

Prairie Business Magazine  
Alan Van Ormer Inquiry – December 29, 2011

**1. What is driving workforce needs (what trends are you seeing)?**

Our state's economy is driven by the traditional industries of agriculture, financial services, and manufacturing, but gaining momentum are the professional and technical services industries, knowledge-based industries such as biotech, and business processes.

We are also seeing expansions in manufacturing (welders and truck drivers), IT, and financial services (accountants), as well as the continuing need for workers in healthcare. Many employers are on the verge of expanding, but need a skilled workforce to do so.

**2. What tools are being used to help understand what types of jobs and where the jobs are going to be?**

Established Labor Market Information projection methodologies are being used to determine future workforce needs. The SD Department of Labor & Regulation (DLR) also monitors job opening numbers and types. Additionally, the Governor and GOED staff have recently travelled across the state and visited with employers both large and small to discuss their immediate workforce needs. One workforce summit has been held at the regional level for the James River Valley, which brought together business owners, HR staff, state and local government representatives, and education and economic development representatives. We are listening to employers.

**3. What will the workforce look like in the future?**

Population trends determine workforce trends to a large extent. South Dakota's population is projected to increase from 786,399 in 2010 to 801,939 by 2020. By 2025, the state's population is expected to be down a bit to 801,845, and at 800,462 by 2030. As with nationally, South Dakota's workforce will continue to age—largely due to the vast number of baby boomers. Those 65 and older made up approximately 15 percent of South Dakota's population in 2010, and are projected to constitute about 19 percent by 2020, and over 23 percent by 2030. Although state population projections by ethnic group are not available, national projections indicate minorities and immigrants will constitute a larger share of the population. Among racial groups, Whites are expected to make up a decreasing share of the labor force, while Blacks, Asians and all other groups will increase their share. The same trends can be expected in South Dakota.

South Dakota's school age population (those ages 5-17) was estimated at 139,534 in 2010 and is projected to be 144,085 in 2020. That age group is expected to number about 143,284 in 2025, and 141,609 by 2030. Proportionately, those of school age will hold fairly steady over the next 20 years, at 17.7 percent of the population in 2010, 18 percent in 2020, 17.9 percent in 2025, and 17.7 percent of the population by 2030.

*Analysis of Projected Population and Job Counts for South Dakota*

South Dakota Estimates						
Time Period	Total Population	Population Age 18+	Population Age 18-64	Population Age 65+	Estimated Number of Jobs	Estimated Number of Workers
2010	754,844	592,247	477,788	114,459	476,630	414,668
2020	801,939	604,727	456,329	148,398	518,701	451,270
2030	800,462	604,566	419,502	185,064	564,485	491,102
Change						
Time Period	Total Population	Population Age 18+	Population Age 18-64	Population Age 65+	Estimated Number of Jobs	Estimated Number of Workers
2010-2020	47,095	12,480	-21,459	33,939	42,071	36,602
2020-2030	-1,477	-161	-36,827	36,666	45,784	39,832
2010-2030	45,618	12,319	-58,286	70,605	87,855	76,434
Percent Change						
Time Period	Total Population	Population Age 18+	Population Age 18-64	Population Age 65+	Estimated Number of Jobs	Estimated Number of Workers
2010-2020	6.2%	2.1%	-4.5%	29.7%	8.8%	8.8%
2020-2030	-0.2%	0.0%	-8.1%	24.7%	8.8%	8.8%
2010-2030	6.0%	2.1%	-12.2%	61.7%	18.4%	18.4%

The most current population projections were published by the U.S. Census Bureau in the year 2005. More current population projections are expected to be produced by the Bureau in 2012.

The most current occupational projections (2008-2018) were published by the Labor Market Information Center (LMIC) in the year 2010. The 2010–2020 population projections are expected to be published in 2012.

To estimate the level of workers for the year 2030, the average annual growth rate for the 2008-2018 projection series was applied to the 2008 number of workers to estimate the annual number of jobs through the year 2030.

In addition, the resulting estimated number of jobs was reduced by 13 percent to account for multiple job holders. The result was an estimate of the number of workers, rather than jobs.

The results show a divergence between estimated population growth expected for the 18-64 population group and the projected number of workers needed. However, it is important to note that the population projections were published in 2005, showing a statewide 2010 South Dakota population estimate of 786,399 compared to a 2010 Census count of 814,180 residents (variance of 59,336 or 7.3 percent).

Therefore, as more current population projections are expected to be published within the next year, as well as the 2010-2020 South Dakota occupational projections, a more accurate analysis of projected population and worker counts can be conducted at that time. In addition, analysis of the worker projections could also be modeled to include projected population change through the year 2030.

*Prepared by the Labor Market Information Center, SD Department of Labor and Regulation, December 2011*

4. **What statistics are showing that workforce needs are being met? Are not being met?**

DLR continues to fill job openings. Between July 1, 2010 and June 30, 2011, over 33,000 job openings were filled.

5. **What statistics related to workforce needs are important to follow?**

It is becoming increasingly important to pay attention to our demographics. What percent of our workforce may be eligible for retirement in 5-10 years? How many students do we have in the pipeline? What are our educational trends? Do we have the capacity to train enough individuals in the growing fields? Who are our unemployed? What skill sets do they have? What retraining might they need? What are trends in career fields of interest?

6. **What do these statistics mean?**

These statistics will serve as a guiding framework for government, education, and industry to identify ways to meet the needs of and enhance the workforce.

Based on the population projections mentioned above for the increasing proportion of population 65 and older, replacing the most experienced workers as they retire will continue to be a challenge in South Dakota. With older workers making up an increasingly larger percentage of the workforce and nearing or meeting retirement and youth numbers not following suit, it will become more important than ever that young adults have access to career decision-making information based on realistic labor market supply and demand information. Likewise, educational programs geared for preparing workers for the highest demand occupations will become increasingly important.

7. **Key challenges in workforce?**

Working to fulfill South Dakota employers' workforce needs is a key challenge. We must effectively use our labor supply to fill high-demand occupations in South Dakota, determine what skills employers are seeking, provide appropriate training, and connect with under-employed workers to retool their skills to match those in demand.

8. **How does collaboration impact workforce?**

The workforce challenges must be addressed in a collaborative manner. Everyone from a business owner, to a mom, to an economic development specialist has a stake in the game. State agencies, local government, and all levels of educators must work toward common goals. Our youth need to know about the opportunities within our state, so they can make educated decisions about their futures. It is important to identify how to allow our young people to live and work in our state while pursuing a higher education and find ways to connect with South Dakota employers. We need to assure that we are encouraging and providing education that prepares individuals for a skilled job.

9. **What inventive ways are companies keeping workforce?**

There are certainly some best practices occurring, but overall most employers in South Dakota have a history of treating their employees fairly. Retention is always an issue, but it isn't our biggest

challenge at this time. Growth is our challenge, and it's a great challenge to have. Employers (Molded Fiberglass) who are offering on-site education during work hours starting at the English as a Second Language (ESL) level to GED completion to job specific, are finding that it is worth the investment to educate workers for both production and retention reasons.

**10. Graphs and charts to show what is happening.**

*South Dakota Average Salaries by Hiring Preference Level*

- Associate Degree - \$43,384
- Bachelor's Degree - \$47,581
- Bachelor's Degree plus Work Experience - \$85,155
- Master's Degree - \$57,260

*Source: South Dakota Department of Labor and Regulation, Labor Market Information Center, September 2011 using May 2010 wage data aged through first quarter 2011.*

*South Dakota Job Openings*

Today, we went over the 10,000 job opening mark. In my opinion, this is a good sign after the holiday season. We historically see a high relative number in October and early November (businesses hiring seasonal help), and then the numbers drop dramatically in December. We saw a drop to about 9,200 as expected, but they have increased again the past few weeks to surpass the 10,000 mark. We are near early 2008 numbers at this point; the effects of the latest national recession (which began in December 2007) were first felt in South Dakota in late 2008, shown by a decline in employment numbers.

Job Openings	
December 27, 2011	9,694
December 27, 2010	5,813
December 27, 2009	5,747
December 27, 2008	9,030

*Unemployment Rates*

South Dakota Seasonally Adjusted Unemployment Rate 2007-Nov 2011			
Years	Months	Rate	Over the month change
2007	JAN	3.0	NA
2007	FEB	3.0	0.0
2007	MAR	2.9	0.0
2007	APR	2.9	0.0
2007	MAY	2.9	0.0
2007	JUN	2.9	0.0
2007	JUL	3.0	0.0
2007	AUG	3.0	0.0
2007	SEP	2.9	0.0

2007	OCT	2.9	0.0
2007	NOV	2.9	-0.1
2007	DEC	2.8	-0.1
2008	JAN	2.7	-0.1
2008	FEB	2.7	0.0
2008	MAR	2.7	0.0
2008	APR	2.8	0.1
2008	MAY	2.9	0.1
2008	JUN	3.0	0.1
2008	JUL	3.2	0.1
2008	AUG	3.3	0.1
2008	SEP	3.4	0.1
2008	OCT	3.5	0.1
2008	NOV	3.7	0.2
2008	DEC	4.0	0.3
2009	JAN	4.3	0.3
2009	FEB	4.6	0.3
2009	MAR	4.9	0.2
2009	APR	5.0	0.1
2009	MAY	5.1	0.1
2009	JUN	5.1	0.0
2009	JUL	5.0	0.0
2009	AUG	5.0	0.0
2009	SEP	5.0	0.0
2009	OCT	5.0	0.0
2009	NOV	5.1	0.1
2009	DEC	5.2	0.1
2010	JAN	5.2	0.0
2010	FEB	5.2	0.0
2010	MAR	5.1	-0.1
2010	APR	5.0	-0.1
2010	MAY	4.8	-0.1
2010	JUN	4.7	-0.1
2010	JUL	4.7	-0.1
2010	AUG	4.6	0.0
2010	SEP	4.6	0.0
2010	OCT	4.6	0.0
2010	NOV	4.7	0.0
2010	DEC	4.7	0.0
2011	JAN	4.7	0.0
2011	FEB	4.8	0.1

2011	MAR	4.9	0.1
2011	APR	4.9	0.0
2011	MAY	4.8	-0.1
2011	JUN	4.7	-0.1
2011	JUL	4.7	0.0
2011	AUG	4.7	0.0
2011	SEP	4.6	-0.1
2011	OCT	4.5	-0.1
2011	NOV	4.3	-0.2

South Dakota High-Growth, High-Demand, High-Wage Occupations

**South Dakota High Demand/High Wage Occupations**  
 (Based on current wages and projected employment demand to 2018)

<b>SOC* Code</b>	<b>Occupational Title</b>	<b>2008 Base Number of Jobs</b>	<b>2018 Projected Number of Jobs</b>	<b>Actual Change</b>	<b>Percent Change</b>	<b>Average Annual Demand for Workers</b>	<b>Annual Average Wage</b>
00-0000	Total, All Occupations	468,635	510,000	41,365	8.8%	15,167	\$35,125
29-1111	Registered Nurses	10,490	12,650	2,160	20.6%	399	\$55,886
53-3032	Truck Drivers, Heavy and Tractor-Trailer	8,280	9,050	770	9.3%	225	\$35,655
13-2011	Accountants and Auditors	4,155	4,910	755	18.2%	146	\$55,234
41-4012	Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products	4,135	4,620	485	11.7%	145	\$52,493
25-2021	Elementary School Teachers, except Special Education	4,695	4,930	235	5.0%	131	\$40,184
25-2031	Secondary School Teachers, except Special and Vocational Education	3,675	3,835	160	4.4%	123	\$40,146
41-1011	First-Line Supervisors/Managers of Retail Sales Workers	4,000	4,145	145	3.6%	101	\$41,476
11-1021	General and Operations Managers	3,155	3,135	-20	-0.6%	92	\$107,661
41-3021	Insurance Sales Agents	2,740	3,005	265	9.7%	91	\$48,070
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	2,700	2,865	165	6.1%	78	\$43,632
41-4011	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	1,810	2,080	270	14.9%	69	\$84,444
15-1041	Computer Support Specialists	1,890	2,020	130	6.9%	65	\$38,041
21-	Clergy	1,770	2,000	230	13.0%	58	\$43,052

2011							
47-1011	First-Line Supervisors/Managers of Construction Trades and Extraction Workers	1,850	2,055	205	11.1%	56	\$53,981
11-1031	Legislators	1,855	1,865	10	0.5%	54	\$37,814
33-3051	Police and Sheriff's Patrol Officers	1,640	1,760	120	7.3%	54	\$41,510
13-1111	Management Analysts	1,990	2,185	195	9.8%	54	\$69,041
47-2073	Operating Engineers and Other Construction Equipment Operators	2,040	2,215	175	8.6%	53	\$37,857
25-2022	Middle School Teachers, except Special and Vocational Education	1,880	1,975	95	5.1%	53	\$41,159
47-2111	Electricians	1,820	1,890	70	3.8%	51	\$42,939

\*SOC - Standard Occupational Classification, 2000  
[Click here for descriptions of SOC occupations by code \(2000 version\).](#)

Notes: Data is preliminary and subject to revision.  
 Data for occupations with less than 20 jobs in 2008 not included.

Data presented for occupations will not sum to totals due to rounding and non-publishable data for additional occupations included in totals. Demand data is the summation of job openings estimated due to projected employment growth and job openings projected to be created due to replacement need of current workers. Replacement need is estimated by multiplying occupational employment estimates by national replacement rates supplied by the U.S. Bureau of Labor Statistics (BLS). These rates estimate the number of job openings, by occupation, which will be attributed to a worker permanently leaving an occupation (e.g. retirement, death, exits the workforce, etc. ). Average annual demand data are calculated by dividing by ten, the number of years in the projection period. For more information, see [http://dol.sd.gov/lmic/projections\\_methodology.aspx](http://dol.sd.gov/lmic/projections_methodology.aspx).

Source: Labor Market Information Center, South Dakota Department of Labor and Regulation, December 2011.

*Dakota Roots Report for November 2011*

Dakota Roots was launched October 20, 2006.

<b>Annual Total</b>				
	Active New Seekers	Average per month	Entered Employment	Average per month
2006*	250	*	19	*
2007	1,428	119	278	23
2008	2,079	173	581	48
2009	2,128	177	409	34
2010	2,128	177	391	33
2011	2,344	213	419	38

<b>Cumulative Total</b>			
	Active Seekers	Active New Seekers	Entered Employment
2006*	250	250	19
2007	1,109	1,678	297
2008	1,588	3,757	878
2009	1,645	5,885	1,287
2010	2,334	8,013	1,678
2011	2,433	10,357	2,097

<b>Monthly Total</b>			
	Active new Seekers	Entered Employment	Total Active Seekers
Current Month	212	38	2,433
Previous Month	119	48	2,381

<b>Businesses</b>		
	Month	Total
Business Partners	1	398
Referred to GOED	0	58