The cluster analysis reveals the importance of several “star” manufacturing clusters, the largest being agribusiness, food processing and technology, which employs over 4,000 workers. Two manufacturing clusters also fall into the stars quadrant, fabricated metal and computer and electronic product manufacturing. Though these are much smaller industries in numbers of jobs, they have grown in concentration over time, especially electronic products, and represent a comparative advantage for the community. Mining is another dynamic star cluster, though it employs only a little more than 100 workers.

Several emerging growth areas are worth noting. Both advanced materials and transportation and logistics are important employers in this region, with more jobs in 2013 than the star manufacturing clusters combined. Several smaller industry clusters that are emerging and gaining momentum include IT and telecommunications, print and publishing, forest and wood products, and transportation equipment manufacturing. These clusters are underrepresented in the region but are in growth mode, which may eventually put them in the stars quadrant.

Source: EMSI 2015.4 Class of Worker—QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors
The population in this region is getting older, on average, with older cohorts (50+) increasing by nearly 4% between 2001 and 2013 and nearing retirement. At the same time, the percent of individuals of prime working age (20-49) has declined from just over 36% to 33%. The area also has a low unemployment rate. These conditions make it very difficult for firms to expand when they try to find skilled and talented workers locally.

To address the issue of a lack of available workers, it will be important for local leaders to explore the mix of strategies that might help attract and retain talented workers from outside the area. These strategies may include expanding the stock of quality housing, improving access to broadband and other IT services, providing quality health care services and investing in key amenities.

Educational attainment has improved since 2001, with a 5% decline in adults with only a high school education or less. However, the proportion of residents with only a 12th grade education is sizable at 36%. Taking time to assess whether local economic development opportunities might be impeded by the presence of a sizeable number of adults with only a high school diploma may be worthy of attention. On the other hand, 37% of adult residents in the region had an associate’s, bachelor’s or advanced degree by 2013, which is 7% higher than counterparts in the Nebraska region.

A careful look at job expansion in this South Dakota region reveals that major job gains occurred in sales and related as well as transportation and material moving. On average, these positions pay hourly wages of $14.31 and $13.65, respectively. Local leaders may wish to explore strategies to enhance the creation of higher-wage, higher-quality work opportunities for residents in this region. On the other hand, real earnings per worker remain over $4,500 per year higher in the South Dakota pilot region, compared with Nebraska. This is likely due to the influence of oil/gas markets to the north.