SIOUX FALLS AREA CHAMBER OF COMMERCE
Progress is everyone's business

FORWARD SIOUX FALLS 2011-2016

Sioux Falls Development Foundation

PHASE 2:

COMPETITIVE ASSESSMENT

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STRATEGIC WORKFORCE ACTION AGENDA OVERVIEW

Implementation of the 2009 Future Sioux Falls community and economic development strategic plan has led to a number of accomplishments, many of which have contributed to the Sioux Falls area appearing at the top of national rankings and earning accolades and recognition throughout the Great Recession and its aftermath. A robust economy and the completion of several key efforts – including the Sioux Falls Tomorrow III report, the 2025 Downtown Plan, and the Cultural Plan Update – provide significant momentum for taking the region to the next level.

Recent efforts at the state-level that have begun to look more closely at workforce opportunities and challenges provide a strong foundation of knowledge that can inform the strategic efforts of regional leaders in the Sioux Falls area. Ultimately, the question that repeatedly rises to the top of discussions is, "How can we best develop our workforce to ensure that we are fully prepared for the opportunities to come?"

To answer this question and take stock of the region's overall progress, Forward Sioux Falls leadership has engaged *Market Street Services* to facilitate a six-month talent-focused process that leverages recent and existing studies and initiatives and is led by a Task Force that includes business, government, and education leaders, as well as investors and leaders from the Sioux Falls Development Foundation and the Sioux Falls Area Chamber of Commerce.

This process will assess where the region is now in terms of its competitive position; provide an in-depth understanding of both education and training needs and the sustainability of the workforce; and will result in the development of strategic actions that focus specifically on workforce and training needs.

PHASE 1: PROJECT INITIATION AND STAKEHOLDER INPUT

The six-month process began with a familiarization tour of the region for the *Market Street* team and a series of focus group and interview sessions. An online survey was developed to ensure that all key voices are heard. Input session participants provided feedback about a broad array of competitive issues and also drilled down on issues related to short and long-term workforce needs and opportunities.

PHASE 2: COMPETITIVE ASSESSMENT

This report provides an analysis of the Sioux Falls area's competitive dynamics to assess how the region is performing compared to peer and aspirational communities and also evaluates the Sioux Falls area compared to its performance in years past. Five "scorecards" will be used to rank the region's performance using a wide variety of data indicators.

PHASE 3: WORKFORCE SUSTAINABILITY ANALYSIS

This phase of the process takes the Workforce Competitiveness scorecard from Phase 2 a step further by adding a detailed analysis of how well the region is positioned to take advantage of future economic opportunities while also filling immediate workforce needs. The Analysis will be conducted through the lens of the region's existing target sectors and will incorporate ten-year projection-based data. Feedback received from employers and training providers will be reviewed and incorporated alongside quantitative data.

PHASE 4: STRATEGIC WORKFORCE ACTION AGENDA AND IMPLEMENTATION GUIDELINES

The Strategic Workforce Action Agenda will build on the findings from the first three phases. While it is impossible to predict the specifics of what could be included in the Action Agenda, it is expected that there will be strategies that focus on immediate, mid-term, and long-term needs and opportunities. Once the Action Agenda has outlined the strategic items that will need to be implemented, **Implementation Guidelines** will be developed that address how the Action Agenda can be operationalized.

COMPETITIVE ASSESSMENT

Introduction

The 2009 Future Sioux Falls process facilitated by *Market Street* identified a number of key trends and issues that ultimately led to the development of the Future Sioux Falls strategy. Revisiting many of these assessment criteria five years later provides an interesting opportunity to not only gain the comparative perspective provided by analyzing Sioux Falls area trends against nine strong competitors, but also to see how the region itself has changed over one of the most economically volatile periods in our nation's history.

The data paint a picture of a community that continues to demonstrate notable strengths and competitive capacity for a number of key economic and demographic indicators. It is a region growing both its population and economy – laudable trends when considering the number of communities that have not fared as well through the uneven post-recessionary period. Other positives also emerge from the analysis. However, metro Sioux Falls is being compared in this report against nine very strong and renowned regions that have also seen strong momentum in recent years. As such, the Sioux Falls metropolitan statistical area (MSA) does not always place in the top or even middle tier for certain indicators included in the five scorecard categories profiled in this analysis.

Even so, the Sioux Falls region finishes strongly when all data and rankings are aggregated into a final comparative profile. The region continues to demonstrate that its statistical profile and competitive dynamics position it well in the marketplace for new jobs, talent, and investment. As this Action Agenda process continues, certain challenges and issues identified in the Competitive Assessment will be incorporated into more detailed analysis on the Sioux Falls area's workforce capacity and strategic recommendations to optimize the region's labor supply and training systems.

Economic Performance

The Sioux Falls area experienced positive job growth, low unemployment, and robust entrepreneurial development since *Market Street*'s 2009 Future Sioux Falls assessment. This is especially notable considering the significant toll the Great Recession took on the majority of U.S. communities during this period. Indeed, the Sioux Falls region's economy performed well against communities elsewhere that suffered through the recession and the sluggish recovery that followed. That said, Sioux Falls did not escape the recession completely unscathed. Between 2003 and 2013, the Sioux Falls MSA added over 20,000 jobs, but 78.2 percent of those jobs were created between 2003 and 2008. The region experienced a small decline in total employment in 2009 and 2010, contributing to its slower five-year growth rate in the latter half of the ten-year period analyzed. Over the past three years, greater Sioux Falls has seen an upswing in economic activity, exceeded only by the Fargo MSA among this report's comparison communities. Unemployment in the Sioux Falls area is below the October 2009 rate, highlighting the continuing risk of available labor shortages in the region.

Overall in the last five years, employment opportunities have grown in the Sioux Falls MSA, with the number of establishments increasing by 7.8 percent. In fact, greater Sioux Falls ranked 1st out of the comparison communities in employment gained from firms opening over the past five years and had an average annual growth rate of 38.6 percent.

The Sioux Falls metro ranked high in gross metro product (GMP) per worker, indicating that workers in Sioux Falls are highly productive. GMP also exceeded the region's historical figure. Each worker in the Sioux Falls area generated $126,041 of economic output on average in 2013, placing it 2nd out of the comparison communities. Despite this, however, the Sioux Falls region trailed Cedar Rapids, Fargo, Lincoln, and Omaha during this period in gross metro product increases. Greater Sioux Falls exports per worker and exports as a percentage of total economic activity were also lower than many of its comparison areas.

Metro Sioux Falls' average annual wage was among the lowest of the comparison communities, although wages have increased at a faster rate than the majority of the other metros over the past five years. This is a positive sign for workers and indicative of the upward pressures put on wages in a tight labor market. Per capita income in the Sioux Falls area is higher than all the other communities, with the exception of Madison. With a low unemployment rate, nearly everyone that is looking for a job has a job and is earning a wage, which increases per capita income. **Fortunately, poverty rates in the Sioux Falls MSA stayed comparatively low** between 2008 and 2013, with only a small percentage increase in the number of residents living in poverty. Again, these trends are counter to most U.S. communities that saw poverty rates rise during the recessionary years.

Figure 1: Economic Performance Data Values

	Year	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls	Sioux Falls	Year
Employment and Unemployment												Historical	
1-yr employment growth rate	2012-2013	2.3%	0.1%	1.8%	1.8%	2.2%	1.2%	0.8%	1.0%	1.1%	1.6%	1.8%	2007-2008
5-yr employment growth rate	2008-2013	-2.1%	1.1%	2.2%	7.4%	3.1%	1.0%	0.0%	0.0%	1.4%	3.0%	12.2%	2003-2008
Unemployment rate	Oct 2014	3.1%	3.9%	4.0%	2.2%	3.0%	2.3%	3.3%	3.2%	2.8%	2.5%	5.0%	Oct 2014
Establishments													
5-yr firm opening employment chg.	2008-2013	3.3%	14.2%	21.0%	-8.0%	11.3%	-9.0%	25.5%	17.6%	13.8%	38.6%	3.2%	2003-2008
5-yr firm expansion employment chg.	2008-2013	-12.3%	13.4%	-5.5%	6.6%	-2.4%	11.1%	-10.3%	-6.7%	-15.7%	-7.6%	-5.7%	2003-2008
5-yr firm relocation employment chg.	2008-2013	-1.2%	-19.0%	23.3%	-2.7%	12.9%	-0.6%	139.6%	3.1%	-9.5%	-2.2%	-5.3%	2003-2008
5-yr establishments chg.	2008-2013	-9.1%	2.1%	7.4%	6.6%	-1.0%	19.7%	0.5%	13.2%	-4.0%	7.8%	16.9%	2003-2008
Business bankruptcy rate per 1k est.	2013	4.7	1.6	3.6	1.6	4.8	2.3	3.4	3.3	2.9	4.7	5.3	2008
Exports													
Exports per worker	2012	$85,503	$124,880	$114,904	$100,274	$109,415	$105,480	$126,232	$94,412	$111,859	$105,480	N/A	-
Exports % of supply	2012	50%	68%	58%	62%	67%	62%	62%	54%	70%	61%	N/A	-
Output and Productivity													
worker	2013	$106,498	$124,275	$128,336	$113,465	$96,317	$99,793	$120,951	$122,021	$96,292	$126,041	$108,347	2008
GMP 5-year chg.	2013	10.8%	32.6%	19.4%	38.7%	18.6%	22.6%	23.2%	20.3%	18.5%	21.7%	28.0%	2008
Wages, Income, and Poverty													
Average annual wage (AAW)	2013	$40,327	$46,251	$48,854	$42,872	$43,437	$39,398	$47,448	$43,712	$50,026	$41,628	$36,982	2008
5-yr AAW chg.	2008-2013	8.1%	9.2%	11.2%	16.7%	8.2%	9.9%	12.6%	9.0%	11.0%	12.6%	19.9%	2003-2013
Per capita income (PCI)	2013	$36,780	$45,159	$47,612	$47,023	$42,866	$42,743	$49,917	$47,736	$45,231	$48,906	$42,876	2008
Wages (% of PCI)	*2013*	*63.9%*	*66.9%*	*71.4%*	*68.6%*	*63.7%*	*65.6%*	*69.1%*	*68.7%*	*66.8%*	*69.8%*	*67.1%*	*2008*
Investment (% of PCI)	*2013*	*19.2%*	*18.2%*	*16.0%*	*19.2%*	*22.9%*	*20.7%*	*19.1%*	*18.0%*	*18.3%*	*18.7%*	*21.9%*	*2008*
Transfer Receipts (% of PCI)	*2013*	*16.9%*	*14.9%*	*12.7%*	*12.2%*	*13.3%*	*13.8%*	*11.7%*	*13.3%*	*14.9%*	*11.5%*	*11.0%*	*2008*
5-yr PCI chg.	2008-2013	7.4%	12.5%	9.4%	17.7%	9.4%	10.7%	12.9%	8.5%	10.1%	14.1%	22.5%	2003-2013
Total poverty rate	2013	15.8%	9.6%	11.0%	13.0%	13.8%	14.6%	13.0%	12.7%	8.6%	9.6%	7.8%	2008
Child poverty rate	2013	18.6%	12.1%	14.0%	11.8%	12.7%	16.3%	13.6%	16.7%	10.9%	11.6%	9.8%	2008
5-yr pct. pt. chg. total poverty rate	2008-2013	4.7	0.3	1.8	2.2	2.2	4.1	2.6	2.2	0.7	1.8	(1.0)	2003-2008
5-yr pct. pt. chg. child poverty rate	2008-2013	4.5	0.8	2.2	1.0	2.4	5.2	3.3	3.6	1.3	1.8	(1.0)	2003-2008

Figure 2: Economic Performance Scorecard

	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls
Employment and Unemployment										
1-yr employment growth rate	1	10	3	4	2	6	9	8	7	5
5-yr employment growth rate	10	6	4	1	2	7	8	9	5	3
Unemployment rate	6	9	10	1	5	2	8	7	4	3
Establishments										
5-yr firm opening employment chg.	8	5	3	9	7	10	2	4	6	1
5-yr firm expansion employment chg.	9	1	5	3	4	2	8	6	10	7
5-yr firm relocation employment chg.	6	10	2	8	3	5	1	4	9	7
5-yr establishments chg.	10	6	4	5	8	1	7	2	9	3
Business bankruptcy rate per 1k est.	8	2	7	1	10	3	6	5	4	9
Exports										
Exports per worker	10	2	3	8	5	7	1	9	4	6
Exports % of supply	10	2	8	4	3	4	4	9	1	7
Output and Productivity										
Gross metro product (GMP) per worker	7	3	1	6	9	8	5	4	10	2
GMP 5-year chg.	10	2	7	1	8	4	3	6	9	5
Wages, Income, and Poverty										
Average annual wage (AAW)	9	4	2	7	6	10	3	5	1	8
5-yr AAW chg.	10	7	4	1	9	6	2	8	5	3
Per capita income (PCI)	10	7	4	5	8	9	1	3	6	2
5-yr PCI chg.	10	4	7	1	8	5	3	9	6	2
Total poverty rate	10	3	4	6	8	9	7	5	1	2
Child poverty rate	10	4	7	3	5	8	6	9	1	2
5-yr pct. pt. chg. total poverty rate	10	1	4	5	6	9	8	7	2	3
5-yr pct. pt. chg. child poverty rate	9	1	5	2	6	10	7	8	3	4
Average Ranking, All Indicators	8.65	4.45	4.70	4.05	6.10	6.25	4.95	6.35	5.15	4.20
Average Ranking, All Indicators	**10**	**3**	**4**	**1**	**7**	**8**	**5**	**9**	**6**	**2**

Workforce Capacity

Population increases and labor force growth in metro Sioux Falls have slowed in recent years compared to historic trends, with the region now finding its growth rate in both indicators trailing many of the comparison communities. Net migration accounted for a higher percentage of the population change in the Sioux Falls area than the other metros, but lower than previously. Additionally, there has been a shift in migration patterns. Between 2003 and 2008, domestic migration accounted for roughly 55 percent of the population change, while between 2008 and 2013 it accounted for 43 percent of the change. **However, those that are relocating to Sioux Falls are more educated than they have been historically**; nearly 40 percent of all in-migrants to the Sioux Falls area and 37.6 percent of in-migrants from abroad had a bachelor's degree or higher in 2013. Historically, only 18.7 percent of in-migrants from abroad had a bachelor's degree or higher.

The dependency ratio suggests that Sioux Falls will have enough workers to replace those retiring over the next ten to 20 years. For every ten workers nearing the age of retirement (ages 45 to 64), there are 12 residents between the ages of 25 to 44 to replace them. Nevertheless, the advantageous dependency ratio is reliant upon the region's ability to retain workers in the younger cohort. The Workforce Sustainability Analysis will further explore the occupational composition of greater Sioux Falls' labor force and identify the business sectors most at risk for impending retirees and shortages in skilled workers.

Training individuals to fill labor market demand is a critical piece to fostering a sustainable workforce. Although metro Sioux Falls lacks a major four-year public university campus, the *University Center* provides a convenient option for residents to pursue a variety of program and degrees. *Southeast Technical Institute* offers more than 50 programs that train students in a variety of fields, many of which are geared towards filling high-demand occupations.

In 2013, nearly half of the Sioux Falls MSA population between the ages of 18 and 24 had some college experience or an associate's degree, ranking it 7th out of the comparison communities. "University towns" such as Fargo, Fort Collins, and Lincoln boasted populations with 60 percent or higher attaining some college or an associate's degree within this age group – typical of communities with a large public university.

The most notable increases in greater Sioux Falls workforce competitiveness can be seen in the region's rise in its adult population with a bachelor's degree or higher since the 2009 study. Though its current attainment rates still trail many of the comparison areas, the percentage of adult residents in the Sioux Falls region with a bachelor's degree or higher rose from 28.9 percent to 32.3 percent. This represented a 3.4 percentage point increase, which outpaced the rate of growth in every comparison community; nationally, the rate of increase over the five-year time period was

1.9 percentage points. The Sioux Falls area also saw more residents attend college in 2013 than in 2008, with 8.3 percent of the population over age 15 enrolled in higher education. Of those, roughly half the Sioux Falls area population enrolled in college was over the age of 25.

Figure 3: Workforce Competitiveness Data Values

	Year	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls	Sioux Falls	Year
Population Change												**Historical**	
5-yr population growth rate	2008-2013	8.7%	3.1%	8.3%	14.0%	8.2%	5.8%	4.9%	6.8%	3.6%	4.8%	14.7%	2003-2008
5-yr labor force growth rate	2008-2013	4.1%	0.1%	2.9%	0.1%	3.3%	4.1%	3.5%	1.5%	2.5%	4.0%	10.7%	2003-2008
Net migration as % of total population	2008-2013	4.3%	0.5%	4.7%	6.4%	6.3%	2.3%	3.1%	1.8%	0.3%	6.2%	8.3%	2003-2008
% of in-migrants w/bachelor's degree +	2013	23.6%	26.1%	34.5%	39.9%	46.7%	36.9%	51.1%	32.2%	39.0%	39.6%	30.6%	2008
% of in-migrants from abroad w/bachelor's degree +	2013	17.0%	60.4%	20.6%	57.3%	48.0%	35.7%	59.9%	21.3%	88.2%	37.6%	18.7%	2008
Age Composition													
Dependency ratio (Age 25-44 / Age 45-64)	2013	1.08	1.00	1.17	1.22	1.01	1.12	1.07	1.10	0.96	1.14	1.12	2008
Workers age 55+	2013	19.0%	20.1%	20.5%	18.6%	20.2%	20.4%	20.1%	20.3%	20.3%	19.6%	N/A	-
Educational Attainment													
% of population over 15 enrolled in college	2013	8.7%	9.0%	8.0%	15.9%	15.5%	15.7%	14.2%	10.8%	7.0%	8.3%	7.8%	2008
Pop 18-24 w/some college or assoc. deg.	2013	42.6%	52.2%	42.1%	59.8%	62.8%	67.7%	51.4%	50.4%	40.6%	48.8%	45.4%	2008
Pop 25+ w/assoc. degree	2013	8.2%	13.2%	9.8%	14.7%	8.4%	11.7%	9.7%	8.3%	11.3%	12.4%	9.8%	2008
Pop 25+ w/bachelor's degree +	2013	30.7%	27.6%	35.4%	35.3%	43.3%	36.3%	42.4%	33.4%	35.3%	32.3%	28.9%	2008
5-yr pct. pt. chg. 18-24 w/some college or assoc. deg.	2008-2013	2.1	0.9	-5.4	5.4	2.5	2.6	-0.5	6.2	-0.9	3.4	N/A	-
5-yr pct. pt. chg. w/assoc. degree	2008-2013	0.4	1.9	0.0	3.4	0.2	1.5	0.7	0.4	-0.5	2.6	N/A	-
5-yr pct. pt. chg. w/bachelor's degree +	2008-2013	2.8	1.4	2.5	0.5	0.6	1.1	2.6	1.7	-0.5	3.4	N/A	-

Figure 4: Workforce Competitiveness Scorecard

	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls
Population Change										
5-yr population growth rate	2	10	3	1	4	6	7	5	9	8
5-yr labor force growth rate	1	10	6	9	5	2	4	8	7	3
Net migration as % of total population	5	9	4	1	2	7	6	8	10	3
% of in-migrants w/bachelor's degree +	10	9	7	3	2	6	1	8	5	4
% of in-migrants from abroad w/bachelor's degree +	10	2	9	4	5	7	3	8	1	6
Age Composition										
Dependency ratio (Age 25-44 / Age 45-64)	6	9	2	1	8	4	7	5	10	3
Workers age 55+	2	5	10	1	6	9	4	7	8	3
Educational Attainment										
% of population over 15 enrolled in college	7	6	9	1	3	2	4	5	10	8
Pop 18-24 w/some college or assoc. deg.	8	4	9	3	2	1	5	6	10	7
Pop 25+ w/assoc. degree	10	2	6	1	8	4	7	9	5	3
Pop 25+ w/bachelor's degree +	9	10	4	5	1	3	2	7	5	8
5-yr pct. pt. chg. 18-24 w/some college or assoc. deg.	2	6	4	9	8	7	3	5	10	1
5-yr pct. pt. chg. w/assoc. degree	6	3	9	1	8	4	5	6	10	2
5-yr pct. pt. chg. w/bachelor's degree +	6	7	10	2	5	4	8	1	9	3
Average ranking score, all indicators	6.00	6.57	6.57	3.00	4.79	4.71	4.71	6.29	7.79	4.43
Average Ranking, All Indicators	**6**	**8**	**8**	**1**	**5**	**3**	**3**	**7**	**10**	**2**

Innovation and Entrepreneurship

As seen on the Economic Performance scorecard, the Sioux Falls area has been creating and fostering healthy entrepreneurial activity. However, as shown in the following matrices, **in comparison to the other communities, Sioux Falls ranks at the bottom in innovation activity**. The fact remains that Sioux Falls is at a comparative disadvantage to some communities because it lacks a major research university. **This is not to say that greater Sioux Falls innovation and entrepreneurship capacity has not improved over the past five years.** Since the 2009 assessment, the GEAR Center opened in Sioux Falls. Its aim is to help stimulate applied research and commercialization in South Dakota. USD's Biomedical Engineering program and Center for Research and Development of Light-activated Materials are both housed in the GEAR Center. Additionally, the USD Discovery District is fostering collaborations and activity in its high-density district for innovation, with a master plan currently in development.

Trends in the Sioux Falls region are much more promising for startup, small business, and funding activity. While the rate of new startups per 1,000 establishments is down in greater Sioux Falls compared to 2008, this is likely tied to negative recessionary effects; every profiled community saw a decline in new startups between 2008 and 2013. In fact, the Sioux Falls metro experienced the smallest *decrease* in startup activity over this period, which ranked it above every benchmark region. Self-employment is a competitive challenge in greater Sioux Falls, with its share of total employment decreases over the past five years ranking it 8th in comparison to the other communities. The region's change in self-employment as a percentage of total jobs was also comparatively low. The self-employed in metro Sioux Falls in 2013 were mostly involved in construction and other services, such as personal and laundry services, specialty trade contractors, and repair and maintenance. The Sioux Falls MSA ranked in the middle of the pack with regards to employment at smaller and younger firms. However, the region's sole proprietors had the highest average income of all the comparison communities and experienced the second-highest rise in average income (86.3 percent). As indicated in the Economic Performance scorecard, the region had the highest percentage increase in the number of jobs created from new firm openings, indicating that on average these new firms are experiencing comparatively rapid growth.

Another positive for the Sioux Falls area is its capital environment. Data show that the region's small businesses have access to the capital they need to start, foster, and/or expand their businesses. Only Boise, Fargo and Fort Collins metros reported more small business loans originations per 1,000 establishments, while the Sioux Falls region experienced a relatively smaller decline in loans over the recessionary and recovery periods. Further, there has been an upswing in the number of metro Sioux Falls jobs created through private-capital/venture backed small businesses, indicating that Sioux Falls is a community that invests in homegrown companies.

Figure 5: Innovation and Entrepreneurship Data Values

	Year	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls	Sioux Falls	Year
Research and Development Activity												Historical	
Business R&D expenditures per capita	2011	$739.3	$755.2	$755.2	$85.2	$842.1	$124.3	$791.8	$928.6	$7,494.8	$165.1	N/A	-
Academic R&D exp., universities w/i 50 miles of CBD (mills.)	2011	$24.7	$443.9	$268.6	$134.1	$332.9	$236.3	$1,112.4	$174.0	$7.5	$101.5	N/A	-
Licenses issued, research universities w/in 50 miles of CBD	2012	15	21	49	70	28	58	60	58	N/A	5	N/A	-
Licensing income, research universities w/in 50 miles of CBD (ths.)	2012	$35.5	$7,234.1	$9,902.4	$2,133.2	$1,055.6	$9,524.7	$41,100.0	$9,524.7	N/A	$3,668.7	N/A	-
Startups from research universities w/in 50 miles of CBD	2012	1	4	0	1	6	8	4	8	N/A	0	N/A	-
Patents per 1,000 jobs	2013	2.8	1.2	0.8	0.6	2.4	0.5	1.2	0.3	4.2	0.3	0.1	2008
5-yr relative high-tech GDP growth score	2008-2013	105.2	113.3	99.2	98.0	96.1	98.6	105.0	88.1	109.3	88.6	58.6	2003-2008
High-Tech GDP LQ	2013	1.5	1.0	0.5	0.6	1.4	0.9	1.2	0.7	0.9	0.6	0.6	2008
Startups, Small Businesses, and Self-Employed													
New startups per 1,000 establishments	2013	77.1	52.6	63.1	66.4	65.2	52.6	62.5	57.3	52.8	55.3	81.9	2008
5-yr change in new startups	2008-2013	-62.1%	-48.9%	-37.8%	-39.9%	-41.9%	-44.8%	-35.0%	-43.7%	-53.8%	-26.0%	69.7%	2003-2008
Self-employment as a share of total employment	2013	7.7%	5.2%	5.6%	5.1%	7.5%	4.7%	4.8%	5.1%	6.1%	5.0%	5.8%	2013
Pct. pt. chg. in self-employment as a share of total emp.	2008-2013	0.0%	0.1%	-0.1%	-0.3%	-0.85%	-0.7%	-0.7%	-0.2%	-0.2%	-0.8%	-0.7%	2003-2008
% of total employment in firms w/ 19 or fewer employees	2013	21.2%	16.4%	14.6%	16.1%	27.9%	19.1%	18.0%	16.7%	16.0%	17.6%	17.8%	2008
% of total employment in firms less than 5 yrs old	2013	11.6%	7.0%	7.8%	8.1%	15.2%	10.4%	8.3%	9.6%	7.4%	8.1%	10.5%	2008
5-yr change in the number of sole proprietors, nonfarm	2008-2013	2.5%	5.0%	11.6%	10.6%	6.3%	5.4%	8.5%	9.6%	1.0%	8.5%	24.7%	2003-2008
Average sole proprietor income, nonfarm	2013	$29,624	$29,896	$43,598	$47,656	$16,650	$24,087	$24,427	$53,240	$20,126	$57,247	$30,725	2013
5-yr chg. in sole proprietor income, nonfarm	2008-2013	33.1%	27.0%	18.8%	88.4%	9.8%	26.6%	8.2%	37.2%	15.3%	86.3%	-25.1%	2003-2008
Capital Environment													
Small business loans (originations) per 1,000 estab.	2013	668.70	414.86	471.58	723.93	687.92	457.29	510.79	513.48	562.71	571.16	1053.6	2008.00
5-yr chg. in small business loans (originations) per 1,000 estab.	2013	-49.3%	-55.2%	-50.4%	-35.1%	-50.5%	-60.1%	-52.1%	-51.9%	-53.2%	-45.8%	2.9%	2008
Net new jobs created at PE/VC-backed small bus.	2005-2010	-4,489	287	173	-51	155	115	716	4,256	35	191	-635	2003-2008
% change in jobs at PE/VC-backed small bus.	2005-2010	-34.4%	2.6%	4.4%	-8.6%	9.5%	6.8%	13.0%	37.0%	7.9%	9.8%	-23.0%	2003-2008

Figure 6: Innovation and Entrepreneurship Scorecard

	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls
Research and Development Activity										
Business R&D expenditures per capita	7	5	5	10	3	9	4	2	1	8
Academic R&D exp., universities w/i 50 miles of CBD (mil.)	9	2	4	7	3	5	1	6	10	8
Licensing activity, research universities w/in 50 miles of CBD	8	7	5	1	6	3	2	3	N/A	9
Licensing income, research universities w/in 50 miles of CBD (ths.)	9	5	2	7	8	3	1	3	N/A	6
Startups from research universities w/in 50 miles of CBD	6	4	8	6	3	1	4	1	N/A	8
Patents per 1,000 jobs	2	4	6	7	3	8	5	10	1	9
5-yr relative high-tech GDP growth score	3	1	5	7	8	6	4	10	2	9
High-Tech GDP LQ	1	4	10	8	2	5	3	7	6	9
Startups, Small Businesses, and Self-Employed										
New startups per 1,000 establishments	1	9	4	2	3	10	5	6	8	7
5-yr change in new startups	10	8	3	4	5	7	2	6	9	1
Self-employment as a share of total employment	1	5	4	6	2	10	9	7	3	8
Pct. pt. change in self-employment as a share of total emp.	2	1	3	6	10	7	8	5	4	9
% of total employment in firms w/ 19 or fewer employees	2	7	10	8	1	3	4	6	9	5
% of total employment in firms less than 5 yrs old	2	10	8	7	1	3	5	4	9	6
5-yr change in the number of sole proprietors, nonfarm	9	8	1	2	6	7	5	3	10	4
Average sole proprietor income, nonfarm	6	5	4	3	10	8	7	2	9	1
5-yr chg. in sole proprietor income, nonfarm	4	5	7	1	9	6	10	3	8	2
Capital Environment										
Small business loans (originations) per 1,000 estab.	3	10	8	1	2	9	7	6	5	4
5-yr change in small business loans (originations) per 1,000 estab.	3	9	4	1	5	10	7	6	8	2
Net new jobs created at PE/VC-backed small bus.	10	3	5	9	6	7	2	1	8	4
% change in jobs at PE/VC-backed small bus.	10	8	7	9	4	6	2	1	5	3
Average Ranking, All Indicators	5.14	5.71	5.38	5.33	4.76	6.33	4.62	4.67	6.39	5.81
Average Ranking, All Indicators	**4**	**7**	**6**	**5**	**3**	**9**	**1**	**2**	**10**	**8**

Business Environment

Sioux Falls is very cost-competitive and ranks favorably compared to the other metros for business environment. Though dependent on a number of factors, metro Sioux Falls' business climate had an average score that placed it 3rd out of the comparison communities. South Dakota is an attractive state to do business partially because the state does not levy a corporate or personal income tax. Additionally, commercial and industrial electricity costs are competitive in South Dakota, ranking 2nd and 4th lowest, respectively, compared to the benchmark states.

Competitive real estate costs further increase metro Sioux Falls' attractiveness for businesses. The region's Class A, industrial and retail rental price per square foot were among the lowest of the comparison communities. In the region's core, the Sioux Falls Downtown Market Study forecasts that an additional 1.0 million to 1.6 million square feet of office space will be needed by 2035 to meet demand. If not addressed, low vacancy rates in the downtown area will increase real estate costs and diminish the appeal of the region's largest downtown market.

Quality, reliable infrastructure – both "traditional and technological" – and airport capacity also play a significant role in a company's decision to locate in a certain region. **Metro Sioux Falls' rankings on infrastructure capacity positioned it among the first tier of comparison regions in this analysis.** The Sioux Falls area has convenient railroad and interstate access, especially for firms that are heavily reliant on the movement of goods and people. The Sioux Falls Regional Airport (FSD) has seen an increase in passenger departures over the past five years and had several record-setting months in boardings in 2014. FSD ranked 4th of the comparison communities in passenger departures per capita and in its over-the-year growth rate. The airport has invested millions of dollars in upgrades, will benefit from a new adjacent hotel, and has marketed itself effectively. These improvements are helping to make the airport a more attractive option to both leisure and business travelers and have decreased the average domestic airfare significantly (2nd lowest among the comparison areas). **Physical and performance improvements at FSD are some of the most significant advances from the 2009 Future Sioux Falls process.**

Business costs, especially related to labor, are key Sioux Falls area strengths. From electricity to office and retail rental rates to the ratio of labor productivity to cost, the Sioux Falls MSA finished near the top of the benchmark rankings. Additionally, Sioux Falls ranked favorably according to KPMG's total tax index, which indicates that corporations in the region bear a below average tax burden. The Corporation for Enterprise Development (CFED) provides an annual *Assets & Opportunity Scorecard* where it ranks each state based on 66 outcomes measurements and 67 state policies. According to CFED, South Dakota ranked 12th in overall outcome, but 45th in its policy rankings based on those outcome measurements and the state's adoption of policies aimed at improving the state's performance.

Figure 7: Business Environment Data Values

	Year	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls	Sioux Falls	Year
Infrastructure												Historical	
Passenger departures per capita	2013	2.00	1.95	1.79	1.78	0.00	0.43	1.29	2.20	0.51	1.95	1.57	2008
1-yr passenger departures per capita chg.	2012-2013	-1.3%	5.2%	4.3%	6.1%	-97.3%	1.9%	2.2%	-3.0%	2.8%	3.9%	-8.7%	2007-2008
Average domestic airfare	2013	$402.67	$387.53	$397.86	$400.76	N/A	$522.07	$511.96	$402.42	$448.36	$387.81	$439.69	2008
Air freight cargo (lbs. in ths.)	2013	90,000	65,000	152,000	242	N/A	124	50,000	132,000	18,000	88,000	80,000	2008
1-yr air freight cargo chg.	2012-2013	3.4%	-16.7%	0.7%	66.9%	N/A	439.1%	72.4%	9.1%	5.9%	7.3%	-13.0%	2007-2008
Public transit trips per capita	2013	4.29	7.25	9.89	12.43	9.68	8.72	37.35	5.94	16.28	7.44	N/A	-
Public transit average cost per trip	$5.68	$5.68	$6.09	$5.09	$4.12	$4.27	$4.88	$3.30	$6.18	$3.91	$6.68	N/A	-
# of Class I railroads	2013	1	1	3	1	2	2	1	2	1	1	1	2008
# of intermodal terminals	2013	0	0	0	1	0	0	0	3	0	0	0	2008
Business Costs													
Commercial electricity costs (cents per kilowatt hr.)*	Sept. 2014	7.9	9.2	9.2	9.2	10.8	9.3	11.3	9.3	9.9	8.9	7.0	Sept. 2009
Industrial electricity costs (cents per kilowatt hr.)*	Sept. 2014	7.0	6.7	6.7	8.1	7.6	7.3	8.0	7.3	7.1	7.1	5.9	Sept. 2009
Class A office cost (per sq ft in core city)	Nov. 2014	$13.71	$10.86	$12.44	$14.94	$14.13	$12.73	$13.76	$15.21	$13.18	$12.33	N/A	-
Industrial cost (per sq ft in core city)	Nov. 2014	$6.14	N/A	$5.92	N/A	$8.49	$5.09	$5.65	$5.64	N/A	$5.39	N/A	-
Retail cost (per sq ft in core city)	Nov. 2014	$13.17	$11.82	$12.86	$14.94	$17.01	$13.72	$14.63	$12.92	$13.50	$13.02	N/A	-
Ratio of labor productivity to labor cost**	2013	2.6	2.7	2.6	2.6	2.2	2.5	2.5	2.8	1.9	3.0	2.9	2008
Business Climate													
Total Tax Index	2014	96.1	94	N/A	95.1	N/A	N/A	96.8	94.3	N/A	94.5	N/A	-
Business and Jobs Outcome State Rank*	2014	21	8	8	2	14	15	17	15	7	12	N/A	-
Business and Jobs Policy State Rank*	2014	45	26	26	21	12	23	26	23	7	45	N/A	-

"N/A" indicates that data is not available for this geography.
** Data is collected and reported at the state-level.*
***Indicator is measured by dividing gross metropolitan product per employee (a proxy for labor productivity) in each region by its average annual wage. This produces a ratio that indicates the amount of output generated for every dollar spend on wages per employee. A higher ratio (and ranking closer to 1) is indicative of markets with relatively affordable labor.*

Figure 8: Business Environment Scorecard

	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls
Infrastructure										
Passenger departures per capita	2	3	5	6	10	9	7	1	8	4
1-yr passenger departures per capita chg.	8	2	3	1	10	7	6	9	5	4
Average domestic airfare	6	1	3	4	N/A	9	8	5	7	2
Air freight cargo (lbs. in ths.)	3	5	1	8	N/A	9	6	2	7	4
1-yr air freight cargo chg.	7	9	8	3	N/A	1	2	4	6	5
Public transit trips per capita	10	8	4	3	5	6	1	9	2	7
Public transit average cost per trip	7	8	6	3	4	5	1	9	2	10
Class I railroads	5	5	1	5	2	2	5	2	5	5
Intermodal terminals	3	3	3	2	3	3	3	1	3	3
Business Costs										
Commercial electricity costs (cents per kilowatt hr.)*	1	4	4	3	9	6	10	6	8	2
Industrial electricity costs (cents per kilowatt hr.)*	3	1	1	10	8	6	9	6	4	4
Class A office cost (per sq ft in core city)	6	1	3	9	8	4	7	10	5	2
Industrial cost (per sq ft in core city)	6	N/A	5	N/A	7	1	4	3	N/A	2
Retail cost (per sq ft in core city)	5	1	2	9	10	7	8	3	6	4
Ratio of labor productivity to labor cost**	5	3	6	4	9	8	7	2	10	1
Business Climate										
Total Tax Index	5	1	N/A	4	N/A	N/A	6	2	N/A	3
Business and Jobs Outcome State Rank*	10	3	3	1	6	7	9	7	2	5
Business and Jobs Policy State Rank*	9	6	6	3	2	4	6	4	1	9
Average Ranking, All Indicators	5.61	3.76	3.76	4.59	6.64	5.53	5.83	4.72	5.06	4.22
Average Ranking, All Indiactors	**8**	**1**	**1**	**4**	**10**	**7**	**9**	**5**	**6**	**3**

"N/A" indicates that data is not available for this geography.

** Data is collected and reported at the state-level.*

***Indicator is measured by dividing gross metropolitan product per employee (a proxy for labor productivity) in each region by its average annual wage. This produces a ratio that indicates the amount of output generated for every dollar spend on wages per employee. A higher ratio (and ranking closer to 1) is indicative of markets with relatively affordable labor.*

Quality of Life and Place

Assessment of quality of life and quality of place can be extremely subjective and difficult to measure, but there are some indicators that apply to every community: crime rates, affordability, community well-being, and attractive amenities, to name a few. Less quantifiable characteristics such as walkability, recreation activities, quality amenities, healthy environments, and transportation can also influence a community's competitiveness.

As *Market Street* found in the 2009 Competitive Assessment, Sioux Falls area residents convey positive feelings about the place they call home and boast about the high quality of life, family friendly environment, openness to a diverse population, and the beautiful natural surroundings that Sioux Falls offers. However, there were some concerns expressed over the region's ability to attract and retain young professionals and the lack of place-based amenities that would make Sioux Falls more appealing to a wider range of individuals**. Since that time, a number of developments, including the opening of the Denny Sanford PREMIER Center, have sought to address these issues.** The completions of the 2025 Downtown Plan and the Cultural Plan Update have also identified enhancements to retain and attract a more diverse resident base. While these improvements do not show up in the scorecards, they are nevertheless important to the region's overall competitive profile.

One difference from 2009 is the increase in local crime rates. In 2013, greater Sioux Falls ranked 7th and 8th in property and violent crime rates, respectively, compared to the benchmark regions. In most of the other comparison communities (except Fargo) rates have fallen in the past five years. Falling rates is also the trend nationally. Although the 2014 report is not yet available to researchers, the Sioux Falls Police Department has reported a decrease from 2013 levels. A robust local economy has insured that an increased number of officers and other resources are provided to insure the safety of residents. Continued monitoring is required to determine if crime rate increases indicate a trend.

As previously stated, Sioux Falls had the 8^{th} lowest average annual wage. **Compounding this issue is that the Sioux Falls area in 2013 had the third highest cost of living among the comparison metros.** It is also roughly three points higher than in 2009. Health care costs in greater Sioux Falls rank higher than average, though grocery items, housing, and transportation remain well below the national average.

On a positive note, metro Sioux Falls is experiencing encouraging housing trends. Greater Sioux Falls ranked 1^{st} for having the lowest percentage of renters paying more than 30 percent of their income on rent, while in 2014 the city of Sioux Falls issued a record number of building permits. Single-family and townhouse permits were down compared to 2013, but a positive sign was the increase in the number of multifamily housing units that provide additional housing options for residents. Furthermore, mixed use development in downtown and the number of recreation and fitness facilities per 100,000 residents has helped to increased Sioux Falls' attractiveness as a place to live, work, and play. Indicators of health and wellness are also generally positive for the Sioux Falls metro.

Figure 9: Quality of Life and Place Data Values

	Year	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls	Sioux Falls	Year
Crime												Historical	
Violent crime rate per 100K residents	2013	224.3	204.5	267.8	255.7	204.5	328.8	217.1	387.4	142.6	291.8	253.3	2008
Property crime rate per 100K residents	2013	1,701	2,356	2,765	2,281	2,156	3,198	2,263	3,245	1,650	2,367	1,968	2008
5-yr change violent crime rate per 100K residents	2008-2013	-5.7%	-1.4%	-19.6%	69.5%	-54.1%	-26.1%	-6.8%	-7.2%	-25.7%	15.2%	7.9%	2003-2008
5-yr property crime rate per 100K residents	2008-2013	-24.7%	-20.5%	-7.9%	10.4%	-22.5%	-14.2%	-18.1%	-6.8%	-78.6%	20.3%	-17.9%	2003-2008
Commuting and Congestion													
% of commuters who drive alone to work	2013	80.0%	84.9%	84.7%	80.6%	74.4%	81.8%	73.3%	83.0%	75.3%	85.7%	83.5%	2008
% of commuters w/ commute times > 45 minutes	2013	6.8%	7.2%	5.7%	4.5%	11.3%	5.1%	8.6%	5.9%	7.8%	5.6%	3.5%	2008
Mean travel time to work (minutes)	2013	21.5	19.5	20.2	16.6	21.6	18.4	21.7	20.3	19.3	18.7	21.5	2008
Affordability and Cost of Living													
Housing affordability index	2012	217.4	278.0	255.8	255.3	N/A	263.3	207.8	284.1	N/A	262.2	N/A	-
Home affordability ratio	2013	3.3	2.6	2.6	3.2	4.4	2.9	3.7	2.6	2.7	2.8	2.6	2008
Renters spending 30%+ of income on rent	2013	49.1%	43.0%	40.5%	45.1%	58.3%	50.1%	47.9%	46.4%	43.4%	37.6%	36.0%	2008
Cost of living index	2013	93.5	91.9	90.3	93.9	N/A	89.7	105.6	87.2	100.6	97.5	94.3	2008
Health													
Physicians per 100K residents	2014	288	196	318	335	241	226	524	479	1984	370	342	2007
% of adults reporting poor or fair health*	2014	14.0%	11.2%	10.9%	10.4%	10.3%	10.0%	9.2%	11.7%	6.5%	9.4%	10%	2010
% of adults reporting BMI >/= 30	2014	25.8%	28.1%	28.7%	28.2%	19.3%	26.8%	25.9%	29.1%	25.4%	28.9%	27%	2010
% of population under age 65 w/out health insurance	2014	17.2%	8.8%	9.1%	10.5%	15.0%	11.8%	8.4%	12.2%	9.0%	11.8%	11%	2010
Gallup-Healthways Wellbeing Index	2013	91	52	25	N/A	3	10	16	29	N/A	22	N/A	-
Recreation and Volunteerism													
Walk Score (Principal City)	2014	37	32	42	41	32	40	47	41	30	34	N/A	-
Recreation and fitness facilities per 100K residents	2011	8.0	19.2	8.6	23.5	16.4	16.3	8.1	5.7	24.0	21.5	22.0	2007
Charitable revenue per capita	2014	$5,859	$6,501	$12,790	$20,668	$4,624	$7,972	$12,083	$10,273	$34,209	$10,715	$13,876	2009

Figure 10: Quality of LIfe and Place Scorecard

	Boise	Cedar Rapids	Des Moines	Fargo	Fort Collins	Lincoln	Madison	Omaha	Rochester	Sioux Falls
Crime										
Violent crime rate per 100K residents	5	2	7	6	2	9	4	10	1	8
Property crime rate per 100K residents	2	6	8	5	3	9	4	10	1	7
5-yr change violent crime rate per 100K residents	7	8	4	10	1	2	6	5	3	9
5-yr property crime rate per 100K residents	2	4	7	9	3	6	5	8	1	10
Commuting and Congestion										
% of commuters who drive alone to work	4	9	8	5	2	6	1	7	3	10
% of commuters w/ commute times > 45 minutes	6	7	4	1	10	2	9	5	8	3
Mean travel time to work (minutes)	8	5	6	1	9	2	10	7	4	3
Affordability and Cost of Living										
Housing affordability index	7	2	5	6	N/A	3	8	1	N/A	4
Home affordability ratio	8	1	2	7	10	6	9	3	4	5
Renters spending 30%+ of income on rent	8	3	2	5	10	9	7	6	4	1
Cost of living index	5	4	3	6	N/A	2	9	1	8	7
Health										
Physicians per 100K residents	7	10	6	5	8	9	2	3	1	4
% of adults reporting poor or fair health*	10	8	7	6	5	4	2	9	1	3
% of adults reporting BMI >/= 30	3	6	8	7	1	5	4	10	2	9
% of population under age 65 w/out health insurance	10	2	4	5	9	7	1	8	3	6
Gallup-Healthways Wellbeing Index	8	7	5	N/A	1	2	3	6	N/A	4
Recreation and Volunteerism										
Walk Score (Principal City)	6	8	2	3	8	5	1	3	10	7
Recreation and fitness facilities per 100K residents	9	4	7	2	5	6	8	10	1	3
Charitable revenue per capita	9	8	3	2	10	7	4	6	1	5
Average ranking, all indicators	6.53	5.47	5.16	5.06	5.71	5.32	5.11	6.21	3.29	5.68
Average Ranking, All Indicators	**10**	**6**	**4**	**2**	**8**	**5**	**3**	**9**	**1**	**7**

Conclusion

A comprehensive look at dozens of indicators across five "scorecard" categories comprising key competitive criteria has shown that the Sioux Falls region continues to perform well for multiple economic, demographic, and community data points. While there are some areas of concern, the primary takeaway from this analysis should be that metro Sioux Falls has emerged from the Great Recession in a place of strength and competitive advantage. As the region's key economic development, government, workforce, and community development partners continue to implement the principal tenets of the Future Sioux Falls program, these issues and challenges should be integrated into strategic activities and priorities as well as opportunities identified to leverage and promote areas of strength.

SCORECARD SUMMARIES

Economic Performance

- ✓ The Sioux Falls MSA's aggregate ranking across all indicators placed it second among the comparison regions; this is a very strong result.
- ✓ Five year growth rates and current unemployment rates were strengths, while the MSA's one-year growth rate was average.
- ✓ Greater Sioux Falls' exports per worker and exports as a percentage of overall economic output were in the bottom performance tier, though gross metro product per worker was second among the competitors.
- ✓ The Sioux Falls MSA finished strongest for indicators in the Wages, Income, and Poverty category; other than average annual wage (8^{th}), the metro finished in the upper third of the comparison regions for all indicators, including wage increase, per capita income rate and change, and measures of total and child poverty.

Workforce Capacity

- ✓ As with Economic Performance, the Sioux Falls MSA's aggregate ranking for these indicators was second among the comparison areas.
- ✓ Though five-year population growth rate in the Sioux Falls region was 8^{th} among competitors – a notable change from 2009 Future Sioux Falls findings – the region has nevertheless grown its labor force competitively and continued to attract in-migrants competitively, especially those with higher educational attainment.

- ✓ Metro Sioux Falls' age composition dynamics are strong, with its dependency ratio and percentage of workers age 55+ criteria finishing third among competitors; the Workforce Sustainability Analysis will delve further into these age-related labor force indicators.
- ✓ Educational attainment data and trends for the Sioux Falls MSA were mixed; the region ranked low for the percentage of the population enrolled in college (not a surprise considering the lack of a four-year campus) and the adult population with a bachelor's degree or higher (a key concern), but demonstrated very positive growth trends in the number of residents attaining associates and bachelor's degrees and above.

Innovation and Entrepreneurship

- ✓ The Sioux Falls MSA ranked in the bottom tier of competitors for Innovation and Entrepreneurship indicators, finishing seventh.
- ✓ The principal category that dragged down the region's aggregate ranking was Research and Development Activity, where metro Sioux Falls finished eighth or ninth for most indicators, save for high-tech startup density (#2 ranking); this is not a surprise given the lack of a major research university in the region, an active technology economy, or multiple corporations with a major research presence.
- ✓ Results were mixed for Startup, Small Business, and Self-Employed indicators, where the Sioux Falls area ranked highly in startup activity change and measures of sole-proprietor income, but lower for the total percentage of the self-employed in the regional economy.
- ✓ Capital Environment indicators were more competitive for greater Sioux Falls, especially the number and recent change in small business loans per 1,000 establishments.

Business Environment

- ✓ The Sioux Falls MSA finished strongly in its aggregate ranking for Business Environment, coming in third amongst the competitor metros.
- ✓ A notable positive for greater Sioux Falls is its high rankings for air passenger indicators, an area of concern in 2009; however, the region finished lower for air freight and public transit capacity and in the middle tier for railroad assets.
- ✓ Business Costs were a great area of strength for metro Sioux Falls, with the region ranking highly across the board for electricity and rental costs in all categories.
- ✓ The total tax index in the Sioux Falls area was competitive; less so were state level indicators related to business and jobs outcome and policy.

Quality of Life and Place

- ✓ The Sioux Falls MSA's aggregate ranking for Quality of Life and Place indicators was seventh, an indication of the divergence between quantitative and qualitative attitudes about the region, which are nearly universally positive.
- ✓ Principally, what lowered the metro Sioux Falls' overall rankings were crime rates; the region finished near the bottom in both current rates of violent and property crime and five-year trends.
- ✓ Greater Sioux Falls finished well for commute times but last for the rate of commuters who do not drive alone to work.
- ✓ The Sioux Falls' areas rankings were mixed for Affordability and Cost of Living, in which house prices were average and cost of living rather high, but the percentage of renters who spend more than 30 percent of their income on rent was lowest among the comparison regions.
- ✓ Health rankings for metro Sioux Falls were mixed, with the region's best performance coming in the percentage of adults who reported being overweight.
- ✓ Among Recreation and Volunteerism rankings, the Sioux Falls MSA finished well for its capacity of recreation and fitness facilities but lower for downtown Walk Score and charitable revenue per capita.

APPENDIX: DATA SOURCES AND NOTES

Geographies

The federal Office of Management and Budget's 2013 MSA definitions were used for the Competitive Assessment analysis. The counties included in the metropolitan areas are defined below.

- **Boise City-Nampa, ID MSA**: Ada County, ID; Boise County, ID; Canyon County, ID; Gem County, ID; and Owyhee County, ID
- **Cedar Rapids, IA MSA**: Benton County, IA; Jones County, IA; and Linn County, IA
- **Des Moines-West Des Moines, IA MSA**: Dallas County, IA; Guthrie County, IA; Madison County, IA: Polk County, IA; and Warren County, IA
- **Fargo, ND-MN MSA**: Cass County, ND and Clay County, MN
- **Fort Collins, CO MSA**: Larimer County, CO
- **Lincoln, NE MSA**: Lancaster County, NE and Seward County, NE
- **Madison, WI**: Columbia County, WI; Dane County, WI; Green County, WI; and Iowa County, WI
- **Omaha-Council Bluffs, NE-IA MSA**: Harrison County, IA; Mills County, IA; Pottawattamie County, IA; Cass County, NE; Douglas County, NE; Sarpy County, NE; Saunders County, NE; and Washington County, NE
- **Rochester, MN MSA**: Dodge County, MN; Fillmore County, MN; Olmsted County, MN; and Wabasha County, MN
- **Sioux Falls, SD MSA**: Lincoln County, SD; McCook County, SD; Minnehaha County, SD; and Turner County, SD

Data Sources

Economic Performance

- 1 Year and 5 Year Employment Change: Economic Modeling Specialists Intl. (EMSI)
- Unemployment Rate: U.S. Bureau of Labor Statistics (BLS)
- 5 Year Firm Opening, Expansion, and Relocation Employment Change: Edward Lowe Foundation, YourEconomy.org
- 5 Year Establishments Change: BLS
- Business Bankruptcy Rate per 1,000 Establishments: U.S. District Courts, BLS; Moody's
- Exports per Worker: EMSI
- Exports Percent of Supply: EMSI
- Gross Metropolitan Product 5-Year Change: U.S. Bureau of Economic Analysis (BEA)
- Gross Metropolitan Product per Worker: BEA, BLS
- Average Annual Wage and 5 Year Change: BLS
- Per Capita Income and 5 Year Change: BEA
- Wages, Investment, and Transfer Receipts as a Percent of Per Capita Income: BEA
- Total and Child Poverty Rate: U.S. Census Bureau, Small Area Income and Poverty Estimates

Workforce Competitiveness

- 5 Year Population Growth Rate: U.S. Census Bureau, Population Estimates
- 5 Year Labor Force Growth Rate: BLS
- Net Migration as Percent of Total Population: Population Estimates
- In-Migrants with Bachelor's Degree+: U.S. Census Bureau, American Community Survey (ACS) 1 Year Estimates
- In-Migrants from abroad with Bachelor's Degree+: U.S. Census Bureau, ACS 1 Year Estimates
- Dependency Ratio (Age 25-44/Age 45-64): U.S. Census Bureau, American Community Survey (ACS) 1 Year Estimates
  - *A dependency ratio is a general measure of the sustainability of a workforce. The dependency ratio divides the number of workers aged 25 to 44 by those age 45 to 64, the resulting ratio identifies potential workforce shortages caused by retirements over the next twenty years. A ratio below 1.0*

indicates that those aged 45 to 64—those workers who will retire or near retirement over the next twenty years—outnumber those aged 25 to 44—those workers who will likely replace vacating retiree positions. A ratio below 1.0 is considered to be unsustainable over the long term, particularly if the occupation or business sector is growing. A ratio above 1.0 indicates that those aged 25 to 44 outnumber those aged 45 to 64. While a ratio above 1.0 is said to be sustainable, workforce availability challenges may still be encountered over the long term, especially in rapidly growing occupations and business sectors.

- Workers Age 55+: EMSI
- Percent of Population Aged 15 and Above Enrolled in College: U.S. Census Bureau, ACS 1 Year Estimates
- Adults Age 18-24 with Some College or an Associate's Degree: ACS 1 Year Estimates
- Adults Age 25+ with Associate's Degree: ACS 1 Year Estimates
- Adults Age 25+ with Bachelor's Degree+: ACS 1 Year Estimates
- Percentage Point Change in Adults Age 18-24 with Some College or an Associate's Degree +: ACS 1 Year Estimates
- Percentage Point Change in Adults Age 25+ with Associate's Degree ACS 1 Year Estimates
- Percentage Point Change in Adults Age 25+ with Bachelor's Degree+: ACS 1 Year Estimates

Innovation and Entrepreneurship

- State Business Research and Development (R&D) Expenditures per Capita: National Science Foundation
- University Research and Development (R&D) Expenditures: NSF
- Licensing Activity: Association of University Technology Managers (AUTM) U.S. Licensing Activity Survey
- Licensing Income: AUTM
- Startups from Research Universities: AUTM
- Patents: United States Patent and Trademark Office (USPTO)
- 5 Year Relative High-Tech GDP Growth Score: Milken Institute’s Best-Performing Cities
- High-Tech GDP LQ: Milken Institute’s Best-Performing Cities
    - *High-tech location quotients (LQs) measure the industry's concentration in a particular metro relative to the national average, and can be used to gauge an area's participation in the knowledge-based economy.*
- New Startups per 1,000 Establishments: Edward Lowe Foundation, YourEconomy.org, BLS
- New Startups per 1,000 Establishments Change: Edward Lowe Foundation, YourEconomy.org, BLS
- Self-Employed Workers: EMSI

- Percentage Point Change in Self-Employed Workers: EMSI
- Percent Employment in Firms Fewer Than 19 Employees: U.S. Census Bureau, Quarterly Workforce Indicators (QWI)
- Percent Employment in Firms Fewer Than 5 Years Old: QWI
- 5 Year Change in Non-Farm Sole Proprietors: BEA
- Average Annual Income of Non-Farm Sole Proprietors: BEA
- 5 Year Income Change for Non-Farm Sole Proprietors: BEA

Business Environment

- Air Passenger Departure Rank: Federal Aviation Administration (FAA), Research and Innovative Technology Administration Bureau of Transportation Statistics (RITA-BTS)
- 1 Year Passenger Departure Change: FAA, RITA-BTS
- Average Domestic Airfare: FAA, RITA BTS
- Air Freight Cargo: FAA, RITA BTS
- Public Transit Trips per Capita: National Transit Database (NTD), Federal Transit Administration (FTA)
- Public Transit Average Cost per Trip: NTD, FTA
- Number of Class I Railroads: Department of Transportations (DOTs) in each state
- Number of Intermodal Terminals: Loadmatch.com
- Commercial Electricity Costs: Energy Information Administration (EIA)
- Industrial Electricity Costs: EIA
- Class A Office Cost (Per Square Foot in Core City): Loopnet
- Industrial Cost (Per Square Foot in Core City): Loopnet
- Retail Cost (Per Square Foot in Core City): Loopnet
- Ratio of Labor Productivity to Labor Costs: BEA, BLS
    - *Indicator is measured by dividing gross metropolitan product per employee (a proxy for labor productivity) in each region by its average annual wage. This produces a ratio that indicates the amount of output generated for every dollar spend on wages per employee. A higher ratio (and ranking closer to 1) is indicative of markets with relatively affordable labor.*
- Total Tax Index 2014: KPMG
    - *The total tax index is a broad assessment of a corporation's tax burden developed by accounting firm KPMG. Corporate income taxes, property taxes, capital taxes, sales taxes, miscellaneous local business taxes, and statutorily labor costs (i.e. payroll taxes) comprise the total tax index. Communities are ranked against the national average (100). A score below 100 indicates a favorable tax climate relative to the national average while a score above 100 indicates a more adverse tax climate.*

- Business and Jobs Outcome and Policy State Rank: Corporation for Enterprise Development (CFED)
  - *Policy rankings are based on 60 state policies. Outcome rankings are based on indicators that range from financial assets and income to education. Policy priorities are aimed at decreasing the number of underbanked households, improving the number of homeowners, increasing the number of people with health insurance, and improving access to education, among others. For more information, please visit http://scorecard.assetsandopportunity.org*

Quality of Life and Place

- Violent and Property Crime Rate per 100,000 Residents: Federal Bureau of Investigation, Uniform Crime Reporting, Moody's
- Percentage of Commuters who Drive Alone to Work: U.S. Census Bureau, ACS 1 Year Estimates
- Percentage of Commuters with Commute Times Greater than 45 Minutes: U.S. Census Bureau, ACS 1 Year Estimates
- Mean Travel Time to Work: U.S. Census Bureau, ACS 1 Year Estimates
- Housing Affordability Index: National Association of Realtors
  - *The HAI index has a value of 100 when the median-income family has sufficient income to purchase a median-priced existing home. A higher index number indicates that more households can afford to purchase a home.*
- Home Affordability Ratio: U.S. Census Bureau, ACS 1 Year Estimates
  - *This ratio looks at the median price of a home relative to the median household income*
- Renters Spending 30% or More of Income on Rent: U.S. Census
- Cost of Living Index: Council for Community and Economic Research
- Physicians per 100,000 Residents: Sperling's
- Adults Reporting Fair or Poor Health: County Health Rankings and Roadmaps
- Adults Reporting a BMI of Greater than or Equal to 30: County Health Rankings and Roadmaps
- Population under Age 65 without Health Insurance: County Health Rankings and Roadmaps
- Gallup-Healthways Wellbeing Index: well-beingindex.com
- Walk Scores: Walkscore.com
- Recreation and Fitness Facilities per 100,000 Residents: U.S. Department of Agriculture Health Atlas
- Charitable Revenue per Capita: National Center for Charitable Statistics