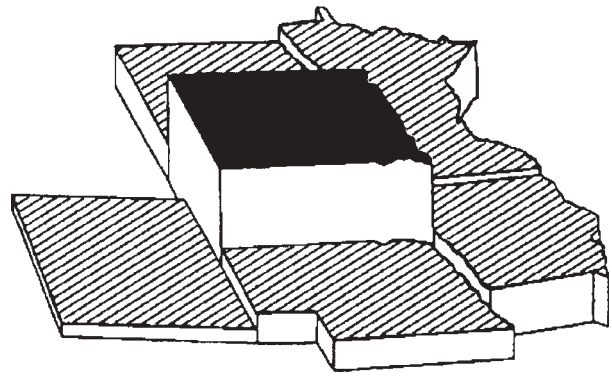


South Dakota Business Review

June 2002, Vol. LX, No. IV



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		<i>South Dakota</i>			<i>United States</i>		
<i>General Indicators</i>	<i>Latest Quarter</i>	<i>Latest Quarter</i>	<i>Year Ago</i>	<i>Percent Change</i>	<i>Latest Quarter</i>	<i>Year Ago</i>	<i>Percent Change</i>
Personal Income (\$ Mil.)	2001-4	19,966	19,826	0.7	8,633,090	8,490,472	1.7
Farm Prop. Income (\$ Mil.)	2001-4	467	1,098	-57.5	22,837	31,675	-27.9
Non-ag Employment (Thous.)	2002-1	370	371	-0.3	131,202	132,559	-1.0
Unemployment Rate (%)	2002-1	3.2	2.8		5.6	4.2	
Total Employment (Thous.)	2002-1	398	392	1.5	133,894	135,804	-1.4

Note: All U.S. data seasonally adjusted.
For South Dakota, all data is seasonally adjusted except for non-ag employment.

An Empirical Analysis of the Security Aspects of E-business Payment Systems

By Nicole Hurley
and Srinivasan Ragothaman

ABSTRACT

Electronic business (e-business) permits new kinds of interactions among business firms, their customers and suppliers, as well as internally within the firms. This new technology of E-business has prospered in the past few years and has become one of the most popular methods of purchasing gifts, books, clothes, plane tickets, entertainment, and other items. Security is a major issue when it comes to using the Internet.

Continued on page 4

South Dakota Personal Income Update

By Nancy I. Nelson
and Nancy J. Craig

Introduction

In 2001, growth in total personal income for South Dakota slowed to 1.5 percent, from over a 7 percent increase in 2000. The impact of the recession in 2001 is reflected in weakness in personal income growth in 2001 which was widespread throughout the U.S. The following article summarizes the latest personal income estimates available for the United States, states in the Plains Region, and South Dakota counties. Personal income is one of the most widely publicized measures of income. It is a popular

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BUSINESS HIGHLIGHTS

SOUTH DAKOTA ECONOMY

The number of nonfarm wage and salaried workers in South Dakota decreased in the first quarter of 2002 from a year ago according to preliminary figures released by the South Dakota Department of Labor. Mining lost about 300 workers with the closing of Homestake and Golden Reward Mines. Manufacturing contributed to the downturn in the first quarter of 2002 with the loss of over 3,000 workers during the year. According to the February 2002 issue of the *Labor Bulletin* published by the South Dakota Department of Labor, 900 of the workers lost in the manufacturing sector "were because of non-economic code changes. These are changes that occur when a specific business is coded to a different business activity." Retail trade and the service sector added the most workers during the year. The increase in government resulted mainly from shifting tribal casinos to this category. Construction, wholesale trade and finance, insurance and real estate (FIRE) also added workers, but at a smaller pace.

Total personal income was down slightly in the fourth quarter of 2001 compared to a year ago. Farm income fell sharply and manufacturing had a downturn in durable goods manufacturing. Part of the decrease in manufacturing resulted from a coding change of a major company to the wholesale trade sector. Construction, FIRE, and government had strong gains. Much of the increase in government resulted from tribal casinos which were moved from the service sector to local government.

New vehicle registrations slipped in the first quarter of 2002 following a sharp upturn in the fourth quarter, particularly for trucks.

UNITED STATES ECONOMY

United States Economy

Total personal income increased 1.7 percent in the fourth quarter of 2001 compared to a year ago according to preliminary estimates released by the Bureau of Economic Analysis (BEA). Declines in farm earnings, manufacturing and wholesale trade were the major contributors to weak growth in personal income. Most states experienced similar weakness in these industries. Government increased nearly 7 percent for this period.

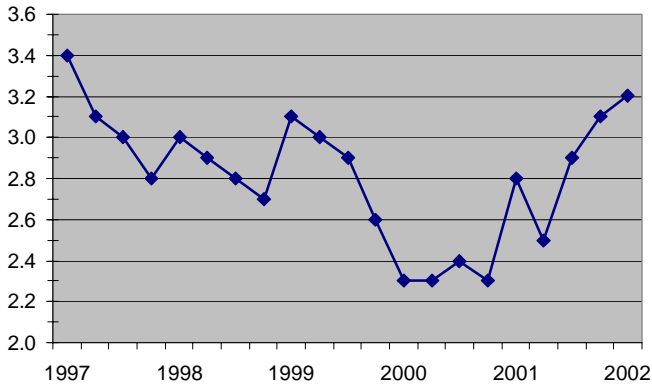
The unemployment rate averaged 5.6 percent in the first quarter of 2002 compared to 4.2 percent a year ago. Job losses in manufacturing have been high, especially jobs in electronic manufacturing. Preliminary figures for construction employment show a slight downturn in the first quarter of 2002 compared to a year ago. However, figures released on construction of housing units show an increase from a year ago. Low mortgage rates have had a positive impact on the housing market. In a recent release, the Commerce Department reported that sales of new single-family homes reached a seasonally adjusted annual rate of 1.03 million in May 2002, the largest gain in six months.

The "Business Situation" article in the June 2002 issue of the *Survey of Current Business* published by the U.S. Department of Commerce reports "an increase in consumer spending contributing more than 2 percentage points to real gross domestic product (GDP) growth in the first quarter of 2002. Increased purchases of nondurable goods and services more than offset decreased purchases of durable goods." Overall, real GDP increased 5.6 percent in the first quarter of 2002 following a 1.7 percent fourth quarter increase.

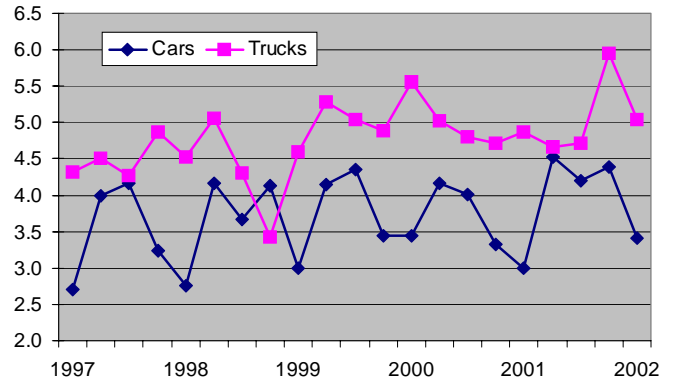
SOUTH DAKOTA BUSINESS AND ECONOMIC ACTIVITY

1997 - 2002 (QUARTERLY)

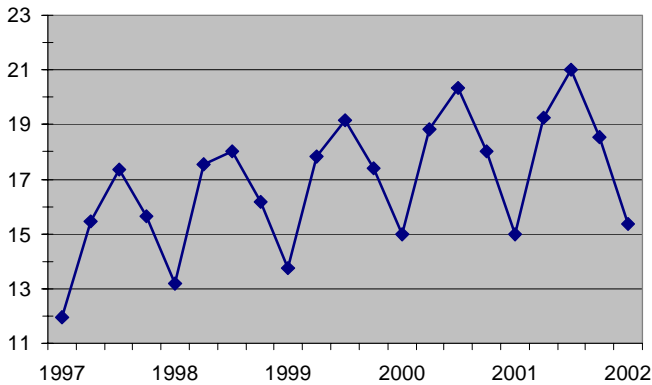
Unemployment Rate (Percent)*



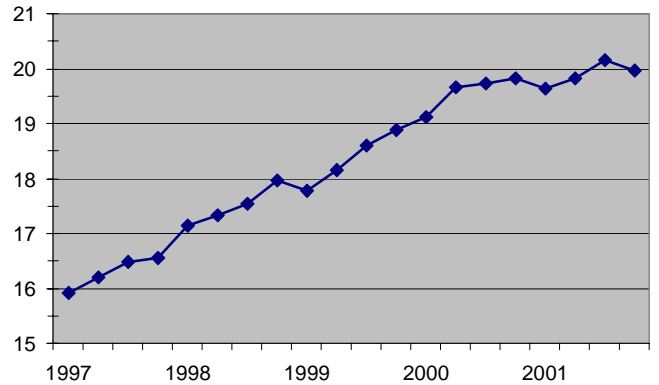
New Car & Truck Registration (In Thousands)**



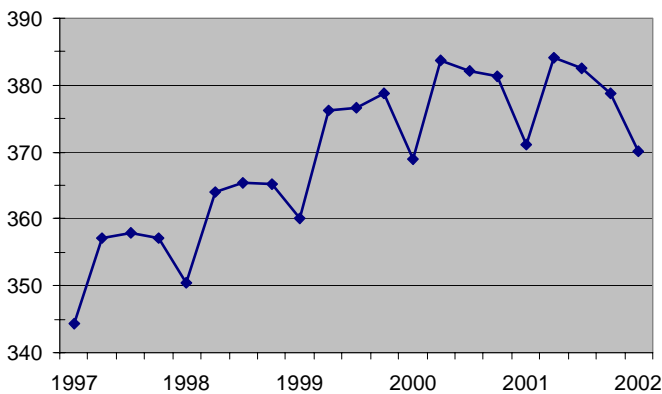
Construction Employment (In Thousands)**



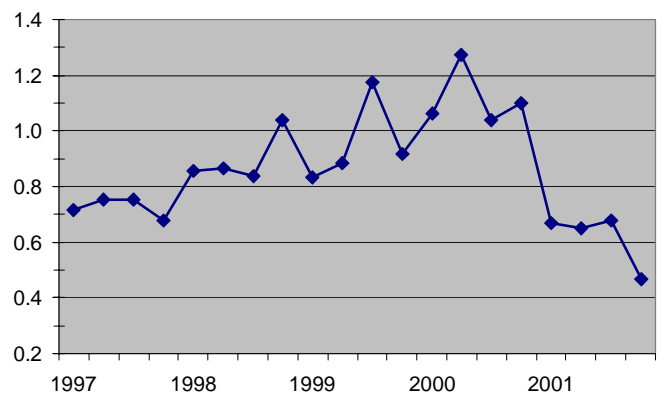
Total Personal Income* (In Billions)



Non-Farm Employment (In Thousands)**



Farm Proprietors' Income* (In Billions)



Note: * Seasonally adjusted data. ** Not seasonally adjusted data.

We conducted a survey to obtain an understanding of how safe consumers feel about Internet purchases and electronic payment systems. This survey was administered to 286 student consumers attending the University of South Dakota. There were many questions relating to security and privacy issues that revealed some interesting results regarding peoples' perceptions of the Internet. Several t-tests were performed on the survey data and these tests along with descriptive statistics revealed that security and privacy issues play a key role in individual perceptions of web purchases and e-business payment systems.

1. Introduction

Electronic business (e-business) is changing business processes in new ways. It creates new opportunities for interactions among business firms, their customers and suppliers, as well as internally within the firms. Applegate, et al (1998) define e-business as: "... more than simply buying and selling goods electronically; involves using network communications technology to engage in a wide range of activities up and down the value-added chain both within and outside the organization." Estimates of growth for electronic business are very encouraging. A PriceWaterhouseCoopers survey of CEOs from North America, Europe and Asia predicts that revenues from electronic commerce will triple in the next five years. This survey also indicates that 88% of all businesses are expected to derive at least some of their revenues from e-business by 2003. Forrester Research estimates that e-business transactions would exceed \$3.2 trillion by the year 2003 (Kurkowski 1999).

In early February 2000, several popular internet sites such as Yahoo, eBay, E*Trade, Amazon.com, CNN and others were hit with cyber-terrorism (Kedrosky 2000). These websites were subjected to what are called "denial of service" attacks by unknown culprits, whom the then Attorney General Reno vowed to track down and punish. Companies hit by cyber-terrorism could very well face lawsuits from customers who suffered losses because the major websites were shut down for a few hours. It is estimated that Yahoo lost more than half a million dollars in three hours (Kedrosky 2000). These attacks are possible because many computer servers do not have adequate security policies. Hackers can steal bank balances, social security numbers, credit card numbers, trading information, customer purchase history and so on. Kedrosky (2000) suggests that leaving an unsecured computer that is connected to the web is like leaving a car unlocked and idling outside every convenience store in the world. If e-business transactions are to

flourish, the privacy and confidentiality of those transactions have to be assured.

The Internet Economy Indicators (2000) reports that: 82% of college graduates will search for careers and employment information online. Data provided by the U.S. Bureau of Labor Statistics show that the U.S. high-tech industry employed 4.8 million workers in 1998, making it one of the nation's largest industries. Small businesses that use the Internet have grown 46% faster than those that do not. The rapid spread of e-business makes the related security issues very complex. Study of such complex security issues is needed for developing trust. Security concerns could affect different web users differently. This research will study how various factors such as gender, frequency of on-line purchases, computer ownership, education, age, prior on-line experience, and others would impact user perceptions.

In order to gain an understanding of the concerns people may be having about the Internet, a survey was administered to 286 student consumers attending the University of South Dakota. The purpose of this survey was to determine how comfortable people feel about the Internet along with their security, privacy, and internal control concerns of purchasing online. Detailed analyses of the results from this survey are presented later in this paper. The next section will provide a brief motivation for this survey research. The third section describes the survey data and provides a short discussion about statistical analysis of the survey data. The final section provides a brief summary.

2. Motivation and prior research

E-business utilizes the Internet, networks, and other digital and wireless technologies to buy and sell goods and services electronically. E-business has many strengths that will aid in its future growth. However, this new and fast paced technology also has a few obstacles to overcome. These strengths and obstacles will be further discussed in this section along with ways of securing Internet channels. E-business is a flourishing technology, with many businesses entering the Internet world. The Internet has the ability to provide numerous services to both consumers and merchants (Sherman 1997).

Accessibility. E-business is growing in popularity primarily due to its accessibility. With the use of the Internet, shopping has been made easier. The Internet has a wealth of sites containing numerous products ranging from items such as food to electronics. The Internet allows customers to access

business Web sites 24 hours a day, 7 days a week. As long as a computer has Internet access, the e-business world is at the customers' fingertips.

Simplicity. The Internet has the ability of increasing simplicity when conducting transactions. E-business makes online shopping very convenient. When a consumer wishes to purchase a particular item, he/she just has to click a button to add it to their shopping cart. When finished shopping, the consumer can click a button requesting to checkout. The consumer will be taken to the payment page where he/she will be requested to fill in his/her address, credit card number, etc., and the sale will be completed.

E-business can also help the merchants reduce their inventory carrying costs and investments in inventory. Supply chain management software is very helpful in reducing procurement costs of e-business firms. Smart businesses can enter into partnerships with other businesses and can fill emerging market niches. For example, Barnes and Noble has an agreement with Yahoo where their banner ads will attract customers to buy their books. Many businesses, such as Dell and Gateway, sell directly on the web to consumers, thus bypassing the retail channel. This results in reduced prices to consumers. Above all, the web is very useful to provide a round the clock customer service and technical support to consumers.

Despite the advantages previously discussed, e-business has experienced limitations that may restrict its success. These limitations may discourage shoppers from discovering the online merchant world. However, these challenges represent opportunities for improvement and they can be overcome if proper and effective actions occur.

Weakening of Local Commerce. The dimensions of E-business may seem threatening to many local businesses, especially those in small communities. These communities fear customers will turn to E-business for their shopping needs instead of shopping locally. This may pose a threat to businesses as they may experience declining sales and profits, making it more difficult for them to reach projected earnings. However, this threat of weakening local commerce may represent an opportunity for some small businesses that can go online. Even though E-business may appear to be a threat to some local businesses, it also represents an opportunity for some of them who have a web presence, by allowing them to maintain customer loyalty and also to create a new customer base.

Information Privacy. Privacy of information is an obvious concern for online businesses and consumers. The risks regarding information privacy manifest themselves either directly or indirectly (Greenstein and Feinman, 2000). A direct compromise of privacy results when a company collects one's confidential information, categorizes it, and shares the information with other people. An indirect compromise of privacy occurs due to security incidents. For example, a worm, which is an independent program that replicates itself multiple times until it finally shuts down the computer system, could search one's computer for something "interesting" and secretly move the information to a remote location.

What can be done to prevent these compromises from occurring? One should consider using cryptography to prevent privacy compromises. Cryptography encrypts the information stored on one's hard drive. Encryption is defined as the "process of scrambling information so that it cannot be read by third parties" (Sherman 1997). This encryption prevents others from accessing files or obtaining personal information stored on the system. "Credit card information is the most widely used personal data that users readily provide to Web servers" (Rubin 2000). A gap in internet security makes this information very susceptible to attacks. Following are some ways in which credit card information can be protected from attackers.

Information Security. Security of information is another major concern for businesses and consumers. According to a Georgetown University survey, 85% of the people who avoid online business steer away from the Internet due to their disbelief of a secure transaction. Also, approximately 87% of the respondents who have had experiences purchasing online show concern about the threats of information privacy and security. People have every right to show concern over information security because information fraud and hacking have become increasingly common in the Internet world. These attacks alert many businesses to take extra measures in securing company and customer data.

Encryption is a popular tool businesses are leaning toward when securing their sites. An example of encryption includes Secure Socket Layer (SSL) (See Rubin 2000.). In brief, SSL allows the decoding and encoding of data by the Web as it moves between the server and a browser. A server is the actual computer system of an online company, while a browser is a search engine that is used to access a particular Web site. This helps ensure that only authorized persons are able to read the information.

Another way to provide a secure interface is to invest in security software and applications.

Internet Security. As discussed above, people are concerned about the security of their personal information when using the Internet. Providing Internet security means “employing security operations to achieve the following goals: (1) privacy/secrecy/confidentiality, (2) authentication, (3) integrity, (4) access control, and (5) non-repudiation” (Black 2000). These goals are defined below:

- **Privacy/Secrecy/Confidentiality:** This means that an unauthorized user is not examining an Internet user’s traffic. This goal assures people that others will not be reading their email or any other traffic that they send over the Internet.
- **Authentication:** This tells people that the web traffic sent is by a legitimate party or user. This goal is also referred to as “data origin authentication.” For example, the receiver of a legal document over the web must be assured that this legal document came from his/her attorney and not someone else who is pretending to be an attorney.
- **Integrity:** This assures both the sender and the receiver that the received traffic has not been tampered with or modified.
- **Access Control:** This prevents unauthorized users from obtaining access or the use of an Internet resource.
- **Non-Repudiation:** This goal works to prevent people from trying to skip out of a transaction when he/she knows that the transaction actually took place. A way many companies accomplish non-repudiation is by sending the customer an email stating what was ordered after the order has been electronically sent to the company.

Firms engaged in e-business encounter a variety of privacy and security issues as discussed. Consequently, accountants who act as consultants and strategic advisors to these firms face challenges as well as opportunities to provide new services (Greenstein and Feinman 2000). Accountants have traditionally assessed financial and operating risks associated with conducting a business and they developed plans to mitigate and control these risks. Growing electronic business opportunities have more security and other risks associated with them. Accountants and auditors must now estimate their

client’s exposure to legal liability arising from electronic commerce transactions as part of their risk evaluation function. Though privacy policies may not yet be mandatory, they are a tool companies may use to attract and assure customers. Some businesses, such as E-Loan, purposely avoid the use of cookies. Cookies are files created by web servers that contain key user information and they improve the efficiency in processing return visits to web sites. Others hire firms such as PriceWaterhouseCoopers to conduct privacy audits (Kedrosky 2000). Another method businesses use is the acquisition of seals of approval from privacy watch-dog groups. For example, the American Institute of Certified Public Accountants and the Canadian Institute of Chartered Accountants launched the CPA/CA WebTrust, a unique seal of assurance for electronic business (Greenstein and Feinman 2000). The WebTrust seals provide the following three assurances to the consumer:

1. business practice disclosure,
2. transaction integrity, and
3. information protection.

3. Survey description and data analysis

Despite the many incentives for businesses to go online, there are also concerns regarding E-business. These concerns affect companies as well as consumers. In the spring of 2001, student consumers enrolled in business classes at The University of South Dakota participated in a survey regarding online purchasing security. The survey was completed by 286 students, ranging in education from freshman to graduate level. The survey asked questions relating to whether people have purchased items online along with their security concerns, if any, about purchasing online. The first part of this section discusses some descriptive statistics and the respondent demographic data, while the rest of this section pertains to the different T-tests that were run. In general, these tests along with the different demographic information revealed that security and internal control play a key role in perceptions about Internet sales.

3.1 Descriptive Statistics

Of the respondents, 167 were male and 113 were female. The other six respondents chose not to answer the gender question. Out of the 286 respondents, 205 were within the ages of 20 and 25, 40 were less than 20, 21 were between 26 and 35 and only 13 people were over the age of 35. It should be pointed out that some of the survey respondents did not answer all of the questions and hence the total responses for each item may not add up to 286. This survey was limited to students taking

business classes in the School of Business at The University of South Dakota. According to this survey, 80 respondents were accounting majors, 7 were economics majors, 71 were business administration majors, 43 were finance majors, and 77 were either undecided or other majors on campus. Another question related to whether or not people own a personal computer. Out of the 286 respondents, 195 stated they do own a computer, while the remaining 91 said they do not own a personal computer.

When the respondents were asked whether or not the computer they primarily used utilizes virus detection software, the responses were as follows: 214 said yes, 28 said no, and 35 were unsure. Do many people spend a lot of time shopping around on the World Wide Web, or do they just log on, find what they are looking for, purchase the item(s), and leave? The responses to this question revealed interesting results. Out of the 286 respondents, 132 stated they "surf" the Web less than one hour a day. It should be noted that these times do not include e-mail time. As the daily time increments increased, the number of respondents falling into those time frames decreased. Only 11 respondents stated they are utilizing the Internet more than five hours a day.

There are many reasons why a person may choose to purchase items online. A few of these reasons include convenience, lack of fees charged on order, customer service, and ease of sign-up. Out of these four possible reasons, 83.2% of the respondents stated that convenience is their most compelling reason to purchase items online. Many people feel it is easier to purchase online than it is to hop in the car and drive to the nearest supplier of that item. When asked how many people have actually purchased items online, 71.7% claimed they have made online purchases, while 28.3% stated they have not purchased items online. Bill payment is increasingly becoming more and more popular with the advances in security measures. However, according to this survey, only 18.3% of the respondents have actually paid their bills via Internet. Many people still prefer to pay their bills by cash, check, or automatic withdrawals.

A summary of the responses related to web security and privacy questions can be found in Table 1. The biggest concern of the survey respondents was the fear that their e-mails and other personal information may find their way into unwanted mailing lists. The second most important factor driving the security perceptions of the respondents related to their personal information (e-mail address, telephone no., etc.) being sold by firms to other internet companies or misused. Credit card information getting stolen/

misused was the next security concern. The survey respondents ranked the following items somewhat important in influencing their perceptions of web security and confidentiality concerns: misuse or theft of personal information and computer hacking. The survey respondents were skeptical that they may be subjected to virus attacks or that they may not be correctly billed or that the items purchased may not be received.

3.2 T-Test for Mean Differences

This section discusses mean differences between the groups for security and privacy questions. These differences were analyzed through the use of T-tests. We use T-tests to test the null hypothesis that two groups (males and females, computer owners and non-owners, etc.) of respondents have the same average perceptions. These T-tests help us determine if any of the following have an impact on people's perceptions of online security: (1) purchasing online, (2) owning a computer, and (3) gender. Tests were run to check for equality of variances and appropriate T-statistics were used.

Purchasing Online. One T-test analyzed the influence of Internet security on online purchasers and non-online purchasers. Not surprisingly, this test revealed many significant differences, all at the $p < .05$ level. The first of these significant differences was the concern of receiving the correct item(s) purchased when ordering on the Internet. The mean for the people who have purchased online was 3.44, while the mean for the non-online purchasers was 2.71. The non-online purchasers show the greater concern about receiving the correct items ordered when purchasing online. The next concern relates to being correctly billed for the item(s) purchased over the Internet. The mean for the online purchasers was 3.29 while the mean for the non-online purchasers was 2.68. One reason might be that the non-online purchasers do not understand how the payment system works when it is applied to the Internet.

The next two concerns that were significantly different related to one's personal information and credit card information. The first concern focused on the stealing of one's personal information. The mean for the online purchasers was 2.69, while the mean for the non-online purchasers was 2.25. These averages indicate that non-online purchasers are more concerned about their personal information being stolen. A reason to support this hypothesis is that people who have not had the chance to make an online purchase would place more trust in a company in which they can talk to an actual client representative. Many people feel that talking to a

real person ensures that their personal information will be safer than entering it on the Web where hackers can access this information.

We further divided the frequent on-line purchasers into groups of males and females. The next T-test analyzed the perception of Internet security on male on-line purchasers and female on-line purchasers. Not surprisingly, this test revealed no significant difference between male and female perceptions for any of the 12 questions. The next T-test analyzed the influence of Internet security on male **non**-online purchasers and female **non**-online purchasers. Surprisingly, this test revealed three significant differences in male and female perceptions, where both sexes were **non**-online purchasers. Male respondents felt more strongly that online firms were not taking adequate steps to secure internet transactions. Male respondents also felt more strongly that they may not receive the items they order on-line. Finally, male respondents were also more concerned that their personal information may be misused, if they order items on-line.

Owning a Computer. This T-test examined the effect of owning a computer on people's perceptions about purchasing online. Out of the 12 security questions, only two presented significant differences at the $p < .05$ level. "Computer virus attacks" and "receiving the correct items" ordered both represented a significant difference between computer owners and non-computer owners at these p-levels. In regards to computer virus attacks, the mean perception for computer owners was 2.62, while the mean perception for non-computer owners was 2.94. Computer owners show greater concern about virus attacks on their computers. This significant difference appears plausible because there is little need for non-computer owners to be concerned about virus attacks as they are using someone else's computer.

Receiving the correct item(s) ordered when using the Internet for purchasing purposes is the other concern that proved to be significantly different between computer owners and non-computer owners at the .05 rejection level. This concern displayed a mean of 3.33 for computer owners and 3.03 for non-computer owners. The non-computer owners are showing a greater concern about receiving the correct item(s) ordered when purchasing online. Some non-computer owners might prefer to stick with what they know and understand, which may be picking up the phone and calling in their order.

Gender. The final T-Test analyzed whether or not gender affects people's perceptions of online security and internal control. This test suggests that gender does not affect one's concerns about purchasing online. However, out of the 12 internal control questions one had a significant difference. The concern that had a significant difference related to receiving the item(s) one purchased. The mean for the males was 3.11, while the mean for the females was 3.41. The lower the mean, the higher the concern. These means indicate that males show greater concern about receiving the correct item(s) ordered than females. Males may tend to purchase expensive items such as CD players, TV's, computers, and even vehicles over the Internet. Females, on the other hand, may tend to purchase smaller, less expensive items, such as clothing and books online.

4. Conclusion and implications

The use of the Internet has significantly increased in the past few years and this trend is expected to continue. Many businesses are turning to the Internet and other digital and wireless technologies as a means of gaining a competitive advantage. However, the issue of security should never be underestimated. Businesses must work diligently to provide safe and secure transactions. As the survey conducted at The University of South Dakota revealed, there is a concern about how safe and secure the Internet really is. Many of the respondents were concerned about their personal and credit information being stolen, misused, intercepted, or any combination of these three. The survey also revealed that companies need to devise strategies and plans that will aid customers in gaining assurance that nothing will happen to the transmittal of important data while purchasing online. The survey results should be interpreted with caution, since the respondents were self-selected. We did not obtain a random sample of the student population in the United States. We obtained a convenience sample and as such, results could be generalized only to students in other rural university towns in the Midwest.

References follow on top of page 10.

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TABLE 1: OVERALL STUDENT RESPONSES TO SECURITY QUESTIONS

	SA	A	N	D	SD	Mean By Rank
I am concerned that my personal information may get into mailing lists.	74	144	33	26	1	2.0504
I am concerned that my personal information may be sold to other companies or firms.	54	131	44	43	8	2.3571
I am concerned that my personal information may be misused.	38	144	45	48	5	2.4214
I am concerned that my credit card information may be stolen.	46	117	45	63	9	2.5429
I am concerned about my credit card information being intercepted.	44	119	46	60	10	2.5448
I am concerned that my credit card information may be misused.	45	116	45	66	8	2.5571
I am concerned that my personal information may be intercepted.	31	131	51	61	5	2.5627
I am concerned that my personal information may be stolen.	35	126	50	63	6	2.5679
I am concerned about my personal or credit information being hacked into.	35	113	57	69	6	2.6357
I am concerned about virus attacks on my computer.	32	107	63	61	16	2.7204
I am concerned that I may not be billed correctly for the items I purchase online.	15	87	43	118	17	3.1250
I am concerned that I may not receive the items I order when I purchase online.	14	81	36	122	27	3.2393

Legend: SA = Strongly Agree A = Agree N = Neutral D = Disagree SD = Strongly Disagree
Code: SA = 1 A = 2 N = 3 D = 4 SD = 5

Note: Some survey respondents did not answer all of the questions and hence the total responses for each item may not add up to 286.

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South Dakota Personal Income Update....continued from page 1

measure of economic health for counties, states, regions and the nation as a whole. It represents primarily payments to individuals for productive services rendered and includes both the private sector and public (government) sector. Estimates of total personal income, per capita personal income and disposable personal income through 2001 for the United States, states and regions are regularly produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). County level income estimates through 2000 are also included in this article. Data in the accompanying tables reflect BEA's most recent comprehensive revisions.

South Dakota's personal income growth in 2001 was weakened by a slowdown or downturn in several of the major components of personal income. **Net earnings**, which accounted for 63 percent of personal income in 2001, decreased 0.1 percent in 2001 after growing 7.2 percent in 2000. The

earnings downturn was due mainly to a slowdown in wages and salaries growth (payrolls). South Dakota's unemployment rate increased to 3.3 percent in 2001 from 2.3 percent in 2000.

Dividends, interest, and rent, which accounted for 22 percent of total personal income, increased 2.2 percent in 2001 following a 6.5 percent gain in 2000. This slowdown is due mainly to lower interest rates which have reduced interest income. **Transfer payments**, another major component, increased 7.7 percent in 2001, up from 5.7 percent in 2000.

Personal Income and Its Components

Personal income is defined by the Bureau of Economic Analysis as income received by persons from participation in production, from government and business transfer payments, and from government interest. Personal income is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal

TABLE 1
Total Personal Income
United States and Plains Region
(Millions of Dollars)
1997-2001p

	1997	1998r	1999r	2000r	2001p
Iowa	\$67,938	\$71,280	\$72,830	\$77,378	\$79,753
Kansas	63,728	67,896	70,052	73,685	76,816
Minnesota	129,020	140,031	146,715	157,477	163,047
Missouri.....	131,144	138,987	143,928	152,448	157,797
Nebraska.....	40,724	43,313	45,442	47,319	48,937
North Dakota	13,332	14,709	14,798	15,836	16,202
South Dakota	16,288	17,497	18,355	19,611	19,900
Plains Region	462,173	493,714	512,120	543,754	562,453
United States	6,928,545	7,418,497	7,769,367	8,314,032	8,621,023

p Preliminary
r Revised

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce
Release date: April 23, 2002

interest income, and transfer payments. Net earnings is earnings by place of work—the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income-less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes). Included in personal income are:

- **Private and government wage and salary disbursements:** monetary compensation for employees and corporate officers, tips, commissions, bonuses and any payments-in-kind that constitute income to the recipient.
- **Other labor income:** represents employer contributions to privately administered pension and welfare funds and other small items such as directors' fees and compensation of prison inmates.
- **Farm and nonfarm proprietors' income:** monetary income and income-in-kind of sole proprietorships and partnerships and tax-exempt cooperatives.
- **Rental income of persons:** monetary income of persons from the rental of real property (excluding the income of persons primarily engaged in the real estate business).

- **Personal dividend income:** measures the dividends received by persons from all sources.
- **Personal interest income:** interest income of persons from all sources.
- **Transfer payments:** payments to persons who do not render current services. Included are payments by government and business to individuals (i.e., Medicaid, food stamps, etc.) and to nonprofit institutions serving individuals.
- **Less personal contributions for social insurance:** consists of payments by employees, the self-employed, and other individuals who participate in the following programs: federal old-age, survivors, disability and hospital insurance; supplementary medical insurance; state unemployment insurance and temporary disability insurance; railroad retirement; government employee retirement and veterans life insurance.

• **Per capita personal income (PCPI)** is estimated by dividing total personal income of residents by the resident population as of July 1 of a particular year.

• **Disposable personal income (DPI)** measures the personal income available to residents of an area after personal tax and nontax payments have been deducted from their total personal income. DPI represents the income available to persons for spending or saving.

TABLE 2
Per Capita Personal Income
United States and Plains Region
(Dollars)
1997-2001p

	<u>1997r</u>	<u>1998r</u>	<u>1999r</u>	<u>2000r</u>	<u>2001p</u>
Iowa	\$23,499	\$24,555	\$24,962	\$26,431	\$27,283
Kansas	24,182	25,519	26,155	27,374	28,507
Minnesota	27,086	29,092	30,105	31,935	32,791
Missouri	23,926	25,171	25,877	27,206	28,029
Nebraska	24,148	25,541	26,656	27,630	28,564
North Dakota	20,520	22,716	22,969	24,708	25,538
South Dakota	21,885	23,453	24,460	25,958	26,301
Plains Region	24,517	26,001	26,769	28,228	29,106
United States	25,412	26,893	27,843	29,469	30,271

p Preliminary
r Revised

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce
Release date: April 23, 2002

• **Per capita disposable personal income (PCDPI)** is estimated by dividing the disposable personal income of an area by its resident population. It allows direct comparisons of the disposable income available to residents of an area.

Total and Per Capita Personal Income
 In 2001, total personal income (TPI) in South Dakota increased 1.5 percent compared to 2000. Comparisons among the Plains Region states and for the United States are included in Tables 1 and 3.

Per capita personal income (PCPI) is affected by both population and personal income. It is often used as a measurement tool of the relative economic position of local areas. Comparisons of per capita personal income for the United States and South Dakota for the census years 1970 through 2000 are as follows:

	<u>US</u>	<u>SD</u>	<u>Ratio of SD PCPI to the US</u>
1970	\$ 4,095	\$ 3,256	79.5
1980	\$10,183	\$ 8,142	80.0
1990	\$19,584	\$16,238	82.9
2000	\$29,469	\$25,958	88.1

The ratio of South Dakota PCPI to the nation has been rising. As noted above, the ratio in 1970 was 79.5 percent of the national average. By 2000, South Dakota PCPI increased to 88.1 percent. Preliminary figures for 2001 show a ratio of 86.9. Tables 2 and 3 include regional and national data for 1997-2001.

TABLE 3
Percentage Change Comparisons
United States and Plains Region
2000-2001

	<u>Pers Inc % Chg</u>	<u>Per Capita Pers Inc % Chg</u>
Iowa	3.1	3.2
Kansas	4.2	4.1
Minnesota	3.5	2.7
Missouri	3.5	3.0
Nebraska	3.4	3.4
North Dakota	2.3	3.4
South Dakota	1.5	1.3
Plains Region	3.4	3.1
United States	3.7	2.7

Source: Compiled from data in Tables 1 and 2

Disposable Personal Income and Per Capita Disposable Personal Income

Disposable personal income (DPI) provides a better measure of income available for consumption and saving, as it is computed as personal income less income and property taxes. It excludes nontax payments such as tuition, donations, and fees paid to government-operated schools and hospitals. Personal tax payments such as income, estate and gift, personal property and some license taxes are excluded as well as tax payments, i.e., personal contributions to social insurance, real estate taxes (these are considered a business expense and have

TABLE 4
Total Disposable Personal Income
United States and Plains Region
(Millions of Dollars)
1997-2001p

	<u>1997</u>	<u>1998r</u>	<u>1999r</u>	<u>2000r</u>	<u>2001p</u>
Iowa	\$59,294	\$62,181	\$63,363	\$6,185	\$69,436
Kansas	55,113	58,652	60,376	63,150	66,036
Minnesota	109,183	118,006	124,480	132,235	137,34
Missouri	114,001	120,352	124,527	131,467	136,337
Nebraska	35,531	37,620	39,492	40,806	42,329
North Dakota	11,853	13,143	13,192	14,096	14,396
South Dakota	14,650	15,748	16,426	17,478	17,745
Plains Region	399,625	425,703	441,856	466,416	483,622
United States	5,960,749	6,349,151	6,611,243	7,027,033	7,316,002

p Preliminary
 r Revised
 Source: Bureau of Economic Analysis, U.S. Dept. of Commerce
 Release date: April 23, 2002

been deducted from gross rent when TPI is calculated), and sales tax which are considered part of personal consumption expenditures.

DPI increased 1.5 percent in 2001 compared to the previous year. DPI for the Nation increased 4.1, while the Plains Region had a 3.7 percent increase. (See Tables 4 and 7.)

As shown in Table 5, South Dakota's disposable personal income (DPI) represented a larger percentage of total personal income (TPI) than it did for the U.S. and other states in the Plains Region. This can be attributed to South Dakota's lower tax structure. DPI in South Dakota was 89.2 percent of TPI in 2001.

Table 6 provides per capita disposable personal income for the states in the Plains Region and the United States.

Major Sources of Personal Income in South Dakota

Table 8 includes annual estimates of personal income by source and earnings by industrial source from 1999-2001. Personal income is presented by place of residence (credited to the recipient's residence; while labor and proprietors' income (earnings) is presented by place of work (earnings are credited to the area in which the earning activity actually takes place.)

Strongest growth for 2001 in the private sector was in finance, insurance, and real estate. Wholesale trade, transportation and public utilities and

TABLE 5
Disposable Personal Income
as a % of Total Personal Income
1997 and 2001

	<u>1997</u>	<u>2001</u>
Iowa	87.3	87.1
Kansas	86.5	86.0
Minnesota	84.6	84.2
Missouri	86.9	86.4
Nebraska	87.2	86.5
North Dakota	88.9	88.9
South Dakota	89.9	89.2
Plains Region	86.5	86.0
United States	86.0	84.9

Source: Compiled from data in Tables 1 and 4

construction also contributed to earnings growth. South Dakota had a large decline in farm earnings. Manufacturing, particularly, the manufacture of durable goods, also had a decline in earnings in 2001. Government had an overall increase of 13 percent in 2001, the result of an 18.5 percent jump in state and local government. (See Table 8.) Much of the increase in government resulted from shifting casinos from the service sector to local government.

Figure 1 provides a breakdown of the distribution of earnings by industry for 1999 and 2001.

County Personal Income and Per Capita Income

Table 9 includes estimates of total personal income

TABLE 6
Per Capita Disposable Personal Income
United States and Plains Region
(Dollars)
1997-2001p

	<u>1997r</u>	<u>1998r</u>	<u>1999r</u>	<u>2000r</u>	<u>2001p</u>
Iowa	\$20,509	\$21,421	\$21,717	\$22,949	\$23,754
Kansas	20,913	22,045	22,542	23,461	24,506
Minnesota	22,921	24,516	25,542	26,816	27,622
Missouri	20,799	21,796	22,389	23,461	24,217
Nebraska	21,069	22,184	23,166	23,827	25,637
North Dakota	18,244	20,297	20,477	21,993	22,691
South Dakota	19,684	21,109	21,889	23,134	23,454
Plains Region	21,199	22,420	23,097	24,213	25,027
United States	21,863	23,016	23,693	24,908	25,688

p Preliminary

r Revised

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce

Release date: April 23, 2002

(TPI) and per capita personal income (PCPI) for counties, metropolitan and nonmetropolitan areas and the State for the years 1998, 1999, and 2000. Lincoln county experienced an 8.0 percent increase in personal income, but only a 1.1 percent increase

in PCPI in 2000. This difference in relative growth can be accounted for by population growth outpacing personal income growth. Leading other counties in the state in population growth, Lincoln county increased 5.2 percent from 1999 to 2000.

TABLE 7
Disposable Personal Income
United States and Plains Region
Percentage Change 2000-2001

	Disposable Pers Inc Percent Change
Iowa	3.4%
Kansas	4.6%
Minnesota	3.9%
Missouri	3.7%
Nebraska	3.7%
North Dakota	2.1%
South Dakota	1.5%
Plains Region	3.7%
United States	4.1%

Source: Compiled from data in Table 4

The top rankings of per capita personal income among counties has changed little during the past several years with Sully and Union county ranking number one and two. (See map on page 17.)

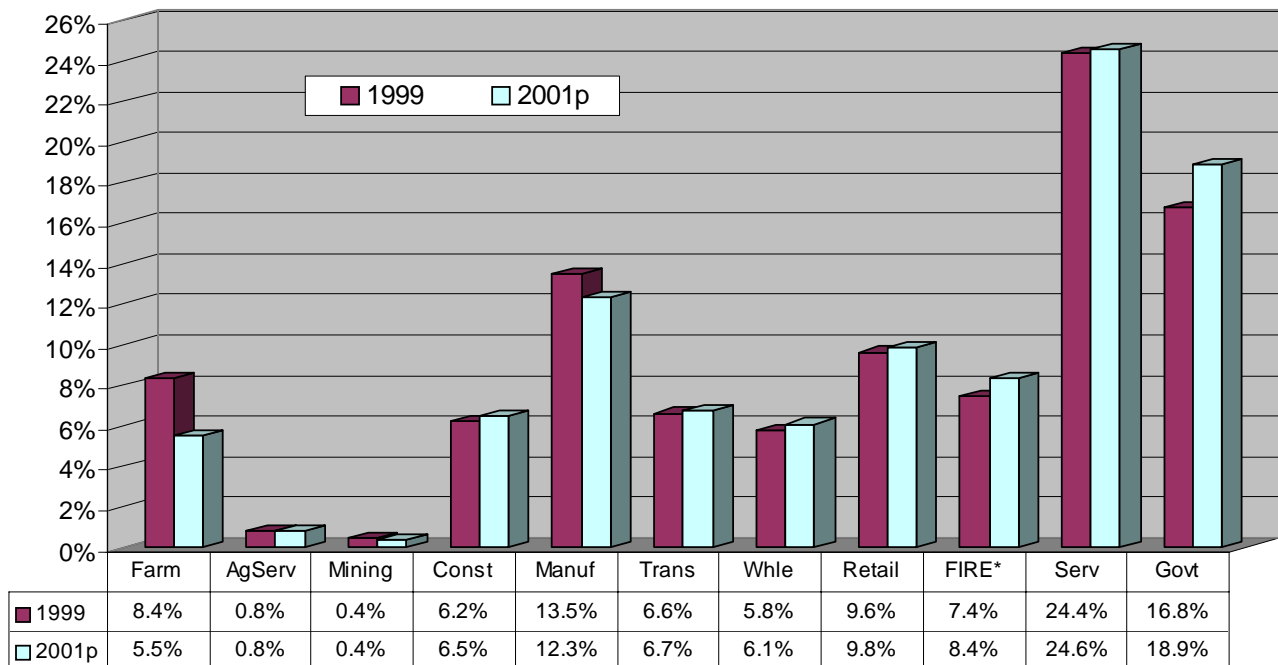
Additional information on personal income is available at: <http://www.bea.doc.gov/bea/regional/data.htm>.

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Figure 1
Percent Distribution of Earnings
by Industry in South Dakota
1999 and 2001p



p = preliminary

*Finance, insurance and real estate.

Source: Compiled from data in Table 8, REIS, BEA.

Table 8
South Dakota Personal Income by Major Source and Earnings by Industry 1/
(Millions of dollars, seasonally adjusted at annual rates)
1999 - 2001p

Income by place of residence	1999	2000	2001p	% Chg 2000-2001	% Chg 1999-2001
Personal income	18,355	19,611	19,900	1.5%	8.4%
Nonfarm personal income	17,286	18,368	19,144	4.2%	10.8%
Farm income	1,070	1,244	756	-39.2%	-29.4%
 Derivation of personal income (\$000)					
Earnings by place of work	12,770	13,671	13,709	0.3%	7.4%
Less: Personal cont. for social insurance 2/	800	837	881	5.2%	10.1%
Plus: Adjustment for residence 3/	-215	-232	-234	0.7%	8.9%
Equals: Net earnings by place of residence	11,755	12,602	12,595	-0.1%	7.1%
Plus: Dividends, interest, and rent 4/	4,120	4,388	4,483	2.2%	8.8%
Plus: Transfer payments	2,480	2,622	2,823	7.7%	13.8%
 Earnings by place of work					
Components of earnings					
Wage and salary disbursements	9,088	9,691	10,089	4.1%	11.0%
Other labor income	1,127	1,176	1,246	5.9%	10.5%
Proprietors' income 5/	2,554	2,804	2,375	-15.3%	-7.0%
Farm proprietors' income	953	1,118	616	-44.9%	-35.4%
Nonfarm proprietors' income	1,602	1,686	1,759	4.3%	9.8%
 Earnings by industry					
Farm earnings	1,070	1,244	756	-39.2%	-29.4%
Nonfarm earnings	11,700	12,428	12,954	4.2%	10.7%
Private earnings	9,560	10,140	10,368	2.2%	8.4%
Ag. serv., forestry, fishing, & other 6/	108	110	112	1.6%	4.2%
Mining	56	53	51	-2.6%	-8.2%
Construction	790	852	893	4.8%	13.1%
Manufacturing	1,724	1,821	1,692	-7.1%	-1.9%
Durable goods	1,245	1,300	1,156	-11.1%	-7.2%
Nondurable goods	479	521	536	2.9%	11.8%
Transportation and public utilities	845	876	922	5.3%	9.2%
Wholesale trade	742	768	834	8.7%	12.4%
Retail trade	1,230	1,309	1,348	2.9%	9.6%
Finance, insurance, and real estate	951	1,030	1,149	11.6%	20.8%
Services	3,115	3,321	3,368	1.4%	8.1%
Government and government enterprises	2,140	2,288	2,586	13.0%	20.8%
Federal, civilian	583	626	644	2.9%	10.5%
Military	222	235	250	6.4%	12.5%
State and local	1,335	1,427	1,692	18.5%	26.7%

Detail may not add to totals because of rounding.

p Preliminary

1. The estimates for 1988–2001 are based on the 1987 Standard Industrial Classification (SIC).

2. Personal contributions for social insurance are included in earnings by type and by industry, but they are excluded from personal income.

3. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.

4. Rental income of persons includes the capital consumption adjustment.

5. Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.

6. Other consists of the wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the U.S.

Source: Regional Economic Information System, Bureau of Economic Analysis, April 2002

Table 9
South Dakota Personal Income and Per Capita Personal Income by County 1998 - 2000

	Personal Income			% Chg	Per Capita Personal Income 1/			% Chg	2000 Rank
	(Millions of Dollars)				(Dollars)				
	1998	1999	2000	99-00	1998	1999	2000	99-00	in State
South Dakota	\$17,497	\$18,355	\$19,611	6.8	\$23,453	\$24,460	\$25,958	6.1	
Aurora	62	63	67	6.5	20,290	20,854	22,055	5.8	46
Beadle	417	439	467	6.3	23,802	25,698	27,518	7.1	12
Bennett	51	58	61	5.7	14,258	16,265	16,995	4.5	58
Bon Homme	147	144	152	5.8	20,088	19,804	21,010	6.1	52
Brookings	603	641	698	9.0	21,798	22,942	24,723	7.8	32
Brown	922	964	1,028	6.7	25,749	26,991	29,062	7.7	7
Brule	117	119	124	4.2	21,423	21,922	23,099	5.4	41
Buffalo	21	25	24	-4.2	10,694	12,460	12,097	-2.9	64
Butte	150	154	163	6.2	16,463	17,030	17,949	5.4	56
Campbell	40	44	48	8.7	21,749	24,146	26,854	11.2	16
Charles Mix	194	196	205	4.7	20,549	21,039	21,954	4.3	47
Clark	93	101	109	7.3	21,853	24,236	26,430	9.1	19
Clay	274	305	326	6.7	20,069	22,371	24,145	7.9	36
Codington	629	644	687	6.7	24,335	24,914	26,553	6.6	17
Corson	54	60	66	10.2	12,754	14,434	15,594	8.0	60
Custer	131	142	151	7.0	18,606	19,816	20,738	4.7	53
Davison	464	479	509	6.4	25,108	25,575	27,234	6.5	13
Day	128	137	143	4.2	19,686	21,686	22,837	5.3	42
Deuel	102	107	111	4.4	22,559	23,789	24,753	4.1	30
Dewey	81	87	96	10.8	13,917	14,584	16,023	9.9	59
Douglas	77	75	85	13.0	21,949	21,265	24,745	16.4	31
Edmunds	106	109	123	12.8	24,133	24,902	28,174	13.1	9
Fall River	146	156	164	5.2	19,387	20,718	22,092	6.6	45
Faulk	62	60	75	24.2	23,588	22,969	28,498	24.1	8
Grant	191	198	208	5.0	23,787	24,959	26,530	6.3	18
Gregory	104	102	107	5.5	21,102	20,925	22,554	7.8	43
Haakon	58	62	63	2.6	25,165	27,538	29,173	5.9	6
Hamlin	108	109	118	7.6	19,937	19,870	21,234	6.9	50
Hand	91	99	97	-2.1	23,661	26,072	26,175	0.4	22
Hanson	59	60	65	8.4	19,438	19,411	20,712	6.7	54
Harding	18	22	24	6.3	12,689	16,183	17,657	9.1	57
Hughes	422	434	456	5.0	26,190	26,475	27,620	4.3	11
Hutchinson	191	183	204	11.2	23,621	22,620	25,262	11.7	26
Hyde	36	39	39	-1.0	21,216	23,512	23,317	-0.8	39
Jackson	40	40	43	7.3	13,565	13,934	14,788	6.1	62
Jerauld	54	58	62	7.3	22,568	24,943	27,216	9.1	14
Jones	29	31	31	1.6	23,282	25,185	26,215	4.1	21
Kingsbury	138	141	152	7.4	23,578	24,378	26,118	7.1	23
Lake	260	264	283	7.2	23,162	23,351	25,168	7.8	27
Lawrence	438	446	471	5.7	19,561	20,430	21,657	6.0	49
Lincoln	501	528	571	8.0	23,293	23,020	23,284	1.1	40
Lyman	78	80	83	2.9	20,377	20,832	21,119	1.4	51
McCook	129	129	145	12.3	22,311	22,416	24,787	10.6	29
McPherson	56	57	64	12.3	19,479	19,660	22,201	12.9	44
Marshall	107	118	124	4.9	23,059	25,734	27,124	5.4	15
Meade	507	551	594	7.8	21,166	22,958	24,514	6.8	33
Mellette	27	30	31	4.8	13,399	14,443	14,818	2.6	61
Miner	62	65	70	7.3	20,760	22,690	24,155	6.5	35
Minnehaha	4,170	4,430	4,751	7.2	29,176	30,420	31,891	4.8	4
Moody	154	155	167	7.5	23,141	23,431	25,329	8.1	25
Pennington	2,100	2,209	2,340	5.9	24,056	25,090	26,361	5.1	20
Perkins	72	76	79	5.1	21,016	22,046	23,827	8.1	38
Potter	80	86	94	10.2	28,817	31,443	35,233	12.1	3
Roberts	175	182	194	6.6	17,308	18,124	19,412	7.1	55
Sanborn	66	67	74	10.6	24,350	24,949	27,843	11.6	10
Shannon	133	140	150	7.1	11,060	11,390	11,921	4.7	66
Spink	182	206	222	7.8	23,913	27,377	29,971	9.5	5
Stanley	63	69	71	3.3	22,406	24,814	25,536	2.9	24
Sully	54	59	61	3.9	35,113	38,055	39,683	4.3	1
Todd	99	103	114	10.7	11,224	11,515	12,542	8.9	63
Tripp	134	137	140	2.1	20,093	20,887	21,874	4.7	48
Turner	205	199	214	7.7	23,417	22,600	24,196	7.1	34
Union	392	411	444	8.0	31,663	32,683	35,295	8.0	2
Walworth	127	134	142	6.2	21,575	22,314	23,994	7.5	37
Yankton	496	515	542	5.3	23,131	23,784	25,085	5.5	28
Ziebach	20	23	23	0.9	8,134	8,779	9,183	4.6	66
Metro Portion	6,771	7,167	7,661	6.9	26,898	27,930	29,215	4.6	
Non-Metro Portion	10,726	11,188	11,950	6.8	21,699	22,658	24,226	6.9	

1/ Per capita personal income was computed using Census Bureau midyear population estimates.
 Source: Regional Economic Information System, May 2002

STATE DATA CENTER NEWS

DEMOGRAPHIC PROFILES 100% and Sample Data - SOUTH DAKOTA

New data for South Dakota released May 14 by the U.S. Census Bureau provide the first glimpse of Census 2000 long-form statistics or sample data. The Demographic Profiles are being released for states, counties, places, county subdivisions, American Indian and Alaska Native areas, Hawaiian homelands, congressional districts and metropolitan areas. These data are being released as they are produced for each state. The four tables include:

- DP-1 Includes 100-percent data (i.e., population by age & sex, race, household type, etc.)
- DP-2 Includes selected social characteristics (i.e., school enrollment, educational attainment, marital status, region of birth, etc.)
- DP-3 Includes selected economic characteristics (i.e., employment, occupation, income, poverty, etc.)
- DP-4 Includes selected housing characteristics (i.e., year built, number of units, value, etc.)

HIGHLIGHTS:

Median household income in South Dakota increased by 20.2 percent from 1990 to 2000.

- Median household income in 2000 was \$35,282 compared to an inflation adjusted \$29,358 in 1990.
- The wage gap decreased over the decade. Females earned 72.5 percent of male wages in 2000 compared to 66 percent in 1990. The median income in 2000 for males was \$29,677 while female median income was \$21,520.

Poverty status for the number of South Dakota families living below poverty decreased.

- An estimated 18,172 families were below the poverty line in 1999. That is a decrease of 14 percent compared to the 1989 number of 21,127.
- The decade showed a slight decrease (-0.6%) in the number of female single-parent households living below the poverty line: 7,696 in 1999 compared to 7,739 in 1989.
- The proportion of female-headed households below poverty was 30.4 percent in 1999 compared to 38.7 percent in 1989.

Educational Attainment of South Dakota's population 25 years and over for postsecondary instruction levels improved during the past 10 years. The proportions for South Dakotans are as follows:

	<u>1990</u>	<u>2000</u>
Bachelor's degree	12.3%	15.5%
Graduate or professional degree	4.9%	6.0%

- There was a slight decrease in the proportion of the population 25 years and over with a high school degree. Nearly 33 percent were high school graduates in 2000 compared to nearly 34 percent in 1990.
- The proportion of population 25 years and over with less than a high school diploma decreased during the 10 year period. In 1990, 22.9 percent had less than a high school diploma, compared to 15.4 percent in 2000.

Marital Status for the population 15 years and over showed the following from 1990 to 2000:

	<u>1990</u> <u>Number</u>	<u>2000</u> <u>Number</u>
Never married	128,748	154,033
Now married, except separated	313,946	336,502
Separated	5,157	6,160
Widowed	43,070	41,144
Divorced	36,347	51,773

Foreign-Born Population in South Dakota increased from 7,731 in 1990 to 13,495 in 2000.

- Among South Dakota's foreign-born population in 2000, 1.0 percent came to the South Dakota during the preceding decade compared to 0.4 percent who entered between 1980 to March 1990. The region of birth of foreign born is as follows:

	<u>1990</u> <u>Number</u>	<u>2000</u> <u>Number</u>
Europe	3,366	4,255
Asia	2,228	4,063
Africa	212	1,561
Oceania	126	95
Latin America	683	2,502
Northern America	892	1,019

Ancestry (single or multiple) of South Dakotans is predominately German (41% in 2000 compared to 51% in 1990); followed by Norwegian (15% in both 1990 and 2000); and Irish (10.4% in 2000 compared to 12.6% in 1990).

Employment Status showed an increase in females 16 years and over in the labor force.

- In 2000, 63.7 percent were in the labor force compared to 58.5 percent in 1990.

- In 2000, 73.0 percent of children under six years of age had all parents in the labor force, up from 66.7 percent in 1990.

Commuting to Work (mean travel time) increased slightly from 13.8 minutes in 1990 to 16.6 minutes in 2000.

- Fewer people walked to work: 16,786 walked in 2000 compared to 22,578 in 1990.
- Slightly over 77 percent of workers 16 years and over drove alone to work in 2000, up from 72 percent in 1990.

Employment by Industry of the civilian population 16 years and over shifted between 1990 and 2000 for selected industries as follows:

	<u>1990</u> <u>Number</u>	<u>2000</u> <u>Number</u>
Agriculture, forestry, fisheries & mining	42,134	30,305
Construction	17,863	23,448
Manufacturing	34,114	41,421
Wholesale Trade	12,911	12,431
Retail Trade	56,935	44,829

The remaining industries are not comparable between 1990 and 2000 due to changes in the industry categories.

Housing Characteristics

- The median value of owner-occupied housing units increased 37 percent between 1990 and 2000. In 2000, the median value was \$79,600 compared to \$58,035 (adjusted for inflation) in 1990.
- The median number of rooms was 5.5 in 2000 compared to 5.3 in 1990.
- The median monthly owner costs of those with a mortgage was \$828 in 2000 compared to \$728 (when adjusted for inflation) in 1990.
- Selected median monthly owner costs for those without a mortgage averaged \$279 in 2000 compared to \$250 (inflation-adjusted) in 1990.
- Median rent in 2000 was \$426 compared to \$393 (inflation-adjusted) in 1990.

Summary

Data from these tables show some of the changes South Dakota has experienced between 1990 and 2000.

- A larger proportion of our population is pursuing postsecondary education.
- A smaller proportion of our population has less than a high school diploma (in 2000, 15.4 percent had less than a high school diploma, compared to 22.9 percent in 1990).
- The gap between earnings of females compared to males is shrinking.
- The number of South Dakotans living below poverty is decreasing.
- A slightly larger proportion of South Dakotans are divorced (8.8% in 2000 vs. 6.9% in 1990).
- A larger proportion of South Dakotans have never married (26.1% in 2000 vs. 24.4% in 1990).
- In 2000, 57.1% of South Dakotans were married compared to 59.5% in 1990.
- We are seeing an increasing number of foreign-born people into South Dakota.
- A larger percentage of children under six years of age had all parents in the labor force (73% in 2000 vs. 66.7% in 1990).
- More women 16 years and over are in the labor force (63.7% in 2000 vs. 58.5% in 1990).
- Commuting time to work has increased slightly; fewer people walk to work
- The proportion employed in agriculture, forestry, fisheries & mining was 8.1% in 2000. compared to 13.1% in 1990. Employment in retail trade decreased (12.0% in 2000 vs. 17.7% in 1990).
- The median number of rooms for housing units has increased slightly.

Comparability

It should be noted that some items are not comparable between the 1990 and 2000 censuses. For example, veteran status data are for the civilian population 16 years and over in 1990 and for the civilian population 18 years and over in 2000. Disability data for 1990 and 2000 are not comparable due to changes in the census questions on this subject. Occupation data for these years are not comparable due to changes in the classification system by occupation. There are also some changes in the industry classifications.

Additional profiles for other areas are available by contacting the State Data Center at the University of South Dakota at 605-677-5287 or at the Census Bureau web site : <http://www.census.gov/Press-Release/www/2002/demoprofiles.html>

The State Data Center, located at the Business Research Bureau at the School of Business, University of South Dakota, is the designated lead census center for South Dakota and serves as a repository of U.S. Census Bureau and U.S. Bureau of Economic Analysis products and data bases. For more information, visit www.usd.edu/brbinfo/sdc or call the State Data Center at 605-677-5287. You can also email us at sodaksdc@usd.edu. Census Bureau information is available on the internet at: www.census.gov

American Factfinder Tips

Need Census 2000 data for many geographic areas but can't face dealing with FTP? The new release of American FactFinder (AFF) offers an easy-to-use alternative.

In the new release, available since May 18, users can specify multiple geographies in a single request. It's no longer necessary to work through the geographic hierarchy. For example, a request for all census tracts within a state no longer has to be done county-by-county; a single request handles it all! To accommodate this feature, the limit on geographic selections has been increased to 4000.

Called "geo within geo," it was developed in response to many user requests. Both Detailed Tables (DT) and Quick Tables (QT) offer the feature.

Typical applications of the single-request geography options include:

- All counties within the U.S.
- All census tracts within a state, congressional district, or place
- All places within a county or metropolitan area
- All blocks or block groups within a county

To activate this feature, identify the file and type of table (DT or QT) needed, select the "geo within geo" option on the "Select Geography" screen, then use the drop-down menus to make your request.

For additional enhancements in the new release, check out "What's New" on the sidebar of the AFF main page.

ANOTHER AMERICAN FACTFINDER TIP

Searching for Census 2000 data for your community but don't know where to look? American FactFinder's "search geography" feature can help. It's found in the Search area on the upper left of the American FactFinder (AFF) main screen. Select the geography button.

After entering the geography and selecting GO, the search can be refined by choosing year and program as well as state. The search results box displays all entries meeting the criteria requested. From this list, select the desired geographic area, then "OK." The ever-popular "Map It" feature is also available, allowing users to immediately create maps reflecting the requested geographies.

On the results screen, all tables listed have data for the selected geography with a link directly into the

AFF table. Other data items, including selected Internet tables, .pdf publications, and CD-ROM/DVD releases, are listed under "Products."

For trivia buffs, using this feature with the 2000 Census and the "all states" selection provides a quick answer to questions such as "How many places in the US are named _____?"

"Using Census Statistics" The Census Bureau Offers Fee-Based One-Day Regional Seminars

The Census Bureau is sponsoring a series of regional one-day seminars, "Using Census Statistics" (UCS). Census Bureau headquarters experts will travel to local venues to lead new-to-Census-data participants in a computer-based hands-on exploration of access tools, products and many types of Census Bureau data.

These one-day seminars are offered for a fee of \$99 per person.

The following seminars are available for immediate registration:

July 9, 2002:	Brooklyn, NY
July 19, 2002:	Orlando, FL
July 30, 2002:	Houston, TX
November 19, 2002:	Iowa City, IA

Agenda:

9:00 - 9:30	Exploring the Census Bureau Home Page
9:30 - 10:45	Census Geography and Hands-On Exercise
10:45 - 11:00	Break
11:00 - 12:00	Census 2000 Data Products
12:00 - 1:00	Lunch on Own
1:00 - 2:30	American FactFinder and Hands-On Exercise
2:30 - 2:45	Break
2:45 - 4:00	Go2000, the software of Census 2000
4:00 - 2000	and Hands-On Exercise

Registration may be made using the Census Bureau's web page:

<http://www.census.gov/mso/www/ucs/index.htm>

Inquiries should be directed to the Training Registrar: Audrey S. Peay at 301-457-4081 (audrey.s.peay@census.gov)

LOCAL INDICATORS AND CONSUMER PRICE INDEX

SOUTH DAKOTA LOCAL CONDITIONS INDICATORS (% Change Like Period Previous Year)

<u>City</u>	<u>Housing Starts/1</u>	<u>Postal Indicator/2</u>	<u>Employ- ment/3</u>
Aberdeen	31.5	35.1	-0.1
Belle Fourche			-1.3
Brookings	741.1	-38.1	-1.5
Canton			3.7
Chamberlain			-0.4
Deadwood			0.7
De Smet			2.4
Elk Point	-38.3		-0.9
Hot Springs			4.0
Huron		-11.3	-3.7
Lead			0.7
Madison			8.3
Milbank			2.5
Mitchell	82.7	-9.1	1.7
Mobridge			-2.1
Pierre	123.4	-13.8	1.5
Rapid City	-12.7	8.9	2.3
Sioux Falls	72.1	-34.5	3.7
Spearfish	4.3		0.7
Sturgis			0.5
Vermillion	42.8		-0.6
Watertown	-39.3	7.6	-1.2
Winner			-1.8
Yankton	224.5	-17.9	0.6

- 1/ Percentage change for January - March 2002. Data represents estimated housing start value.
 2/ Percentage change for January - March 2002. Included in postage indicators are: postage sales, postage meters for customers, meter imprint postage (3rd class regular), and second class postage.
 3/ Percentage change for March 2001 and 2002 based on county data.

CONSUMER PRICE INDEX* United States January-March 2002 (1982-1984=100)

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Unadj % Chg Jan-Mar</u>
All Items	177.1	177.8	178.8	1.0
Food & beverages	176.2	176.4	176.6	0.2
Food	175.8	175.9	176.1	0.2
Alcoholic beverages	181.8	182.6	182.5	0.4
Housing	177.6	178.5	179.1	0.8
Shelter	204.5	206.1	207.0	1.2
Rent of primary residence	197.0	197.7	198.2	0.6
Owners equiv.rent of residence	211.6	212.2	212.8	0.6
Fuel & other utilities	141.5	140.0	140.2	-0.9
Fuels	125.3	123.7	123.8	-1.2
Gas (piped) & electricity	132.4	130.6	130.7	-1.3
Electricity	133.1	132.7	133.0	-0.1
Utility natural gas service	136.3	130.6	130.2	-4.5
Household furn. & operation	128.7	128.6	128.7	0.0
Apparel	120.4	123.5	128.2	6.5
Transportation	148.6	148.4	150.5	1.3
Private transportation	144.4	144.1	146.3	1.3
Medical care	279.6	281.0	282.0	0.9
Recreation	105.7	105.9	106.1	0.4
Education and Communication	107.2	107.3	106.6	-0.6
Other goods and services	287.2	290.2	288.5	0.5

Need more information?
Please call the
Business Research Bureau.
(605) 677-5287

*Consumer Price Index for all Urban Consumers
Source: Bureau of Labor Statistics, U.S. Dept. of Labor

SOUTH DAKOTA INCOME AND EMPLOYMENT

TOTAL PERSONAL INCOME

United States, Plains Region and States

Fourth Quarter 2000 - Fourth Quarter 2001

(Millions of Dollars, Seasonally Adjusted at Annual Rates)

	<u>2000</u> <u>4th Qtr</u>	<u>2001</u> <u>1st Qtr</u>	<u>2001</u> <u>2nd Qtr</u>	<u>2001</u> <u>3rd Qtr</u>	<u>2001</u> <u>4th Qtr</u>	<i>% change</i> <i>4th Qtr 2000</i> <i>4th Qtr 2001</i>
United States	8,490,472	8,579,463	8,621,742	8,649,794	8,633,090	1.7
Plains States	553,255	558,997	560,968	566,279	563,568	1.9
Iowa	78,341	79,224	79,462	80,207	80,119	2.3
Kansas	74,771	76,466	76,444	77,515	76,841	2.8
Minnesota	161,660	162,586	162,996	163,693	162,915	0.8
Missouri	155,160	156,639	157,414	158,837	158,297	2.0
Nebraska	47,611	48,492	48,750	49,427	49,080	3.1
North Dakota	15,885	15,943	16,068	16,448	16,351	2.9
South Dakota	19,826	19,646	19,834	20,152	19,966	0.7

Note: Detail may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

for South Dakota

March 2001 and March 2002p

(In Thousands)

	<u>Mar</u> <u>2001</u>	<u>Mar*</u> <u>2002</u>	<u>%</u> <u>chg</u>		<u>Mar</u> <u>2001</u>	<u>Mar*</u> <u>2002</u>	<u>%</u> <u>chg</u>
Total Nonfarm Employment	372.9	370.9	-0.5	Finance, Insurance & Real Estate	27.5	27.5	0.0
Total Private				Banking	7.8	7.7	-1.3
Mining	1.0	0.7	-30.0	Non-banking	10.5	10.4	-1.0
Construction	15.2	15.2	0.0	Insurance	5.6	5.9	5.4
Manufacturing	47.2	43.2	-8.5	Services	100.2	101.3	1.1
Durable Goods	31.7	28.3	-10.7	Lodging and Recreation Services	11.9	12.6	5.9
Nondurable Goods	15.5	14.9	-3.9	Personal and Business	14.9	14.4	-3.4
Food Processing	8.7	8.3	-4.6	Medical & Health Services	37.3	38.2	2.4
Transportation & Pub. Utilities	17.1	16.9	-1.2	Educational Services	5.5	5.6	1.8
Transportation	10.8	10.9	0.9	Social Services	10.7	10.7	0.0
Communication	4.0	3.8	-5.0	Membership Organizations	8.6	8.6	0.0
Electric/Gas/Sanitary Services	2.3	2.3	0.0	Government	73.3	74.1	1.1
Wholesale Trade	20.9	21.2	1.4	Federal	10.9	11.1	1.8
Durable Goods	10.3	10.3	0.0	State	17.1	17.4	1.8
Nondurable Goods	10.6	10.9	2.8	State Education	8.9	9.0	1.1
Retail Trade	70.5	70.8	0.4	Local	45.3	45.6	0.7
Eating and Drinking	24.1	25.2	4.6	Local Education	26.3	26.4	0.4
General Merchandise, Apparel	10.3	10.2	-1.0				
Food Stores	10.3	9.6	-6.8				

* Preliminary data subject to revision.

Source: Developed by the South Dakota Department of Labor, Labor Market Information Center.

SOUTH DAKOTA AGRICULTURAL INDICATORS

PROSPECTIVE PLANTINGS South Dakota and United States March 2002 (In Thousand Acres)

<u>Crops</u>	<i>South Dakota</i>				<i>United States</i>			
	<i>Planted (Actual)</i>		<i>Intentions</i>	<i>2002 as</i>	<i>Planted (Actual)</i>		<i>Intentions</i>	<i>2002 as</i>
	<u>2000</u>	<u>2001</u>	<u>2002*</u>	<u>% of 2001</u>	<u>2000</u>	<u>2001</u>	<u>2002*</u>	<u>% of 2001</u>
All corn	4,300	3,800	4,000	105	79,551	75,752	79,047	104
All sorghum	180	240	240	100	9,195	10,252	9,015	88
Oats	350	350	420	120	4,477	4,403	5,129	116
Barley	115	90	90	100	5,864	4,967	5,078	102
Soybeans	4,400	4,500	4,150	92	74,266	74,105	72,966	98
Wheat, All	3,020	3,025	2,975	98	62,629	59,617	59,004	99
Winter	1,350	1,300	1,150	88	43,393	41,078	41,076	100
Durum	20	25	25	100	3,937	2,910	2,842	98
Other Spring	1,650	1,700	1,800	106	15,299	15,629	15,086	97
All sunflower	720	715	600	84	2,840	2,653	2,493	94
All hay 1/	4,050	4,700	4,700	100	59,854	63,511	63,743	100
Dry Edible beans	11	18	18	100	1,758	1,430	1,767	124

* Intended plantings as indicated by reports from farmers.

1* Intended harvested acreage as indicated by reports from famers.

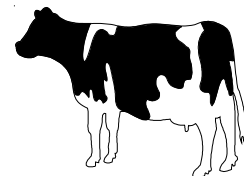
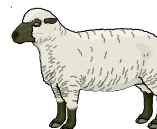
Source: SD Crop & Livestock Reporter



PRICES RECEIVED BY FARMERS FOR COMMODITIES SOLD

March 2001 and March 2002

<u>Commodity and Unit</u>	<i>Prices (\$)</i>		<i>% chg</i>	
	<i>Mar</i>	<i>Mar</i>	<i>Mar 01</i>	
	<u>2001*</u>	<u>2002*</u>	<u>Mar 02</u>	
Wheat	Bu.	\$2.90	\$2.81	-3.1
Corn	Bu.	\$1.69	\$1.72	1.8
Oats	Bu.	\$1.27	\$2.08	63.8
Barley	Bu.	\$2.04	\$1.69	-17.2
Soybeans	Bu.	\$4.20	\$4.09	-2.6
All Hay	Ton	\$72.00	\$59.00	-18.1
Cattle /1	Cwt.	\$79.70	\$76.40	-4.1
Calves	Cwt.	\$104.00	\$102.00	-1.9
Hogs	Cwt.	\$46.80	\$37.90	-19.0
Sheep	Cwt.	\$43.20	\$34.60	-19.9
Lambs	Cwt.	\$107.00	\$72.60	-32.1



*Full month except hay which is mid-month.

1/ "Cows" and "Steers & Heifers" combined with allowance where necessary for slaughter bulls.

Source: South Dakota Crop & Livestock Reporter.

SOUTH DAKOTA
Business
Review

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DEFINITIONS OF ECONOMIC INDICATORS

Personal Income

Income received by persons from all sources. It is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars. Data is published by the Bureau of Economic Analysis, U.S. Department of Commerce.

Nonagricultural Wage & Salary Employment

The number of wage and salaried workers on nonfarm establishment payrolls. Persons are counted by place of work regardless of the residence of workers. (Multiple jobholders are counted more than once.) Figures are collected and tabulated by the Labor Market Information Center, South Dakota Department of Labor.

Total Employment

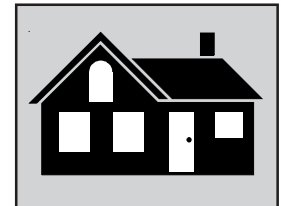
Also known as resident employment, this indicator measures the number of residents who have jobs somewhere--workers are counted only once by their primary job. Figures are produced using survey data and are published by the South Dakota Department of Labor.

Unemployment Rate

The percentage of the resident labor force who do not have jobs but are actively seeking jobs. Data is published by the South Dakota Department of Labor.

Building Permits (Housing Starts)

Data reported includes the estimated dollar value of construction as shown on the building permit for single family homes and multiple family buildings. Data is received from the Bureau of the Census, Building Permits Branch.



Postage Indicator

Includes total of postage sales, postage meters for customers, meter imprint postage (3rd class regular), and second class postage. Data is received from post offices of selected cities.

New Car & Truck Registration

Number of titles issued for new cars and trucks. Includes registrations of various makes of vehicles except "other" category which combines cars and trucks. Data is received from the Department of Revenue, Division of Motor Vehicles.

