

MONTANA 2019

LABOR DAY REPORT



Montana Department of
LABOR & INDUSTRY

MONTANA 2019

LABOR DAY REPORT

September 3, 2019

State of Montana

Steve Bullock, Governor

Mike Cooney, Lieutenant Governor

Montana Department of Labor & Industry

Galen Hollenbaugh, Commissioner

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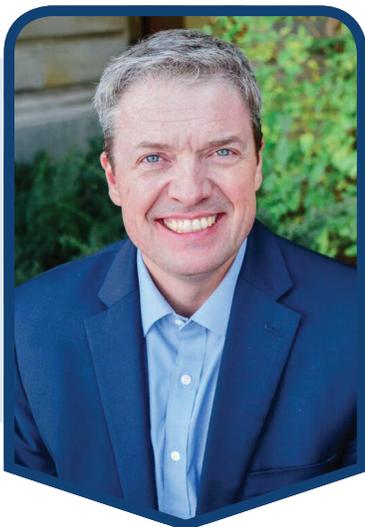
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A MESSAGE FROM COMMISSIONER HOLLENBAUGH



Commissioner Galen Hollenbaugh has been working for the State of Montana for over 20 years and has been with the Department of Labor & Industry since 2012. A Missoula native, Hollenbaugh received a B.A. in Political Science and a Masters of Public Administration from the University of Montana. In addition to his tenure with multiple state agencies, Hollenbaugh also served four terms in the Montana House of Representatives, representing the south central area of Helena.

Governor Steve Bullock:

On Labor Day 2019, I am privileged to stand with hard-working Montanans and your Administration as we celebrate the efforts to build and grow our economy. Our annual Labor Day report shows that the Montana economy continues to expand, increasing the prosperity enjoyed by our families and our communities.

Montana posted the fastest growth in median household income in the country, increasing by 6.7%, according to the most recent data available. Wages also continue to grow, rising by 3.2%. We also added 5,000 new jobs. These gains help Montanans afford more goods and services with their earnings.

Our state's culture of entrepreneurialism is contributing to Montana's economic growth and prosperity. We lead the nation in household ownership of a business or farm. We also have a high rate of business startups, with 4,932 new firms opening in Montana in the last year, adding jobs to our economy and vitality to our communities. These statistics support what we already know about Montanans – we are motivated, industrious, creative, and have vision.

Our economy benefits from the diversity of our industries. Our economy is supported not just by our legacy industries of agriculture and mining, but we also see persistent growth in construction, healthcare, and professional services. Construction is projected to grow by 1.8% annually over the next decade, adding an average of 550 jobs per year. Healthcare is expected to remain our largest employing private industry, adding roughly 1,000 jobs annually. This diversification contributes to our stability.

With our baby boomers retiring and our continued economic growth, our workers are in high demand. We have hit 10-year lows in the unemployment rate. To address our workforce shortage, Montanans have collaborated to drive solutions. Industry, government, education institutions and individuals are partnering to ensure that workers are securing the appropriate skills to meet the needs of our businesses.

Montanans can look forward to the future. The Department of Labor & Industry will continue to lead when addressing the worker shortage and other economic issues in Montana. The Department will stay focused on preparing people for the workforce and developing partnerships between businesses and workforce training organizations. Together, businesses and workers can invest in Montana's future and ensure our continued economic success.

Governor Bullock, thank you for your continued leadership and commitment to Montana's workforce, business and communities.

Sincerely,

A handwritten signature in black ink, reading "Galen Hollenbaugh". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Galen Hollenbaugh

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The information included within this report is the most recent data available to the Montana Department of Labor & Industry at the publish date of Tuesday, Sept. 3, 2019.

On Labor Day 2019, Montana's economy has experienced over ten years of steady economic growth, enjoying the longest economic expansion in recorded U.S. history. Since the recession ended in June 2009, Montana has added over \$6.3 billion in real Gross Domestic Product (GDP) and \$11.6 billion in real personal income. Montanans are better off financially, with average annual wages increasing by \$10,000 from 2009 to 2018. As economic growth continues in the state, entrepreneurs in Montana continue to be more successful than the nation. Highlights of Montana's economic performance include:

- Montana has added 46,000 jobs since the end of the last recession. About 5,000 jobs were added over the last year ending July 2019.
- Montana's real GDP has steadily expanded in nine out of the last ten years, adding roughly \$400 million from 2017 to 2018.
- Montana's personal income growth over the last year ranked 9th among states, adding \$2.3 billion in personal income from 2017 to 2018.
- Montana had the 6th fastest growth in average annual wages among states from 2008 to 2018. Over the last year, wage growth accelerated, increasing by 3.2%.
- This rapid wage growth pushed Montana to 1st in the nation for median household income growth from 2016 to 2017, increasing by 6.7%. Median household income in Montana in 2017 was \$53,386.
- Montana continues to be a national leader for entrepreneurialism, with the highest rate of business ownership among households in the nation. Montana ranked 14th among states for business startups in 2018.

Strong economic growth paired with an aging population created tight labor markets in Montana. Businesses are partnering with the Montana Department of Labor & Industry to find innovative ways to recruit more workers and upskill existing workers to higher productivity levels.

- Montana's labor force has never been larger, with 530,000 Montanans working or seeking work in 2018.
- An in-migration of over 11,000 individuals into Montana annually has led to the 14th fastest population growth among U.S. states.
- Montana's population is well-educated and highly skilled, ranking 3rd in the nation for the percent of the population over 25 years of age with a high school diploma or equivalency. Roughly 65% of Montana's population has some post-secondary education.
- Over 20% of Montana's workforce is expected to retire in the next 10 years, making further worker training efforts critical for future economic growth until labor markets begin to ease in 2025.

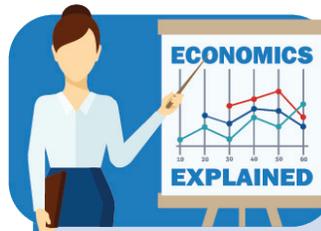
SECTION 1: MONTANA'S STRONG ECONOMIC GROWTH CONTINUES

The current economic expansion is now the longest in recorded U.S. history, and Montanans continue to experience economic prosperity on Labor Day 2019.¹ Since the recession ended in June 2009, Montana has added over \$6.3 billion in real Gross Domestic Product (GDP), \$11.6 billion in real personal income, 46,000 jobs, and the state's unemployment rate has dropped by over three percentage points. Montanans are better off financially, ranking 3rd among states for growth in median household income since 2009.² Average annual wages increased by nearly \$10,000 from 2009 to 2018.

The state is poised to enjoy continued economic growth in the next year. While Montana's diverse economy will allow the state to continue steady growth, the state will also have to remain focused on addressing tight labor markets and the need to continuously improve worker skills to maintain competitiveness and innovation in a fast-moving global marketplace.

Employment Growth

Steady employment growth has created a persistent demand for new workers. Montana has added over 46,000 payroll jobs since the last recession ended.³ Montana's employment grew quickly after the recession and recovered the employment lost by January 2014, faster than the recovery of the U.S. economy.⁴ Since 2016, the state added roughly 5,000 jobs each year, which is slightly more jobs than the number of people entering the labor force annually. Job opportunities continue to expand in Montana, indicating that the number of people employed is limited by the number of workers available, not by a lack of job openings.



Montanans can be divided into three groups based on their work status:

1 Employed

Those actively working for pay or profit, including pay received in other forms (such as housing or in-kind trades).

2 Unemployed

Those who are actively seeking work. Together, the employed and the unemployed form the labor force, which includes all Montanans who are either working or looking for work.

3 Out of the labor force

Those who are not working or looking for work, including those who have given up looking for work. Retirees, children too young to work, students, and family caretakers are the most common individuals in this category.

The **Labor Force Participation Rate** is the share of Montanans who are working, typically including only those 16 years and older who are legally allowed to work.

Montana's Labor Force Participation Rate is

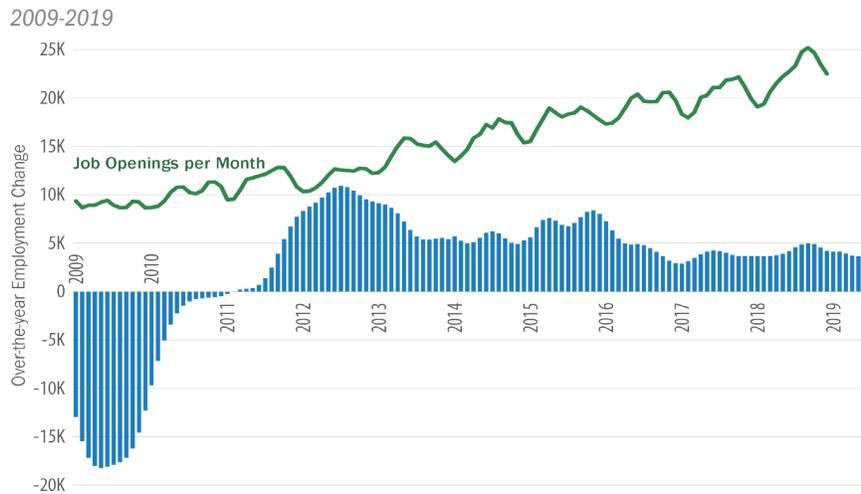
62.3%

Total employment refers to the total number of people working, including those that are self-employed or independent contractors.

Payroll jobs includes workers who are typically paid through a weekly, bi-weekly, or monthly payroll process, and does not include the self-employed or independent contractors. In addition, payroll employment typically counts the number of jobs, not the number of people.

For example, if a person works two jobs for different employers, that would be counted as two payroll jobs but one person employed.

FIGURE 1: Employment Gains over Last Year



Source: Local Area Unemployment Statistics (LAUS), and Job Openings and Labor Turnover Survey Experimental State Estimates, Bureau of Labor Statistics (BLS)

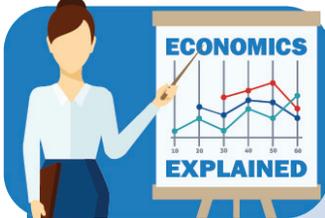
Figure 1 illustrates the annual employment gains over the last ten years, including both payroll workers and the self-employed. It also illustrates the number of job openings in Montana each month through 2018, with a steady and persistent increase in worker demand even over the last three years where employment gains slowed.

Looking forward, employment forecasts by the Montana Department of Labor & Industry indicate total job growth will increase by 0.8% (4,130) jobs annually in 2019 and 2020, and then by 0.7% (3,830 jobs) from 2020 to 2028. Growth is expected to be strongest in the western half of the state due to stronger population growth in the region, and therefore, faster growth in the worker supply.⁵

Income

Montana was first in the nation for growth in median household income from 2016 to 2017, increasing by 6.7%. Median household income in Montana in 2017 was \$53,386, while the mean household income was \$70,994.⁶

Although the large gains in median household income are primarily due to wage growth, Montanans have also benefited from growth in income from other sources. The state has over 24% of personal income coming from dividends, interest, and rents compared to 20% nationally.



Income Sources

Income comes from many sources. Wages are how most households earn the majority of their income, and are the primary way that the economic benefits of good profits and growing GDP are disseminated to all parts of the economy. Because of their role in worker and household well-being, wage levels are closely tracked.

Income is more inclusive and receives funding from nonwage sources. Dividends, interest, and rents is typically passive income that comes from owning assets, such as earning interest on savings accounts or receiving dividends from business shares without an active role in the business. Proprietor income is the profits business owners make from business ownership, and is typically active income, meaning that the business owner is actively involved in running business operations. Finally, Montanans also receive income from government transfer payments, such as social security.

Montana is also the state with the highest rate of business ownership among households, with 20% of Montana households reporting income from a business or a farm. Montana also derives roughly 10% of personal income from proprietor income, ranking the state the 15th highest among states in this metric. Montana business owners earned \$4.9 billion in proprietor income in 2018.⁷

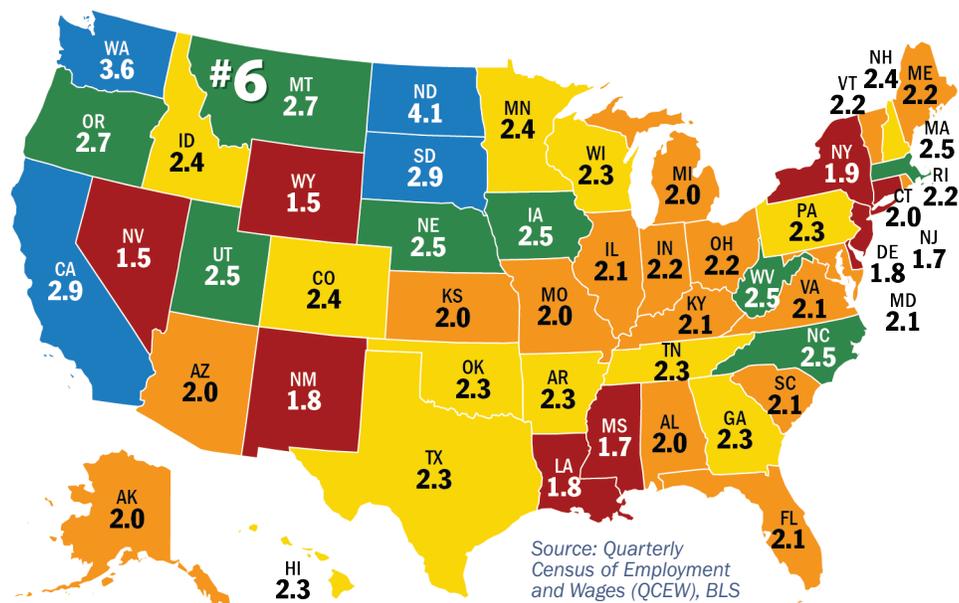
Montana’s personal income has increased steadily, adding \$11.6 billion in personal income since the end of the recession. Montana’s personal income growth over the last year ranked 9th among states, adding \$2.3 billion in personal income from 2017 to 2018. Growth over the past 10 years was 11th fastest among all states.⁸

Montana’s entrepreneurial activity helps lift per capita income. The state’s per capita income of \$47,120 in 2018 ranked 34th among states – four places higher than in 2008. Over the last ten years, Montana’s per capita income has grown quite rapidly, with the 11th fastest increase among states.⁹

Wages Continue to Grow

Workers benefit from wage gains in tight labor markets. From 2008 to 2018, average annual wages in Montana increased by over \$10,000.¹⁰ Montana had the 6th fastest growth in average annual wages among states at compounding growth of 2.7% annually, as shown in **Figure 2**. Over the last year, wage growth accelerated, increasing by 3.2% over the year, which is consistent with a tightening labor market. After adjusting for inflation, real wage growth was 0.8% over the last year.¹¹ Real wage growth suggests that Montana workers have been able to afford more goods and services with their wages to increase their standard of living. Montana has posted strong real wage growth for most of the last decade.

FIGURE 2: 10-Year Wage Growth by State



Montana has more people working part-time or part-year jobs instead of not working, leaving only about 18% of the population ages 16 to 64 not working.¹² Montana's average annual wage is \$43,410; this wage is affected by the average work week for payroll jobs, which was 33.4 hours in 2018.¹³ When considering the hours worked at all jobs (including business ownership), the average Montanan worked 37.9 hours each week in 2018.¹⁴ Montana's seasonal economy and the state's high labor force participation move Montanans into part-time or part-year work instead of not working.

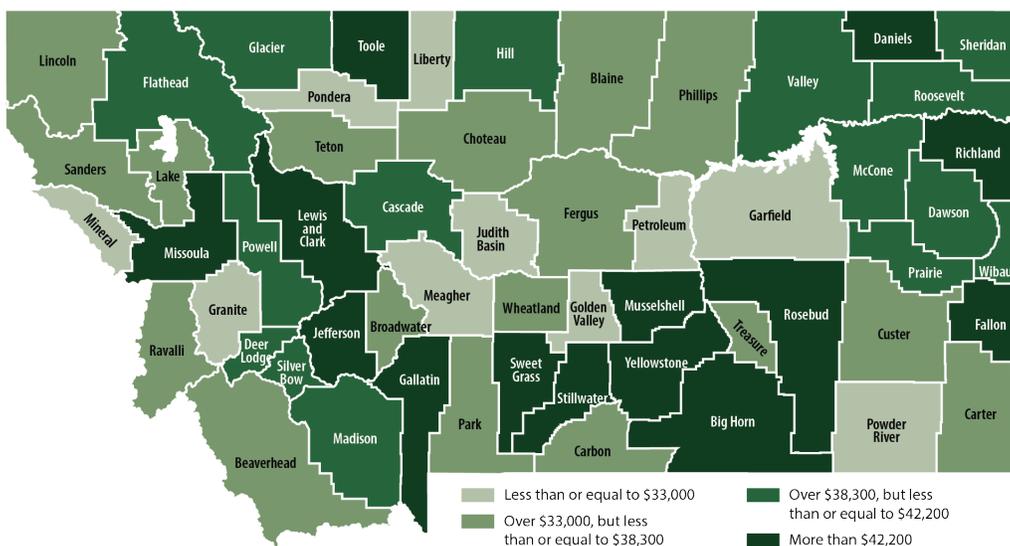
The share of workers holding full-time employment is similar between Montana and the nation, but Montana has a larger share of people working part-time or in part-year jobs compared to not working (Figure 3). Although the cause for the short work week is a positive one for the Montana economy, the high share of part-time jobs pulls down the average annual wage per job. Montana's hourly wages average \$21.09 per hour.¹⁵

FIGURE 3: Work Status of Population 16 to 64



Although wages tend to be lower in rural areas nationally, this trend is not necessarily true in Montana, as shown in Figure 4. Instead, wage levels are dependent on the tightness of the local labor market and the local industry mix. Montana urban centers often have more employment in the retail and leisure activities industries, while employment in the rural areas includes higher-paying mining, utility, and manufacturing jobs. The average wage in the counties around Billings is higher than most other Montana counties because of high wage jobs in mining, whereas Missoula and Gallatin Counties offer more professional jobs in engineering, software development, or business services.

FIGURE 4: Average Wage by County



Source: QCEW, Montana Department of Labor & Industry (MTDLI)

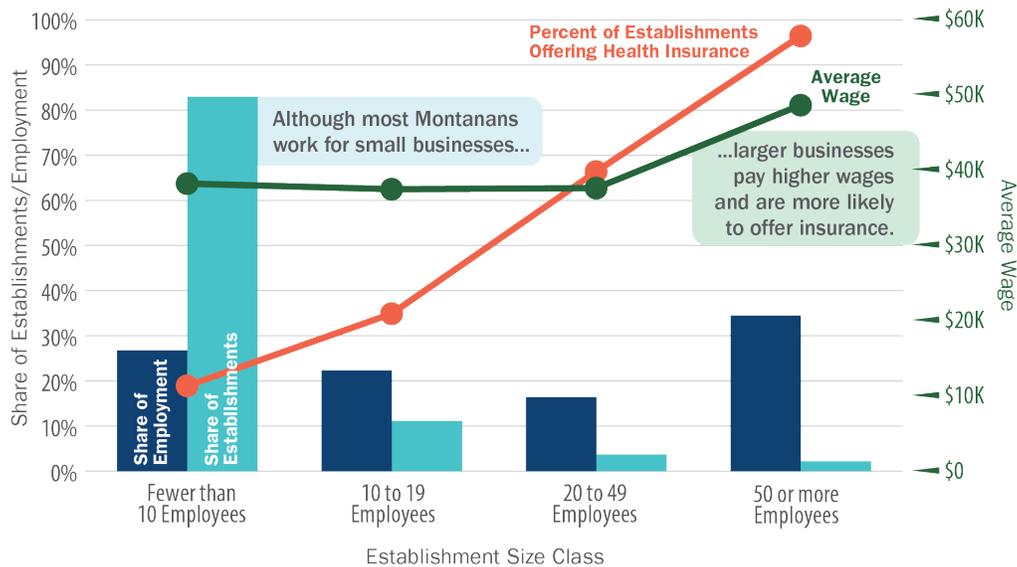
Benefits

Wages are not the only way workers are compensated. Benefits are roughly 1/3 of worker compensation nationally.¹⁶ In general, benefits provision increases along with wages, with high-wage, full-time workers being more likely to receive benefits than low-income or part-time workers.¹⁷ Health insurance is the largest component of benefits, making up 8.3% of total compensation nationally.

On average, over a third of Montana businesses (34.7%) offer private health insurance to their employees. By employment, roughly 64.5% of Montanans work for an employer that offers health insurance.¹⁸

Most Montana businesses are small, and smaller businesses are less likely to offer health insurance to their employees. About 20% of Montana businesses with less than ten employees offer health insurance, compared to 96% of businesses with over 50 employees. **Figure 5** illustrates the share of employment by size of businesses, along with the average wage and likelihood of providing health insurance. While most businesses in Montana are small, most Montanans work for larger businesses.

FIGURE 5: Montana Establishments, Employment, and Average Wages by Size of Business

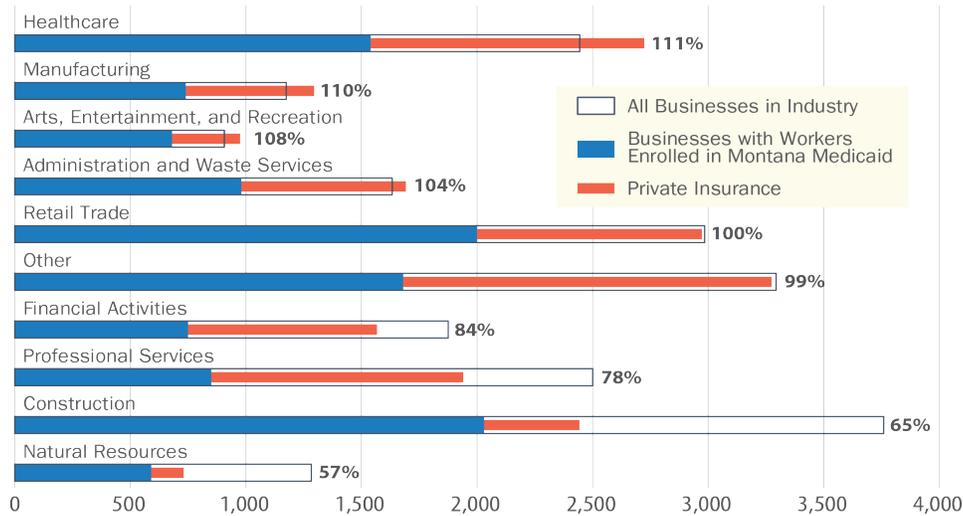


Source: QCEW, MTDLI, Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends. 2018 Medical Expenditure Panel Survey-Insurance Component.

Montana employees who do not have employer-provided insurance typically purchase insurance on the Health Insurance Marketplace, often referred to as the Exchange, or qualify for Medicaid. **Figure 6** shows the number of businesses in each industry with employees accessing Medicaid, and the estimated number offering health insurance. Some businesses may have an insurance plan that isn't available to every employee. Therefore, a business may have employees enrolled in Medicaid even though they offer health insurance.

FIGURE 6: Medicaid and Private Insurance Provision by Industry

Montana, 2018



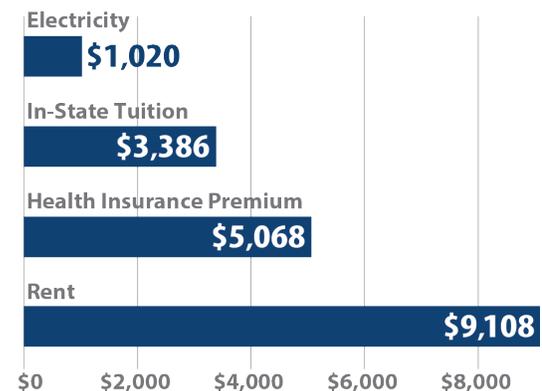
Source: McNay et al, 2019. lmi.mt.gov/Portals/193/Publications/LMI-Pubs/Special%20Reports%20and%20Studies/MT-Medicaid_Report.pdf. Medical Expenditure Panel Survey, U.S. Department of Health. QCEW.

Some industries in Montana are more likely to offer health insurance than others. Healthcare, education, and government industries are the most likely, with 48% providing health insurance in Montana. Roughly 47% of businesses in mining and manufacturing offer health insurance. Retail trade and other lower-wage industries are less likely to offer private insurance, with only a third (33%) of businesses offering health insurance. Agriculture and construction have the lowest percentage of employer-provided health insurance, with only 11% of businesses offering it.¹⁹

Cost of Living

More Montanans are experiencing economic prosperity due to strong wage growth and income from different sources. The cost of living also plays a role in whether Montanans are better off economically than in prior years. Figure 7 illustrates the cost of certain expenses for Montana families in 2018. In general, Montanans have a lower cost of living than the U.S. as a whole, with overall prices paid for goods and services being 94% of the national level.²⁰ Montanans are roughly equal to national consumers in terms of average annual expenditures, with both state and national consumers spending roughly \$41,000 per capita.²¹ Spending by Montanans is growing more quickly than the nation, likely because of the faster growth in wages and household income levels than the rest of the nation. Montana's per capita expenditures increased by 4.2% from 2016-2017, the seventh-fastest growth among states.

FIGURE 7: Select Annual Expenses for Montana Families



Source: Tuition and fees reported at MSU-Bozeman and UM-Missoula for FY17. 2018 average rate filings for Blue Cross, PacificSource, and Montana Co-Op for a 40-year-old individual participating in the least expensive plan living in the most expensive county. Rent and electricity costs reported by the 2012-2016 ACS data.

Montanans also differ from national consumers in what they purchase. With long miles between cities, Montanans tend to spend more on gasoline than consumers in other states, with the 8th highest per capita consumption of gasoline among states.²² Gasoline prices have decreased by 5% over the last year, allowing Montanans more affordable travel across the state.²³

Spending on housing remains lower in Montana than in other states, but home prices are rising quickly. Median home values in Montana rose by 6.5% from 2016-2017, the 11th fastest among states. The median home value in Montana in 2017 was \$231,300.²⁴ While rising home prices benefit homeowners, high costs for first-time homebuyers make it difficult for some Montana communities to recruit and retain younger and low-wage workers.

GDP vs. Personal Income

Gross Domestic Product (GDP) measures the total value of all goods and services produced in Montana.

Personal income measures the value Montanans receive from economic activity, regardless of whether that activity occurs within Montana or outside the state. Personal income includes dividends and royalties earned by Montanans who are shareholders of foreign businesses, and includes net transfers from the federal government.

Both GDP and personal income are used as overall measures of economic activity.

Gross Domestic Product

Overall, Montana’s economy expanded by \$400 million in real GDP from 2017 to 2018, with real GDP totaling \$44.8 billion in 2018. With this expansion, roughly 5,400 payroll jobs were added to the economy.²⁵ Government receded over the past year, losing roughly 800 jobs and \$102 million in real GDP. When removing the government decline, Montana private sector growth was strong, growing by over half a billion in real GDP over the last year and adding 6,150 payroll jobs.

Montana’s real GDP has steadily expanded in nine out of the last 10 years, adding over \$6.3 billion in real GDP since the recession ended. **Figure 8** illustrates the size of Montana’s private industries in terms of real GDP creation. Real estate and trade top the list of largest industries, creating roughly \$5.8 billion each, with healthcare following with \$4.8 billion in real GDP production.

FIGURE 8: Montana Private Sector Real GDP by Industry
2018 (in billions of 2012 dollars)



Source: U.S. Bureau of Economic Analysis

Where did the Growth Come From?

Since the recession ended in June 2009, Montana has added over \$6.3 billion to the annual real GDP. What industries were the leaders in this growth? The largest contributors were Trade & transportation (adding \$1.3 billion in value), Real estate (\$1.3 billion), and Healthcare. Manufacturing and Professional services also grew by over half a million in value. Three industries posted losses: Government, Construction, and Mining. Of these, Government contracted by the largest amount since the recession.

Gain in real GDP by Industry (millions in chained 2012 dollars)

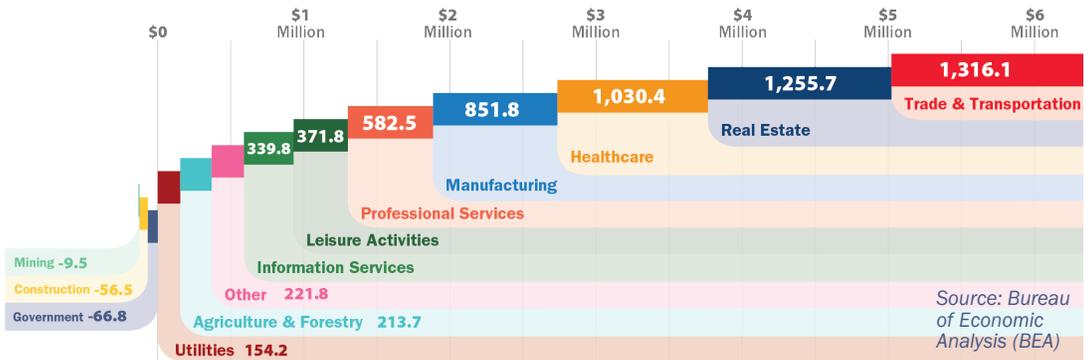


Figure 9 illustrates Montana's personal income and real GDP growth by quarter. Montana's quarterly real GDP tends to be volatile because of timing with sales in the agricultural sector. Agricultural producers often wait for higher prices to sell their products, resulting in unsteady real GDP creation from quarter to quarter. Producers in other industries sell products and generate real GDP production more regularly.

FIGURE 9: Montana Personal Income and Real GDP Growth by Quarter



Source: Bureau of Economic Analysis (BEA)

Industries

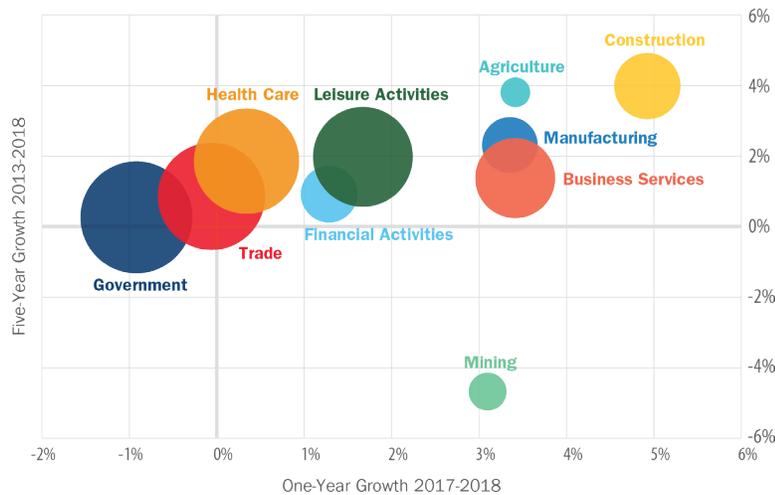
Montana's fastest-growing industry for employment for both the 1-year and 5-year timeframes is construction, which grew by nearly 5% from 2017-2018, adding 1,370 payroll jobs.²⁶ Figure 10 illustrates the employment growth by industry in Montana for the 1-year and 5-year periods, with the size of the bubble representing total payroll employment in the industry. All industries appearing in the upper right corner of the chart have posted growth both over the last year and over the last five years. Figure 11

illustrates similar growth periods for GDP growth by industry.

Averaging expected growth of 550 jobs per year, the construction industry is projected to grow at an above-average pace through 2028. Most job growth in the construction industry is in Gallatin, Missoula, Flathead, and Yellowstone counties, all adding over 200 jobs in 2018. The construction and professional services industries are tied for the fastest rate of expected growth for the next 10 years, both expected to increase at 1.8% annually.

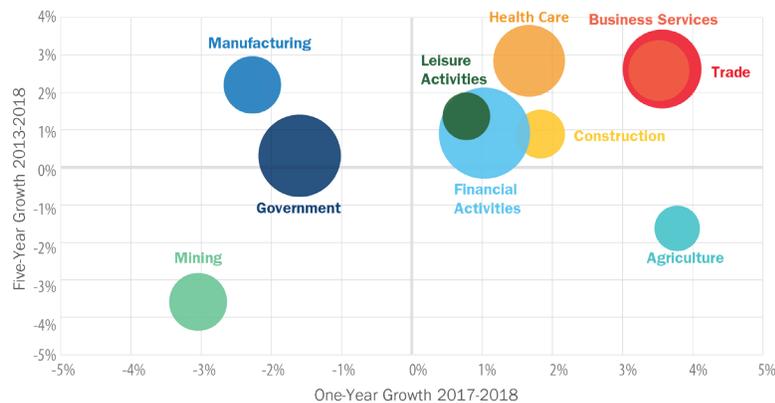
Healthcare continues to be a vital industry and economic driver in Montana. Over the last five years, healthcare added an average of 1,180 jobs per year, including 240 new jobs from 2017 to

FIGURE 10:
Payroll Employment Growth by Industry



Source: Quarterly Census of Employment and Wages, MTDLI

FIGURE 11:
Gross Domestic Product by Industry



Source: Real GDP by Industry, Bureau of Economic Analysis.

Example Occupations by Industry

REAL ESTATE:



Real Estate Agents & Brokers, Lessors of Real Estate
Rental & Leasing Services (Automotive, Consumer Goods, etc.)

TRADE:



Retail Trade
Wholesale Trade

MINING & UTILITIES:



Mining, Oil & Gas Extraction, Power Generation & Supply, Natural Gas Distribution, Water, Sewer, etc.

HEALTHCARE & PRIVATE EDUCATION:



Healthcare Services
Educational Services (Private Only)

FINANCE & INSURANCE:



Financial Services (Including Banks)
Insurance Services

INFORMATION:



Publishing, Broadcasting, Motion Pictures
Telecommunications, Data Processing

LEISURE ACTIVITIES:



Arts, Entertainment, and Recreation
Accommodation Services
Food Services

PROFESSIONAL SERVICES:



Professional and Business Services
Administrative and Waste Services

OTHER:



Repair and Maintenance
Personal Services
Membership Organizations
Private Households

2018. While the industry posted a 350-job loss in the nursing and residential care sub-industry, GDP growth continues, expanding at a rate of 1.7% over the last year and 2.8% over the last five years. Faster growth in output compared to employment suggests that the healthcare industry is finding productivity enhancements, doing more with each worker. Given that Montana's population continues to age and demand more healthcare services, the slowdown in employment growth in the healthcare industry suggests tight labor markets are impacting the industry. Healthcare is Montana's largest employing private industry, and even small growth results in high worker demand. Driven by the aging population and increasing demand for healthcare services, healthcare is expected to add roughly 1,000 jobs annually.²⁷

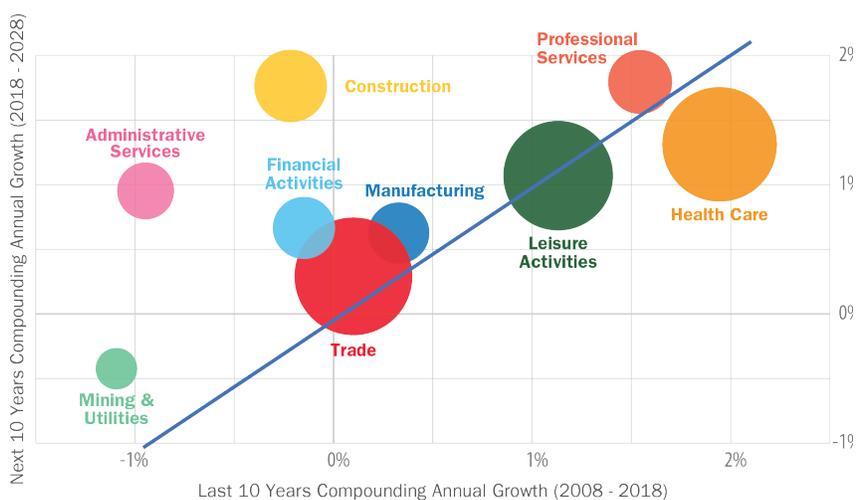
Tight labor markets often have the largest impact on low-wage industries like leisure activities because there are few workers at lower wage levels to recruit into new positions. This industry (including hotels, food service, and many tourism-related services) also slowed over recent years, averaging 680 new positions from 2017 to 2018.

Agriculture recorded positive GDP growth over the last year. Affected by external forces, Montana's farmers have struggled in the last five years. The losses in the agriculture sector occurred because of retaliatory tariffs imposed by China, the E.U., Canada and Mexico in response to U.S. tariffs. However, GDP grew by \$70 million in value over the last year, recovering from that contraction. Payroll employment in agriculture expanded over both the 1-year and 5-year timeframes. Self-employed farmers and ranchers are not included in the payroll employment totals. There are roughly 27,000 primary producers on Montana's farms and ranches.

In the last five years, the manufacturing sector also has experienced strong growth. Montana was the fastest-growing state for manufacturing GDP in 2016, largely due to gains in petroleum and coal product manufacturing. Petroleum and coal products manufacturing is Montana's largest manufacturing sector and comprises roughly 50% of all manufacturing GDP, producing roughly \$1.6 billion in GDP in 2017. Shifts in this area led to a decrease of \$72 million in total manufacturing over the last year.

Looking forward, **Figure 12** illustrates selected industries and compares the employment growth from the past 10 years to the expected growth in the next ten years. The size of the bubble represents 2018 employment in the industry. Industries along the blue 45-degree line are expected to grow at the same rate as the past, while those above the line are expected to increase their growth rate.

FIGURE 12:
Forecasted and Historic Employment Growth by Industry



Source: Industry Employment Forecasts, MTDLI

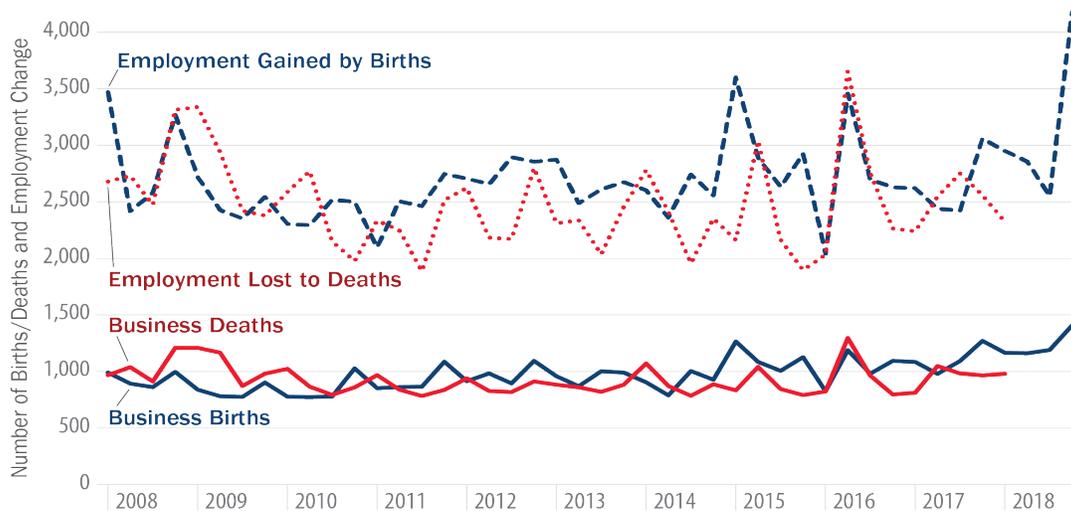
Healthcare falls below the line, slowing from its previous pace of 1.9% growth in the past ten years to 1.1% growth through 2028. The Leisure activities industry is expected to maintain its past growth rate of 1.1% per year, falling on the 45-degree line, and adding roughly 750 jobs per year.

As one of Montana’s largest industries, the trade sector is expected to add about 225 jobs annually with growth of 0.3%, faster than the 0.1% growth over the past ten years. The trade sector continues to compete with the growing presence of online shopping, while tight labor markets place additional constraints on growth.

Montana Continues to Lead in Entrepreneurialism

As the nation’s leader in household business or farm ownership in 2018, Montanans continue to display their entrepreneurial spirit. In the last year, 4,931 new businesses opened in Montana, adding roughly 12,400 jobs to the economy.²⁸ **Figure 14** illustrates the number of business births and closures in Montana since 2009, along with the total employment gain and loss arising from this business churn. Employment among new Montana businesses averaged about 3,000 jobs per quarter in 2018.

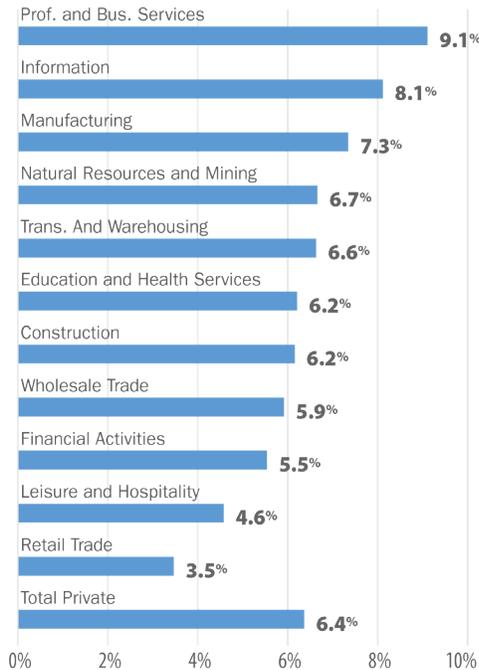
FIGURE 14: Montana Business Births and Deaths with Corresponding Employment Change by Quarter



Source: Business Employment Dynamics, Bureau of Labor Statistics, Compiled by MTDLI.

Montana has a high rate of business startups, ranking 14th among states in 2018. Roughly 3.2% of all businesses in 2018 were in their first year of business, higher than the national average of about 3%. As shown in **Figure 15**, the professional and business services industry has the highest rate of new startups, at 9% of existing business establishments. Information, manufacturing, and natural resources also had relatively high rates of business startups in 2018. Montana firms are also more successful in remaining open than businesses in other states, ranking 13th in the nation for the rate of net business startups.²⁹

FIGURE 15: Annual Startup Rate by Industry, 2018



Source: MT DLI compiled using data from the BLS. BED. Research Data on Business Employment Dynamics by Age and Size. 2018. And from the BLS. QCEW. 2018. Graph excludes the utilities (NAICS 22) and other (81) industries

Low Unemployment Rates Continue

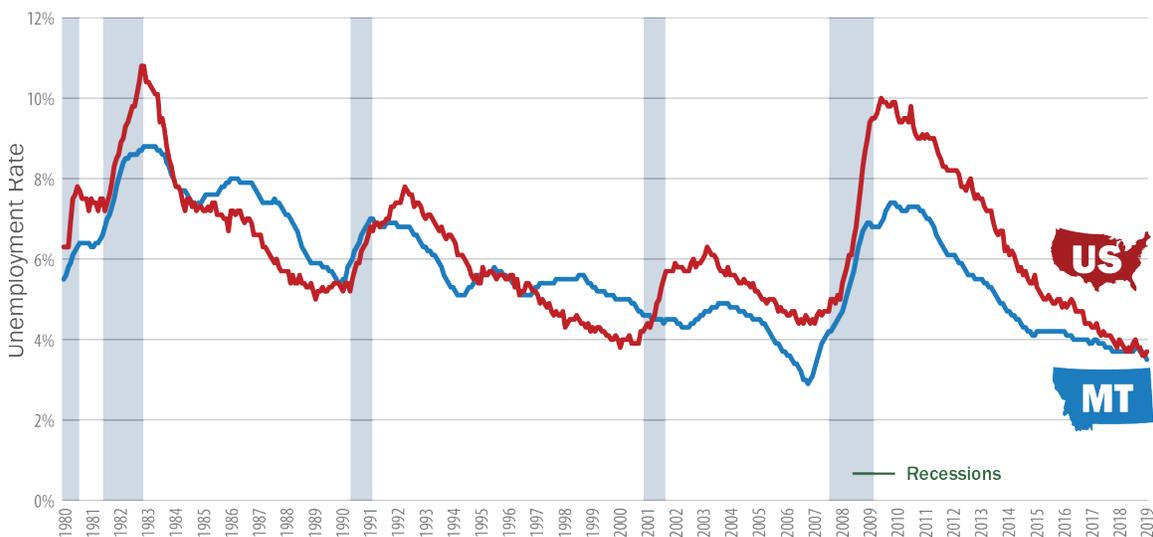
The Montana unemployment rate is 3.4% and the state is in its second year of unemployment rates below 4%. The state's unemployment rate reached a 10-year low in both June and July 2019.³⁰

Employment Growth Leads to Worker Shortage

Like much of the nation, Montana is experiencing tight labor markets with few workers available to fill open positions. With both the U.S. and Montana unemployment rates below 4%, the economy is currently in a constrained labor market situation. Normal unemployment rates (generally between 4-5%) indicate a healthy balance of workers able to easily find good-paying jobs, and businesses able to find workers with matching skills and experience to do the job. Unemployment rates lower than normal levels suggest worker shortages. Without workers, businesses have difficulties producing goods and services, affecting the state's economic growth. The U.S. and Montana unemployment rates since 1980 are illustrated in Figure 16.

Unemployment has also been low nationally, reducing the ability to recruit workers from other states. Available workers who were easily persuaded into the labor market through rising wages or more job opportunities have likely already entered the labor market. Remaining workers likely have barriers to securing employment.

FIGURE 16: U.S. and Montana Unemployment Rates 1980-2019

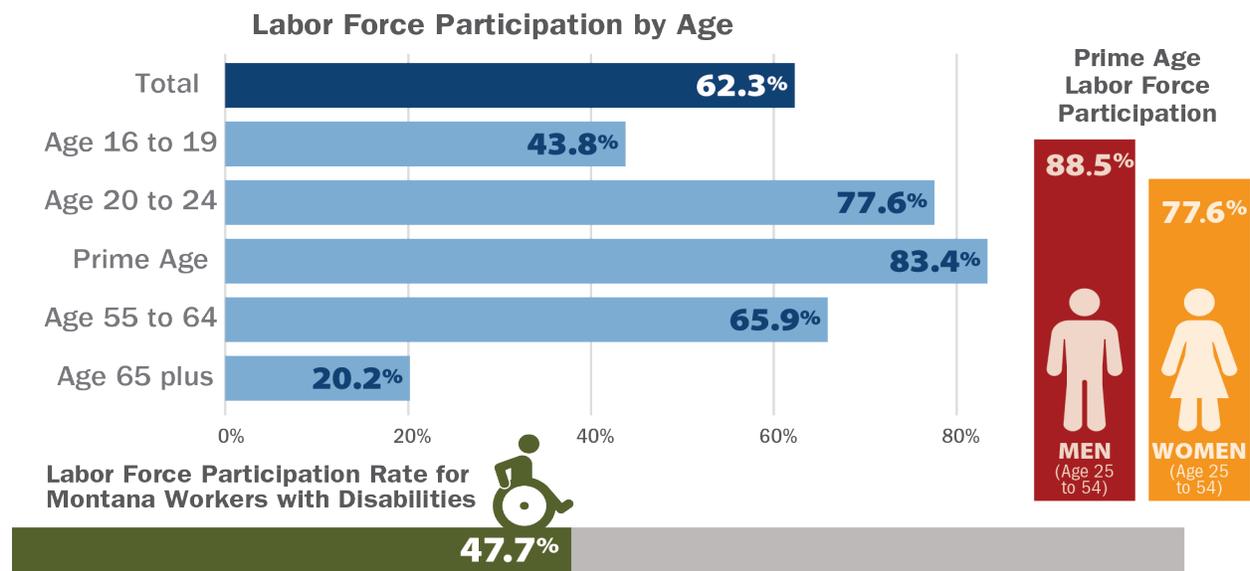


Source: Current Population Survey (CPS) and Local Area Unemployment Statistics (LAUS) program, Montana Department of Labor & Industry (MTDLI), U.S. Bureau of Labor Statistics (BLS)

Demographics and Growth

The causes of Montana’s tight labor markets are two-fold: an aging population and economic growth. Montana’s labor force has never been larger, with over 530,000 Montanans working or seeking work in 2018.³¹ Overall, 62.3% of Montana’s population 16 years and older participate in the labor force, although participation varies by demographic group (Figure 17). Those between 20 and 64 years of age have much higher labor force participation. Younger workers typically have lower labor force participation rates because of school attendance, while older workers typically retire after age 65. Montana’s labor force participation rate is higher than the U.S. average, largely due to higher labor force participation rates among Montana women compared to other U.S. women.³²

FIGURE 17: Labor Force Participation Rates by Select Demographic Groups

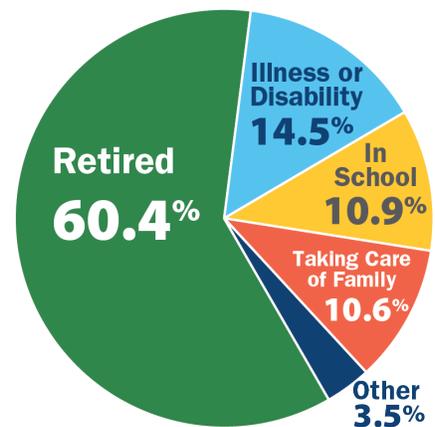


Source: LFPR for with disability from the U.S. Census Bureau 2013-2017 American Community Survey. All else from the 2018 BLS CPS.

Although more Montanans are working past the traditional retirement age, they remain far below the participation rates for prime-aged workers (aged 25 to 54). As the Montana population has aged, a larger share of the population falls within the older age groups with lower labor force participation.

Individuals who are not in the labor force are largely either retired, ill or disabled, in school, or taking care of their home or family, as shown in Figure 18. Lack of childcare, mental disability, caring for aging or sick family members and other commitments can impose restrictions on time available for work. For these workers, accommodations, flexible work arrangements, part-time work, and childcare benefits can create a balance that allows employment. Part-time and contract work may be the only viable work option for the semi-retired, caretakers, or students.

FIGURE 18: Reasons for Not Being in the MT Labor Force

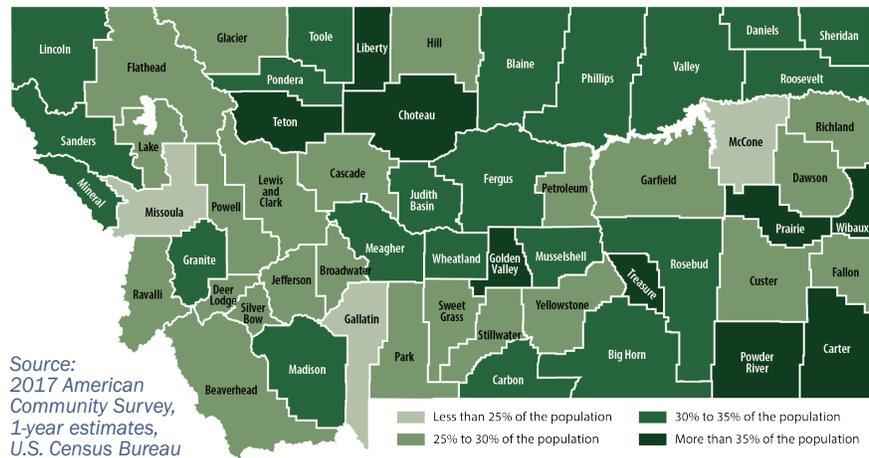


Source: MTDLI using 2018 CPS data through Data Ferret.

Employment forecasts by the Montana Department of Labor & Industry suggest labor markets will start to ease in 2025 once the bulk of the Baby Boomer generation is past the typical retirement age. Worker shortages will continue until then, with over 20% of Montana’s workforce expected to retire in the next ten years.³³ As these workers retire, the remaining Montana workforce will become younger and less experienced. These demographic shifts, along with the continued economic growth, have created a critical need to enhance worker training for the remaining workforce, helping each worker to become more productive and gain the experience and knowledge necessary to replace retiring workers.

All industries, occupations, and geographic areas of the state will face worker shortages in the upcoming years, but rural areas generally have higher shares of older workers. The share of the population over 55 by county is shown in **Figure 19**. Counties with colleges and universities often have younger populations.

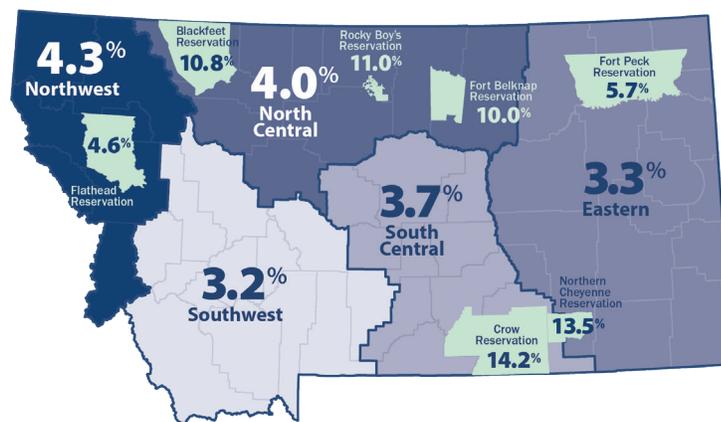
FIGURE 19: Population over 55 by County



Regional and Reservation Economies

All regions of the state and nearly all reservations had lower unemployment rates in 2018 than in 2017, reflecting continued job growth and a tightening labor market. The 2018 unemployment rates in Montana’s five labor market regions and reservations are shown in **Figure 20**. Unemployment improved considerably on the Crow Reservation, where the unemployment rate spiked in 2017 due to layoffs in the coal industry. The unemployment rate on the Crow Reservation moved from over 19% in 2017 to 14.2% in 2018.

FIGURE 20: Unemployment Rates for Montana’s Regions and Reservations



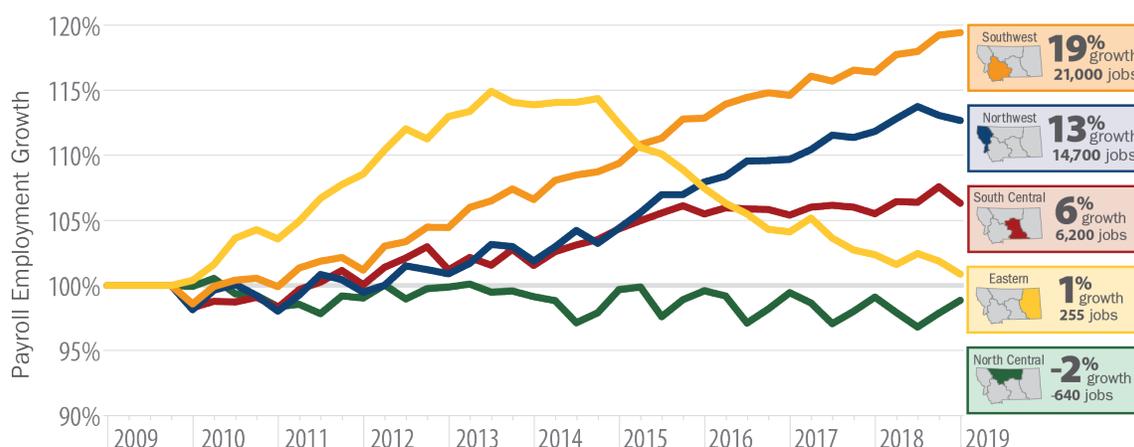
Source: LAUS, MTDLI

Governor Bullock’s Administration has been committed to addressing challenges that have slowed business growth and wage growth in rural regions and reservations across the state. The Main Street Montana Project – Rural Partners Initiative was launched in 2018 to build partnerships with leaders, businesses, local organizations and community members in rural communities to address challenges unique to rural Montana. These partnerships aim to bring broadband, workforce development, and business development to rural regions of the state.

Much of Montana’s recent economic growth is happening in the western half of the state, largely because the industries with strong growth rely on population density and benefit from proximity to educational institutions. Further, the western half of the state attracts more in-migrants, providing more workers to fill open positions. In contrast, the central and eastern regions of Montana have slowed due to softening in the energy and agriculture industries. **Figure 21** illustrates the payroll job growth in each of the state’s five labor market regions from 2009 to the first quarter of 2019, indexing the payroll job growth to the 2009 level to highlight post-recession trends. In other words, the 100% line illustrates the 2009 employment level in each region.

FIGURE 21: Regional Payroll Employment Growth

Indexed to 2009 Employment



Source: QCEW, BLS and MTDLI. Quarterly data indexed to 2007 same quarter employment.

The Southwest continues to be Montana’s fastest-growing region, adding 21,000 payroll jobs over the last decade and 2,305 jobs over the last year. The Southwest region, which includes Bozeman, Butte, and Helena, posted strong growth in leisure services, construction, and professional services over the last few years. High population growth has also benefitted the region, as in-migrants and college students coming to Bozeman provide local businesses with much-needed workers. Wage growth in the Southwest has been strong, gaining 2.9% over the last year, and adding roughly \$6,200 to the average annual wage over the last five years. Wage growth by region is illustrated in **Figure 22**.

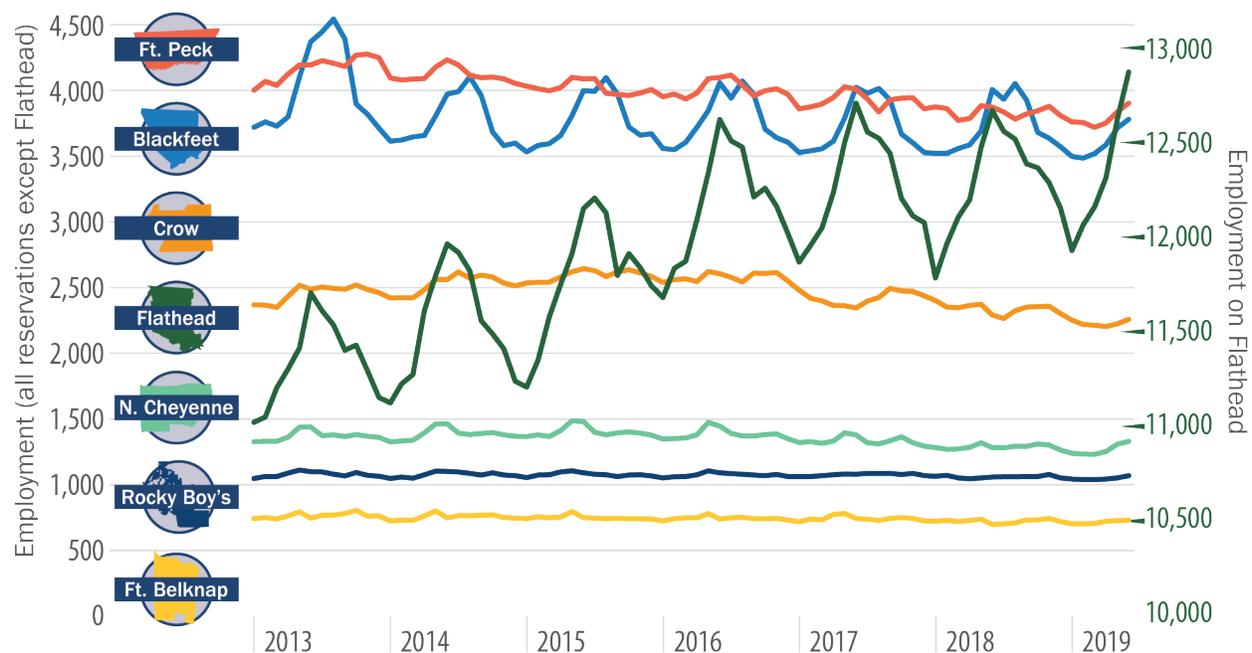
FIGURE 22: Wage Gains by Region

| | Northwest | Southwest | North Central | South Central | Eastern |
|------------------------------------|-----------|-----------|---------------|---------------|----------|
| 2018 Average Annual Wage | \$40,602 | \$43,616 | \$40,041 | \$46,604 | \$43,280 |
| Change since 2016 | \$1,134 | \$1,230 | \$1,096 | \$1,655 | \$1,657 |
| Annual Growth | 2.9% | 2.9% | 2.8% | 3.7% | 4.0% |
| Change over Five Years (2012-2017) | \$5,737 | \$6,171 | \$5,745 | \$5,685 | \$2,810 |
| 5-Year Annual Growth | 3.1% | 3.1% | 3.1% | 2.6% | 1.4% |
| Change over Ten Years | \$8,771 | \$9,886 | \$8,950 | \$11,206 | \$11,156 |
| 10-Year Annual Growth | 2.5% | 2.6% | 2.6% | 2.8% | 3.0% |

Source: QCEW, BLS & MTDLI. Nominal terms. Growth rates are compounding annual growth rate.

The Northwest region, including the Flathead reservation, also posted strong growth in recent years, adding 14,700 payroll jobs over the decade and 2,520 payroll jobs over the last year. Wages have grown at 2.9% over the last year, with average annual wages increasing by nearly \$9,000 over the last 10 years. Like the Southwest, the Northwest has gained jobs in construction and consumer-based industries, such as retail and food service. Both the northwest and the southwest portions of Montana also benefit from tourism from the national parks. The Northwest added roughly 275 jobs in leisure services in the last year. Employment has increased steadily on the Flathead reservation, spurred by the growth in the tourism industries. **Figure 23** illustrates the total employment growth on Montana's seven reservations. The Northwest region was the area of the state most affected by the 2007 recession but has regained steady footing as an important driver of the Montana economy.

FIGURE 23:
Employment Trends on Montana Reservations



Source: MTDLI, LAUS

The growth patterns of Montana's more rural regions – the North Central and Eastern regions – are different from the more populated areas of the state. The rural regions typically have older populations, which has kept unemployment rates low. Losses in the agriculture industry over the last two years has reduced spending and economic activity in the region. Growth in the North Central region was stable, but slow throughout the recession and recovery, losing employment over the last 10 years, and down 211 payroll jobs over the last year. The Blackfeet, Rocky Boy's, and Fort Belknap reservations have followed their surrounding region in slow employment growth, and unemployment rate declines. Wage growth in the North Central region remains competitive with the other regions over the last 10 years. Average annual wages in the North Central region were \$40,041 in 2018.

The Eastern region of the state has been largely affected by the fluidity of oil and gas development. Additionally, agriculture and coal mining have also affected the region. During the timeframe shown in **Figure 23**, payroll employment in the Eastern region increased up to 116% of the 2009 employment level, growing more rapidly than any other region. The gains from oil development started in 2007, with payroll jobs growing 20% to the 2013 peak. The region is still about 2,300 jobs higher than in 2007 prior to the boom, despite losing some employment gains in the interim. The eastern region lost roughly 540 jobs over the last year. However, wages in the Eastern region have remained strong, reflecting the tight labor markets. The average annual wage increased by 4% over the last year, faster than all other areas of the state. Average annual wages remain over \$11,100 higher than 10 years ago.

The Eastern region is home to the Fort Peck Reservation, which experienced a boom cycle from oil and gas over the last 10 years, followed by job declines since 2013, as seen in **Figure 22**. Fort Peck Reservation has maintained a low unemployment rate, however, likely due to an aging population like the rest of the state.

The South Central region (which includes the area surrounding Billings, the Crow Reservation, and part of the Northern Cheyenne reservation) experienced strong wage growth among existing jobs, at 3.7% over the last year. The Billings area serves as a retail and commerce center for much of Montana's energy development areas. This area benefitted from its proximity to the Bakken oil field development earlier in the decade. The South Central region posts the highest average wage among all regions of the state at \$46,604.

What's the Story with Bozeman?

Gallatin County, which includes Bozeman, is growing quickly. Gallatin County grew by over 22,000 people since the last Census was taken, making up a significant portion of Montana's total population growth and ranking first in population growth among all micropolitan areas nationwide. About 75% of this growth is from migration, with people from all ages and education levels choosing to move to the Bozeman area. However, a large share of the population growth is from young adults with postsecondary experience, which helps to grow Bozeman's highly educated workforce.

Gallatin County's fast and consistent job growth makes it possible for many people to live in Bozeman and the surrounding area. High tech and other professional service jobs are driving some of the recent job growth, and bringing new businesses and workers to the area. The strong population growth is, in turn, driving additional job growth in the tourism sector and the construction industry. Bozeman has also been fortunate in avoiding region-specific industry job losses like the timber industry in western Montana and the mining industry in eastern Montana.

Further explore the story of Bozeman's economic growth, labor market, and its unique challenges in the "Bozeman Area Labor Report," available at lmi.mt.gov/Publications/PublicationsContainer/bozeman-area-labor-report.



The South Central region has posted growth over the last decade, adding 6,200 payroll jobs. Over the last year employment grew 0.6%, roughly 600 payroll jobs. Coal mining impacts this region. As coal prices have stabilized, so has employment on the Crow reservation.

The Northwest and Southwest Regions are projected to grow the fastest, at 1.0% and 1.1% respectively, mimicking their stronger growth in recent years. Growth in North Central and Eastern regions is expected to be low due to tight labor markets and continued challenges for the agriculture industry. **Figure 24** illustrates the annual employment change expected in each region according to the employment forecasts produced by the Montana Department of Labor & Industry.

FIGURE 24:
Projected Employment Change by Region

| Northwest | Southwest | N. Central | S. Central | Eastern | Statewide |
|---|---|---|---|--|---|
|  |  |  |  |  |  |
| Annual Change 1,510 | Annual Change 1,730 | Annual Change 50 | Annual Change 560 | Annual Change 40 | Annual Change 3,890 |
| Annual Growth Rate 1.0% | Annual Growth Rate 1.1% | Annual Growth Rate 0.1% | Annual Growth Rate 0.5% | Annual Growth Rate 0.1% | Annual Growth Rate 0.7% |

Source: Montana Department of Labor & Industry, Employment projections 2018-2028



Montanans have been aggressively responding to the worker shortage with efforts to increase the worker supply, upskill the existing workforce, reduce training times, and ensure workers are receiving work-based learning in the fields demanded by the economy. Montana employers are continuously adapting employment practices to attract more workers into the labor force. Increased employment opportunities and higher wages will naturally provide more incentives for workers to enter the workforce. These natural forces will not be enough to fill worker demand; additional efforts to increase access to work need to continue in order to bring more people into the labor market and maximize each worker's potential.

Education, Career and Training Services

Workers with higher education levels have lower unemployment and poverty rates and higher wages, rates of entrepreneurialism, and labor force participation. Montana's highly educated population ranks 3rd in the nation for the percent of the population over 25 years of age with a high school diploma or equivalency.³⁴ Roughly 65% of Montana's population has some post-secondary education, ranking 13th in the nation. Approximately 40% of Montana's population has a post-secondary diploma or certification, leaving a significant population of Montana workers close to completing their training. The Montana Department of Labor & Industry projections show that the minimum education requirement for most Montana jobs will remain roughly the same over the next ten years, with one-third (33.4%) requiring a minimum of some college or an associate's degree or higher.³⁵

Having certification from a training program, apprenticeship, or degree program is critical for workers to achieve the wage gains associated with education. Certification makes employers confident that the worker has the right skills for the job.

Montana businesses are adopting new practices to gain access to skilled workers. The Montana Department of Labor & Industry partnered with over 5,000 businesses in fiscal year 2019 and connected them with skilled workers and technical assistance to help their business grow.³⁶

The Department's main business engagement focus is on helping ensure a skilled workforce capable of meeting current and future industry talent demands. That requires an understanding of industry workforce needs and skill gaps, the general evolution of work, and where talent pools exist that can be leveraged to increase skilled workforce supply.

Montana businesses are connecting with local high schools and colleges to create work-based learning opportunities for students. Research suggests that greater ties between employers and college students help to retain Montana's workers in the state. Roughly 75% of graduates from Montana's colleges work in Montana at some point in the five years after graduation. Incumbent workers, who have an existing connection to a Montana business during their school years through an internship or other work-based learning activity, are more likely to remain in Montana after graduation.³⁷ Employers who offer internships and career exploration through work experience can gain an edge in recruiting the best workers and retaining graduates within our economy. Not only does this practice allow local businesses to identify the best recruits long before graduation, students are better trained through on-the-job experience.

The Department provided career and training services to over 47,700 workers in fiscal year 2019, helping Montana's economy grow. Often, clients need additional help getting skills to transition to a new career with greater stability or higher pay. Other times, workers need help crafting their resume to land the right job. Research by the Bureau of Business and Economic Research suggests that the HELP-Link program, which provides career services and workforce training to Montana's Medicaid population, increased labor force participation among low-income workers.³⁸ Research regarding workforce programs finds that reemployment services reduce unemployment periods and make it more likely that workers remain in the labor force during periods of unemployment.³⁹

To increase the number of skilled workers in the state and help alleviate the workforce shortage, Governor Bullock convened the Future Ready MT Cabinet to address options to assist Montanans who would like to return to school to complete a program. Roughly 125,000 working age Montana residents have some college credit from the Montana University System, but no degree.⁴⁰ A pilot program, "Become An Alum" was launched as a partnership between the University of Montana (UM) and the Montana Department of Labor & Industry. These two partners have engaged in outreach and re-enrollment activities to connect with students who left the UM and Missoula College in the past five years with some credit, but no degree or certificate. Approximately 3,000 former students have been contacted and the first re-enrollees have started classes this fall.⁴¹

These efforts and initiatives identified by the Future Ready MT cabinet have engaged stakeholders across state government and in partnership with the private sector have made significant progress in developing Montana's workforce. The Lumina Foundation reports that as of 2016 (most recent available data), 44% of Montana adults ages 25-64 have a workforce-relevant certificates or post-secondary degree.⁴²

Expanding Women's Participation in the Workforce

The Governor's Equal Pay for Equal Work Task Force is focused on expanding women's participation in Montana's labor force through the promotion of fair compensation practices and family-friendly workplace policies. The labor force participation rates for women are typically lower than that for men, often because women prioritize family care and receive lower pay. Since formation of the task force in 2013, Montana's wage gap has shrunk. Women's earnings increased by roughly 2.6% annually since the formation of the task force compared to a gain of 1.2% annually in men's median earnings when comparing full-time, year-round workers.⁴³ The increase in median earnings for Montana full-time, year-round working women is the fifth-fastest among states.

Other Solutions

Improving productivity is essential to addressing Montana's worker shortage, and to stronger long-term growth for the state. Productivity refers to the efficiency of the production process that turns capital, labor, and other inputs into goods and services with higher economic value. Higher labor productivity results in each worker producing more and more output, reducing the need for additional workers. Labor productivity can be increased through worker education and training, or investments in capital equipment and technology. According to the Bureau of Labor Statistics, labor productivity in Montana increased by 3.5% between 2012 and 2017, increasing efficiencies in the economy.⁴⁴



Apprenticeships are a time-honored training model used to educate the next generation of Montana’s workforce through union and non-union business sponsors. Montana’s Registered Apprenticeship program provides workers with a structured training program to obtain an industry-recognized credential while also offering businesses the opportunity to train their workforce in a customized manner. Montana’s employers are seeing the benefit of this training model as shown by the program’s rapid growth – 857 new apprenticeships began in 2018 compared with 424 new in 2013.

The Registered Apprenticeship Program continues to not only grow but expand into new occupations. The program added training in 18 new occupations in 2018, including x-ray technicians, emergency medical technicians, information technology managers, tech support engineers, upholsterers, and locksmiths.

As tight labor markets continue, apprenticeship offers a way for people to be a part of the labor force while learning the technical and soft skills employers need to grow their operations. The program also helps retain workers in the state – nearly 90% of graduates work in Montana. With an average annual wage of \$63,600, these graduates earn about \$20,000 more than the statewide average.

Under Governor Bullock’s Administration, Montana began offering a tax credit for businesses sponsoring apprentices, adding incentives for businesses to participate in this successful program. Over 600 Montana businesses had active Registered Apprenticeship programs in 2018, and 235 of these employers qualified for the apprenticeship tax credit. Montana businesses can utilize the Incumbent Worker program to up-skill their existing workforce and improve the productivity and wage earnings of their workforce. The Incumbent Worker program provides subsidies to small business owners to invest in workforce training.

For additional information on Montana’s Registered Apprenticeship Program, contact the program at 406-444-3556 or via the website at apprenticeship.dli.mt.gov.

Apprenticeable Occupations with the Most Projected Job Openings

Montana, 2018-2028

| Occupation | Total Annual Openings | Annual Avg Wage 2018 |
|--|-----------------------|----------------------|
| 1 Bookkeeping, Accounting, and Auditing Clerks | 929 | \$36,310 |
| 2 Nursing Assistants | 850 | \$29,110 |
| 3 Construction Laborers | 767 | \$37,330 |
| 4 Carpenters | 677 | \$42,480 |
| 5 Childcare Workers | 608 | \$22,380 |
| 6 Maintenance and Repair Workers, General | 521 | \$37,720 |
| 7 Operating Engineers and Other Construction Equipment Operators | 437 | \$51,580 |
| 8 Automotive Service Technicians and Mechanics | 358 | \$39,920 |
| 9 Electricians | 323 | \$58,990 |
| 10 Plumbers, Pipefitters, and Steamfitters | 283 | \$60,940 |

Source: Montana DLI Employment Projections. 2018-2028. Apprenticeship report available at <http://lmi.mt.gov/Publications/registered-apprenticeship-program-data-report-1>

Improving productivity makes it possible for real GDP to grow even when the supply of labor remains unchanged. Because each worker contributes to higher levels of output per hour, the worker gains better compensation per hour. Productivity is also an essential element for improved long-term economic growth. Innovations that make the economy more efficient will drive Montana's economy into future success.

Increasing the rate of in-migration is a possible solution to adding people to the workforce in Montana. Montana already has positive net in-migration of roughly 11,400 people per year.⁴⁵ The in-migration rate is higher than most of our neighboring states due to a low unemployment rate, high quality of life, and access

Governor Bullock Leads Workforce Development with Good Jobs for All Americans Governors' Guide

After his year-long tenure as chair of the National Governor's Association, Governor Bullock released a guide exploring how state leaders can help Americans adapt to a fast-changing workplace. The Good Jobs for All Americans guide, based in part on initiatives that have been successful in Montana, will serve as a model for governors addressing workforce challenges for decades to come.

The guide offers a toolbox of actions in three categories: Workforce of the future: Governors can partner with businesses to identify the skills they will need in the future and how to best equip workers with these skills; Second acts: Governors can help midcareer workers succeed in the workforce through increased access to continuous learning opportunities, improved career transitions and holistic support; and Rural resurgence: Governors can empower the rural workforce by improving infrastructure and promoting communities' and residents' unique assets.

This culminating report concluded that states and institutions must continually identify and develop in-demand skills to ensure that the workers of today and tomorrow can thrive in fields of their choosing. It also concluded that partnerships among business, education and workforce are vital to meet future workforce needs, both statewide and regionally. Governor Bullock's initiative also determined that economic development and workforce strategies must focus on spreading opportunity to the communities that need it the most, particularly in rural areas.

The guide highlights the importance of industry partnerships formed through the Mainstreet Montana project launched by Governor Bullock. Partners provided dozens of recommendations to state policymakers, including the passage of a new tax credit for employers who participate in apprenticeship programs.

The guide offers ways to make meaningful investments to connect rural communities with critical resources. One example includes partnering with rural anchor institutions. For example, in Montana, the Department of Labor & Industry partnered with rural hospitals and community colleges to create the HealthCARE apprenticeship program. The program supports workforce development and trains workers for in-demand jobs in their communities.

The Good Jobs for all Americans Governors' guide can be found at: <https://www.nga.org/center/publications/good-jobs-for-all-americans-governors-guide/>.

to natural amenities. In-migrations often bring fresh perspectives and new ideas into the state, helping to increase productivity levels. These in-migrants have helped Montana maintain strong population growth for the last five years. Montana had the 14th fastest population growth in the last five years among states.

Increasing population through migration is not enough to meet all worker needs. Montana needs to engage its existing population to fully participate in the labor force, and businesses need to invest in worker training to maximize the potential of every worker.

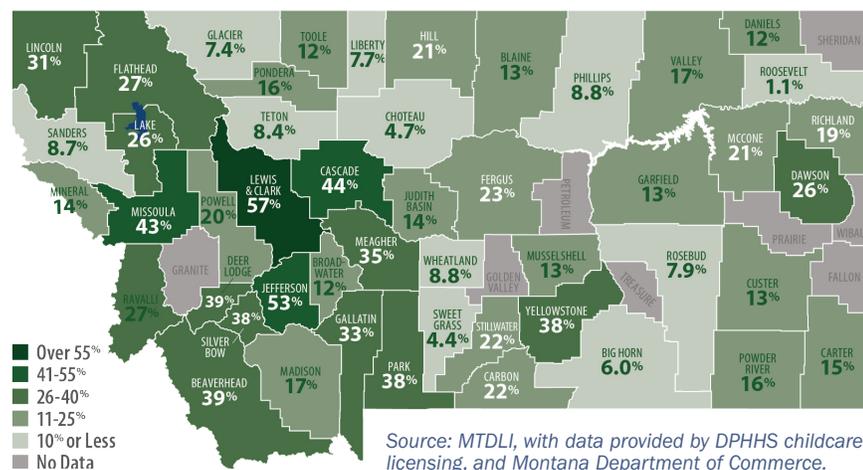
Montana can also increase workforce participation by moving part-time workers to full-time work. The high seasonality of Montana’s economy and the need to recruit more workers who are students, retirees, and others with limited work availability creates a high level of part-time or part-year jobs. Roughly 50% of all people aged 16 to 64 work in full-time employment in both Montana and the U.S. Montana has more people working part-time or part-year jobs instead of not working, leaving about 18% of the population aged 16 to 64 not working. In comparison, 23% of the working-age population nationally did not work.⁴⁶ Because Montana has had a tight labor market for a longer period than the U.S., businesses and workers have adjusted by offering work in different forms to allow more workers to contribute.

Additional efforts can also bring more workers into the labor market. Childcare availability has rippling effects for other employers in the community, as parents must stay home from work, bring kids to the workplace, or find other solutions to keep working if childcare is not available. In addition, research finds that children who participate in quality pre-kindergarten programs are more successful later in life, with better educational and workforce outcomes. Montana ranks #17 among states in terms of childcare affordability, and childcare facilities in the state have the capacity to meet about 40% of the estimated demand.⁴⁷ Private-public partnerships have been formed in many of Montana’s communities to address the challenges faced by businesses and workers in childcare access and affordability.

Childcare Capacity by County

Improving access to high-quality, affordable childcare can help encourage more young parents to participate in the labor force. Montana childcare facilities only have the capacity to meet about 40% of the estimated demand for care. The map above shows the childcare

capacity in each county as a percentage of the population of children under five years old. Childcare capacity is measured as the total number of licensed spaces in childcare facilities. About 82% of Montana counties are considered a childcare desert, where supply meets less than a third of estimated demand. There are eight counties in Montana without a single licensed childcare provider. Parents who are unable to secure place in a licensed childcare facility may choose to send their children to unlicensed care, or to family members.



Montanans have enjoyed steady economic expansion since the recession, making substantial gains in output, wages, and income. With median household growth at the top in the nation over the last year and wage growth ranking in the top 10 among states, Montana workers are benefiting from strong and steady economic growth. Montana business owners have also benefitted, leading the nation in entrepreneurialism and gaining \$4.9 billion in proprietor income in 2018.

While there are concerns about whether a national economic slowdown is ahead, the available data suggests Montana is poised for growth in the next year despite tight labor markets. The leading economic index published by the Philadelphia Federal Reserve suggests Montana's economy is likely to speed up in the next six months.⁴⁸ Montana is also listed among states most likely to manage a recession if one were to occur, according to a report by Moody's Investors Service.⁴⁹ Employment gains have been stronger in recent months and unemployment claims continue to decline in the state.

Montana's economic resiliency makes it possible to overcome any future challenges. We have a diversified economy and an educated workforce. The Montana Department of Labor & Industry and Governor Bullock will continue to invest in Montana's future by promoting partnerships between nonprofit, private, and public sectors and by advancing apprenticeships and other work-based learning opportunities to ensure workers receive the training and skills they need to join Montana's ongoing economic success.

On Labor Day 2019, Montanans are better off and can look forward to continuing economic prosperity.



- 1 National Bureau of Economic Research, Business Cycle Dating Committee.
- 2 Metrics provided from 2009Q2 through 2019Q2. GDP and personal income from Bureau of Economic Analysis (BEA) regional tables. Employment and unemployment from Local Area Unemployment Statistics (LAUS), Montana Department of Labor & Industry (MTDLI) and Bureau of Labor Statistics (BLS). Wages from Quarterly Census of Employment and Wages (QCEW), MTDLI and BLS.
- 3 QCEW, MTDLI and BLS.
- 4 LAUS, MTDLI, and BLS
- 5 Employment Projections 2018-2028, MTDLI
- 6 2017 American Community Survey (ACS), 1-year estimates, U.S. Census Bureau
- 7 Business ownership from Current Population Survey, Bureau of Labor Statistics, 2018 average. All other data from regional tables, BEA
- 8 BEA regional tables
- 9 Ibid.
- 10 QCEWm MTDLI, and BLS.
- 11 Adjusted using Consumer Price Index for Urban Consumers, BLS.
- 12 2017 ACS 1-year estimates, U.S. Census Bureau
- 13 Average wage from QCEW. Hours from Current Employment Statistics (CES), MTDLI and BLS.
- 14 Occupational Employment Statistics (OES), MTDLI and BLS.
- 15 2017 ACS 1-year estimates, U.S. Census Bureau.
- 16 National Compensation Survey, BLS.
- 17 Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily, Higher paid workers more likely to have access to retirement benefits than lower paid workers on the Internet* at www.bls.gov/opub/ted/2017/higher-paid-workers-more-likely-to-have-access-to-retirement-benefits-than-lower-paid-workers.htm (visited August 12, 2019).
- 18 Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends. 2018 Medical Expenditure Panel Survey-Insurance Component.
- 19 McNay et al. 2019. "The Value of Medicaid Expansion to Montana Employers" MTDLI and MTDOR. Available at <http://lmi.mt.gov/Publications/PublicationsContainer/the-value-of-medicaid-expansion-to-montana-employers>.
- 20 2017 Regional Price Parities by State, Bureau of Economic Analysis. 2017 is the most recent data available.
- 21 2017 Per capita personal consumption expenditures by state, Bureau of Economic Analysis. 2017 is the most recent data available.
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