

2025

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# Economic Impact of Visitors in South Dakota



# State Economic

**Introduction**

**Key Findings**

**Results in Context**

**Visitor Volume and Spending**

**Economic Impact Methodology**

**Economic Impact**

**Appendix**



## Introduction

**Visitors are integral to South Dakota's economy**, generating significant financial benefits for residents and local businesses. Visitor activity also produces substantial tax revenue which supports government services.

Credible measurements of the visitor economy are designed to inform policy decisions that foster the sector's development.

To quantify the significance of South Dakota's visitor economy, Tourism Economics developed a comprehensive analysis of visitor spending, as well as tourism-related capital investment and its total economic impact on businesses, employment, personal income, and taxes. At a high level, our approach includes the following stages:

- Compilation of visitor statistics
- Compilation of industry data
- Compilation of government data
- Analysis of visitor spending by category
- Economic impact modeling

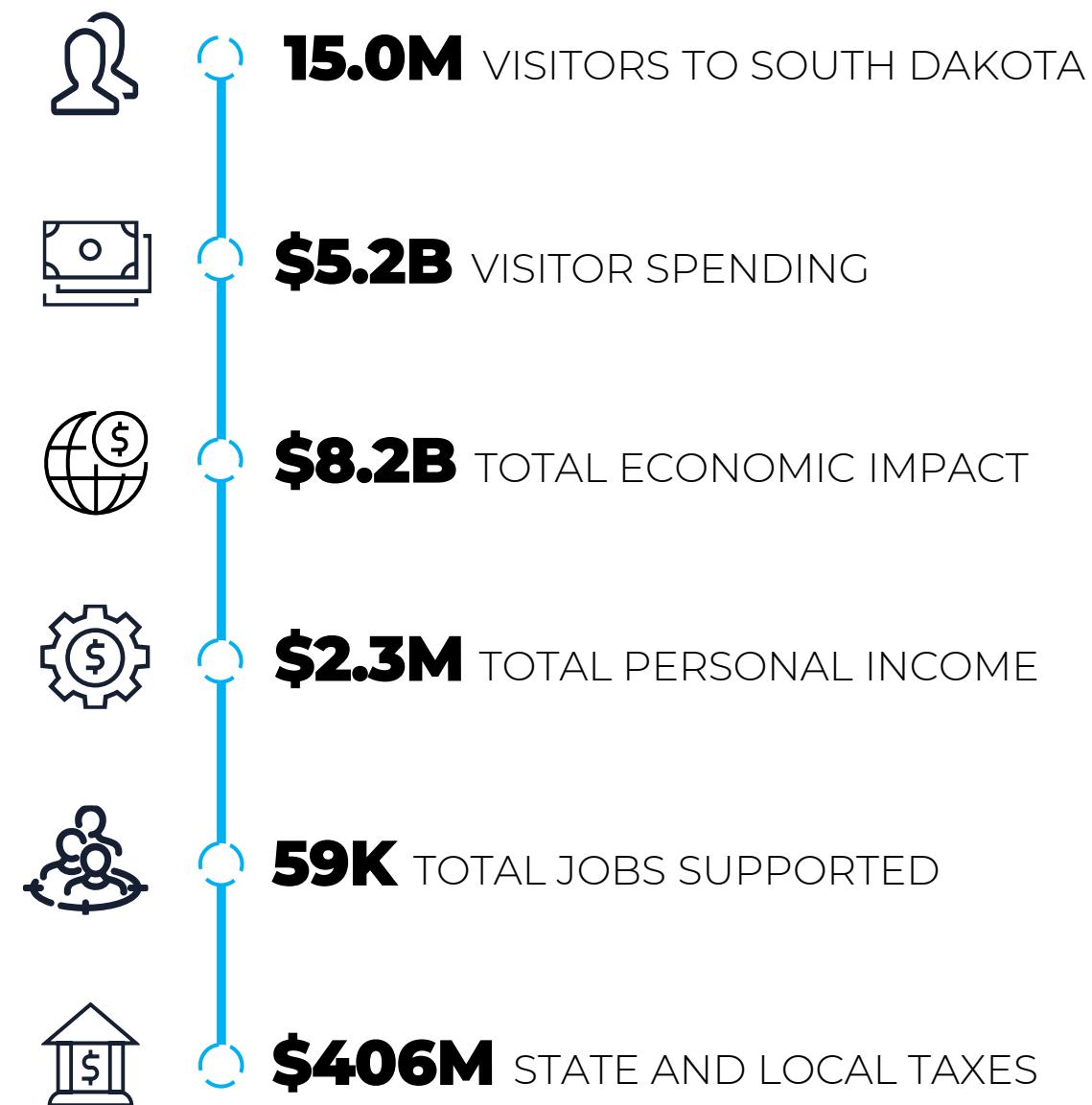
# KEY FINDINGS



# Key Findings

## Visitors Generate Massive Economic Impact

In 2025, **15.0 million visitors** spent **\$5.2 billion** in the South Dakota economy, generating a total economic impact of **\$8.2 billion**.



# Results in Context

The visitor economy is an economic pillar in South Dakota. In 2025, visitor spending supported one-in-12 jobs in South Dakota and offset resident taxes by \$1,121 per household. In addition:



## \$5.2B VISITOR SPENDING

The \$5.2 billion in visitor spending means that \$15.2 million was spent every day by visitors in South Dakota, on average.



## \$2.3B PERSONAL INCOME

The \$2.3 billion in total personal income generated by tourism is the equivalent of \$6,300 per household in South Dakota.



## 59,145 JOBS

Tourism sustained 8.7% of all jobs in South Dakota; an impact roughly equivalent, on average, to five days of visitation across all National Park sites in the state.

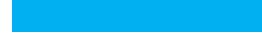


## \$406M STATE & LOCAL TAXES

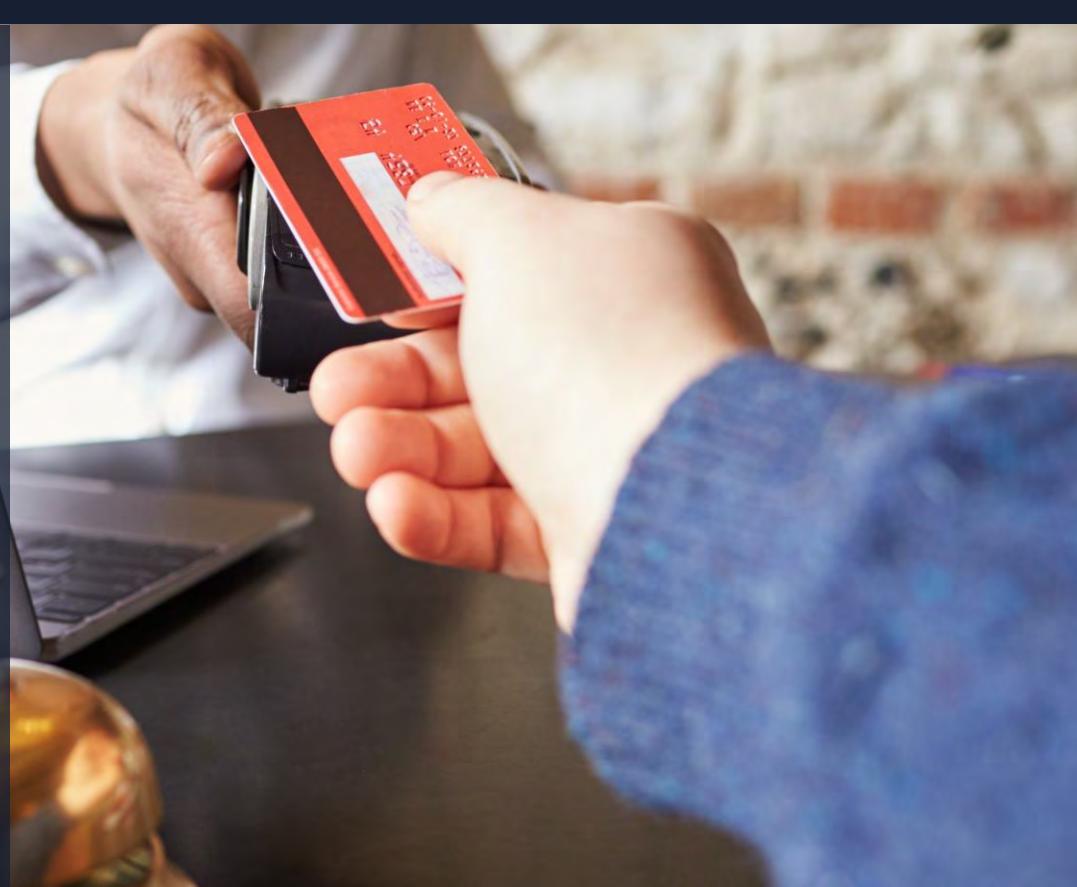
Each household in South Dakota would need to be taxed an additional \$1,121 to replace the visitor taxes received by the state and local governments in 2025



# VISITOR VOLUME & SPENDING



South Dakota welcomed **15.0 million** visitors who spent **\$5.2 billion** in 2025.



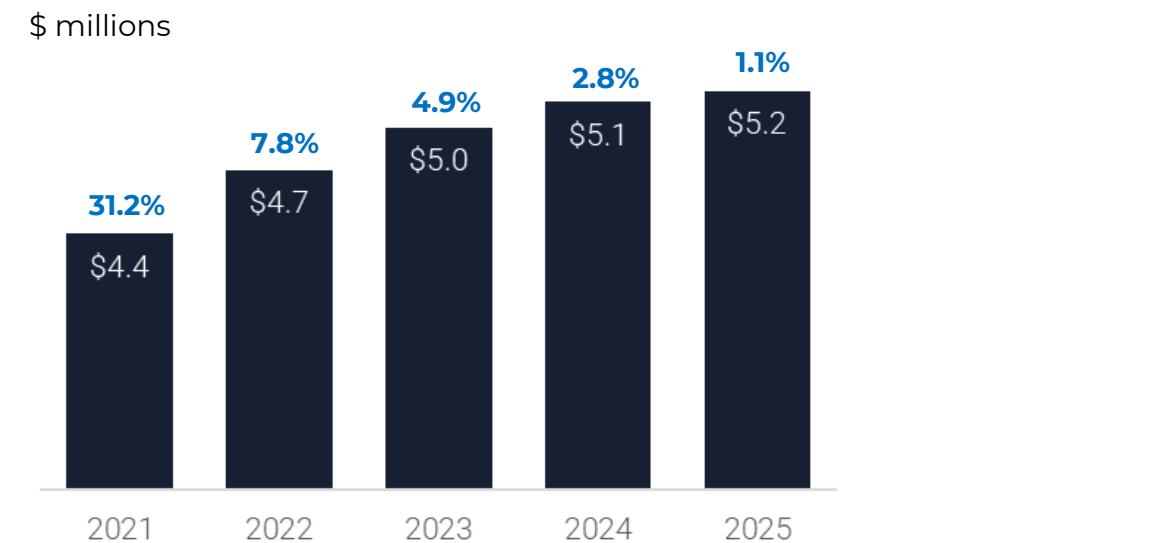
## Visitor Spending

Visitors to South Dakota spent \$5.2 billion across various sectors in 2025.

Of the \$5.2 billion spent, food and beverage accounted for \$1.2 billion—23% of all visitor spending.

Visitor spending on transportation, including both air transport and ground transport within the destination, totaled \$1.1 billion and was equivalent to 21% of all visitor spending.

### South Dakota Visitor Spending



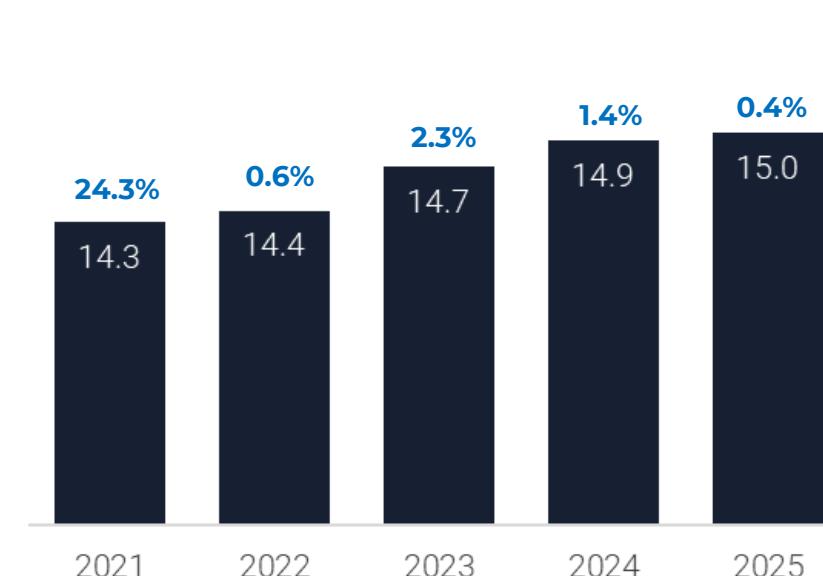
## Visitor Volume

In 2025, 15.0 million visitors traveled to South Dakota, a 0.4% increase over the prior year.

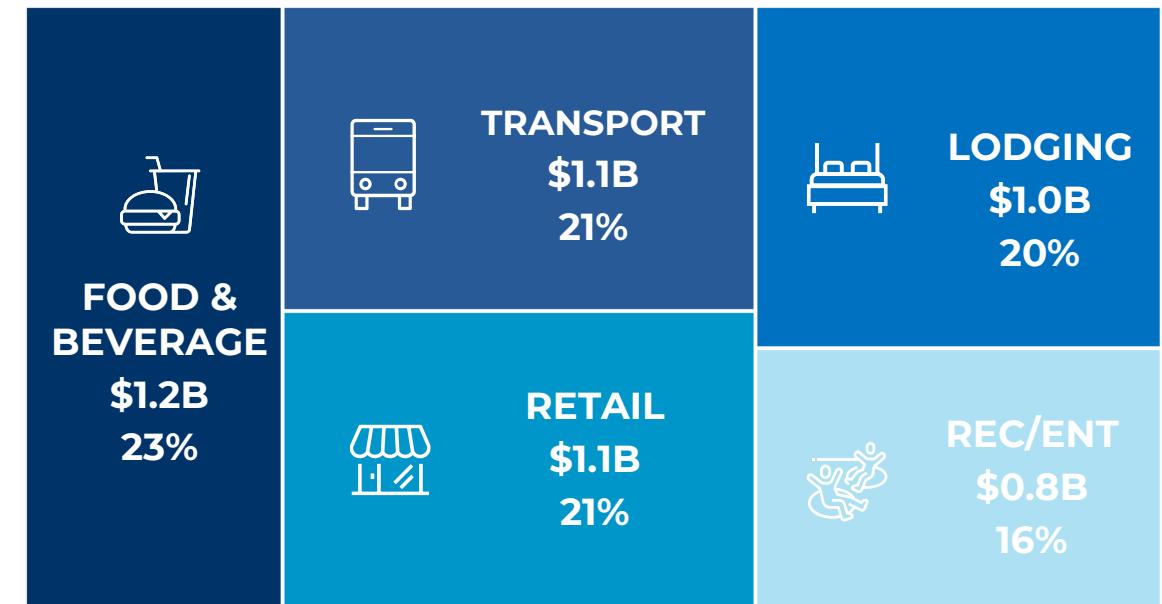
Growth was buoyed by day visitor volume growth, while the international and overnight markets declined year-over-year.

### South Dakota Visitor Volume

millions



Source: Tourism Economics



Source: Tourism Economics

Note: Lodging includes all accommodation types, and transportation includes both ground and air transportation.

# Visitor Spending Trends

Visitor spending in South Dakota increased 1.1% year-over-year to \$5.2 billion in 2025.

Recreation led spending growth in 2025, increasing 4.0% year-over-year. Growth in food and beverage purchases followed, increasing 2.4%.

Lodging spending expanded 1.7% in 2025. Year-over-year spending growth was aided by increases in hotel room rates, while lodging demand decreased slightly in 2025.

Retail and transportation spending exhibited declines of 0.3% and 1.7%, respectively.

## South Dakota Visitor Spending

\$ millions

	2021	2022	2023	2024	2025	2025 Growth
<b>Total visitor spending</b>	<b>\$4,387</b>	<b>\$4,730</b>	<b>\$4,963</b>	<b>\$5,099</b>	<b>\$5,158</b>	<b>1.1%</b>
Food & beverage	\$1,014	\$1,064	\$1,102	\$1,144	\$1,172	2.4%
Transportation	\$902	\$1,040	\$1,101	\$1,090	\$1,075	-1.3%
Retail	\$914	\$1,008	\$1,043	\$1,070	\$1,067	-0.3%
Lodging	\$888	\$898	\$966	\$1,018	\$1,036	1.7%
Recreation	\$669	\$720	\$751	\$776	\$807	4.0%

Source: Tourism Economics

Note: Lodging includes all accommodation types, and transportation includes both ground and air transportation.



# Visitor Economy Trends

The visitor economy covers a broader range of tourism-related expenditures. These include government support for tourism as well as capital investment (both new structures and machinery and equipment spending).

Overall, visitor economy spending in 2025 reached \$5.5 billion, of which domestic traveler spending accounted for the majority at \$5.1 billion. Capital investment in support of tourism totaled \$264 million in 2025.

## Tourism Capital Investment

\$ millions

	2021	2022	2023	2024	2025	2025 Growth
<b>Total Tourism CAPEX</b>	<b>\$219</b>	<b>\$239</b>	<b>\$228</b>	<b>\$240</b>	<b>\$264</b>	<b>9.6%</b>
Machinery & equip.	\$125	\$137	\$144	\$164	\$165	0.3%
Construction	\$94	\$103	\$84	\$76	\$99	30.0%

Sources: Tourism Economics, Oxford Economics

## Visitor Economy Distribution

In South Dakota, the international visitor market's share of tourism demand declined in 2025; overall, international visitor spending decreased 6.8% year-over-year.

Capital investment (CAPEX) in tourism-related construction and machinery & equipment represented 4.8% of all tourism-related demand.

Domestic visitor markets remained the largest category, accounting for 91.6% of demand in 2025.

The share of government support was 1.7% of the South Dakota visitor economy in 2025.

## South Dakota Visitor Economy

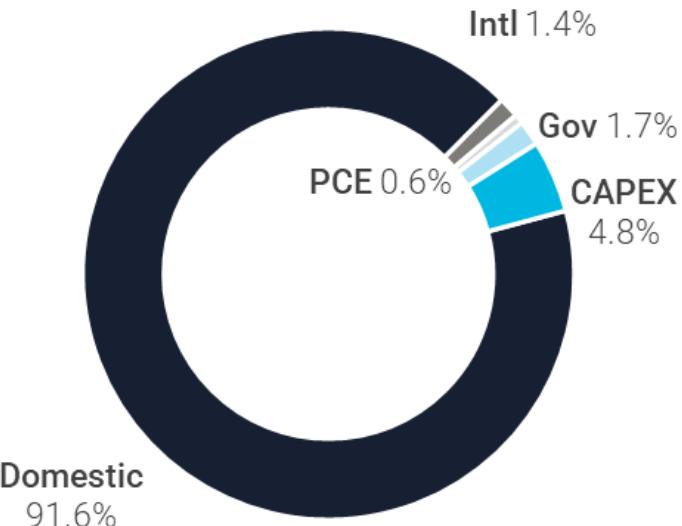
\$ millions

	2021	2022	2023	2024	2025	2025 Growth
<b>Tourism Demand</b>	<b>\$4,698</b>	<b>\$5,079</b>	<b>\$5,312</b>	<b>\$5,464</b>	<b>\$5,547</b>	<b>1.5%</b>
Domestic Visitor	\$4,365	\$4,692	\$4,893	\$5,019	\$5,083	1.3%
International Visitor	\$22	\$37	\$70	\$81	\$75	-6.8%
Non-visitor PCE	\$24	\$27	\$32	\$33	\$35	3.6%
Governmental Support	\$68	\$82	\$89	\$91	\$92	0.9%
Capital Investment	\$219	\$239	\$228	\$240	\$264	9.6%

Sources: Tourism Economics, Oxford Economics

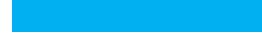
## South Dakota Visitor Economy

% of total tourism demand



Sources: Tourism Economics, Oxford Economics

# ECONOMIC IMPACT METHODOLOGY



## Economic Impact Methodology

The development of visitor economy impact modeling begins with a comprehensive demand side analysis. Visitor survey data provides estimates on the volume of visitors by type and their spending in specific industries (e.g. lodging, restaurants, retail, recreation and entertainment, transportation).

These estimates are strengthened through an analysis of industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales.

Government data, including taxes by type, as well as employment and personal income by industry, are used to supplement and confirm demand-side visitor spending calculations.

This provides a detailed profile of visitor spending by industry, which is then connected to a local input-output (I-O) economic impact model constructed within the IMPLAN platform. This uses government (Bureau of Economic Analysis and Census) data to trace the flow of visitors through the local economy and its effects on businesses, households, and government. The model quantifies three levels of impact:

**1. Direct impacts:** Visitor spending creates direct economic value within a defined set of sectors. This supports a proportion of spending, jobs, wages, and taxes within each sector.

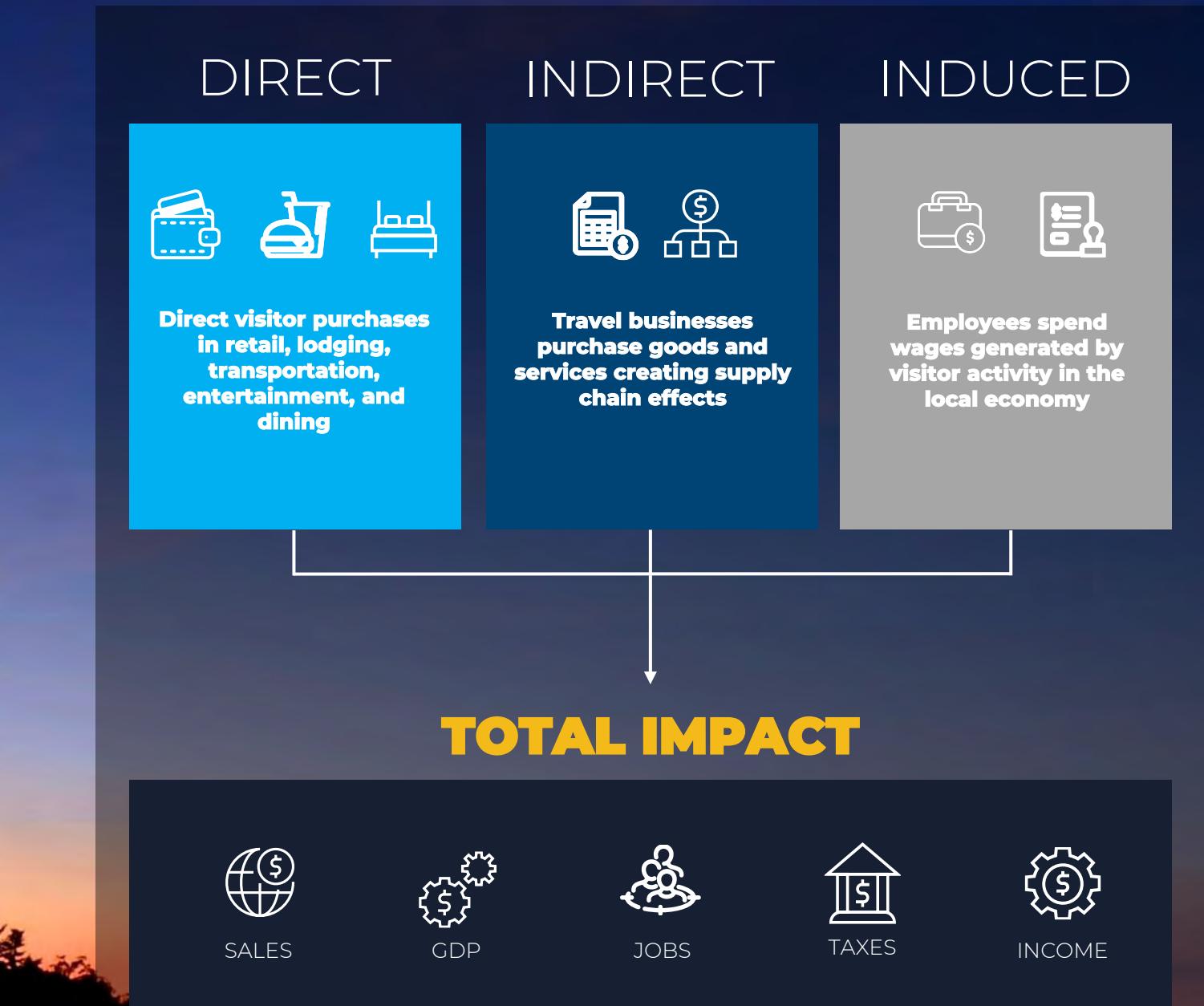
**2. Indirect impacts:** Businesses providing direct services to visitors purchase goods and services, generating additional impacts called indirect impacts or supply-chain effects.

**3. Induced impacts:** Additional business activity is generated as employees spend incomes locally that are earned due to visitor activity. This is called the induced impact or income effect.

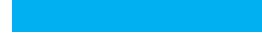
The model calculates these three levels of impact—direct, indirect and induced—for the following metrics:

- Spending
- GDP
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

## Economic Impact Model



# ECONOMIC IMPACT



## Business Sales Impacts

Direct business sales, including visitor spending and capital expenditures in support of tourism spending, tallied \$5.5 billion in South Dakota in 2025. These direct impacts generated an additional \$2.7 billion through supply chain (indirect) and income (induced) effects. As a result, the total economic impact of the visitor economy reached \$8.2 billion in 2025.



### Business Sales by Industry (2025)

\$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
<b>Total, all industries</b>	<b>\$5,547</b>	<b>\$1,384</b>	<b>\$1,312</b>	<b>\$8,243</b>
Food & Beverage	\$1,172	\$62	\$108	\$1,342
Retail Trade	\$1,099	\$27	\$97	\$1,222
Finance, Insurance, Real Estate	\$155	\$447	\$389	\$991
Lodging	\$970	\$0	\$1	\$972
Gasoline Stations	\$806	\$1	\$8	\$815
Recreation and Entertainment	\$698	\$44	\$27	\$770
Construction and Utilities	\$264	\$124	\$41	\$428
Business Services	\$16	\$277	\$85	\$377
Education and Health Care		\$5	\$308	\$313
Personal Services	\$93	\$44	\$73	\$210
Other Transport	\$88	\$57	\$23	\$169
Wholesale Trade		\$97	\$65	\$162
Government	\$92	\$42	\$24	\$157
Communications		\$80	\$38	\$117
Air Transport	\$93	\$2	\$3	\$97
Manufacturing	\$3	\$56	\$15	\$73
Agriculture, Fishing, Mining	\$20	\$8	\$28	

Source: Tourism Economics

The total economic impact of **\$8.2 billion** accrued to industries across the economy.

## GDP (Value Added Impacts)

South Dakota's visitor economy GDP reached \$3.7 billion in 2025. This represented 4.7% of South Dakota's economy. GDP removes the value of all imported (from other states and internationally) goods and services (e.g., a hotel purchases materials such as linens from outside the State of South Dakota).



### GDP by Industry (2025)

\$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$2,277	\$742	\$700	\$3,719
Food & Beverage	\$536	\$35	\$56	\$627
Lodging	\$603	\$1	\$2	\$606
Finance, Insurance, Real Estate	\$36	\$254	\$225	\$516
Recreation and Entertainment	\$362	\$16	\$13	\$390
Retail Trade	\$288	\$22	\$56	\$366
Business Services	\$8	\$168	\$44	\$220
Construction and Utilities	\$135	\$52	\$16	\$202
Education and Health Care		\$2	\$170	\$172
Personal Services	\$62	\$30	\$39	\$131
Gasoline Stations	\$118	\$1	\$4	\$124
Wholesale Trade		\$57	\$35	\$92
Other Transport	\$39	\$31	\$10	\$80
Government	\$50	\$11	\$3	\$64
Communications		\$36	\$19	\$55
Air Transport	\$37	\$1	\$1	\$39
Manufacturing	\$2	\$20	\$4	\$26
Agriculture, Fishing, Mining		\$7	\$3	\$10

Source: Tourism Economics

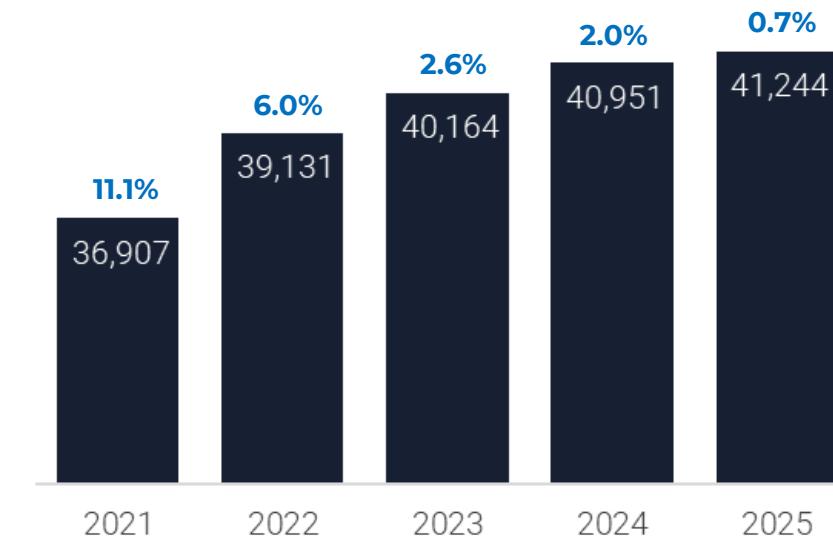


## Direct Employment

Employment directly supported by visitor activity increased 0.7% in 2025, reaching 41,244 jobs. Visitor-supported employment is a significant part of several industries in South Dakota—nearly all of lodging employment, 62.2% of recreation employment, and 35.8% of food and beverage jobs were supported by visitor spending in 2025.

### Visitor-Supported Employment in South Dakota

jobs

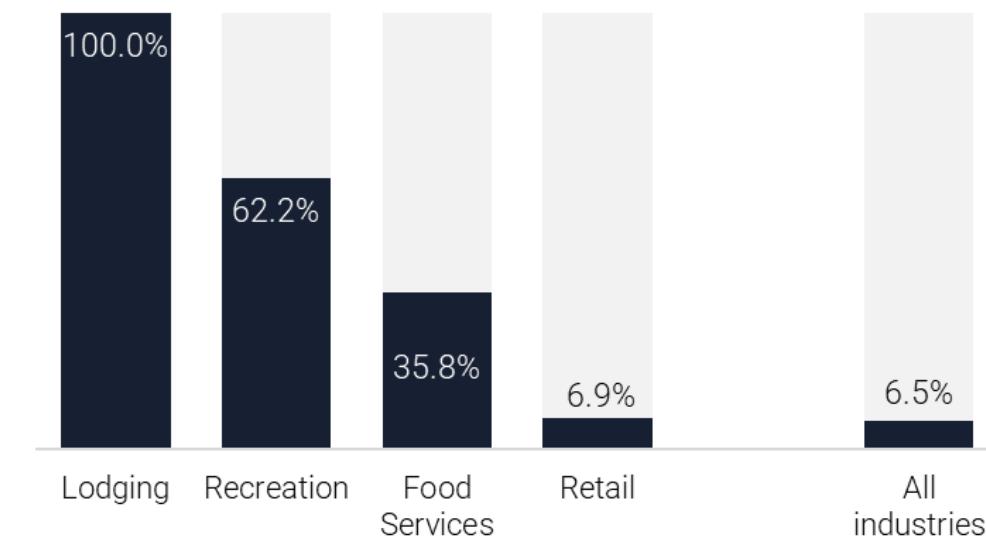


Source: Tourism Economics

Visitor activity in South Dakota directly supported over **41,000 local jobs.**

### Tourism Employment Intensity

share of total industry employment

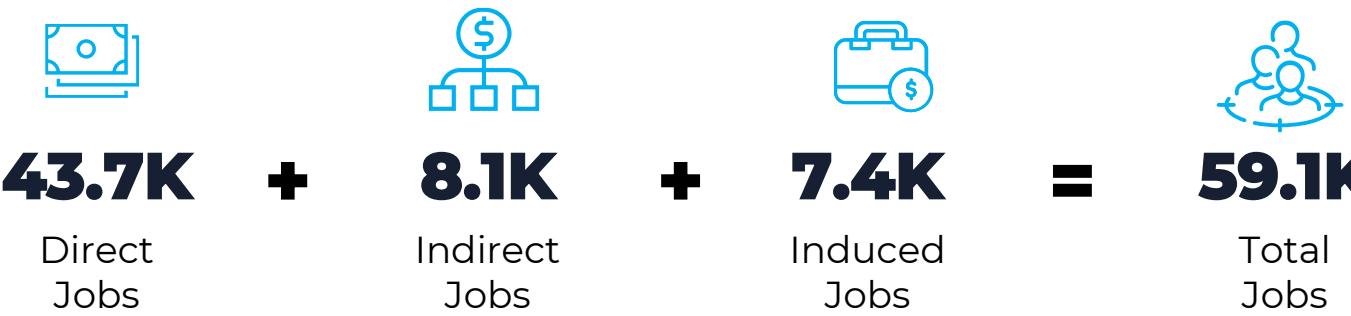


Source: Tourism Economics



## Employment Impacts

The visitor economy sustained 43,669 direct jobs in 2025, with an additional 15,477 jobs supported from the indirect and induced impacts of visitor activity. Total employment impacts tallied 59,145 in 2025, translating to one-in-12 (8.7%) jobs in the state.



### Employment by Industry (2025)

jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
<b>Total, all industries</b>	<b>43,669</b>	<b>8,125</b>	<b>7,352</b>	<b>59,145</b>
Food & Beverage	14,182	897	1,147	16,226
Recreation and Entertainment	9,064	479	266	9,809
Lodging	8,693	1	10	8,703
Retail Trade	4,803	264	933	6,000
Finance, Insurance, Real Estate	438	1,933	935	3,306
Personal Services	1,614	400	747	2,762
Business Services	72	2,063	546	2,680
Construction and Utilities	1,702	356	92	2,151
Education and Health Care		71	2,021	2,092
Other Transport	1,028	630	201	1,859
Gasoline Stations	1,094	8	65	1,168
Government	664	211	73	948
Wholesale Trade		307	160	467
Communications		242	90	332
Manufacturing	58	188	36	282
Air Transport	255	3	4	262
Agriculture, Fishing, Mining		73	25	98

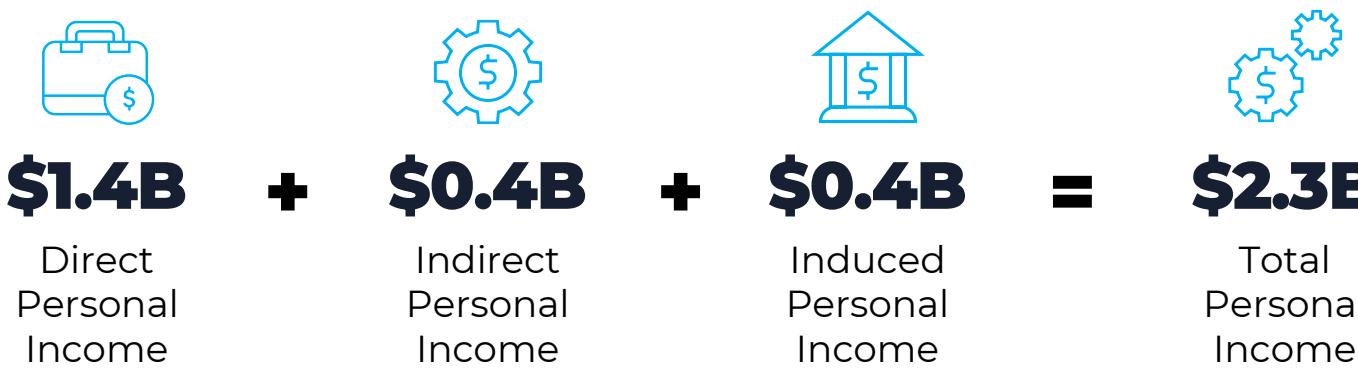
Source: Tourism Economics

Visitor spending supports **one-in-12 jobs** in South Dakota, including over **16,000 jobs** in the food and beverage industry.



## Personal Income Impacts

Visitor activity generated \$1.4 billion in direct personal income in 2025. Including indirect and induced impacts, employees received \$2.3 billion in personal income. Total visitor-generated income in South Dakota increased 1.8% in 2025.



### Personal Income by Industry (2025)

\$ millions

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
<b>Total, all industries</b>	<b>\$1,446</b>	<b>\$447</b>	<b>\$390</b>	<b>\$2,283</b>
Food & Beverage	\$357	\$24	\$30	\$410
Lodging	\$323	\$0	\$0	\$323
Recreation and Entertainment	\$226	\$10	\$7	\$243
Retail Trade	\$179	\$11	\$37	\$227
Business Services	\$5	\$136	\$34	\$175
Finance, Insurance, Real Estate	\$15	\$104	\$48	\$167
Construction and Utilities	\$117	\$29	\$8	\$153
Education and Health Care		\$2	\$148	\$150
Personal Services	\$77	\$21	\$34	\$132
Other Transport	\$45	\$29	\$9	\$83
Government	\$38	\$17	\$5	\$60
Gasoline Stations	\$43	\$0	\$2	\$46
Wholesale Trade		\$27	\$15	\$43
Communications		\$17	\$7	\$24
Air Transport	\$21	\$1	\$1	\$22
Manufacturing	\$2	\$13	\$3	\$17
Agriculture, Fishing, Mining	\$5	\$2	\$7	

Source: Tourism Economics



# Tax Impacts

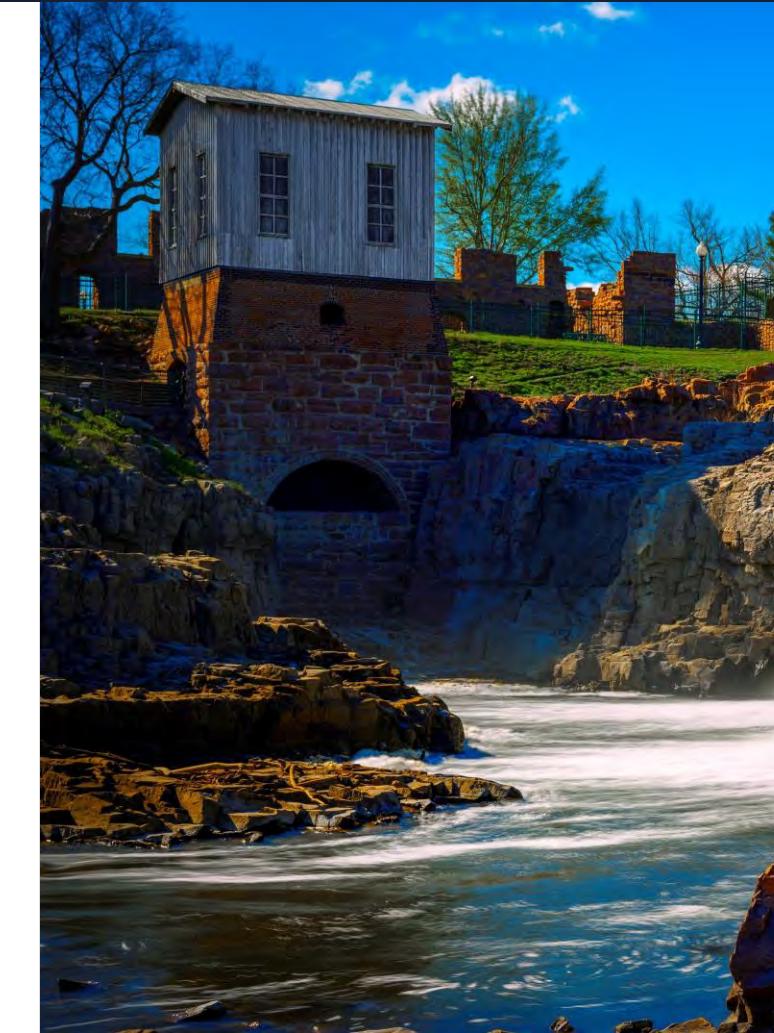
Visitor activity generated \$885.6 million in government revenues in 2025.

State and local taxes alone tallied \$406.1 million in 2025.

Each household in South Dakota would need to be taxed an additional \$1,121 to replace the visitor-generated taxes received by state and local governments in 2025.

Including indirect and induced impacts, South Dakota's visitor economy generated a total of \$194.6 million in state and local sales tax revenue in 2025, while visitors to South Dakota directly contributed \$121.8 million to the \$194.6 million total.

Of the \$121.8 million in sales tax revenues generated by visitors to South Dakota in 2025, domestic out-of-state visitors accounted for the largest share: \$93.2 million (76.6%). In-state visitors contributed \$26.7 million, and international visitors added \$1.8 million to state and local collections in 2025.



The visitor economy generated nearly **\$886 million in government revenue** in 2025.

## Tax Impacts

\$ millions

	2021	2022	2023	2024	2025	2025 Growth
<b>Total Tax Revenues</b>	<b>\$723.3</b>	<b>\$795.2</b>	<b>\$838.4</b>	<b>\$870.0</b>	<b>\$885.6</b>	<b>1.8%</b>
<b>Federal Taxes</b>	<b>\$378.8</b>	<b>\$434.3</b>	<b>\$454.5</b>	<b>\$471.3</b>	<b>\$479.5</b>	<b>1.7%</b>
Personal Income	\$127.8	\$148.5	\$156.2	\$162.3	\$165.3	1.8%
Corporate	\$31.9	\$33.8	\$34.0	\$35.0	\$35.4	1.3%
Indirect Business	\$21.7	\$22.9	\$23.3	\$23.8	\$24.0	1.2%
Social Insurance	\$197.4	\$229.1	\$240.9	\$250.3	\$254.8	1.8%
<b>State and Local Taxes</b>	<b>\$344.6</b>	<b>\$360.9</b>	<b>\$384.0</b>	<b>\$398.7</b>	<b>\$406.1</b>	<b>1.8%</b>
Sales	\$170.3	\$175.2	\$187.0	\$191.7	\$194.6	1.5%
Bed Tax	\$33.3	\$33.7	\$36.2	\$38.2	\$38.9	1.8%
Corporate	\$2.1	\$2.3	\$2.7	\$2.7	\$2.8	1.3%
Social Insurance	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	1.8%
Excise and Fees	\$28.1	\$29.6	\$31.0	\$32.6	\$33.0	1.3%
Property	\$110.5	\$119.8	\$126.8	\$133.3	\$136.6	2.5%

Source: Tourism Economics

## State and Local Tax Impacts

\$ millions

	2021	2022	2023	2024	2025	2025 Growth
<b>Total State &amp; Local</b>	<b>\$344.6</b>	<b>\$360.9</b>	<b>\$384.0</b>	<b>\$398.7</b>	<b>\$406.1</b>	<b>1.8%</b>
<b>State Taxes</b>	<b>\$160.3</b>	<b>\$167.2</b>	<b>\$178.3</b>	<b>\$183.4</b>	<b>\$186.1</b>	<b>1.5%</b>
Sales	\$135.1	\$140.2	\$150.4	\$154.1	\$156.5	1.5%
Corporate	\$2.1	\$2.3	\$2.7	\$2.7	\$2.8	1.3%
Social Insurance	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	1.8%
Excise and Fees	\$22.8	\$24.5	\$25.0	\$26.3	\$26.6	1.3%
<b>Local Taxes</b>	<b>\$184.3</b>	<b>\$193.7</b>	<b>\$205.7</b>	<b>\$215.3</b>	<b>\$220.0</b>	<b>2.1%</b>
Sales	\$35.1	\$35.1	\$36.6	\$37.5	\$38.1	1.5%
Bed Tax	\$33.3	\$33.7	\$36.2	\$38.2	\$38.9	1.8%
Excise and Fees	\$5.3	\$5.1	\$6.1	\$6.3	\$6.4	1.5%
Property	\$110.5	\$119.8	\$126.8	\$133.3	\$136.6	2.5%

Source: Tourism Economics

# APPENDIX



# Appendix

## Methodology Overview

Measuring the visitor economy begins with a comprehensive demand side analysis. A visitor is defined as someone who stayed overnight or traveled more than 50 miles, outside of their normal routine, to the destination.

The study area is defined as the State of South Dakota.

Visitor survey data provide estimates on the volume of visitors by type and their spending in specific categories (e.g. lodging, restaurants, retail, recreation and entertainment, transportation). These estimates are strengthened through an analysis of industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales. Government data, including taxes by type as well as employment and personal income by industry are used to supplement and confirm demand-side visitor spending calculations.

The Tourism Satellite Account (TSA) which measures the tourism-related capital investments into the economy of the study area, are estimated through the analysis of industry-specific data sets on the construction industry, Census Capital Expenditure Survey data, BEA personal consumption expenditure data, and government data.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis (BEA). This is more comprehensive than Bureau of Labor Statistics (BLS QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the QCEW data.

The complete set of data inputs is provided below.

## Data Sources

- **Future Partners:** Visitor profile and survey data to South Dakota
- **Bureau of Economic Analysis and Bureau of Labor Statistics:** Employment and wage data, by industry
- **STR & AirDNA:** Lodging data, including room demand, room rates, occupancy, and room revenue for hotels and short-term rentals
- **South Dakota Department of Revenue:** Sales tax data by category for South Dakota
- **National Park Service:** Visitor and Budget data for National Parks in South Dakota
- **U.S. Census Bureau:** Economic Census data, as well as data on population, households, second homes, and real estate taxes paid
- **U.S. Energy Information Administration:** Gasoline prices for the Midwest area
- **U.S. Department of Transportation:** Air passenger data for airports in South Dakota
- **Tourism Economics:** International travel data for to South Dakota based on aviation, survey, and credit card information
- **Oxford Economics:** Construction data, by industry, for South Dakota

## Glossary

ECONOMIC IMPACT DEFINITIONS	SPENDING DEFINITIONS	
LODGING		All accommodation businesses, including hotels, B&Bs, campgrounds, and short-term rentals. This includes food, entertainment, and other services provided by these establishments.
FOOD & BEVERAGE		Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
RECREATION		Includes visitors spending within the arts, entertainment and recreation sector.
RETAIL		Includes visitor spending in all retail sub-sectors within the local economy, excluding grocery stores.
LOCAL TRANSPORT		Ride share, taxis, limos, trains, rental cars, buses, and gasoline purchases.
AIR TRANSPORT		Where applicable, the local share of air transportation spending.
SECOND HOMES		Where applicable, spending associated with seasonal second homes for recreational use as defined by the Census Bureau.
DIRECT IMPACT		Impacts (business sales, jobs, income, and taxes) related to businesses where visitors spend dollars (e.g. recreation, transportation, lodging).
INDIRECT IMPACT		Impacts created from the purchase of goods and services as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected sectors (i.e. business-to-business purchases).
INDUCED IMPACT		Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor activity.
EMPLOYMENT		Employment is measured by the Bureau of Economic Analysis (BEA) definition, and captures full-time and part-time jobs, which includes salary and wage employees and proprietors.
PERSONAL INCOME		Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
VALUE ADDED (GDP)		Business sales net of intermediate (supply chain) purchases.
LOCAL TAXES		City and County taxes generated by visitor spending. Includes any local sales, income, bed, usage fees, licenses and other revenue streams to local governmental authorities.
STATE TAXES		State tax revenues generated by visitor spending. Includes sales, income, corporate, usage fees and other assessments of state governments.

## About the Research Team

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modeling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

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