

# Q3 BUSINESS & ECONOMIC DATA ANALYSIS SUMMARY

**SOUTH DAKOTA  
SECRETARY OF STATE  
SHANTEL KREBS**

In partnership with



## Third Quarter 2018

### Secretary's Minute:

When I took the oath of office in January 2015, I was taking on an office that was a failing bureaucracy with no accountability. Business filings were over 6 weeks behind and UCC filings were over 80 days behind, among other areas in disarray. I had to put an action plan together quickly to turn the office around and regain the trust that the Secretary of State's office demands.

As my term ends this year, I wanted to share with you the long list of projects that were completed and how we turned the office around in the short time I was here. I think the best way to recap is to highlight just a few areas:

- My priority was to upgrade the business and Uniform Commercial Code online filing systems so that customers can file documents instantaneously. We have filed over 79,000 active businesses in FY2018, which is an all-time high, compared to FY2012 in which the office filed 49,660 active businesses. The ease of our new online business filing system hit another filing record in new businesses formed in FY2018, totaling 8,864, compared to 6,415 new businesses formed in FY2012. UCC filings totaled 55,646 for FY18 in the new system.
- I have made a concerted effort to make sure that more information is easily accessible on the website. For example, Executive Proclamations are now available to the public dating back to 1903. For those of you utilizing the new online business filing system, you may have noticed that there are more documents readily available going back over 25 years. Over 5.3 million documents have been uploaded and are now available on the business/UCC filing sites.
- I upgraded the concealed carry permit that our office issues to a more official looking permit. South Dakota now has over 100,000 active concealed carry permit holders in the state compared to 87,655 active permit holders in 2016.
- I focused on registering more voters. My Value the Vote tour has led me to high schools, universities and service organizations across the state. Since taking office, voter registration numbers have grown by almost 20,000 new registered voters to a total of nearly 540,000 registered voters in the state of South Dakota.
- I implemented a Zero-Based budgeting operation to run at the speed of business, not at the speed of government. This format allowed me to revert (money not spent) \$69,000 back to the state general fund. In the last two fiscal years, I have requested budget cuts of over \$174,000. All while growing revenue by nearly \$2 million more to the state's general fund to the tune of \$7.5 million in FY2017.

I have always said that a good leader surrounds herself with even better people and that is what I have in my team. Thank you for giving me this opportunity to serve you.

### Third Quarter 2018 Economic Highlights

- SD's unemployment rate is 3.0% at the end of the 3rd quarter.
- Taxable sales increased by 2.1% in Q3.
- Total new entities were up by 13.3% over the prior year.
- Personal income increased by 2.2% over the prior quarter..
- Employment was up by 1.4% over the prior year.
- Most national indicators improved in Q3.

SOUTH DAKOTA	Current Period	3 Months Prior	Percent Change over Prior Period	Annual Percent Change	5 Year CAGR*
<b>Wealth</b>					
Personal Income (millions of dollars)	43,511	42,595	2.2%	2.7%	2.7%
Total Sales, 12 mo. trailing (millions of dollars)	75,447	72,474	4.1%	14.0%	2.6%
Taxable Sales, 12 mo. trailing (millions of dollars)	22,159	21,702	2.1%	6.1%	2.9%
<b>Business Outlays</b>					
Average Weekly Wage per Employee	842	856	-1.6%	2.8%	3.5%
Retail Gasoline Price (dollars per gallon)	2.84	2.77	2.5%	13.6%	-3.5%
<b>Economic Overview</b>					
Employment	441,400	440,700	0.2%	1.4%	1.1%
Unemployment Rate	3.0%	3.2%	-6.3%	-11.8%	-4.1%
Initial Jobless Claims	144	158	-8.9%	-22.2%	-9.3%
Continuing Jobless Claims	772	1,132	-31.8%	-15.2%	-10.2%
Building Permits, Number of Units, 12 mo. trailing	5,364	5,369	-0.1%	9.4%	0.2%
Valuation (thousands of dollars), 12 mo. trailing	872,158	870,783	0.2%	9.6%	4.0%
FHFA Purchase-Only Home Price Index	293	286	2.4%	4.6%	5.0%
Total Business Bankruptcy Filings	10	15	-33.3%	-23.1%	-5.1%
Chapter 7	4	6	-33.3%	-50.0%	-12.9%
Chapter 11	1	1	0.0%	-	-
Chapter 13	3	4	-25.0%	-25.0%	8.4%

Sources: Bureau of Economic Analysis, Quarterly Personal Income (SA)(Q2/18); South Dakota Department of Revenue (NSA) (9/18); South Dakota Department of Labor and Regulation (SA) (Q1/18); US Energy Information Administration, Weekly Retail Gasoline and Diesel Prices, Midwest (10/1/18); Bureau of Labor Statistics, CES (SA) (9/18); US Department of Labor, Employment and Training Administration (NSA) (9/29/18); Census Bureau, New Privately Owned Housing Units Authorized (NSA) (8/18); FHFA Purchase-Only Home Price Index (SA) (Q2/18); Administrative Office of the US Courts (Q2/18). \*Compound Annual Growth Rate.

For full report, please visit <https://sdsos.gov/general-information/publications/default.aspx>