

# Economic Impact of Visitors to South Dakota

Christian Fonseca | Economist, Tourism Economics | [cfonseca@oxfordeconomics.com](mailto:cfonseca@oxfordeconomics.com)

# State Economic Impact

# South Dakota (2024)

## ECONOMIC IMPACTS – KEY FINDINGS



**14.9 MILLION**

Total Visitors



**\$5.1 BILLION**

Visitor Spending



**\$8.1 BILLION**

Total Business Sales



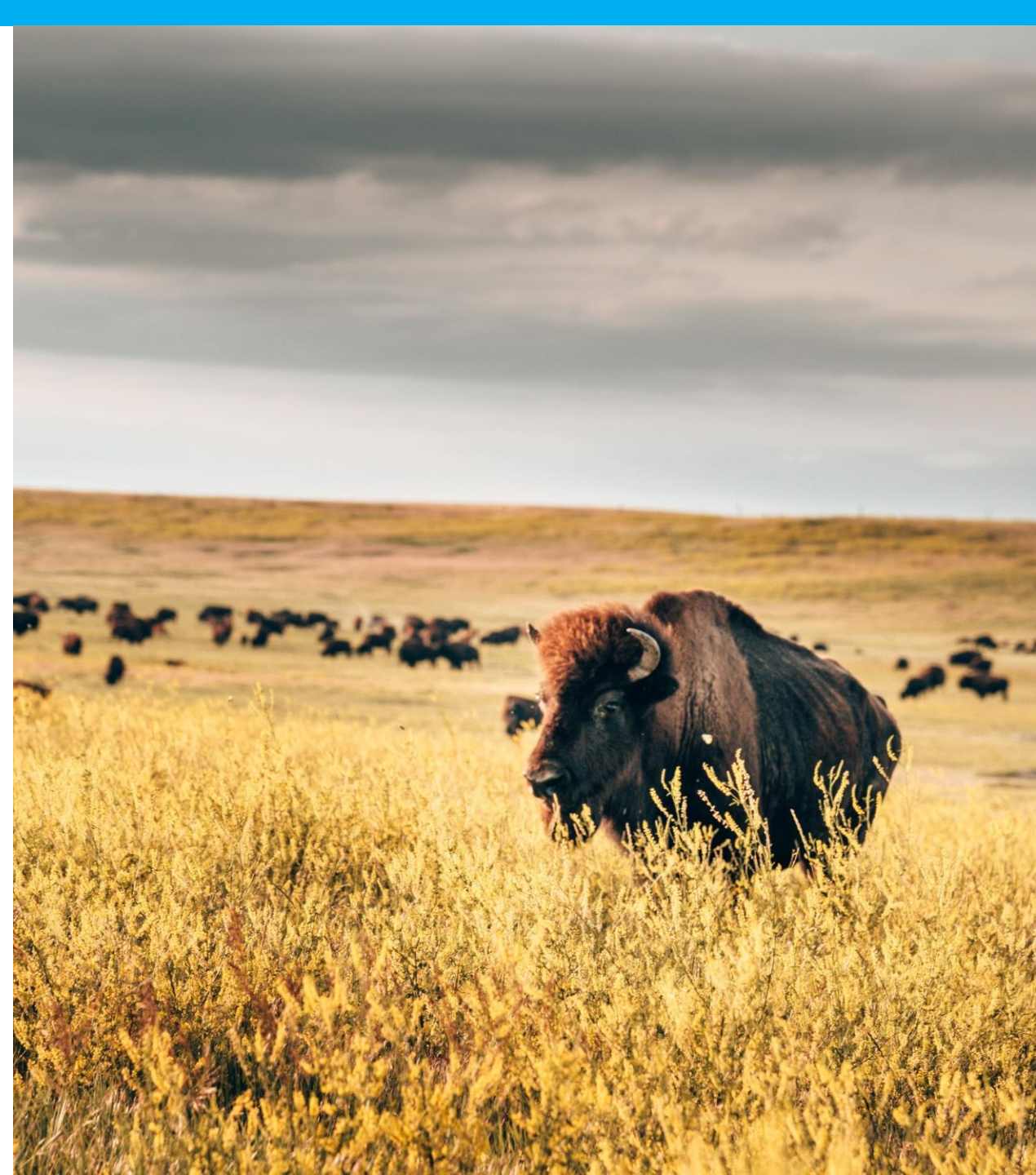
**58,824**

Total Jobs Supported



**\$399 MILLION**

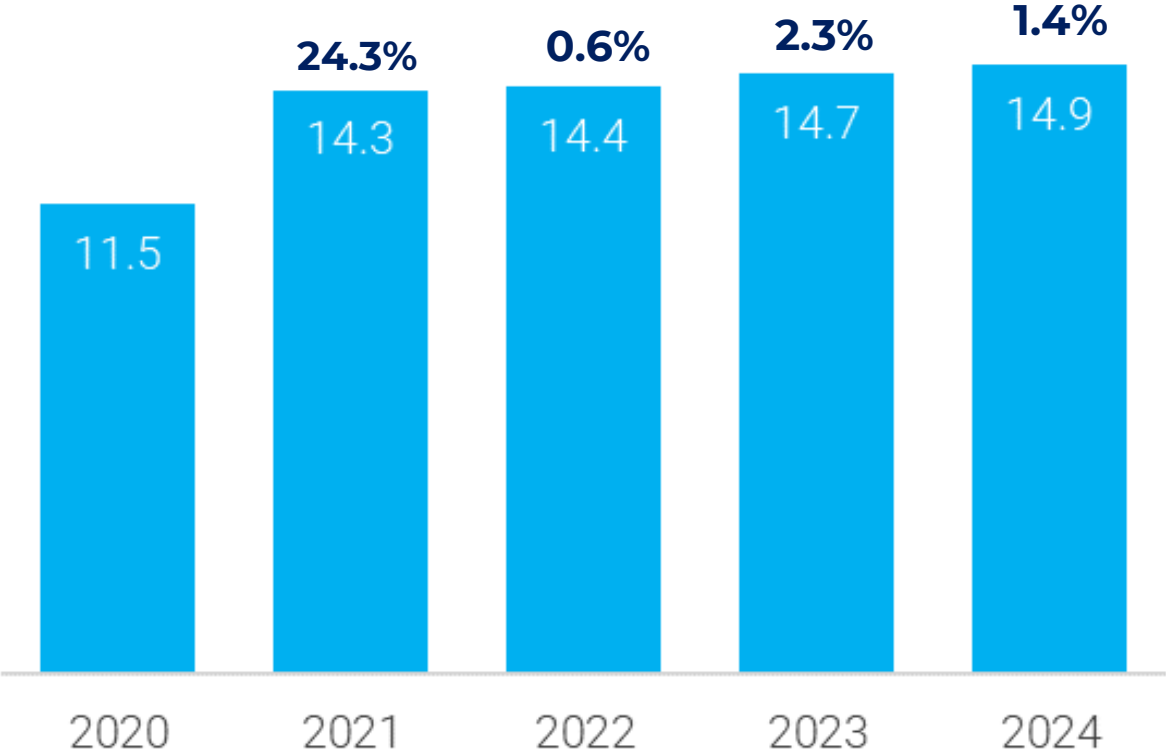
State & Local Taxes Generated



# Visitor volumes continued to climb in 2024

## South Dakota visitor volume

Amounts in millions of visitors



Source: Tourism Economics

# Visitors spent \$5.1 billion in South Dakota in 2024

## South Dakota visitor spending and annual growth

Amounts in \$ millions, 2024 % change

	2020	2021	2022	2023	2024	2024 Growth
<b>Total visitor spending</b>	<b>\$3,343</b>	<b>\$4,387</b>	<b>\$4,730</b>	<b>\$4,963</b>	<b>\$5,099</b>	<b>2.8%</b>
Lodging*	\$604	\$888	\$898	\$966	\$1,018	5.4%
Food & beverage	\$806	\$1,014	\$1,064	\$1,102	\$1,144	3.8%
Retail	\$745	\$914	\$1,008	\$1,043	\$1,070	2.6%
Transportation**	\$700	\$902	\$1,040	\$1,101	\$1,090	-1.0%
Recreation	\$489	\$669	\$720	\$751	\$776	3.4%

Source: Tourism Economics

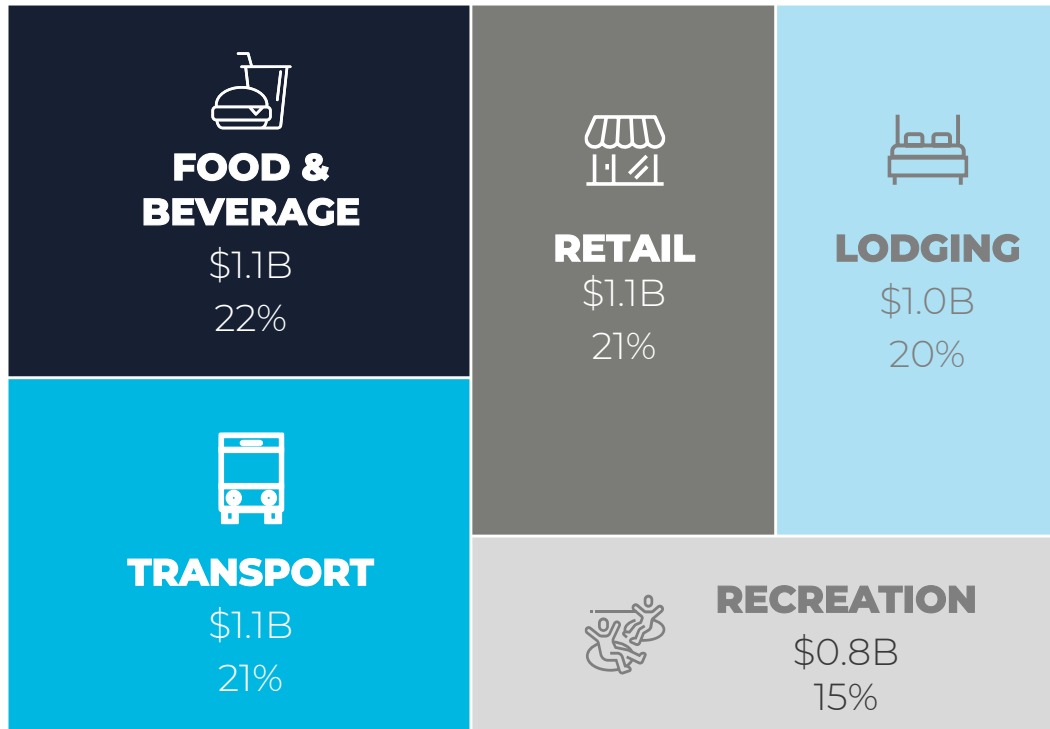
\* Lodging includes short-term rentals and other second home spending

\*\* Transportation includes both ground and air transportation

# Where visitor dollars were spent in 2024

## South Dakota visitor spending (2024)

Amounts in \$ billions, percent share



Source: Tourism Economics

# How businesses benefit

## South Dakota business sales impacts (2024)

Amounts in \$ billions

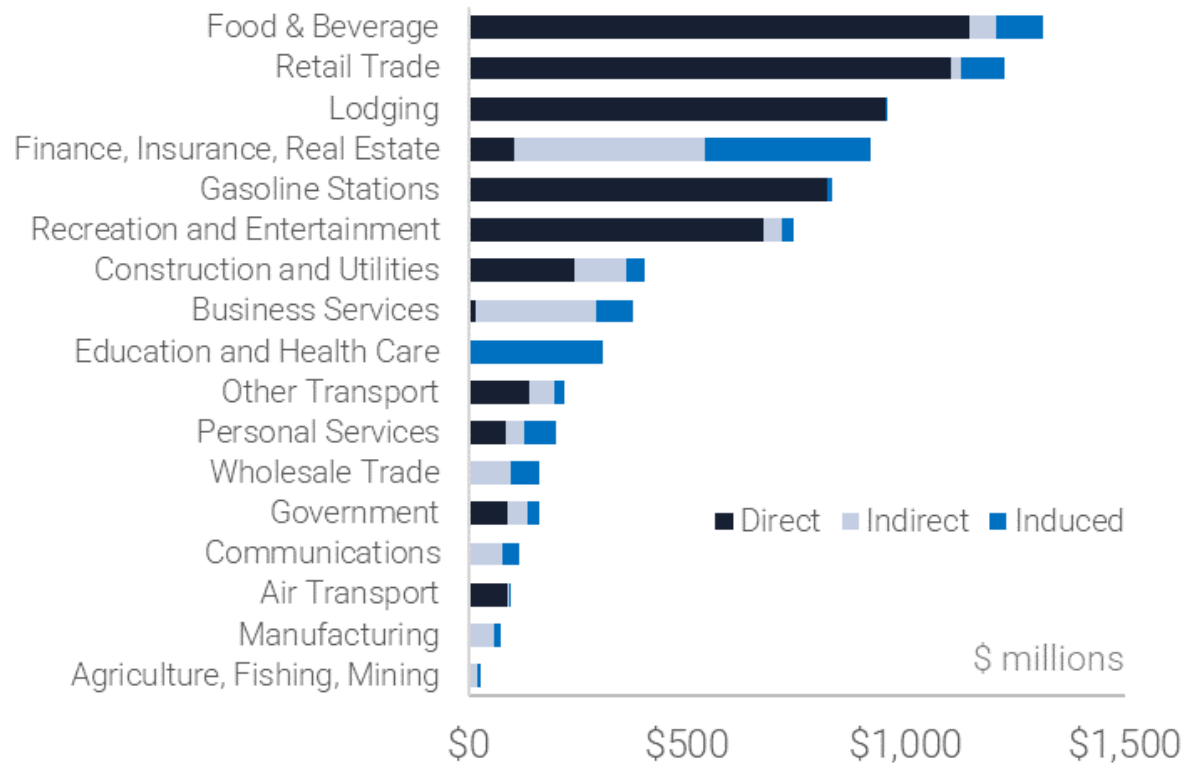


Source: Tourism Economics

# Impacts were far reaching

## South Dakota business sales impacts (2024)

Amounts in \$ millions



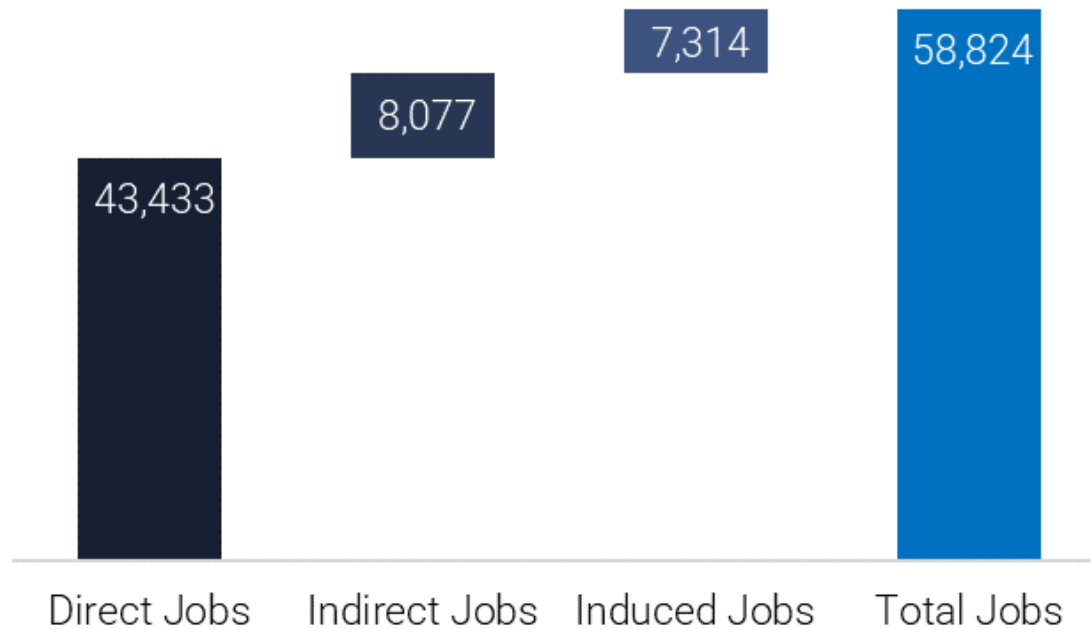
Source: Tourism Economics



# Benefiting households

## South Dakota employment impacts (2024)

Amounts in number of jobs



The number of jobs sustained by tourism (58,824) supports **8.7% of all jobs in South Dakota.**

Source: Tourism Economics

# Supporting incomes

## South Dakota labor income impacts (2024)

Amounts \$ millions



The \$2.2 billion in total income generated by tourism is the equivalent of **\$6,011 for every household in South Dakota.**

Source: Tourism Economics

# ... and government services

## South Dakota fiscal (tax) impacts (2024)

Amounts \$ millions

	2024
<b>Total Tax Revenues</b>	<b>\$870.0</b>
<b>Federal Taxes</b>	<b>\$471.3</b>
Personal Income	\$162.3
Corporate	\$35.0
Indirect Business	\$23.8
Social Insurance	\$250.3
<b>State and Local Taxes</b>	<b>\$398.7</b>
Sales	\$191.7
Bed Tax	\$38.2
Corporate	\$2.7
Social Insurance	\$0.2
Excise and Fees	\$32.6
Property	\$133.3

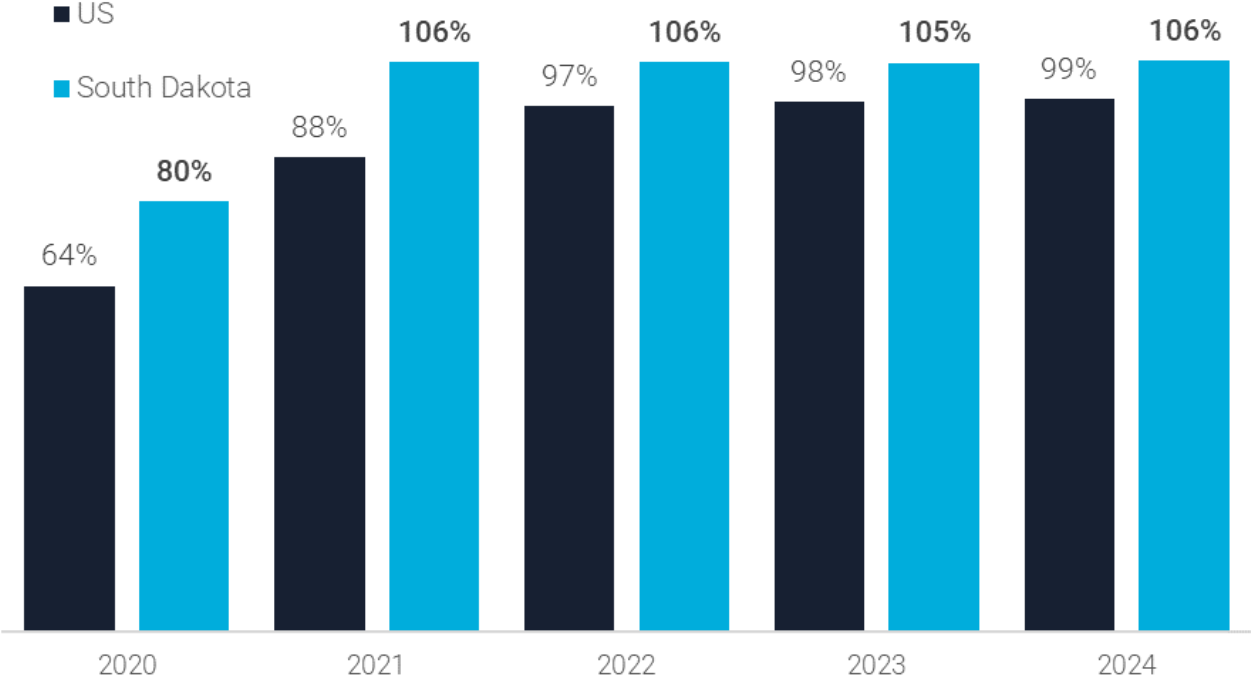
Each household in South Dakota would need to be taxed an additional **\$1,105** to replace the visitor-generated taxes received by state and local governments in 2024. The \$399 million in State and Local Taxes is enough to fund the average salaries of 7,500 schoolteachers in South Dakota.

Source: Tourism Economics

# National Comparison

# South Dakota room demand recovered since 2022, while US still a bit behind

Room Demand (YTD Dec)  
% of 2019 level



**South Dakota:**  
2024: +0.4% y/y

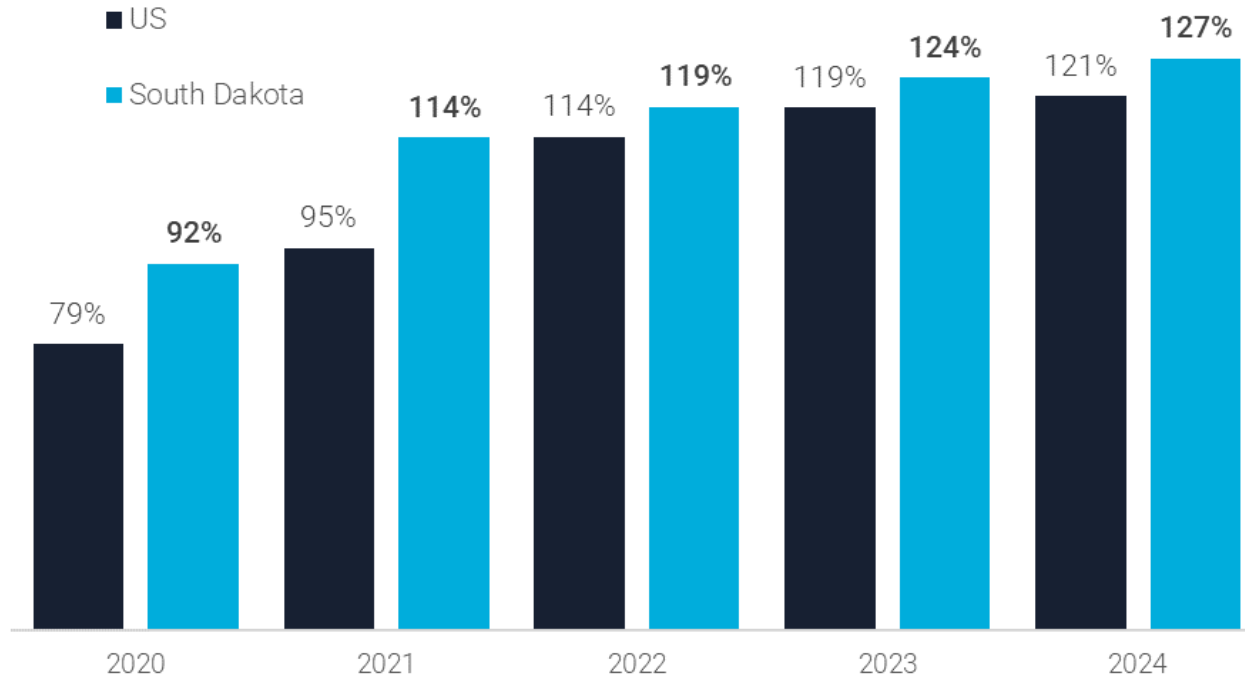
**US:**  
2024: +0.5% y/y

Source: STR

# Prices have grown significantly since the pandemic

## Average Daily Rates (YTD Dec)

% of 2019 level



**South Dakota:**

2024: +2.6% y/y

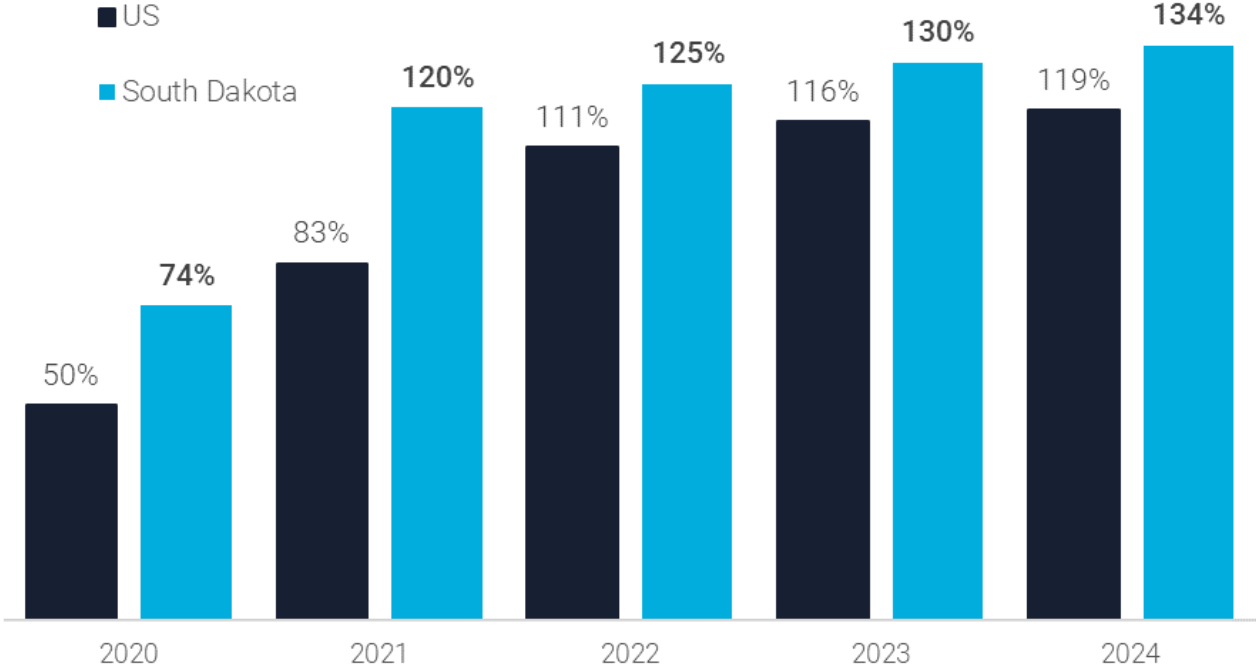
**US:**

2024: +1.7% y/y

Source: STR

# South Dakota revenue growth continues to outperform

Room Revenue (YTD Dec)  
% of 2019 level



**South Dakota:**  
2024: +3.1% y/y

**US:**  
2024: +2.3% y/y

Source: STR

# Regions & Counties



# Regional Performance in 2024

## Regional spending timeline and annual growth

Amounts in \$ millions, 2024 % change

	2020	2021	2022	2023	2024	2024 Growth	Share of State
<b>South Dakota</b>	<b>\$3,343.9</b>	<b>\$4,359.6</b>	<b>\$4,728.8</b>	<b>\$4,962.6</b>	<b>\$5,099.4</b>	<b>2.8%</b>	<b>100.0%</b>
Black Hills & Badlands	\$1,355.1	\$1,852.8	\$1,813.1	\$1,917.5	\$1,963.9	2.4%	38.5%
Glacial Lakes & Prairies	\$502.8	\$593.0	\$678.2	\$699.2	\$700.5	0.2%	13.7%
Missouri River	\$276.9	\$327.6	\$374.8	\$386.0	\$386.9	0.2%	7.6%
Southeast	\$1,209.0	\$1,586.1	\$1,862.7	\$1,959.9	\$2,048.0	4.5%	40.2%

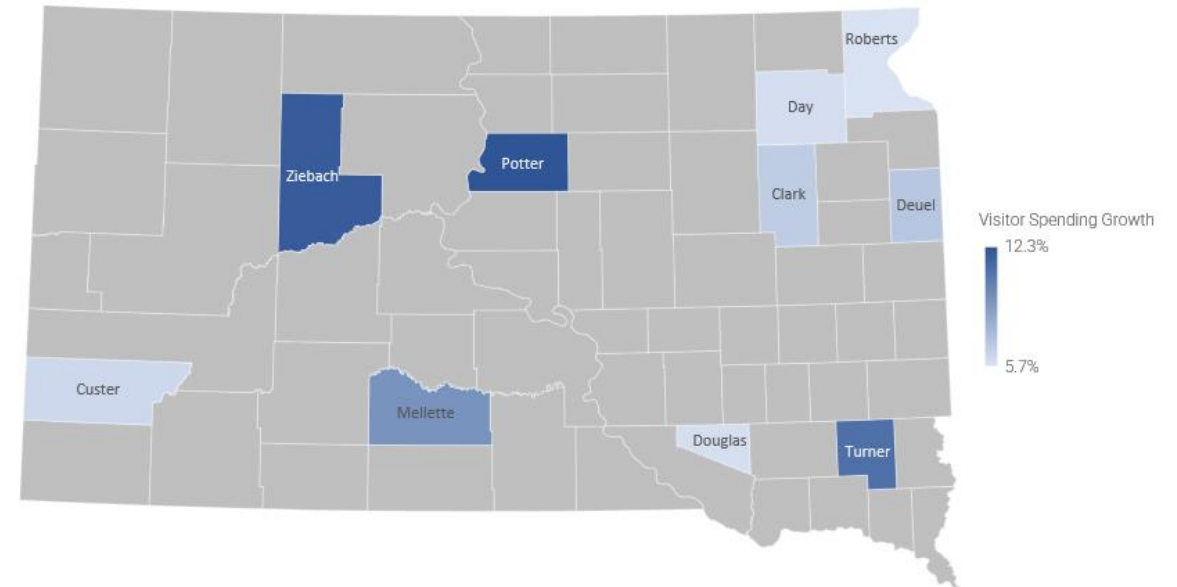
Source: Tourism Economics

# County Performance in 2024

## Top 10 counties by annual growth (2024)

2024 % change

County	Region	Growth Rate
Potter County	Black Hills & Badlands	12.3%
Ziebach County	Missouri River	12.0%
Turner County	Southeast	11.1%
Mellette County	Black Hills & Badlands	9.5%
Deuel County	Glacial Lakes & Prairies	7.1%
Clark County	Glacial Lakes & Prairies	6.8%
Custer County	Black Hills & Badlands	6.2%
Day County	Glacial Lakes & Prairies	6.0%
Douglas County	Southeast	5.9%
Roberts County	Missouri River	5.7%



Source: Tourism Economics

# County Performance in 2024

## Top 10 counties by size – growth rate for 2024

2024 % change

County	Region	Growth Rate
Minnehaha County	Southeast	5.2%
Pennington County	Black Hills & Badlands	2.8%
Lawrence County	Black Hills & Badlands	2.8%
Brown County	Glacial Lakes & Prairies	-0.1%
Custer County	Black Hills & Badlands	6.2%
Brookings County	Glacial Lakes & Prairies	2.0%
Davison County	Southeast	3.3%
Codington County	Glacial Lakes & Prairies	3.1%
Lincoln County	Southeast	0.9%
Yankton County	Southeast	3.5%

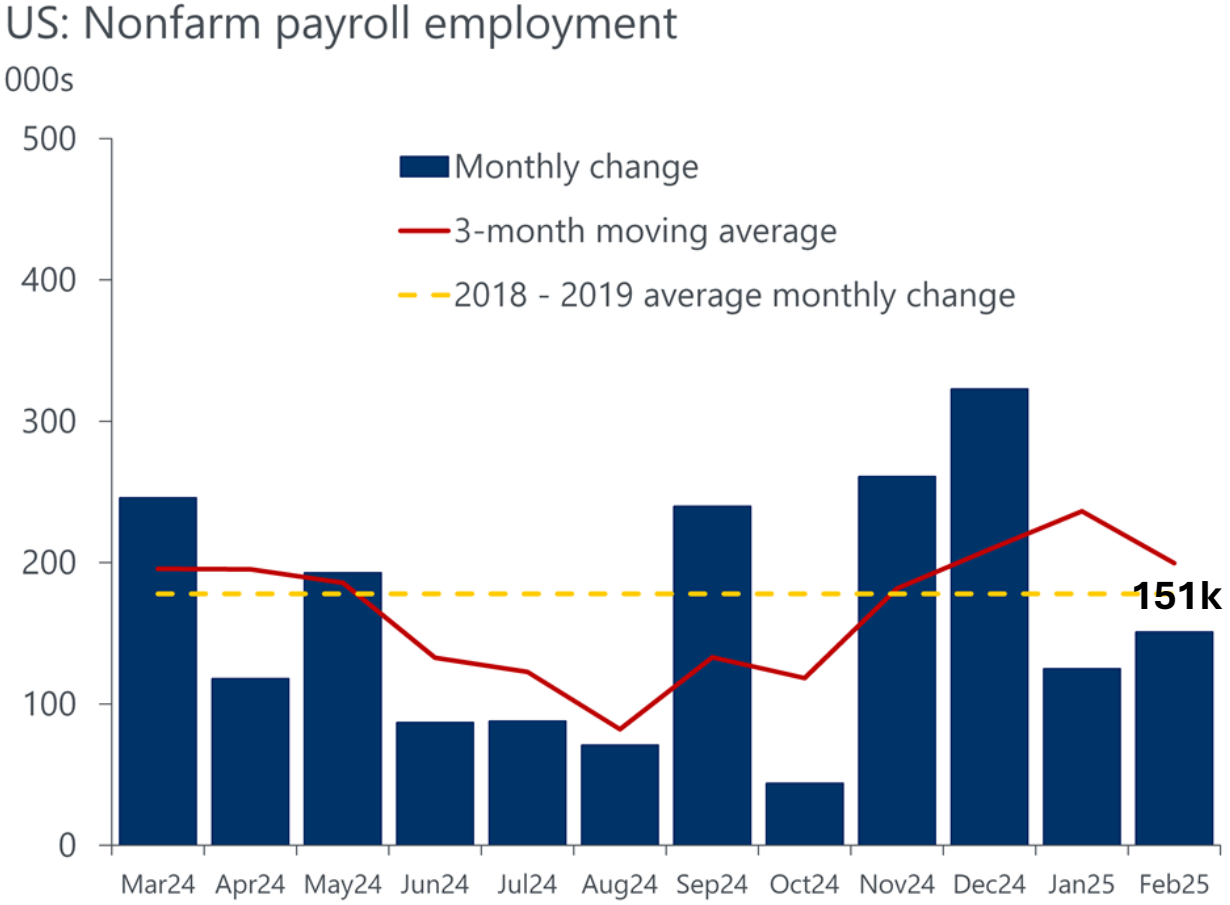
Custer County and Minnehaha county had 5%+ visitor spending growth.

The majority of the top ten counties with the most visitor spending outpaced or matched the State overall.

Source: Tourism Economics

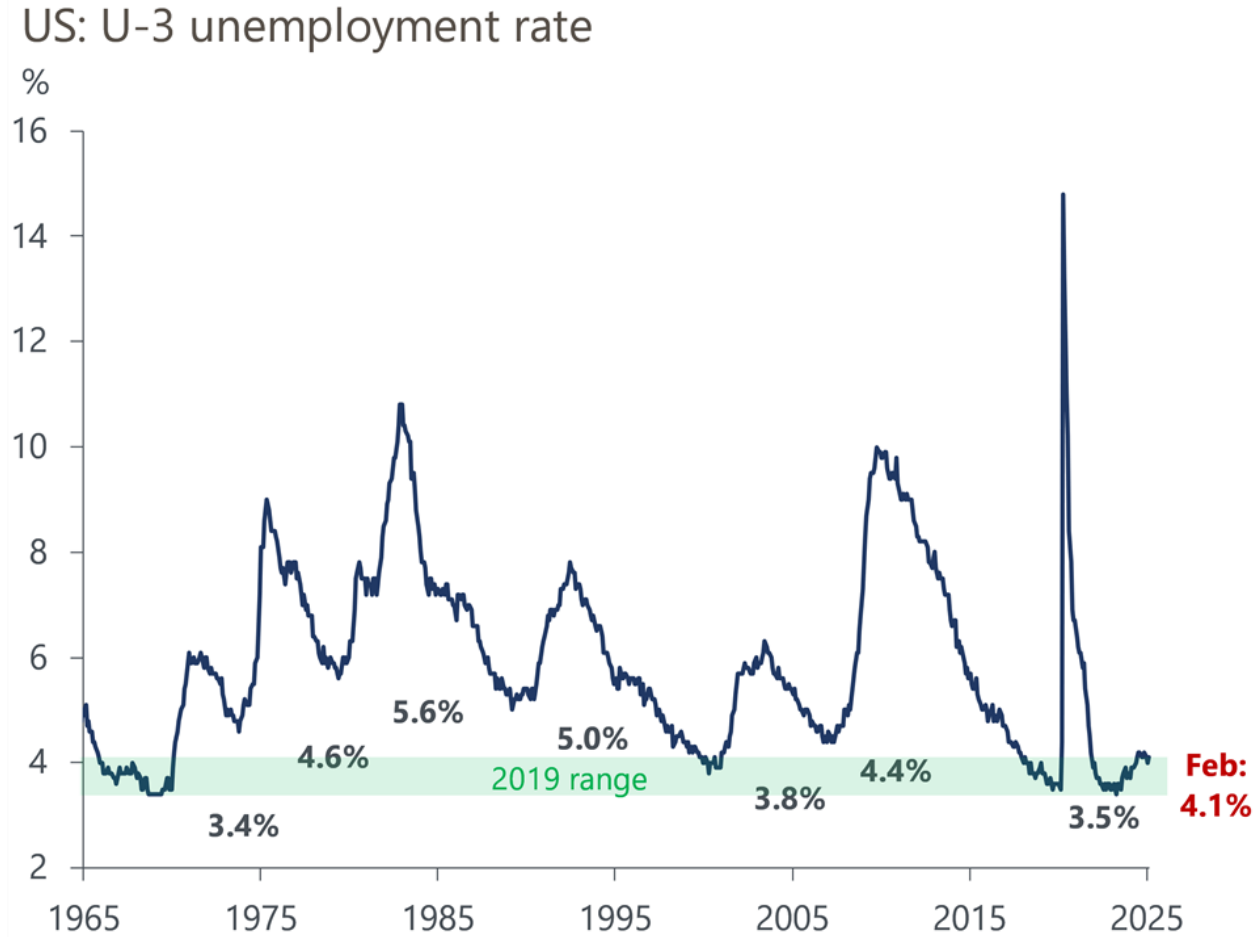
# National Trends

# Jobs market continues to be resilient



Source: BLS

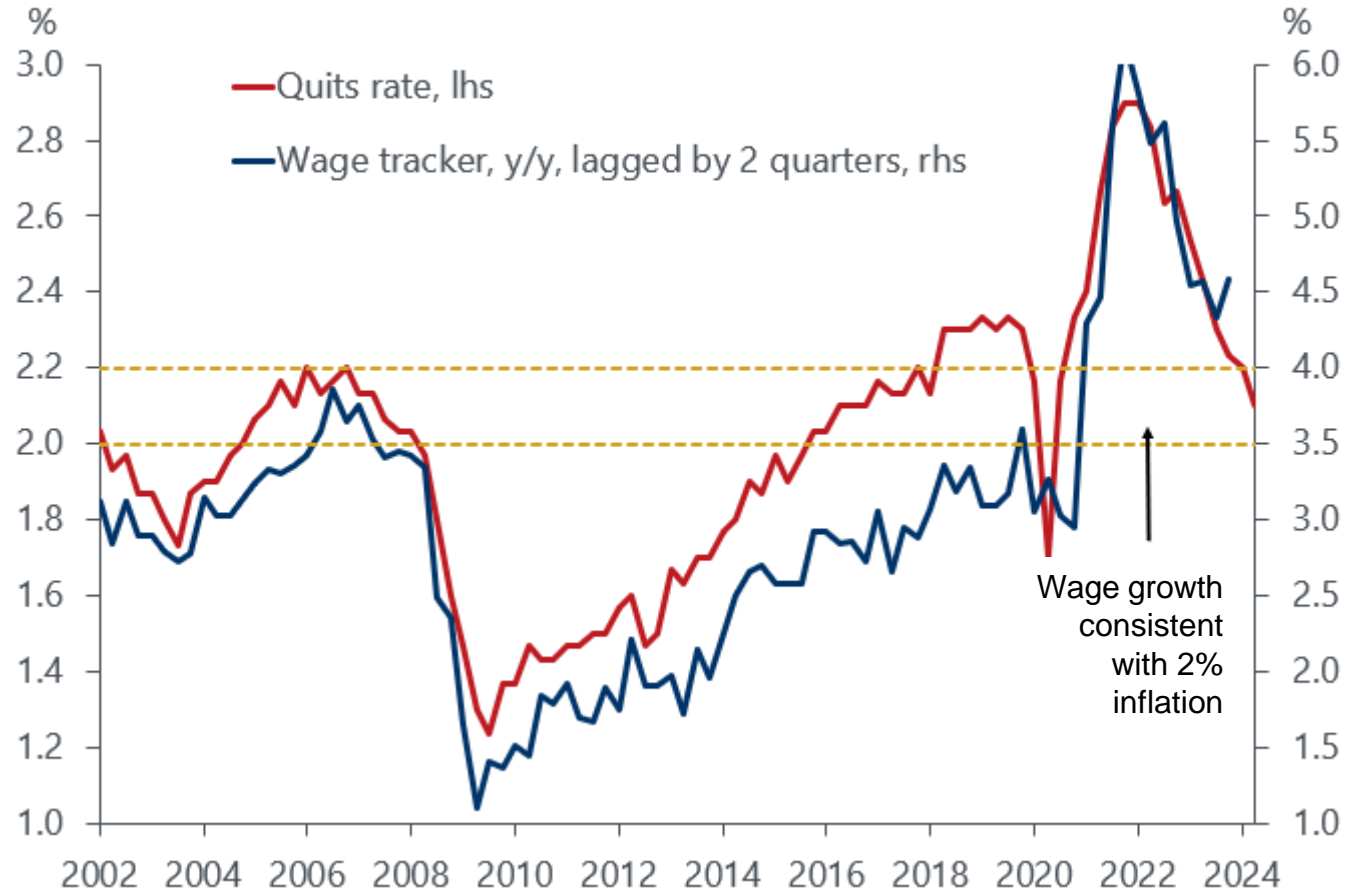
# Unemployment remains low at 4.1%



Source: Oxford Economics/Haver Analytics

# People are hanging onto their jobs

US: Quits and wage growth



# Steady income growth supports spending outlook

US: AHE total vs production & nonsupervisory



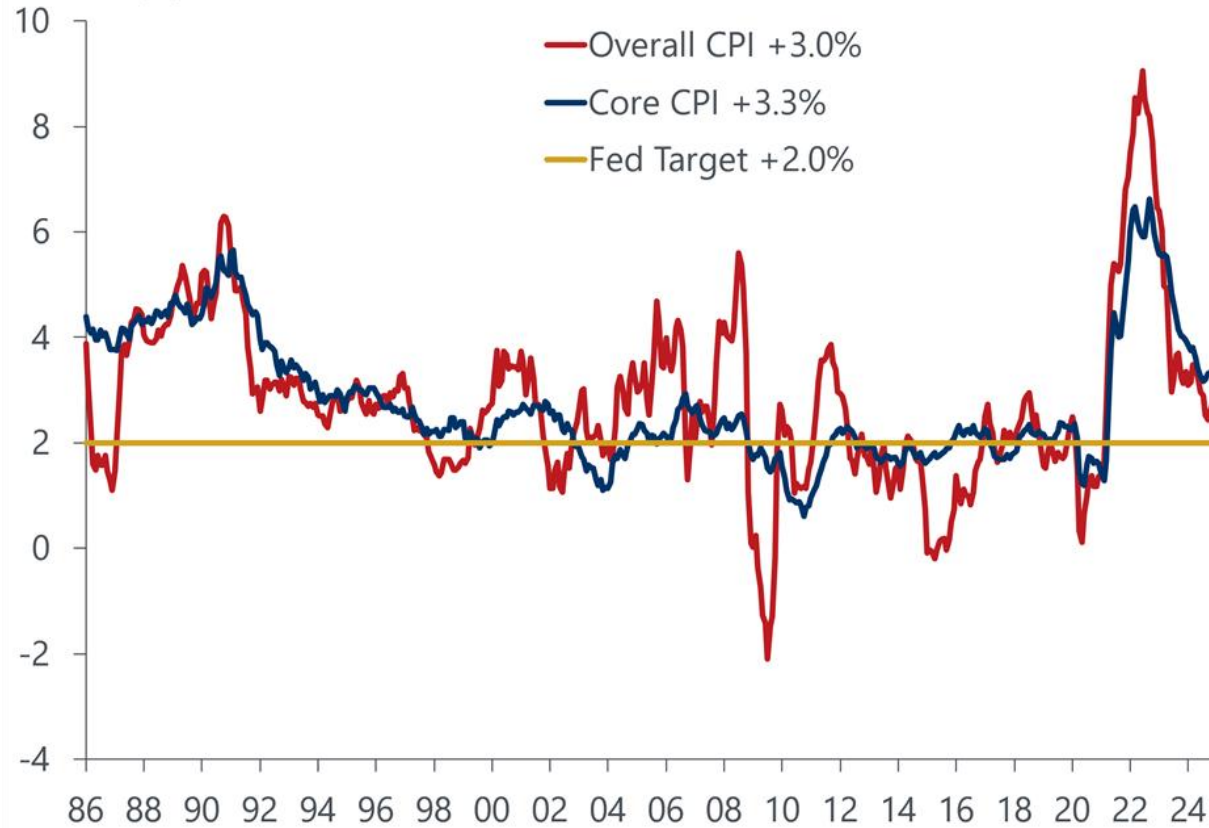
Source: Oxford Economics/Haver Analytics



# Inflation progress stalled in January

US: Consumer Prices

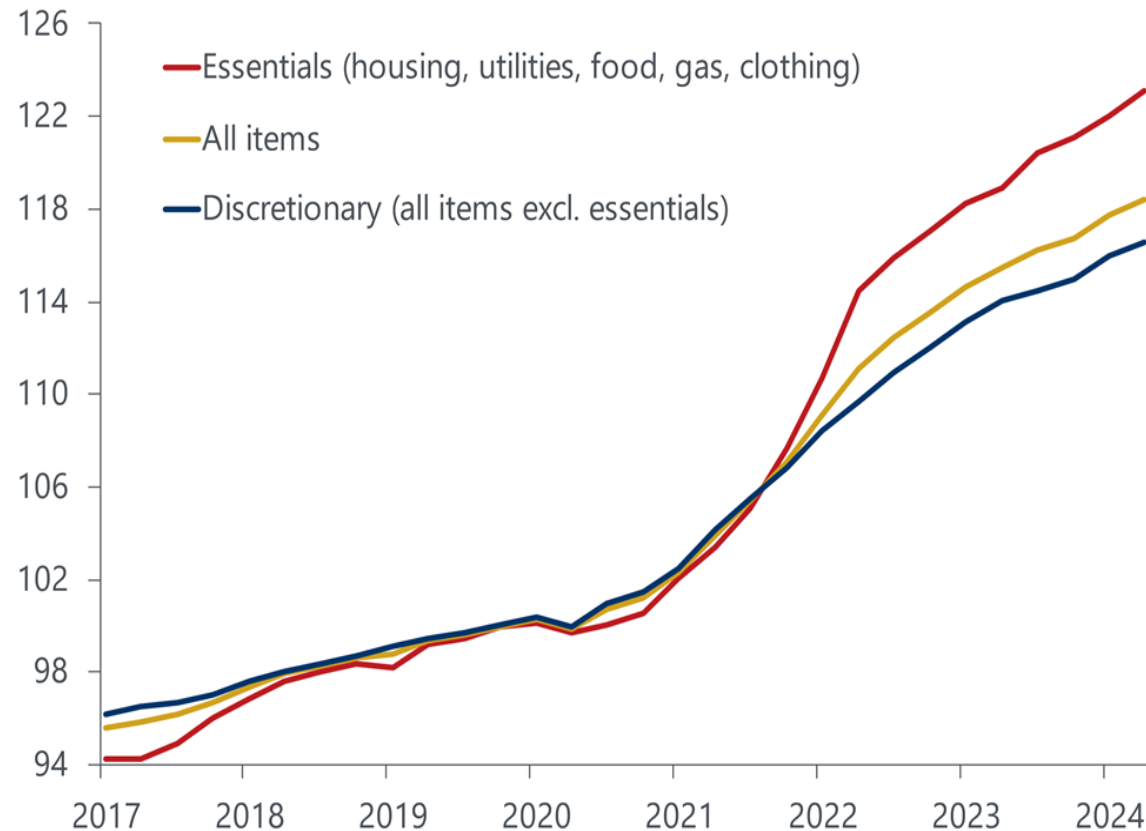
Percent y/y



# Inflation has been greatest for essentials

US: PCE price index

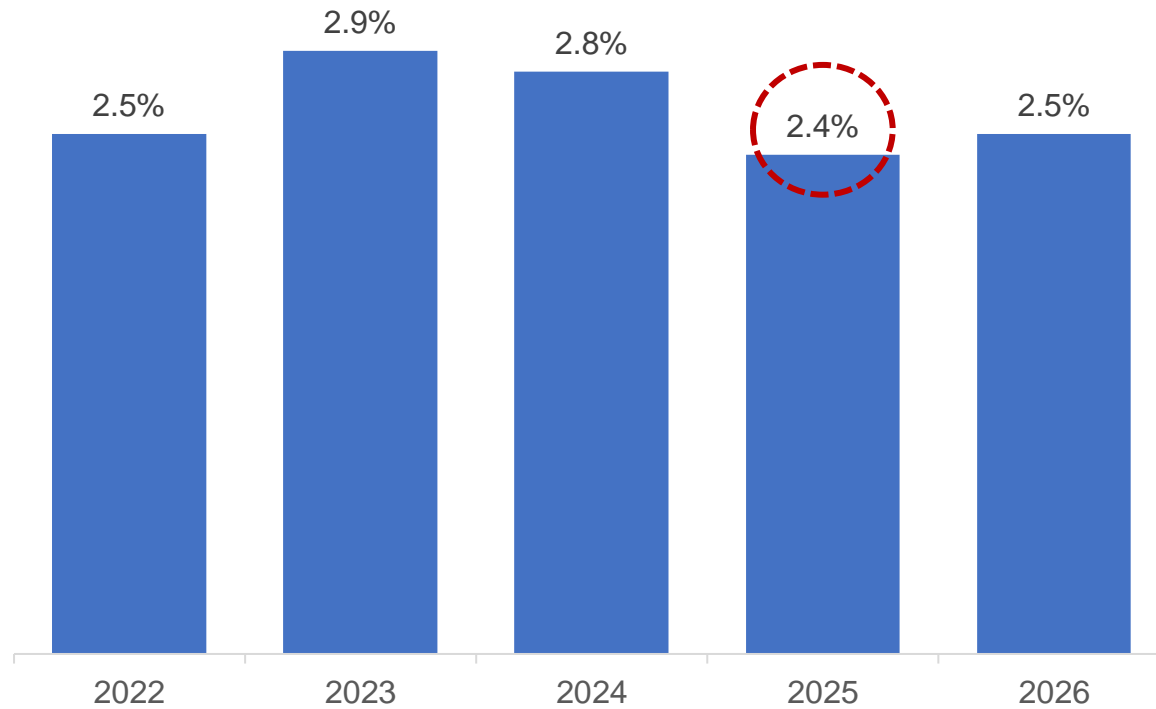
2019 Q4 = 100



Inflation has hit essentials more intensely than discretionary purchases.

# Economic growth will moderate in 2025 and 2026

US Real GDP  
\$ annualized

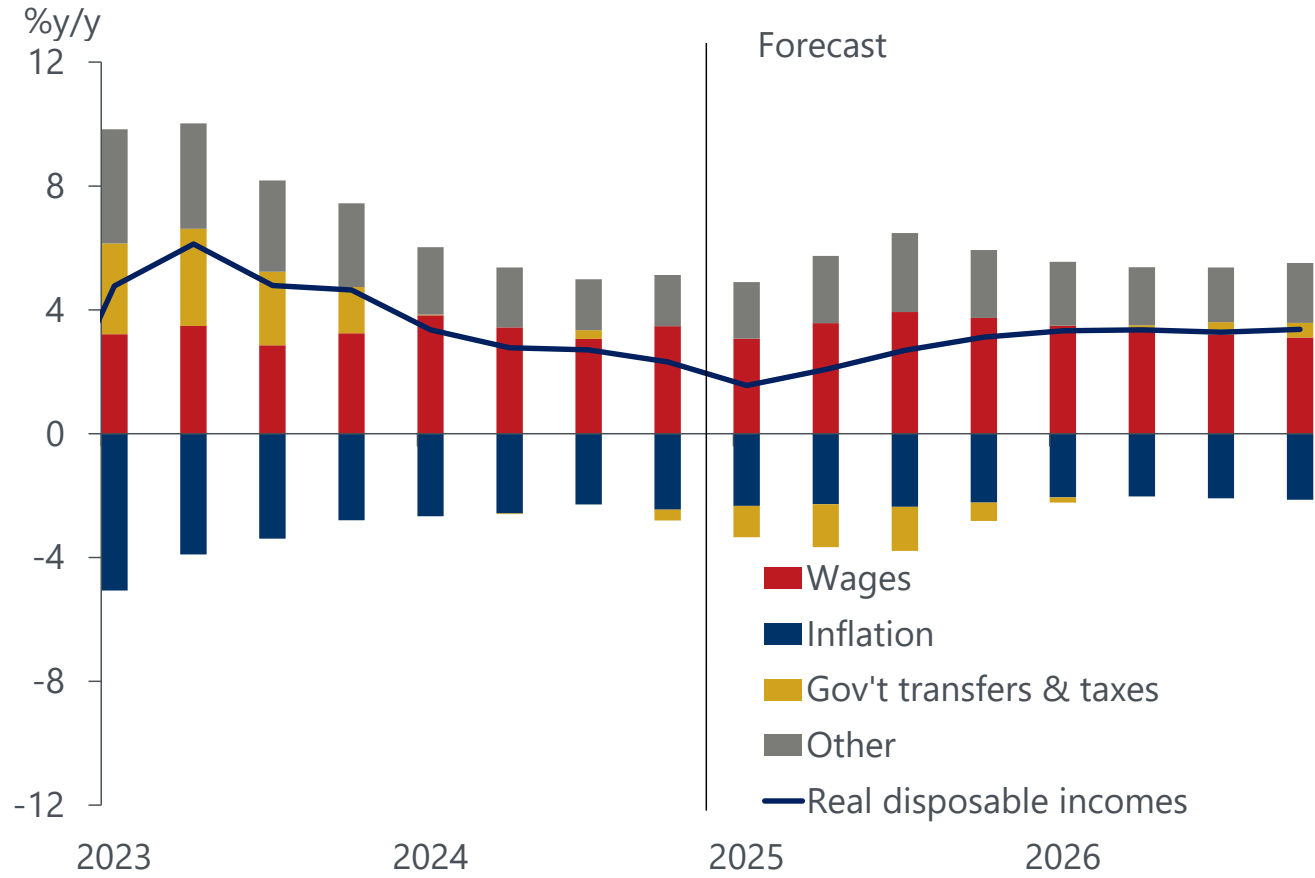


Source: Oxford Economics

# Leisure Travel

# Wage growth is pacing ahead of inflation

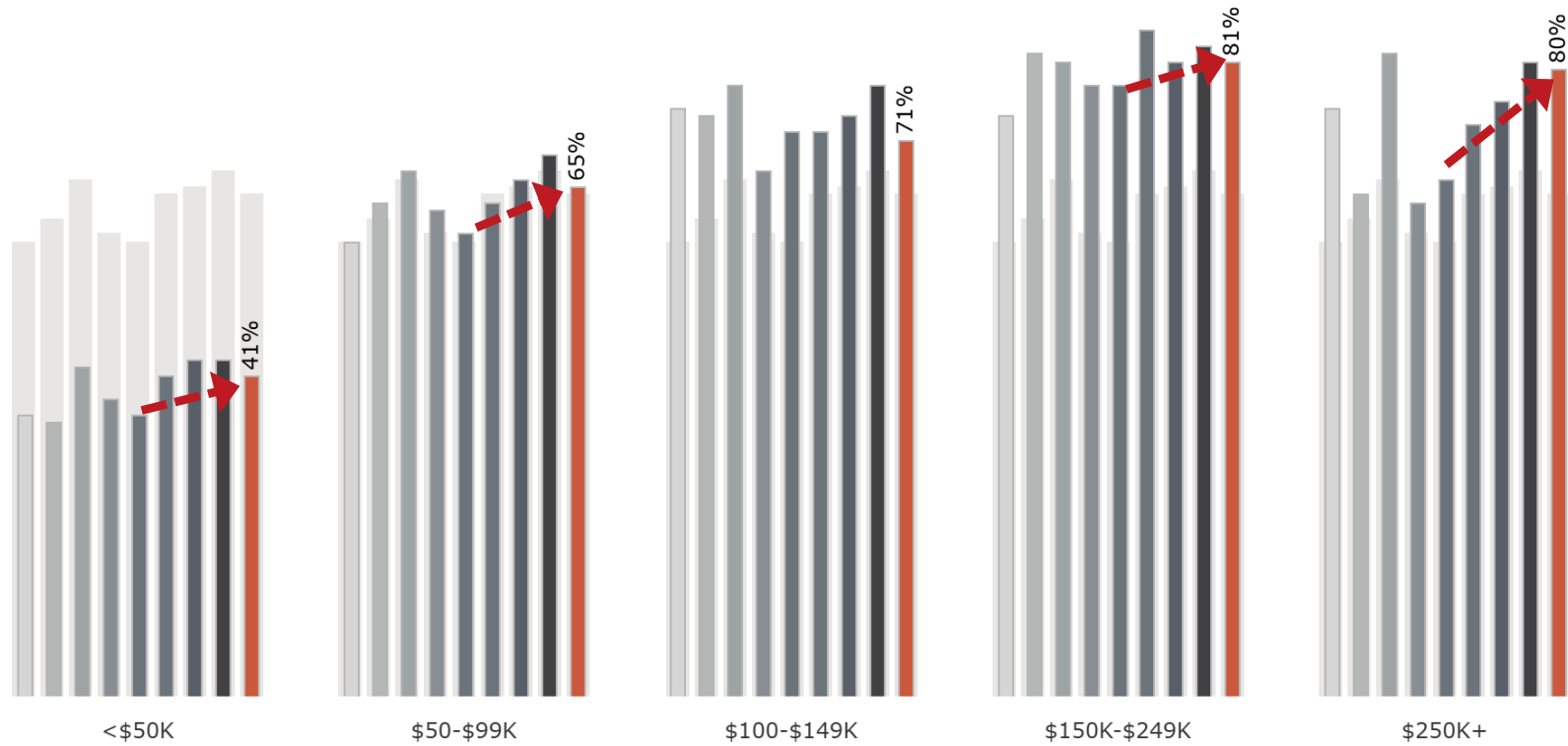
US: Contributions to real disposable income growth



Source: Oxford Economics/Haver Analytics

# Leisure travel intentions remain strong among higher-income households

Planning Leisure Travel Within the Next 6 Months  
% of American Consumers



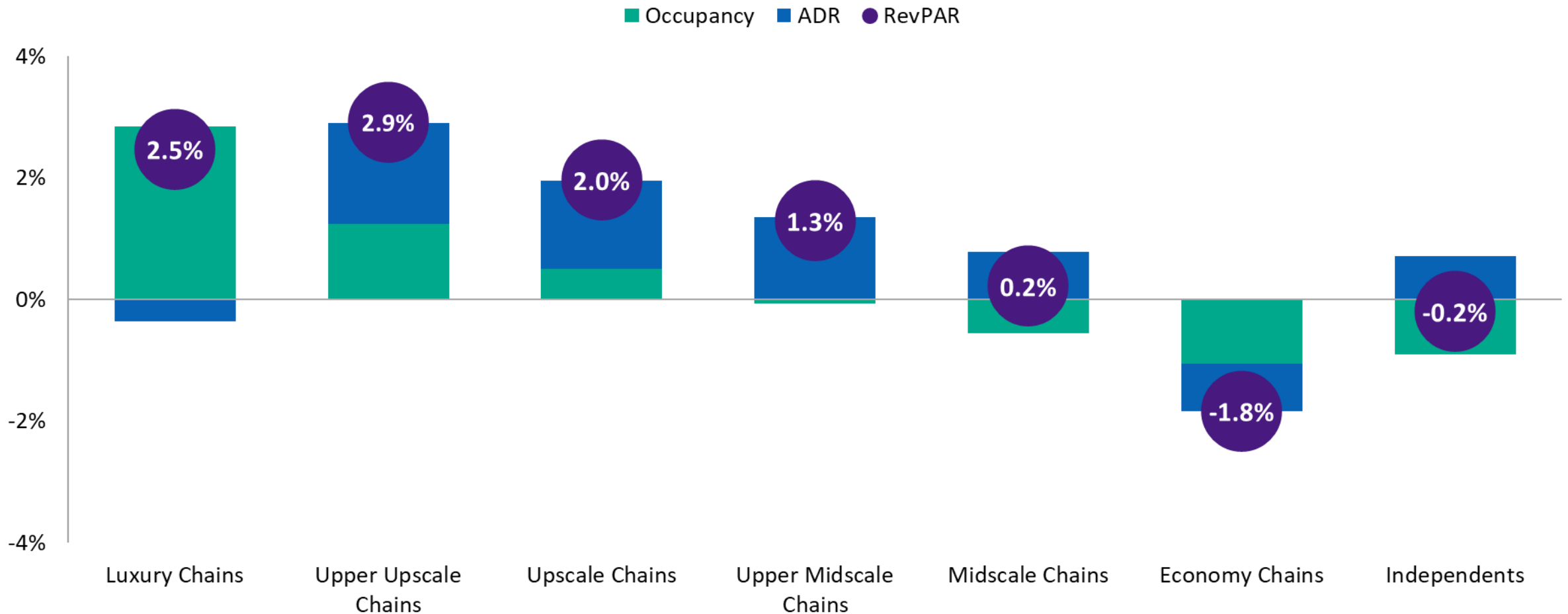
Quarter of Survey

■ 2022 Q4 
 ■ 2023 Q1 
 ■ 2023 Q2 
 ■ 2023 Q3 
 ■ 2023 Q4 
 ■ 2024 Q1 
 ■ 2024 Q2 
 ■ 2024 Q3 
 ■ 2024 Q4

Light gray bars = avg of respondents

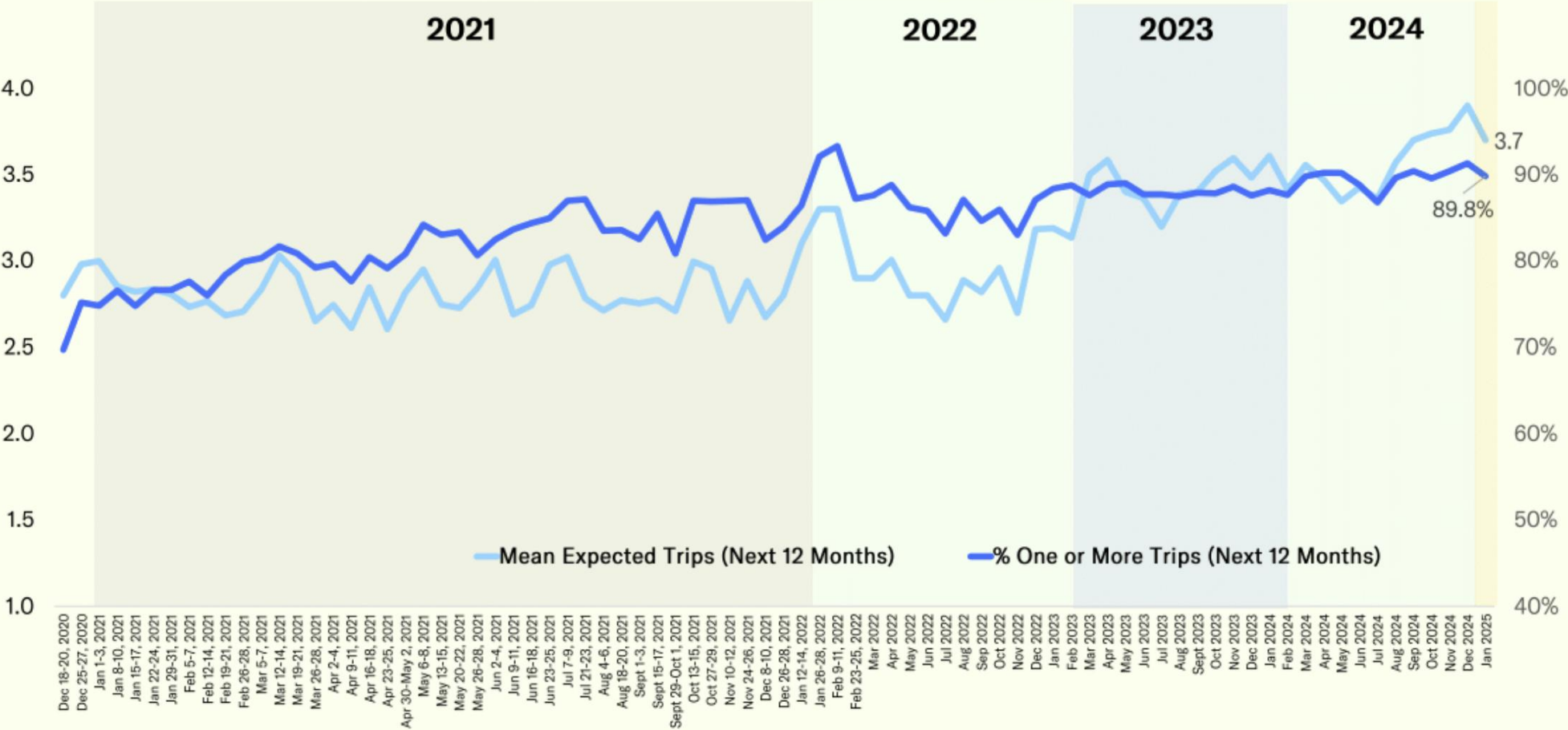
# Lower tier properties underperforming, upper tier rebuilding

U.S., KPI % change. YoY, Full Year 2024



# Intended leisure trips well above a year ago

**Question:**  
 IN TOTAL, how many leisure trips (of 50 miles or more from your home) do you expect to take in the NEXT TWELVE (12) MONTHS? (Select one)





# Maximum travel budget remains high

**Question:**

How much IN TOTAL is the maximum you will spend on leisure travel (including airfare, accommodations and all other trip related spending) during the NEXT 12 MONTHS?

Maximum I would spend on leisure travel (next 12 months): \_\_\_\_\_



# Fundamentals are solid

“Consumers are continuing to prioritize premium experiences, and our core customer base is in a healthy financial position with travel remaining a top spend category.”

**Delta earnings call (Oct 10, 2024)**

“For full year 2025, we expect global RevPAR growth of 2 to 4 percent.”

**Marriott earnings call (February 2025)**

# Prioritization of travel remains a tailwind

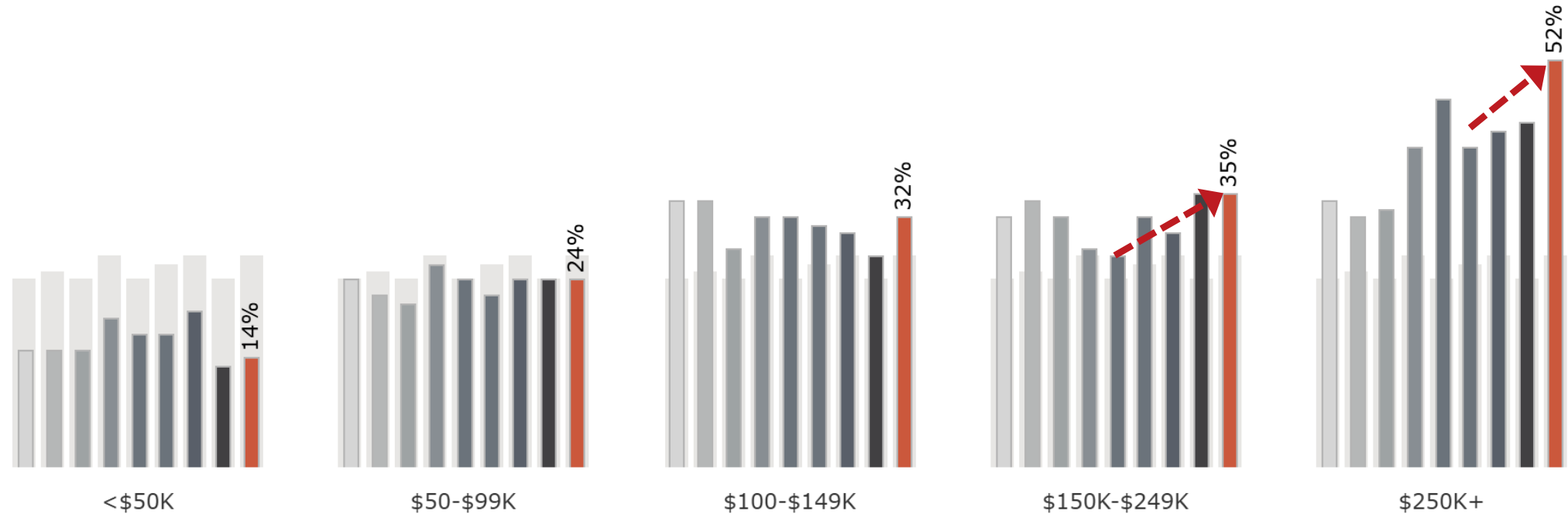
“Consumers have 10% more vacation days compared to 2019 and they are using half of that increase to travel.”

**Royal Caribbean earnings call (July 25, 2024)**

# Business and Group Travel

# Business travel intentions are gaining

Planning Business Travel Within the Next 6 Months  
% of American Consumers



Quarter of Survey

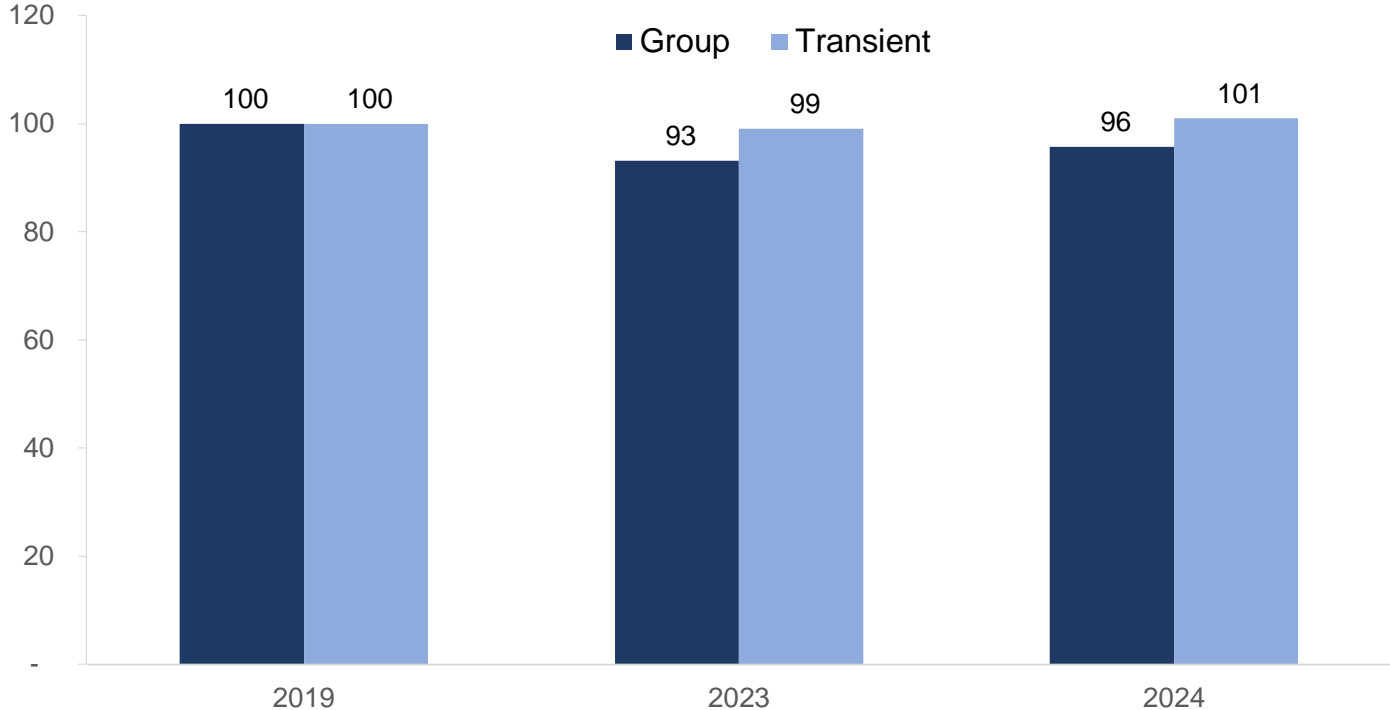
2022 Q4
  2023 Q1
  2023 Q2
  2023 Q3
  2023 Q4
  2024 Q1
  2024 Q2
  2024 Q3
  2024 Q4

Light gray bars = avg of respondents



# Group room demand is on its way back

**US Hotel Room Demand**  
% of 2019 level



Source: STR

# Corporate travel appears to have momentum

“Group is still very strong with revenues for 2025 pacing up 7%.”

**Marriott earnings call (Nov 4, 2024)**

“Most of our corporates are saying they're going to increase travel overall. They're going to spend more on trade shows and events, customer outreach in building their customer base and then also still connecting with employees.”

**IHG earnings call (Oct 26, 2024)**

“Our recent corporate survey indicates a positive outlook for business demand with 85% of respondents indicating they expect their travel spend to grow in 2025.”

**Delta earnings call (Oct 10, 2024)**

A photograph of the White House in Washington, D.C., featuring the iconic portico with columns and the American flag flying on a tall pole in the center. The image is dimmed with a dark blue overlay.

# Potential Policy Impacts

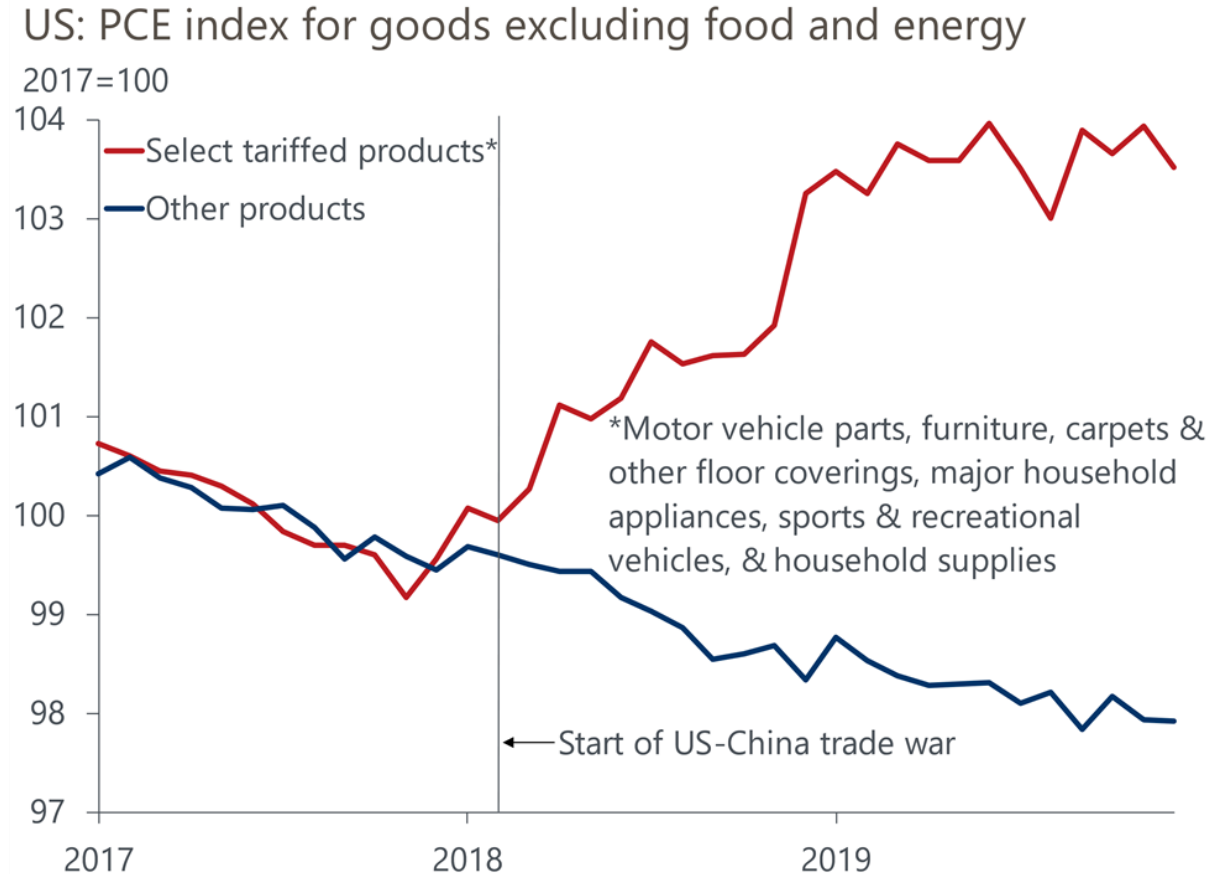


# Potential policy impacts: Tariffs

**An expanded trade war would impact travel through three channels:**

- 1) Sentiment effects, with residents of these origin countries, and elsewhere, expressing reduced interest in visiting to the US and reduced business travel.**
- 2) Economic effects, including slower US growth and likely recessions in Canada and Mexico.**
- 3) Foreign exchange effects, with a stronger US dollar raising the cost for international visitors.**

# Tariffs pose risk to inflation and supply chains



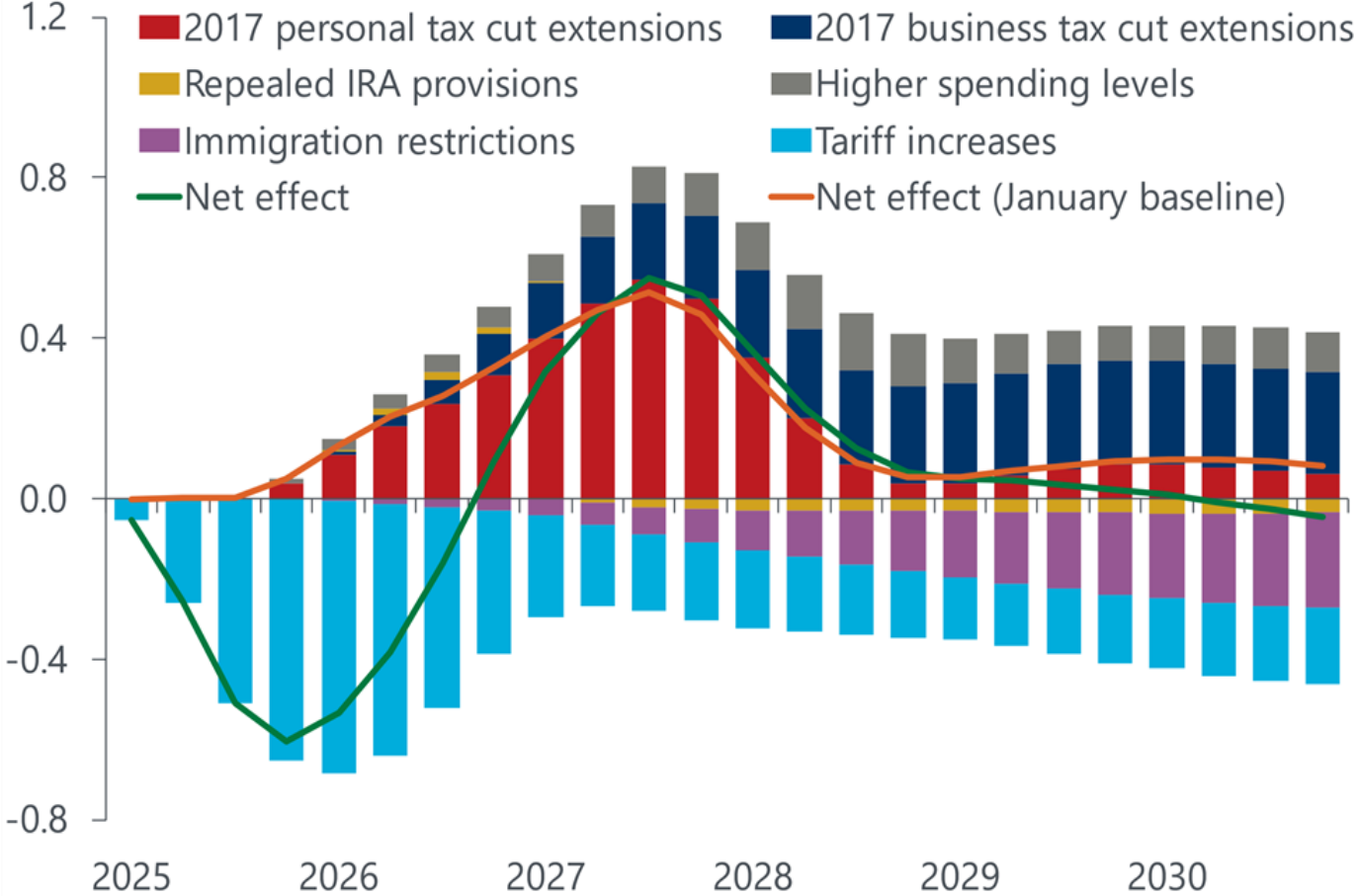
**...so we expect the Fed to be more cautious and cut rates just once toward the end of 2025**

Source: Oxford Economics/Haver Analytics

# A mixed bag of policy effects

US: Policy effects in the February baseline forecast

Impact on real GDP, % difference from pre-election forecast

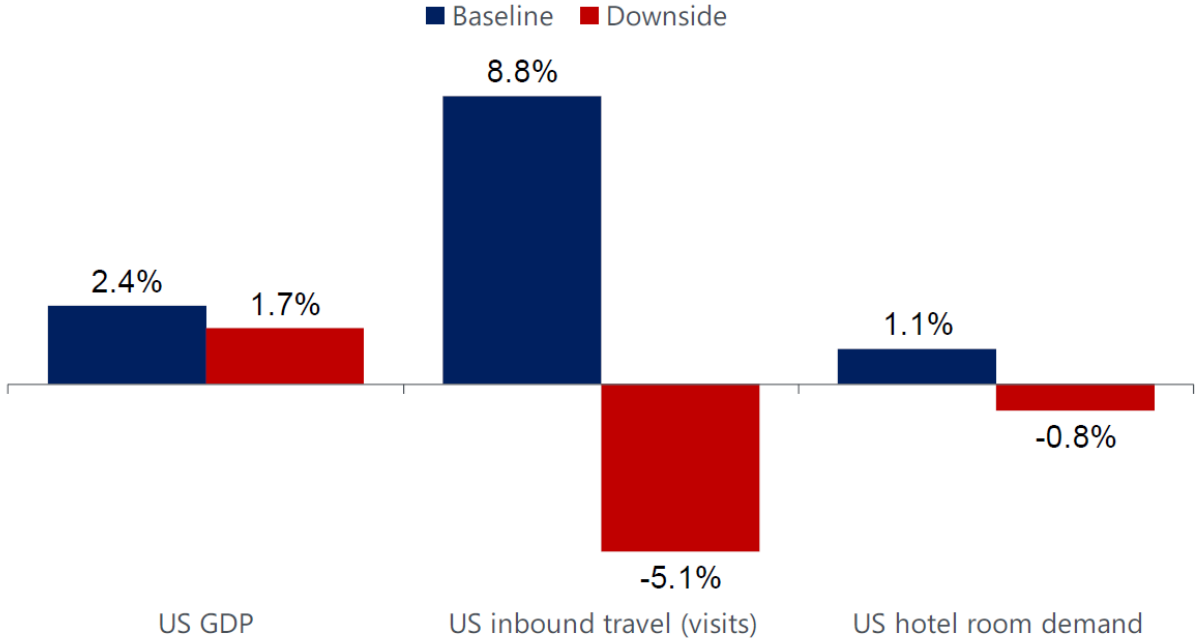


**Summary:**  
**Tariffs risk pulling back GDP by about a half percent over the next year**

**This will be offset within two years by tax cut extensions**

# Tariffs introduce significant downside risk

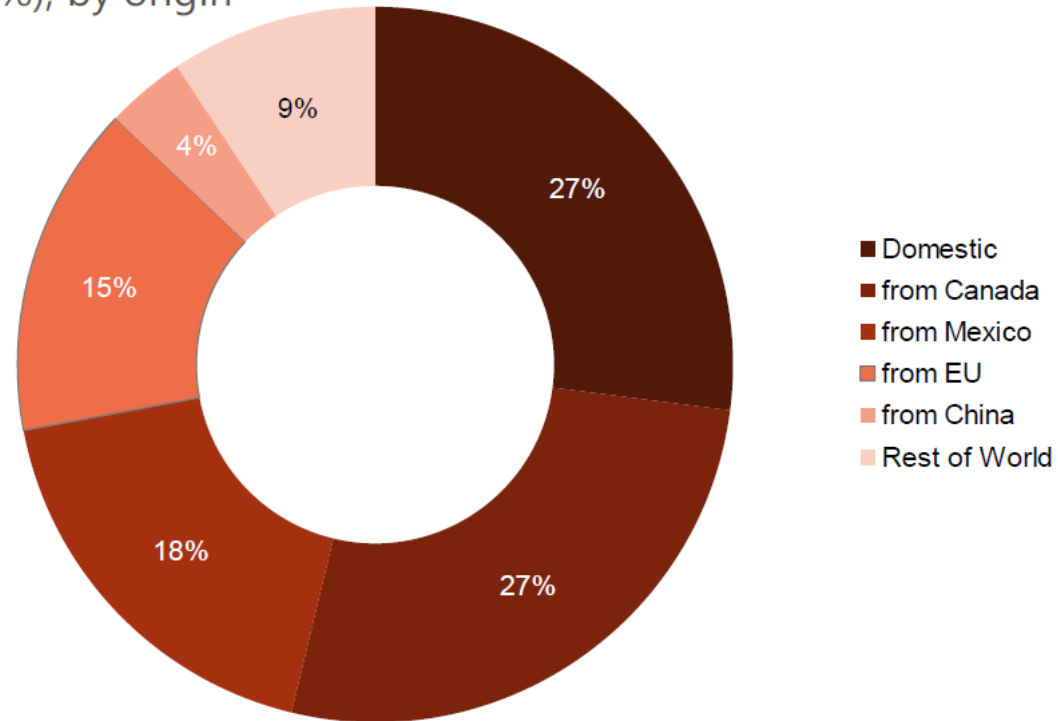
2025 US travel growth, by scenario



Source: Oxford Economics/Haver Analytics, Tourism Economics, STR. Note: Baseline inbound from Dec 24 forecast and Baseline room demand from Jan 25 forecast

# Hotel demand downside risk by market

Downside: Share of US hotel room demand loss estimated (-1.9%), by origin



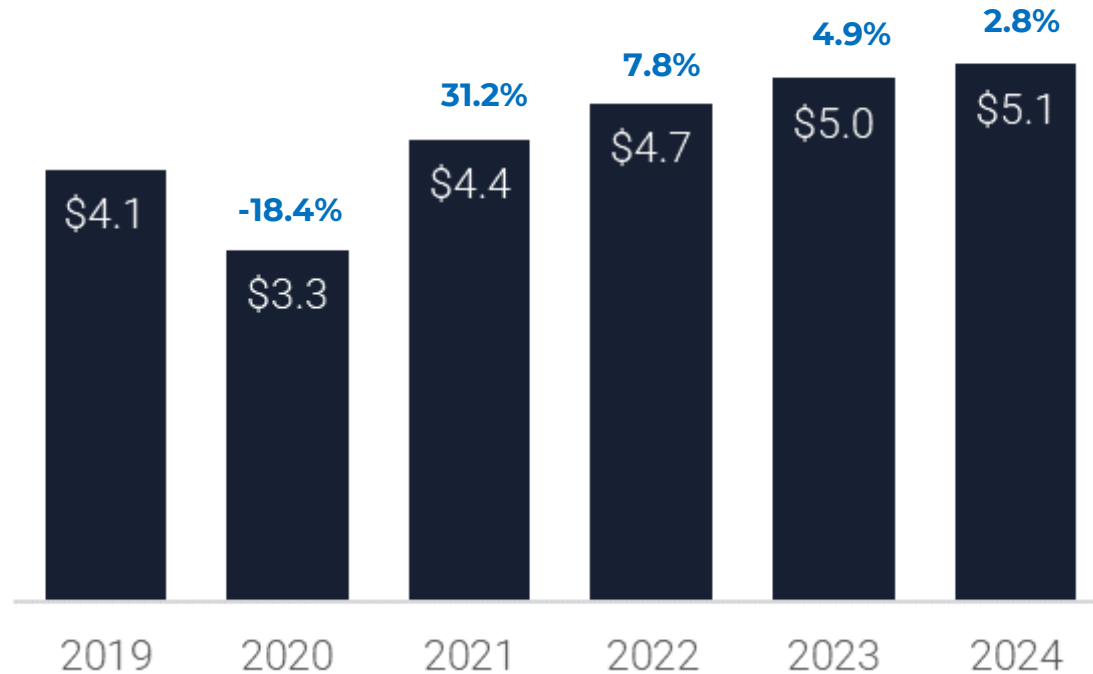
Source: Oxford Economics/Haver Analytics, Tourism Economics, STR

# Recap

# How far the South Dakota visitor economy has come

## South Dakota visitor spending

Amounts in \$ millions, 2024 % change



Visitor Spending in South Dakota reached **124%** of 2019 levels in 2024.

Source: Tourism Economics

# South Dakota (2024)

## ECONOMIC IMPACTS – KEY FINDINGS



**14.9 MILLION**

Total Visitors



**\$5.1 BILLION**

Visitor Spending



**\$8.1 BILLION**

Total Business Sales



**58,824**

Total Jobs Generated



**\$399 MILLION**

State & Local Taxes Generated

The number of jobs sustained by tourism (58,824) supports **8.7% of all jobs in South Dakota.**

**Each household in South Dakota would need to be taxed an additional \$1,105** to replace the visitor-generated taxes received by state and local governments (\$399 million) in 2024.



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