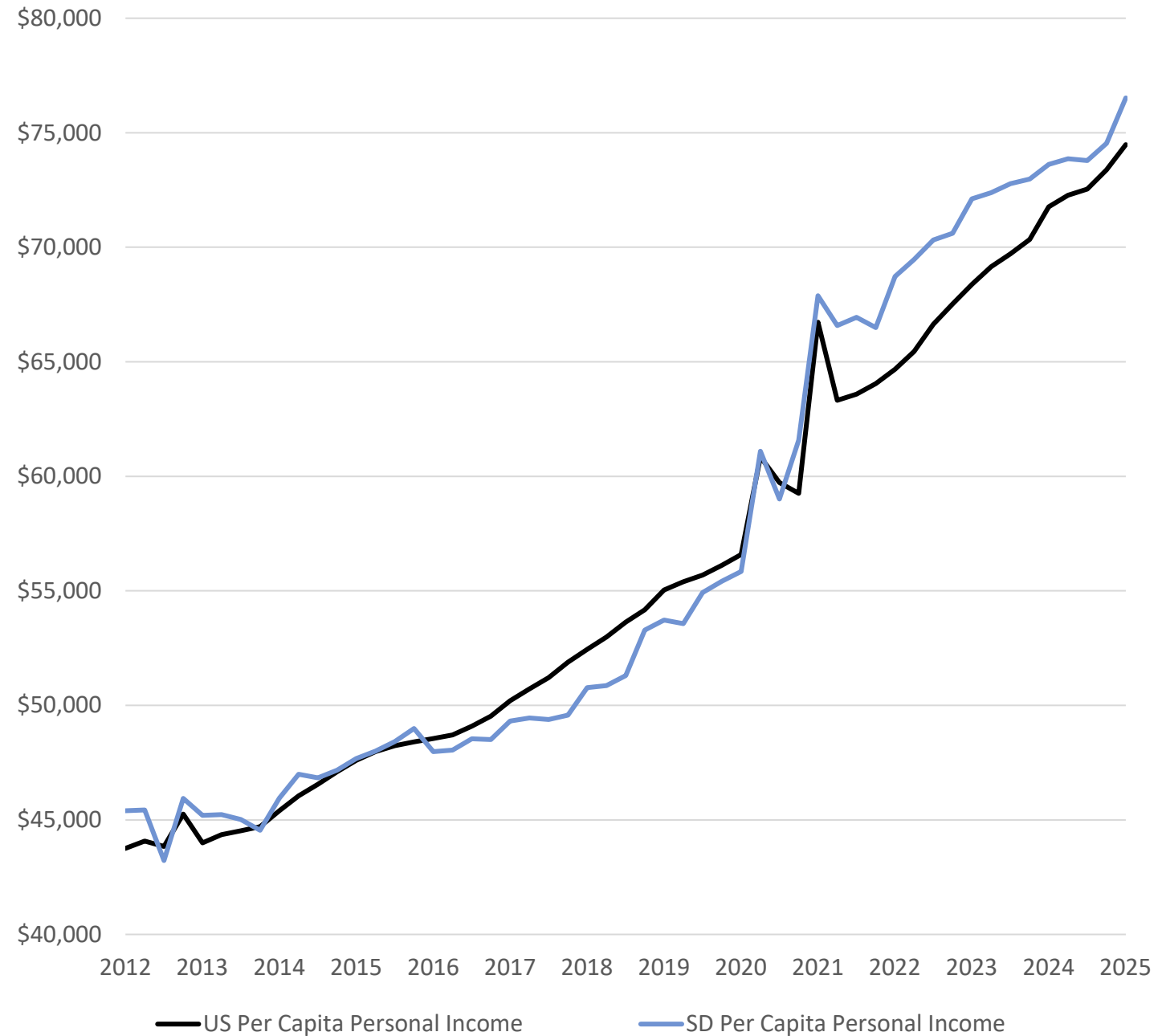


# Personal Income

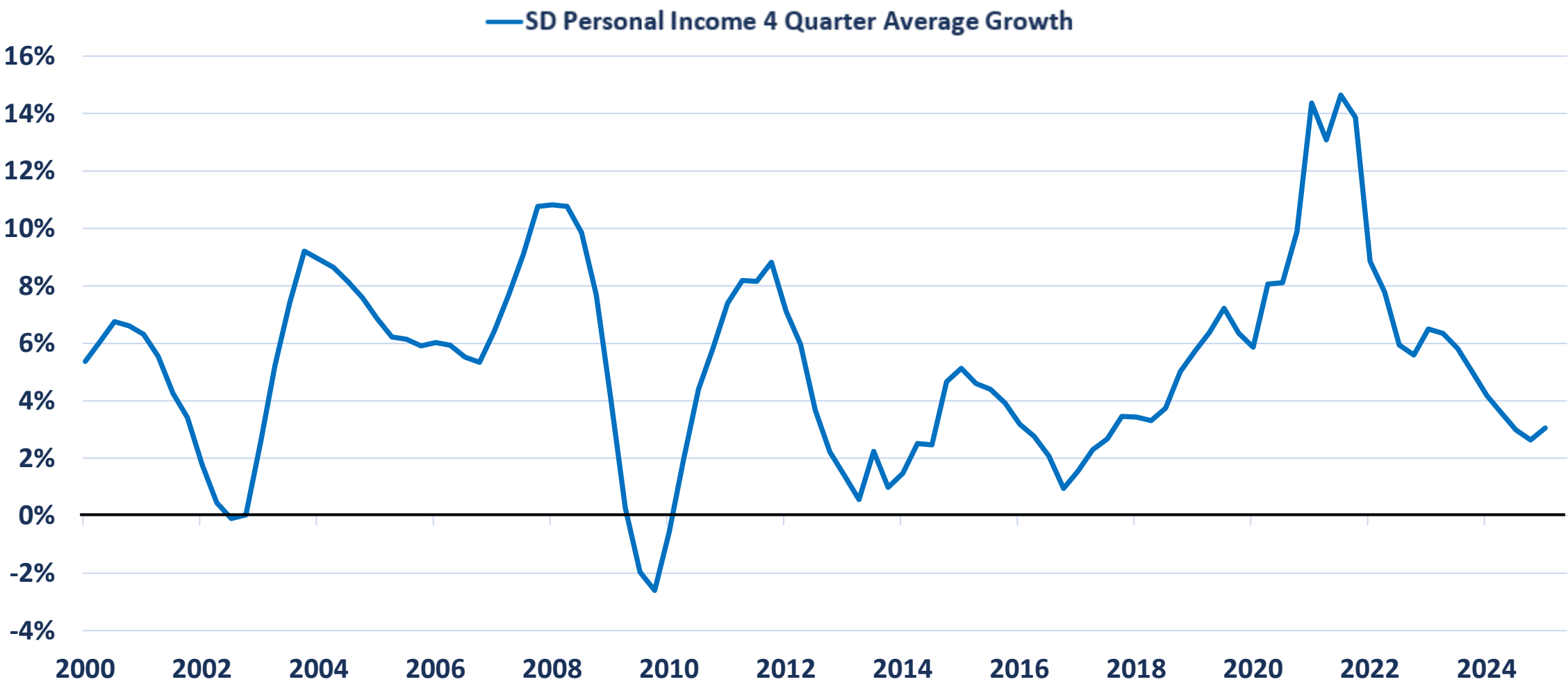




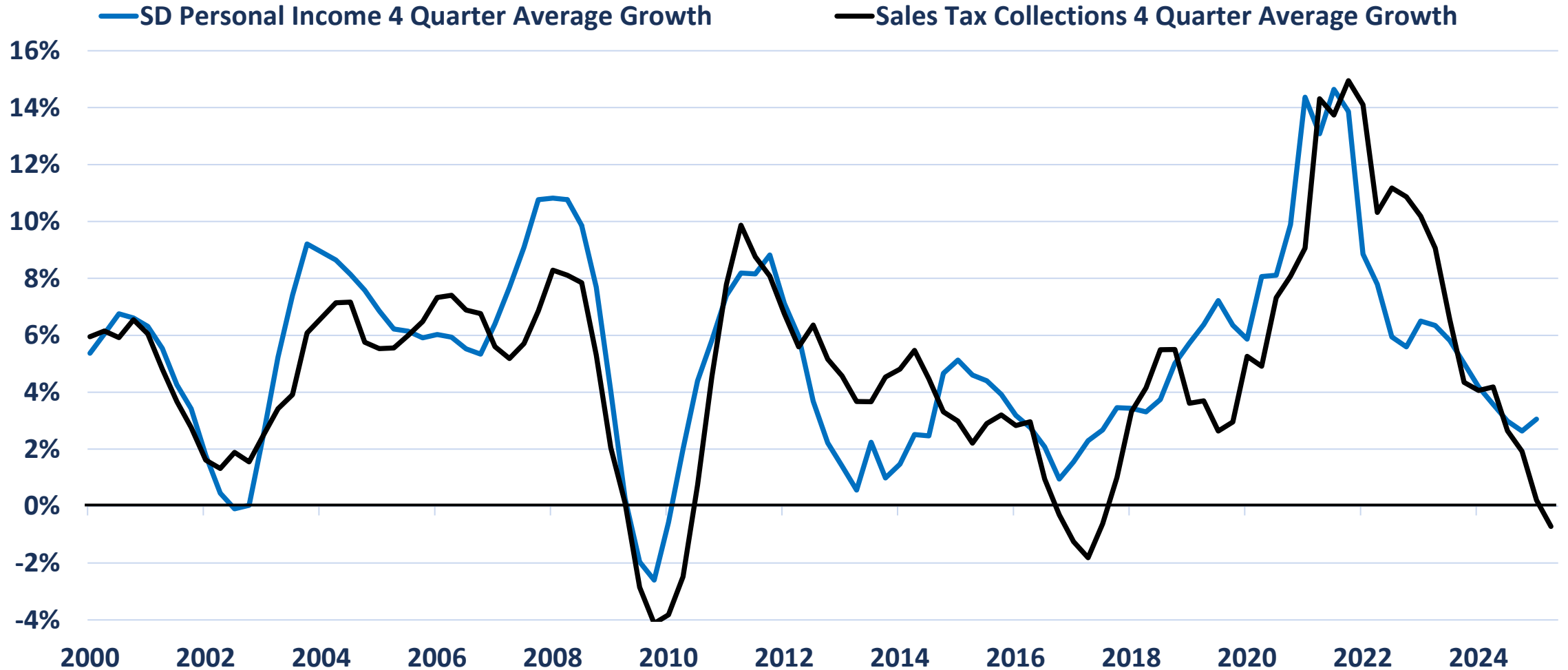
# Per Capita Personal Income



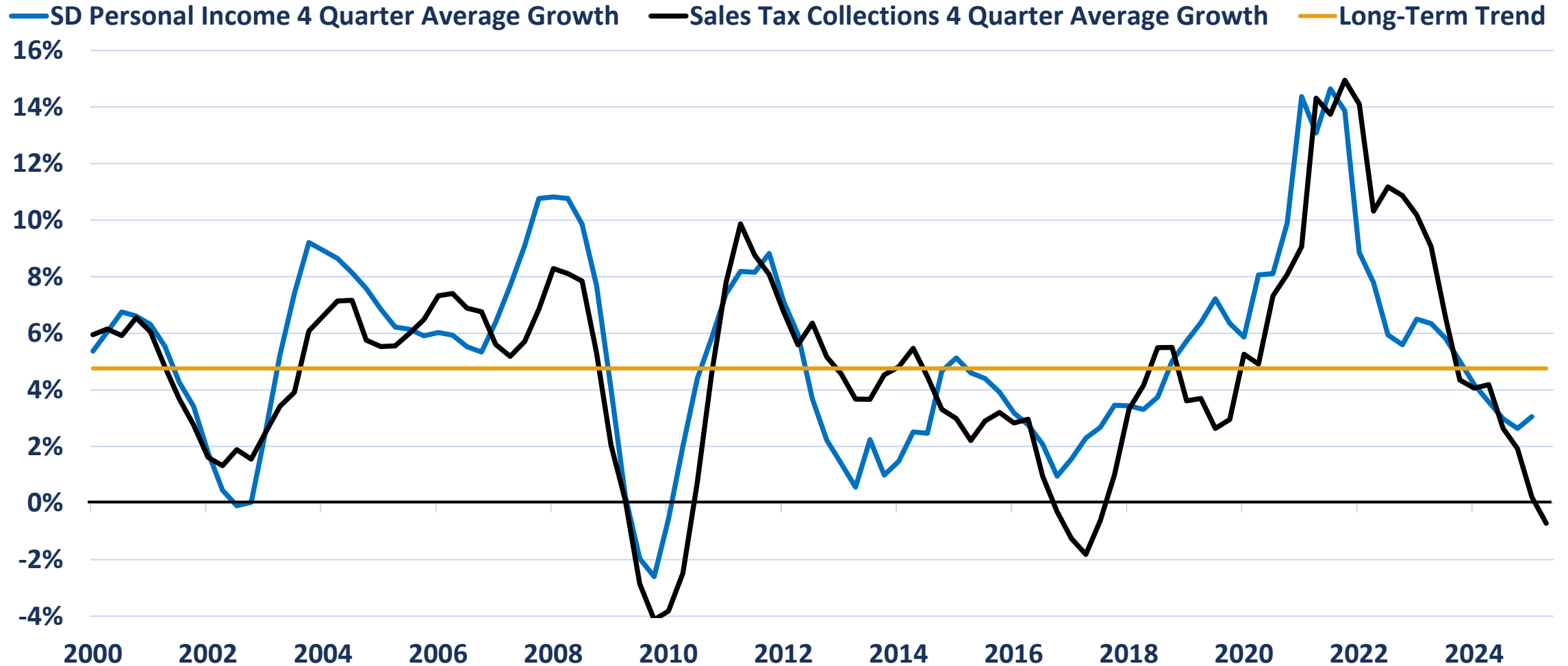
# SD Personal Income



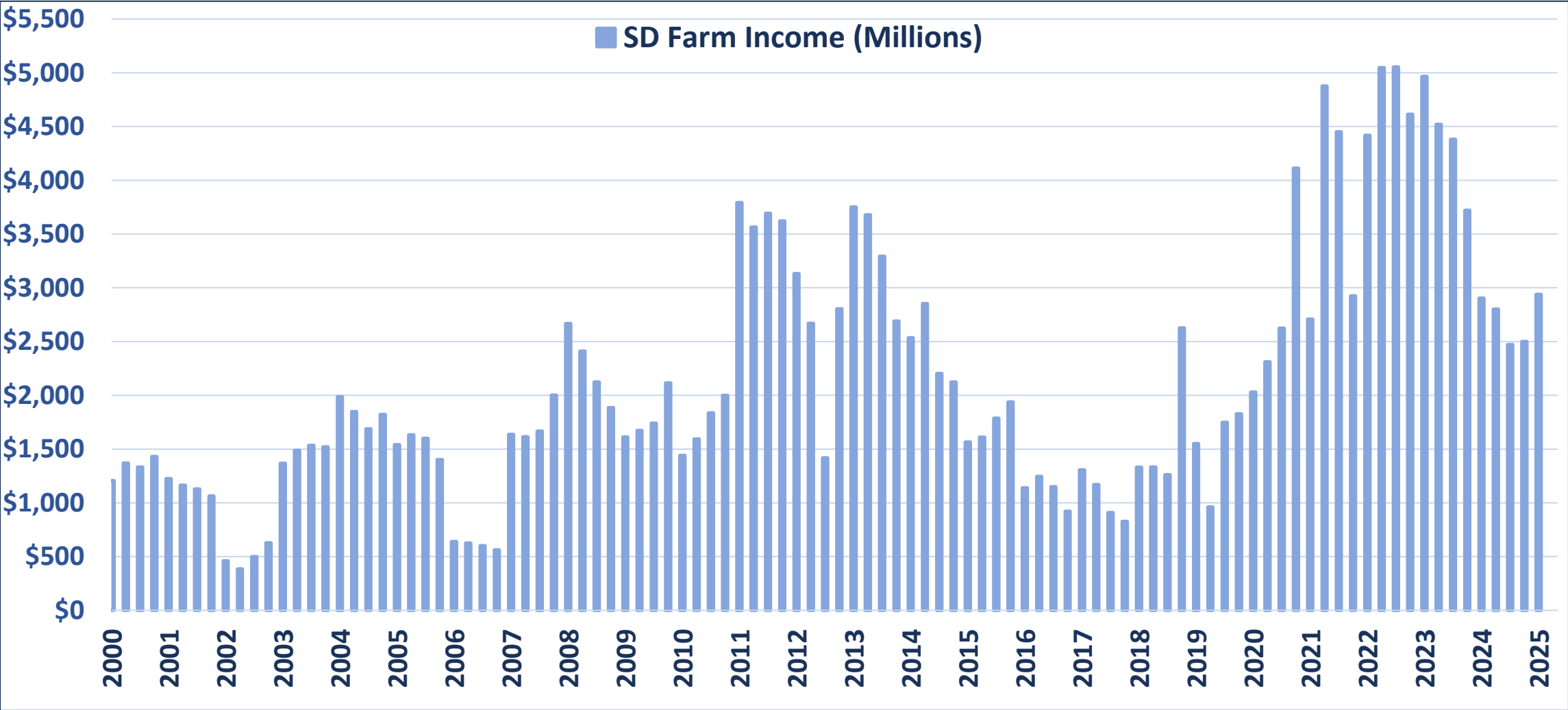
# SD Personal Income vs. Sales Tax Collections



# SD Personal Income vs. Sales Tax Collections

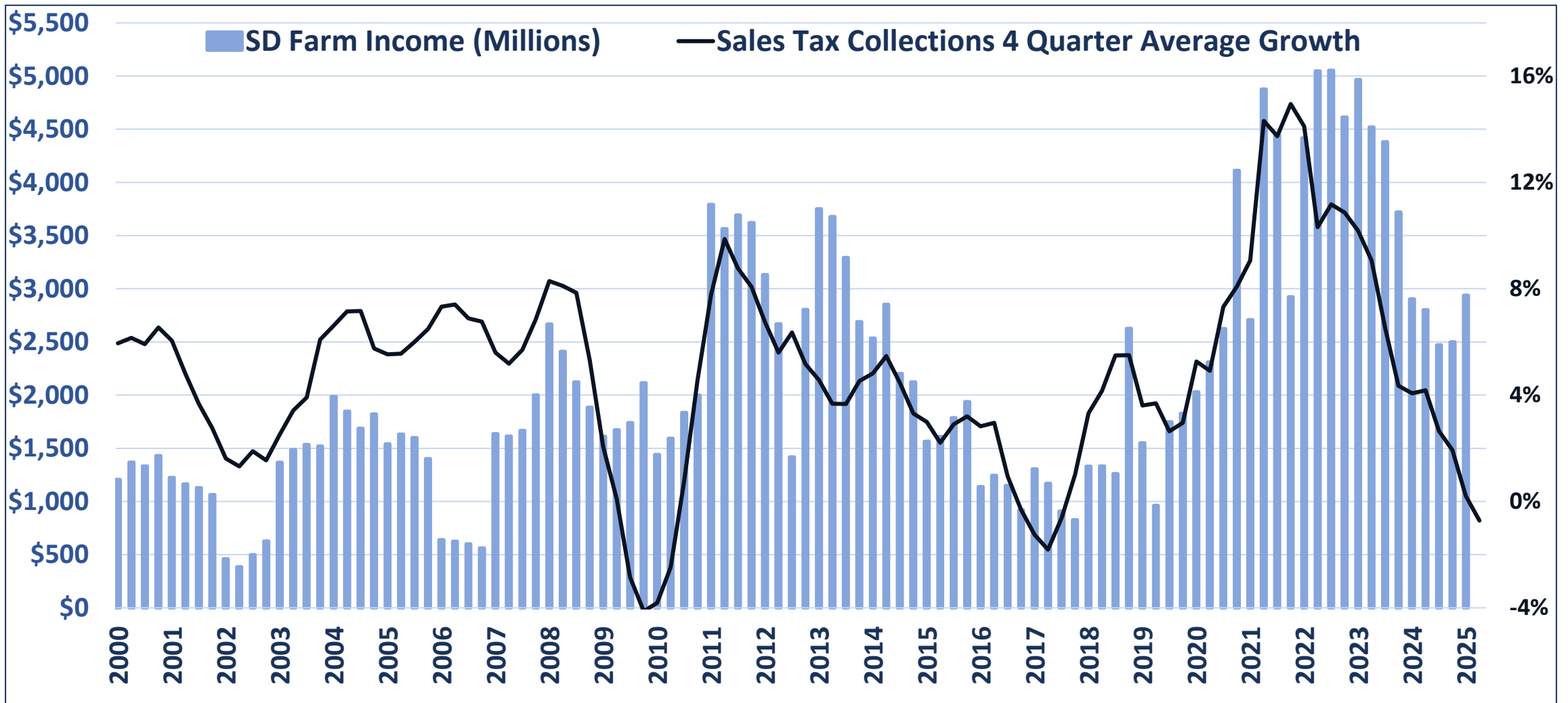


# SD Farm Income



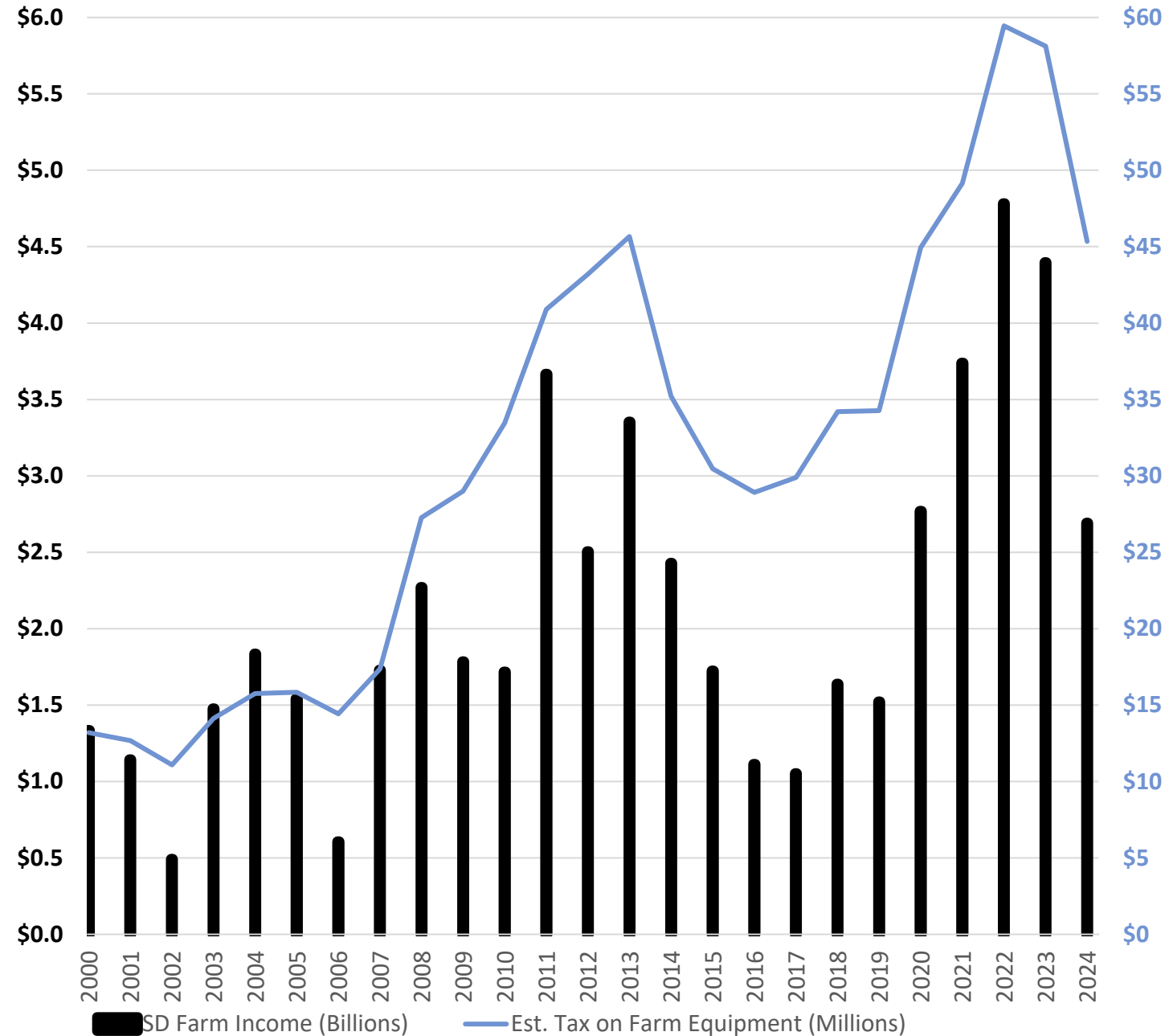


# SD Farm Income vs. Sales Tax Collections



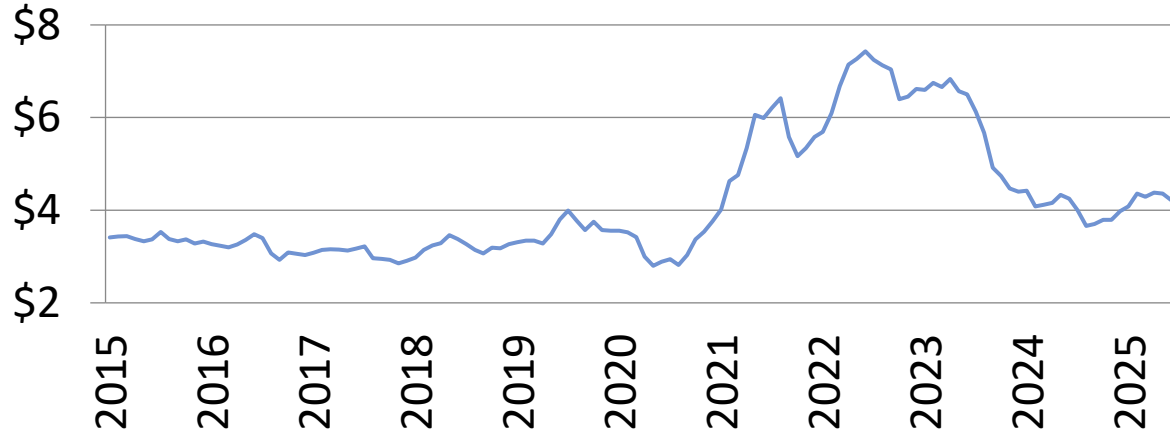


# SD Farm Income & Spending on Equipment

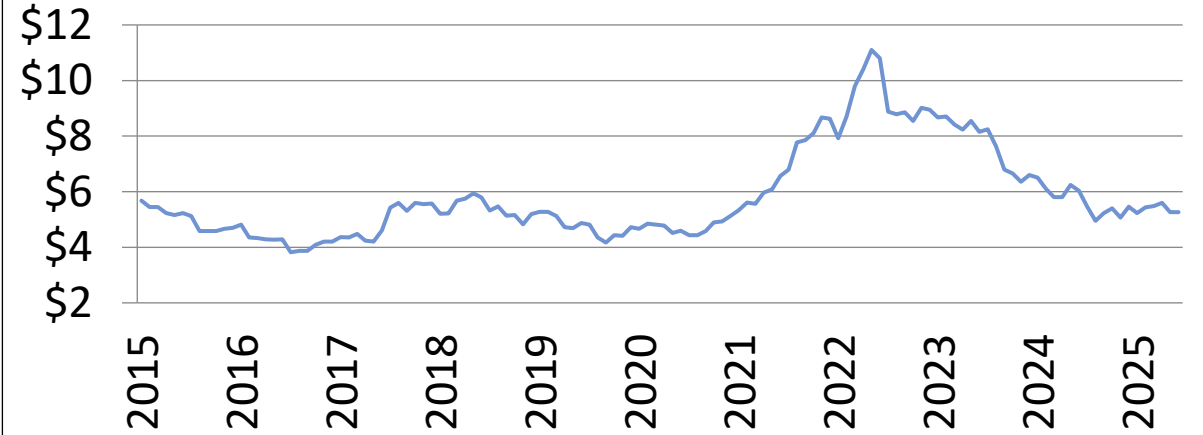


# Agriculture Economy/Prices

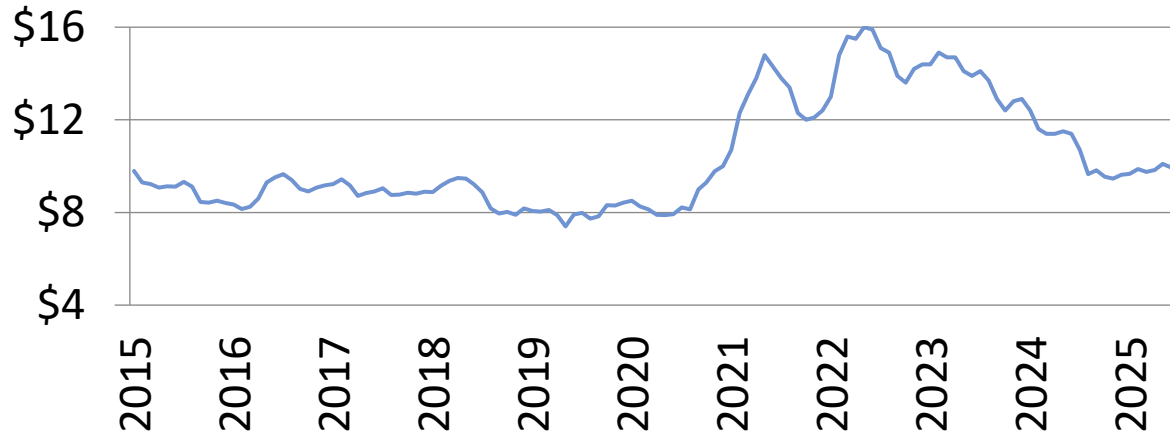
## SD Corn Prices



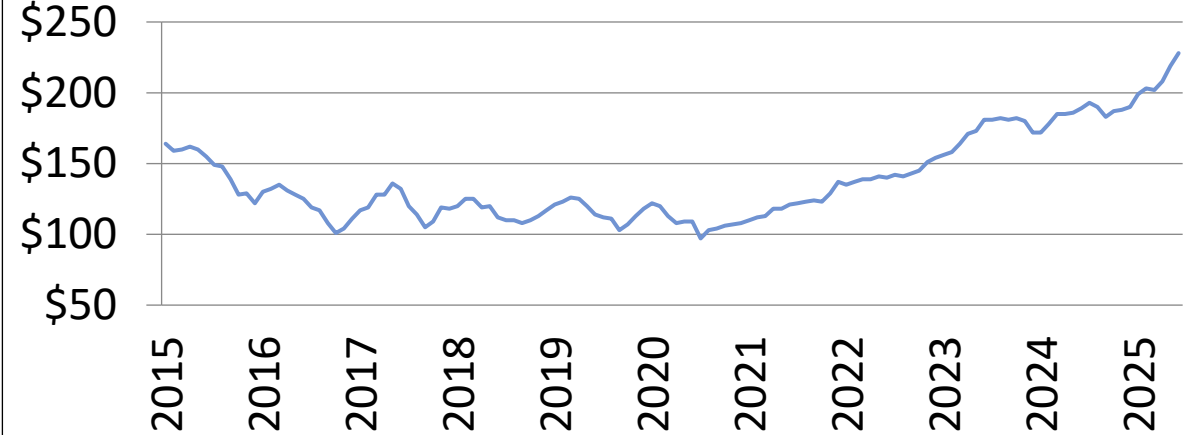
## SD Wheat Prices



## SD Soybean Prices



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



# South Dakota Crop Progress and Condition

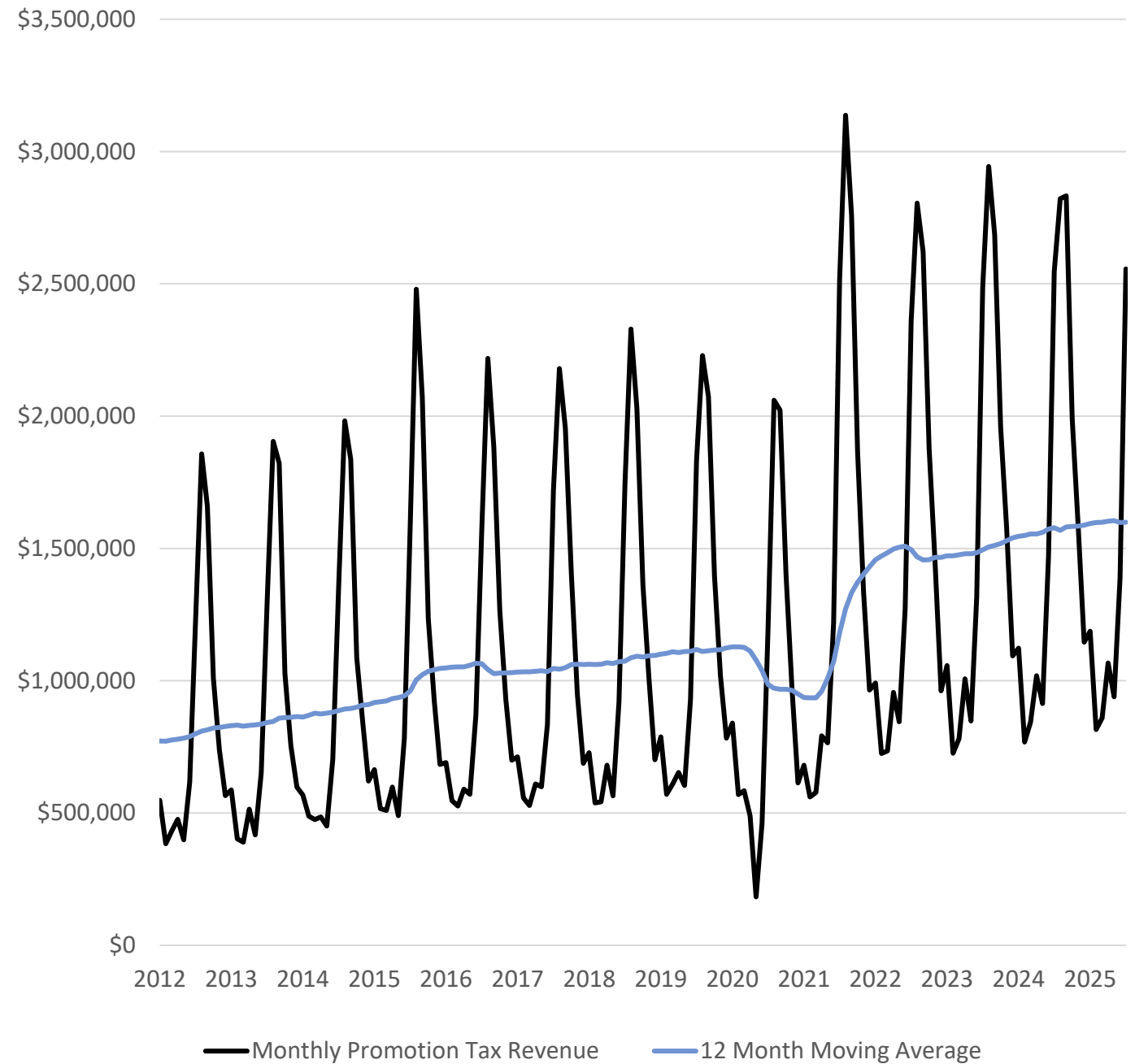
*For the week ending August 24, 2025:*

- Corn Condition
  - 17% rated fair; 48% rated good; 28% rated excellent
- Soybean condition
  - 18% rated fair; 51% rated good; 25% rated excellent
- Spring Wheat condition
  - 84% harvested; 40% rated fair; 47% rated good; 8% rated excellent
- Pasture and Range Conditions
  - 36% rated fair; 42% rated good or excellent
- Topsoil Moisture Supplies
  - 68% rated adequate; 13% rated surplus
- Subsoil Moisture Supplies
  - 65% rated adequate; 10% rated surplus



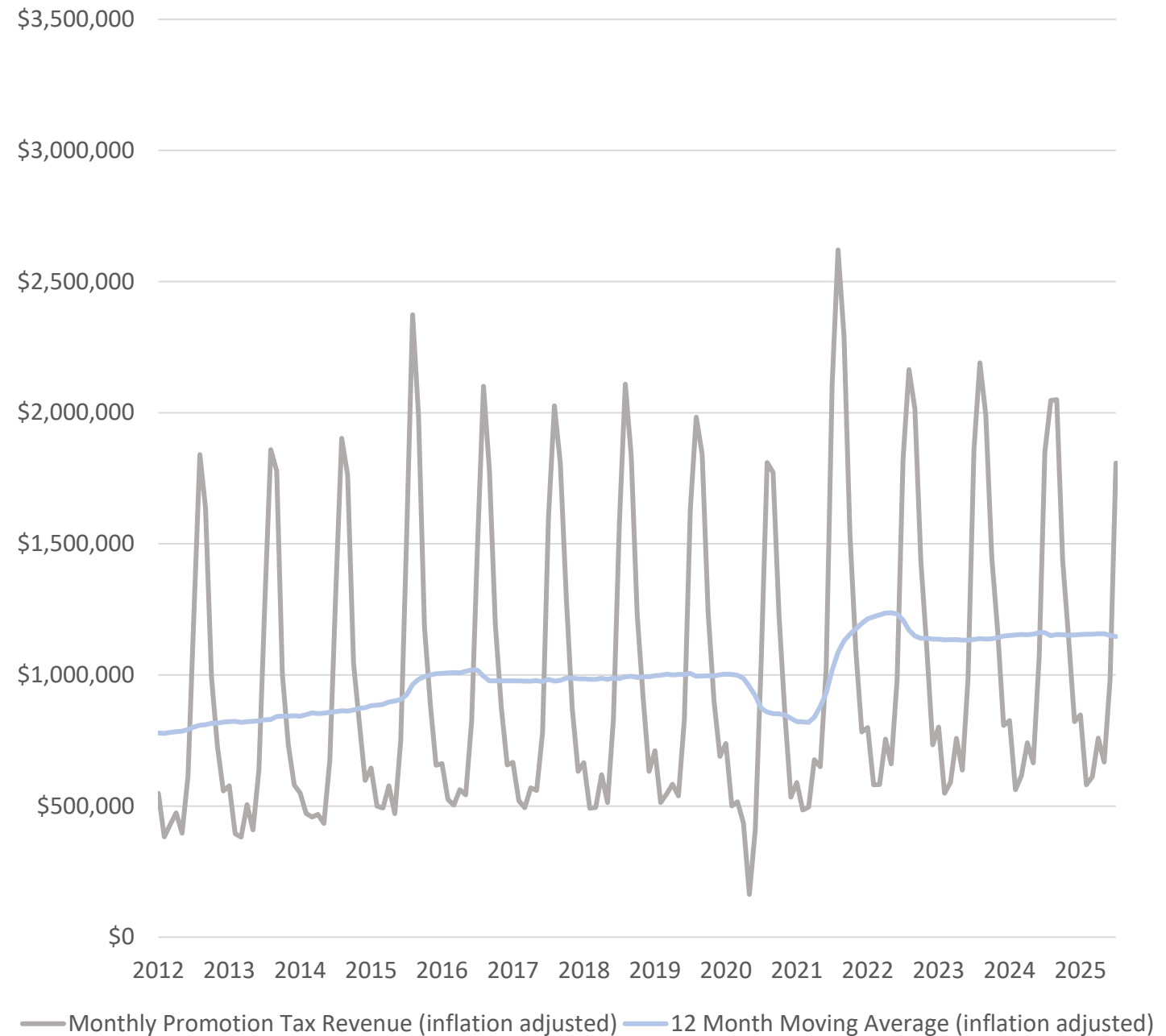


# SD Tourism Promotion Tax Collections





# SD Tourism Promotion Tax Collections (inflation adjusted)



# *S&P Global Forecast - SD*

	2020	2021	2022	2023	2024	2025 f	2026 f	2027 f	'14-'24 avg.
<b>Real GDP Growth</b>	0.5%	5.2%	-0.5%	3.6%	0.4%	0.4%↓	2.7%↑	2.0%	1.6%
<b>Nonfarm Employment</b>	-3.2%	3.4%	2.8%	2.0%	1.3%	1.0%↓	0.6%↑	0.6%	1.1%
<b>Personal Income</b>	9.9%	13.9%	5.6%	5.0%	2.6%	4.7%↓	5.6%↑	6.4%	5.6%
<b>Housing Starts</b>	6,032	7,644	7,466	5,995	5,525	5,527↑	5,253↑	4,954	5,546
<b>Unemployment Rate</b>	4.1%	2.5%	1.9%	1.8%	1.8%	1.9%↓	2.2%↓	2.5%	2.7%



# General Fund Revenue



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



	<b>Leg. Rev. Adopted JUNE YTD FY2025</b>	<b>Actual JUNE YTD FY2025</b>	<b>DOLLAR CHANGE</b>	<b>YTD % Chg. Actual/Adopt Comparison</b>
<b>ONGOING RECEIPTS</b>				
Net Sales and Use Tax*	1,436,351,920	1,432,631,137	(3,720,783)	-0.3%
Lottery	182,428,797	176,650,200	(5,778,597)	-3.2%
Net Contractor's Excise Tax	212,186,412	212,000,571	(185,841)	-0.1%
Insurance Company Tax	137,846,752	140,941,713	3,094,961	2.2%
Unclaimed Property Receipts	60,253,389	60,253,389	0	0.0%
Licenses, Permits, and Fees	76,510,214	76,648,880	138,666	0.2%
Tobacco Taxes	41,087,770	40,280,193	(807,577)	-2.0%
Trust Funds	50,418,168	50,366,006	(52,162)	-0.1%
Net Transfers In (excluding one-time)	27,598,739	26,865,300	(733,439)	-2.7%
Alcohol Beverage Tax	8,768,081	8,730,061	(38,020)	-0.4%
Bank Franchise Tax	28,531,842	26,180,028	(2,351,814)	-8.2%
Charges for Goods and Services	13,285,458	12,795,328	(490,130)	-3.7%
Telecommunications Tax	2,139,457	2,237,317	97,860	4.6%
Severance Taxes	14,593,739	14,719,152	125,413	0.9%
Investment Income and Interest	96,189,309	96,234,677	45,368	0.0%
Alcohol Beverage 2% Wholesale Tax	3,143,653	3,015,131	(128,522)	-4.1%
<b>SUBTOTAL (ONGOING RECEIPTS)</b>	<b>\$ 2,391,333,700</b>	<b>2,380,549,081</b>	<b>\$ (10,784,619)</b>	<b>-0.5%</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	223,720,257	47,398,910	26.9%
Unexpended Carryovers and Specials	-	4,935,450	4,935,450	N/A
Obligated Cash Carried Forward	80,735,092	80,735,092	0	0.0%
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 258,596,310</b>	<b>\$ 310,804,842</b>	<b>\$ 52,208,533</b>	<b>20.2%</b>
<b>GRAND TOTAL</b>	<b>\$ 2,649,930,010</b>	<b>\$ 2,691,353,924</b>	<b>\$ 41,423,914</b>	<b>1.6%</b>

**NOTES**

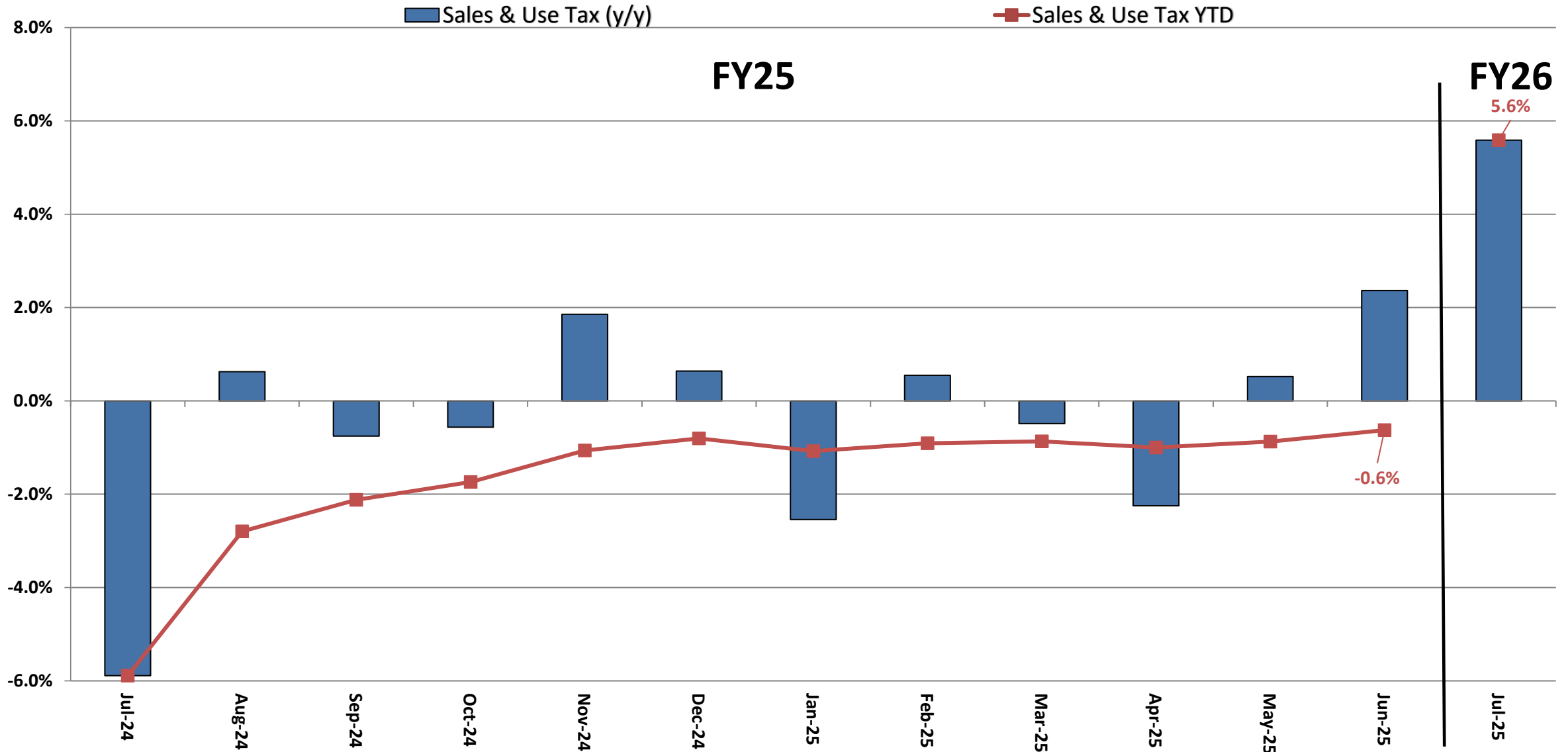
\* Includes cost of administration.  
Totals may not add due to rounding.

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



	Leg. Adopted JULY YTD FY2026	Actual JULY YTD FY2026	DOLLAR CHANGE	YTD % Chg. Actual/Adopt Comparison
<b>ONGOING RECEIPTS</b>				
Net Sales and Use Tax (excl. cost of admin)	137,549,088	137,789,286	240,198	0.2%
Lottery	13,522,776	13,148,291	(374,484)	-2.8%
Net Contractor's Excise Tax	21,325,280	22,385,183	1,059,903	5.0%
Insurance Company Tax	23,705,726	26,670,184	2,964,458	12.5%
Unclaimed Property Receipts	-	-	0	N/A
Licenses, Permits, and Fees	885,507	193,832	(691,675)	-78.1%
Tobacco Taxes	4,187,102	4,193,339	6,237	0.1%
Trust Funds	37,300,000	37,307,402	7,402	0.0%
Net Transfers In (excluding one-time)	9,254,229	8,558,531	(695,698)	-7.5%
Alcohol Beverage Tax	16,617	16,263	(354)	-2.1%
Bank Franchise Tax	458,470	373,822	(84,648)	-18.5%
Charges for Goods and Services	1,008,100	1,350,289	342,190	33.9%
Telecommunications Tax	-	-	0	N/A
Severance Taxes	1,721,036	4,926,529	3,205,492	186.3%
Investment Income and Interest	1,794	635	(1,159)	-64.6%
Alcohol Beverage 2% Wholesale Tax	248,485	306,622	58,137	23.4%
<b>SUBTOTAL (ONGOING RECEIPTS)</b>	<b>\$ 251,184,210</b>	<b>257,220,206</b>	<b>\$ 6,035,996</b>	<b>2.4%</b>
<b>ONE-TIME RECEIPTS</b>				
Bank Franchise Tax Prior Year Revenue	0	2,794.85	2,795	N/A
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 0</b>	<b>\$ 2,795</b>	<b>\$ 2,795</b>	<b>N/A</b>
<b>GRAND TOTAL</b>	<b>\$ 251,184,210</b>	<b>\$ 257,223,001</b>	<b>\$ 6,038,791</b>	<b>2.4%</b>

# Sales & Use Tax Growth





# Council Discussion

# *S&P Global Forecast - US*

	2020	2021	2022	2023	2024	2025 f	2026 f	2027 f	'14-'24 avg.
<b>Real GDP Growth</b>	-2.2%	6.1%	2.5%	2.9%	2.8%	1.7%↑	2.4%↑	1.7%	2.5%
<b>Nonfarm Employment</b>	-5.8%	2.9%	4.3%	2.2%	1.3%	1.0%↔	0.5%↑	0.4%	1.4%
<b>Personal Income</b>	6.8%	9.2%	3.1%	5.9%	5.4%	4.9%↑	5.5%↑	5.3%	5.3%
<b>Unemployment Rate</b>	8.1%	5.4%	3.6%	3.6%	4.0%	4.2%↓	4.5%↓	4.5%	4.8%
<b>CPI-U</b>	1.3%	4.7%	8.0%	4.1%	3.0%	2.8%↓	2.6%↓	2.5%	2.8%

# *S&P Global Forecast - SD*

	2020	2021	2022	2023	2024	2025 f	2026 f	2027 f	'14-'24 avg.
<b>Real GDP Growth</b>	0.5%	5.2%	-0.5%	3.6%	0.4%	0.4%↓	2.7%↑	2.0%	1.6%
<b>Nonfarm Employment</b>	-3.2%	3.4%	2.8%	2.0%	1.3%	1.0%↓	0.6%↑	0.6%	1.1%
<b>Personal Income</b>	9.9%	13.9%	5.6%	5.0%	2.6%	4.7%↓	5.6%↑	6.4%	5.6%
<b>Housing Starts</b>	6,032	7,644	7,466	5,995	5,525	5,527↑	5,253↑	4,954	5,546
<b>Unemployment Rate</b>	4.1%	2.5%	1.9%	1.8%	1.8%	1.9%↓	2.2%↓	2.5%	2.7%

## *Other Discussion Items*

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