

WORKforce

BRIEF

South Dakota

Higher Education & the Workforce

In 2006 a good education is no longer just a way for an individual to get ahead. It is also, and increasingly, the best way a state can get ahead – and therefore a real economic priority. A college degree confers specific, calculable benefits on a state's citizens: the average lifetime income of an individual with a bachelor's degree is \$2.1 million, compared to \$1.2 million for those with just a high school diploma. But the benefits realized by the state are just as impressive as those that an individual sees. Not only does a state with a well-educated populace see increased tax revenues from its (better-paid) citizens, it is also able to use the education level of its citizens as a powerful lure for business and industry – a way to build its economy overall.

For that to happen, however, a state must make sure that all of its citizens have access to a college education. Businesses are no longer simply looking for a small, well-educated elite but instead need to be able to draw upon a labor pool that's both broadly educated and diverse. In fact, a report from the Business-Higher Education Forum, a coalition that includes some of the country's top corporate CEOs, states that an educated and diverse population is an essential competitive asset in today's global economy.

In South Dakota, the demand for well-educated employees will only increase over the next several years. In the decade leading up to 2012, healthcare and healthcare support occupations will see growth of about 25 percent; over 2,500 new practitioners and technicians will be needed. There will be a 24 percent increase in the number of computer-related positions, adding almost 1,500 new jobs throughout the state. Teachers will be in high demand: more than 3,600 new educators (including librarians) will need to be hired. And there will be a 17 percent increase in the business and financial operations sector, adding over 2,000 new jobs. The growth of these sectors is good news for South Dakota's citizens, since wages for jobs in these areas are higher than the average for South Dakota in general. But entry into these jobs comes with a price tag: most positions in these fields will require a bachelor's degree or higher. The question for South Dakota and other states is how, in a time of tight budgets, to meet the increasing demands on higher education and thereby meet the needs of an increasingly sophisticated economy.

The Western Interstate Commission for Higher Education (WICHE) has had workforce issues at the top of its agenda since its creation in the 1950s. In fact, WICHE was launched specifically to address the shortage of workforce-training opportunities in medicine, dentistry, and other professional fields. Today, WICHE offers a slew of undergraduate, graduate, and professional options that help the West's states educate and train their citizens, building their economies in the process.

South Dakota's Occupational Outlook

Employment in South Dakota (including hourly and salaried jobs and self-employment) is projected to grow by almost 14 percent from 2002 to 2012, adding almost 60,000 new jobs to the state's economy and growing the workforce by from 439,000 to 499,000. The rate of growth is slightly less than the increase projected for the nation as a whole (15 percent).

Growth will occur in almost all sectors of South Dakota's economy, with the exception of farming, fishing, and forestry. The largest number of new jobs will occur in lower-paying fields such as retail sales, office support, and food service. However, all of South Dakota's "top jobs" – those with the fastest growth rate and highest earnings – are professional positions (see Table 1).

Table 1. South Dakota's Top Jobs*

Database Admin.	Public Relations Splcst.
Comp. Software Eng.	Social/Com. Svc. Mgr.
Dental Hygienist	Registered Nurse
Physician Assistant	Respiratory Therapist
Cardiovascular Tech	Mental Health Counselor
Network/Comm. Analyst	Network/Comm. Admins.

*Jobs with the strongest employment outlook (2002-12) and strong wages.

Source: South Dakota Department of Labor.

All the top jobs listed on Table 1 demand considerable education and training. Four (dental hygienist, registered nurse, cardiovascular technologist, and respiratory therapist) require an A.A. degree; the remainder demand a bachelor's or advanced degree.

One third of the top jobs in Table 1 are in computer-related fields. Computer software engineers (in both applications and system software) will see their ranks grow by 38 percent, adding a combined total of 110 positions. Network systems and communication analysts will also be in high demand as the need for data communication becomes more critical; employment in this field, the fastest growing in South Dakota, will go up by 56 percent during the decade leading up to 2012, adding 260 new positions. There will also be continuing demand for database administrators (a 37 percent increase) and network administrators (a 31 percent increase).

Five of South Dakota's top jobs are in a field related to healthcare. The demand for registered nurses will see a 26 percent increase. While not the fastest growing field in the state terms of percentage, it will generate the largest number of new jobs, adding more than 2,200 new positions over the decade leading up to 2012. In addition, more than 1,800 registered nurses will be needed to fill retirement vacancies. Physician assistants will see their ranks grow by 46 percent, adding an additional 210 positions; physical therapists will add the same number

and see growth of 28 percent. One reason for the increase: the aging of the population. South Dakota is seeing significant growth in its older population: in 2004, 14 percent of its citizens were 65 years of age and older.

Another essential area – education, training, and library occupations – will also see a large number of hires in the decade leading up to 2012 due to new job creation and the need for replacement workers. Over 1,600 elementary school teachers, 800 middle school teachers, and 1,400 secondary school teachers will be needed, in addition to special education teachers, librarians, and the support staff to help them.

As South Dakota's economy changes, so do the kinds of jobs available to South Dakotans. The projections indicate that plenty of jobs will be available for those without formal training beyond high school. However, wages in most of the jobs in the sectors hiring those workers – retail sales and food service are two of the biggest – fall considerably below the statewide median (\$11.47/hr., or \$23,858 a year) and simply don't provide a living wage. Over the next several years, workers who have the most education and training will have the best opportunity for high-paying jobs in growing sectors. In addition, a number of professions requiring education beyond the bachelor's degree are expected to see moderate to strong growth (see Table 2).

Table 2
South Dakota's Professional Employment Projections, 2002-2012

Profession	Number		% Change	Total Openings*
	2002	2012		
All professions**	439,335	499,308	14%	60,000
Architects	123	138	12%	30
Dentists	406	422	4%	80
Librarians	488	541	11%	170
Occupational Therapists	278	355	28%	120
Optometrists	166	203	22%	80
Pharmacists	791	1,032	30%	390
Physical Therapists	550	702	28%	210
Physician Assistants	343	500	46%	210
Physicians & Surgeons***	2,047	2,263	11%	500
Podiatrists	48	48	0%	10
Registered Nurses	8,652	10,910	26%	4,070
Veterinarians	353	378	7%	110

**Includes new jobs and replacements, rounded.

**New openings only.

***Includes anesthesiologists, family practitioners, internists, OB-GYNs, psychiatrists, and surgeons.

Source: South Dakota Department of Labor.

SOUTH DAKOTA & WICHE's Student Exchange

In 2002, 59 percent of South Dakota's new high school grads enrolled in college; and more than 1,850 of them (19 percent) went to school out of state, according to WICHE's Policy Indicators for Higher Education (www.wiche.edu/Policy/FactBook). One of the most economical ways for them to do that: our Western Undergraduate Exchange (WUE), which allows students to enroll in out-of-state institutions at a reduced tuition level (150 percent of resident tuition). More than 1,000 South Dakota students enrolled in WUE in 2005, saving over \$5 million and working toward degrees in fields that are essential to South Dakota's economy. Some of the most popular fields of study for South Dakota students: business administration, nursing, commercial aviation, and kinesiology and pre-physical therapy.

WICHE's Professional Student Exchange Program (PSEP) offers students opportunities to train outside of their home state in 14 highly competitive fields: architecture, dentistry, graduate library studies, medicine, nursing, occupational therapy, optometry, osteopathic medicine, pharmacy, physical therapy, physician assistant, podiatry, public health, and veterinary medicine. In South Dakota, employment projections in all these fields are on the rise (see Table 2). South Dakota students do not currently participate in this program.

The Western Regional Graduate Program (WRGP) offers students the chance to engage in graduate studies and includes 175 distinctive programs in 14 states, such as education, construction management, nursing, and business. On the horizon is a distance learning option, NEON (the Northwest Educational Outreach Network), which will provide electronically delivered degree programs in high-demand disciplines, such as a Ph.D. in nursing and a graduate certificate in supply chain management. South Dakota students do not currently participate in this program.

Six Fast-Track Fields

The Outlook for South Dakota & the Nation

From 2002 to 2012, the economy in South Dakota and the nation will continue generating jobs for workers at all levels of education and training. But there will be an increasing demand for employees with at least some postsecondary education, preferably a bachelor's degree. Nationwide, during a decade that will witness large numbers of baby boomers moving into retirement, 21.4 million new jobs will be created, an increase of 15 percent. However, in some fields, the increase will be more than triple that. Across the country, competition will be especially stiff for physician assistants, who will see their ranks grow by 49 percent, as well as for physical and occupational therapists (whose fields will experience growth of 35 percent) and pharmacists (30 percent). More than 620,000 new nurses will be needed (an increase of 27 percent) and some 14,500 new veterinarians. Below is a debriefing that focuses on trends in some of South Dakota's — and the nation's — fast growing professions.

Registered Nurses. When it comes to occupations with the largest growth, nursing is number five in South Dakota; but among occupations requiring some postsecondary education, it's number one. Working in the largest healthcare profession, registered nurses held more than 8,600 jobs in 2002 in South Dakota; that number will grow to 10,900 by 2012, a 26 percent increase. Demand for R.N.s is expected to be high for a number of reasons, including the need to replace experienced nurses who leave the field, especially as the median age of the R.N. population continues to rise; a growing elderly population; and an imbalance between the supply of and demand for qualified R.N.s. Nationally, employment of registered nurses is expected to grow by 27 percent in the decade leading up to 2012. Median annual earnings of registered nurses were \$44,440 in 2004; the top 10 percent earned \$62,440 and up (nationally, that number was \$77,170).

Teachers. Teaching is one of the top professions among occupations requiring a bachelor's in terms of the number of new hires. K-12 teachers held 12,600 jobs in 2002 in South Dakota; that number will grow to 14,200 by 2012, a 13 percent increase. In the decade leading up to 2012, South Dakota will have to hire 4,600 K-12 educators in all to cover new openings plus retirements and separations. Nationally, the demand for teachers will vary, ranging from 38 percent for postsecondary teachers down to 9 percent for middle school teachers. Median annual earnings ranged from \$32,420 for the state's primary teachers to \$32,760 for secondary in 2004; the top 10 percent earned \$45,190 and \$45,840 and up, respectively (nationally, those figures were \$68,930 and \$72,110).

Physical Therapists. Physical therapists held 550 jobs in South Dakota in 2002, a number that will climb 28 percent to 702 jobs in 2012. Thanks to a rapidly growing elderly population that's particularly vulnerable to chronic conditions requiring therapeutic services — as well as to the use of physical therapists at the workplace,

to evaluate worksites, develop exercise programs, and teach safe work habits to employees – the demand for P.T.s will be strong throughout the 2002-12 decade. Nationally, the number of physical therapists is expected to grow by 36 percent. In South Dakota, median annual earnings of physical therapists were \$55,840 in 2004; the top 10 percent earned \$76,800 and up (nationally, that number was \$89,830).

Occupational Therapists. The ranks of occupational therapists are growing at the same rate as those of physical therapists in South Dakota, 28 percent. O.T.s held 278 jobs in 2002 in South Dakota; that number is projected to grow 355 by 2012. The baby boom's movement into middle and old age and the resulting rise in the incidence of heart attack and stroke, as well as age-related disabilities, will increase the demand for therapeutic services. Nationally, the number of occupational therapists is expected to grow by 35 percent. Median annual earnings of occupational therapists in South Dakota were \$46,960 in 2004; the top 10 percent earned \$63,400 and up (nationally, that figure was \$83,150).

Physician Assistants. This is the third fastest growing profession in South Dakota among all occupations requiring a bachelor's degree or higher, as a result of the need for health care in rural areas. Physician assistants held 343 jobs in South Dakota in 2002; that number is projected to grow to 500 in 2012, a 46 percent increase. Across the country, demand will be strong for P.A.s, particularly in places that have difficulty attracting physicians, such as rural areas and inner city clinics. In addition, physicians and institutions are expected to employ more P.A.s to provide primary care and assist with medical and surgical procedures. Nationally, the number of physician assistants is expected to grow by 49 percent: over 4,000 new physician assistants will be needed each year. Median annual earnings of physician assistants in South Dakota were \$68,500 in 2004; the top 10 percent earned \$87,540 and up (nationally, that figure was \$94,840).

Pharmacists. In South Dakota, pharmacists held 791 jobs in 2002, a number slated to jump to 1,032 in 2012, a 30 percent increase. Competition for pharmacists is expected to be steep over the 2002-12 period due to the increased pharmaceutical needs of a larger and older population. In addition, the number of degrees granted in pharmacy is expected to be lower than the number of job openings created by employment growth and replacement needs. Nationally, the number of pharmacists is expected to grow by 30 percent. Median annual earnings of South Dakota's pharmacists in 2004 were \$81,580; the top 10 percent earned \$98,520 and up (nationally, that figure was \$112,530).

The Regional Outlook

Seven of the top 10 states in terms of projected job growth are in the West: Nevada, Utah, Idaho, Arizona, Colorado, New Mexico, and California. In the 15 WICHE states, an additional 5.9 million jobs will be added in the decade leading up to 2012. While California has the greatest numerical growth in the region, with some 270,000 new jobs being created each year, the states seeing the fastest job growth are Nevada (41 percent), Utah (31 percent), Idaho (24 percent), and Arizona and Colorado (23 percent). Most of the region's fastest growing professions are in the health and computer sectors.

Sources: Workforce Report Data

All information used in the text and tables of this report is available from the South Dakota Department of Labor (www.state.sd.us/applications/LD01DOL/frameset.asp?navid=&filtertype=1) and the U.S. Department of Labor's Bureau of Labor Statistics (www.bls.gov/emp).

WICHE

WICHE and its 15 member states – Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming – work collaboratively to expand educational access and excellence for all citizens of the West. By promoting innovation, cooperation, resource sharing, and sound public policy among states and institutions, WICHE strengthens higher education's contributions to the region's social, economic, and civic life.

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