

## Unemployment Rate Comparison

There are many factors that influence the unemployment rate, which is calculated by dividing the level of unemployed by the total labor force. When comparing unemployment rates for the Pierre Micropolitan Statistical Area (MiSA), the Rapid City Metropolitan Statistical Area (MSA) and the Sioux Falls MSA, it is important to note the industrial composition of the workforce and related turnover rates. The turnover rate measures ‘the rate at which an employer gains and loses employees.’

The following table shows the December unemployment rates for the years 2010 and 2011, as well as the 2010 (most current available) annual average turnover rates, for the geographic areas in question. Turnover rates are presented for the public administration ownership (government) and by the total for all industry sectors and ownerships (government and private ownerships).

### South Dakota Unemployment Rates and Quarterly Workforce Indicators Turnover Rates by Sector

Area	December 2011 Unemployment Rate	December 2012 Unemployment Rate	Public Administration Turnover Rates	Total, All Industries Turnover Rates
South Dakota	5.3%	4.5%	6.0%	8.5%
Pierre MiSA	3.4%	3.3%	3.8%	7.7%
Rapid City MSA	5.2%	4.5%	6.0%	9.4%
Sioux Falls MSA	4.9%	4.3%	5.5%	7.9%

Note: Data represents 2010 annual averages.

Source: *Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics*

Source: *Quarterly Workforce Indicators application, Local Employment Dynamics Program, U.S. Census Bureau*

It is important to note the lower turnover rates for public administration, which reflect more employment stability within this sector. For the areas presented, the Pierre MiSA (Hughes and Stanley counties) has the lowest turnover rate for both public administrations (3.8 percent) as well as for the all industries total (7.7 percent).

The table on the following page includes comparative Quarterly Census of Employment and Wages (QCEW) data for workers covered by Unemployment Insurance (UI) for the areas being studied, including statewide South Dakota, the Pierre MiSA, the Rapid City MSA (Pennington and Meade counties) and the Sioux Falls MSA (Lincoln, McCook, Minnehaha and Turner counties).

The Pierre MiSA has the highest percentage of government employment at 35.7 percent of total workers. The Pierre MSA also has the lowest turnover rates for the public administration sector, as well as for all sectors, indicating more stability within the labor force when compared to the other geographic regions.

The Rapid City and Sioux Falls MSAs have a larger percentage of workers within the private industry sector. The private sector typically reflects higher turnover rates corresponding to a larger base of workers who move in and out of the labor force as they change jobs and/or careers, complete temporary jobs and want to find higher paying jobs, or jobs with benefits, etc. This is often referred to as ‘churning’ of the labor market and typically occurs in larger areas where jobs are more plentiful and workers voluntarily move from job to job.

**South Dakota  
2010 Quarterly Census of Employment and Wages (QCEW) Data**

Industry Sectors	South Dakota		Pierre MiSA		Sioux Falls MSA		Rapid City MSA	
	Workers	Percent of Total	Workers	Percent of Total	Workers	Percent of Total	Workers	Percent of Total
TOTAL	389,199	100.0%	11,809	100.0%	129,979	100.0%	58,779	100.0%
<b>Total Private Ownership</b>	<b>316,733</b>	<b>81.4%</b>	<b>7,589</b>	<b>64.3%</b>	<b>117,296</b>	<b>90.2%</b>	<b>48,564</b>	<b>82.6%</b>
Natural Resources/Mining	4,953	1.3%	109	0.9%	407	0.3%	190	0.3%
Construction	20,111	5.2%	705	6.0%	6,489	5.0%	4,243	7.2%
Manufacturing	36,960	9.5%	*	*	11,990	9.2%	2,498	4.2%
Trade/Transportation/Utilities	79,566	20.4%	2,177	18.4%	27,943	21.5%	12,341	21.0%
Information	6,542	1.7%	*	*	2,930	2.3%	978	1.7%
Financial Activities	28,401	7.3%	602	5.1%	15,262	11.7%	3,686	6.3%
Professional/Business Services	27,538	7.1%	663	5.6%	11,209	8.6%	4,748	8.1%
Education/Health Services	59,378	15.3%	*	*	24,840	19.1%	9,210	15.7%
Leisure/Hospitality Services	43,000	11.0%	1,206	10.2%	12,732	9.8%	8,581	14.6%
Other Services	10,283	2.6%	428	3.6%	3,494	2.7%	2,088	3.6%
<b>Total Government</b>	<b>72,466</b>	<b>18.6%</b>	<b>4,220</b>	<b>35.7%</b>	<b>12,683</b>	<b>9.8%</b>	<b>10,215</b>	<b>17.4%</b>
-Federal Government	11,936	3.1%	317	2.7%	2,636	2.0%	2,980	5.1%
-State Government	14,439	3.7%	2,943	24.9%	1,317	1.0%	1,148	2.0%
-Local Government	46,091	11.8%	960	8.1%	8,730	6.7%	6,087	10.4%

\*Data was suppressed to prevent disclosure of confidential information.

Note: MiSA is an abbreviation for Micropolitan Statistical Area.

Note. MSA is an abbreviation for Metropolitan Statistics Area.

Source: Quarterly Census of Employment and Wages (QCEW) program, Bureau of Labor Statistics, U.S. Department of Labor

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