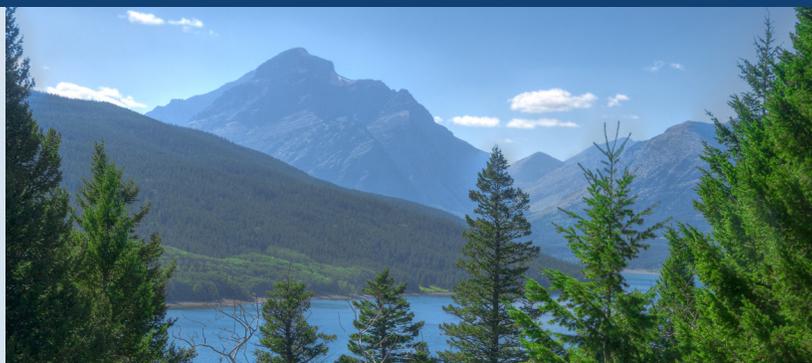


# Montana Economy at a Glance



## PAYROLL EMPLOYMENT BY INDUSTRY

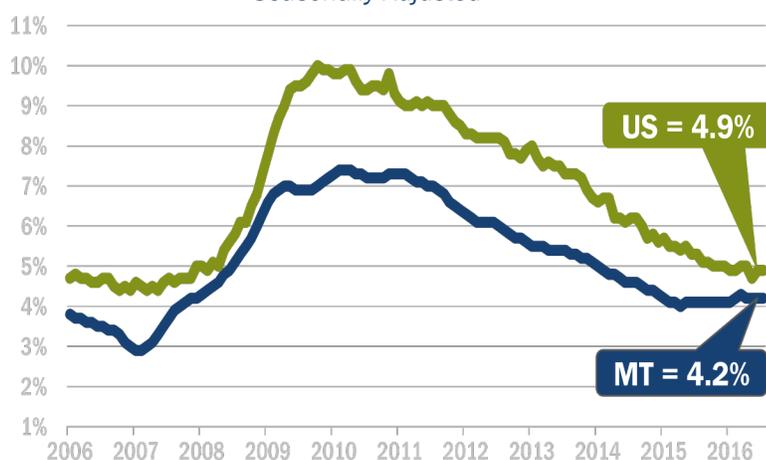
*In Thousands - Seasonally Adjusted*

Industry	July 2016 <i>(prelim)</i>	June 2016	Net Change	% Change
Total Non-Ag Employment	461.5	462.3	-0.8	-0.2%
Natural Resources & Mining	7.0	7.0	0.0	0.0%
Construction	25.0	25.4	-0.4	-1.6%
Manufacturing	19.5	19.7	-0.2	-1.0%
Trade, Transportation, & Utilities	93.4	94.4	-1.0	-1.1%
Information	6.2	6.2	0.0	0.0%
Financial Activities	24.2	24.3	-0.1	-0.4%
Professional & Business Services	41.4	40.8	0.6	1.5%
Education & Health Services	74.7	74.2	0.5	0.7%
Leisure & Hospitality	63.2	62.7	0.5	0.8%
Other Services	17.4	17.7	-0.3	-1.7%
Total Government	89.5	89.9	-0.4	-0.4%

*Excludes self-employed and agricultural employment*

## UNEMPLOYMENT RATE

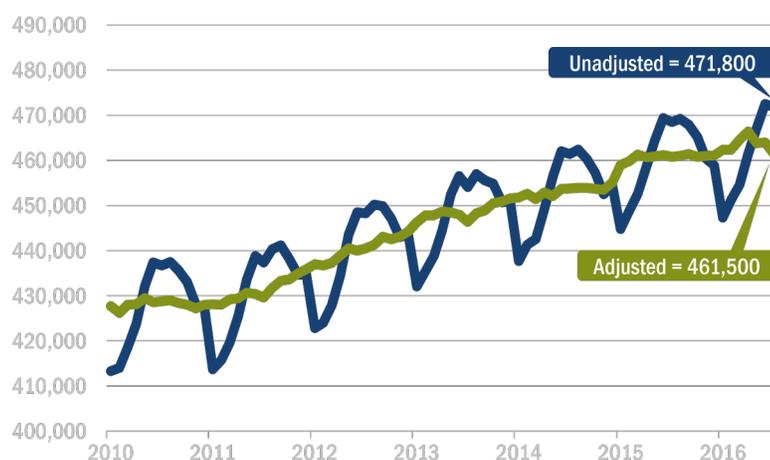
*Seasonally Adjusted*



Montana's unemployment rate for July 2016 held steady, remaining at 4.2% from the previous month. The national unemployment rate also went unchanged over the month, remaining at 4.9%.

## NON-AGRICULTURAL EMPLOYMENT

*In Thousands*





The Montana Department of Labor & Industry strives to ensure that all Montanans have access to well-paying, in-demand jobs, and that Montana employers can find the workers they need to grow their business. As part of this effort, we produce employment projections by industry and occupation to improve job matching between employees and employers and to help future workers choose career and training paths that will be in demand in the future.

Projections are produced annually, and forecast employment two years and ten years into the future. The intent of these timeframes is to predict the long-term employment mix that will be needed by employers and to determine what kinds of skills and education programs will be needed by workers in the future. The projections are not intended to predict the timing of expansions or recessions in the Montana economy. Rather, the employment projections are intended to be used for career counseling for students and workers, for strategic planning of education and training programs, and for economic development to ensure Montana's workforce is prepared to meet the needs of Montana employers.

The Montana Department of Labor & Industry has a good track record for accuracy in the overall total projections. After one year, the 2014 projections were only 1,000 jobs off (0.3%), and the 2013 projections were only 2,000 jobs off (0.4%). The consistent history suggests that the processes used to produce the projections are working well. The methodology used for the employment projections is designed to avoid large projection errors, so that while it is unlikely that employment levels are exactly right, it is likely that the relative demand for each occupation is reasonably accurate. The employment projections should be seen as the most likely outcome given our current knowledge about the economy.

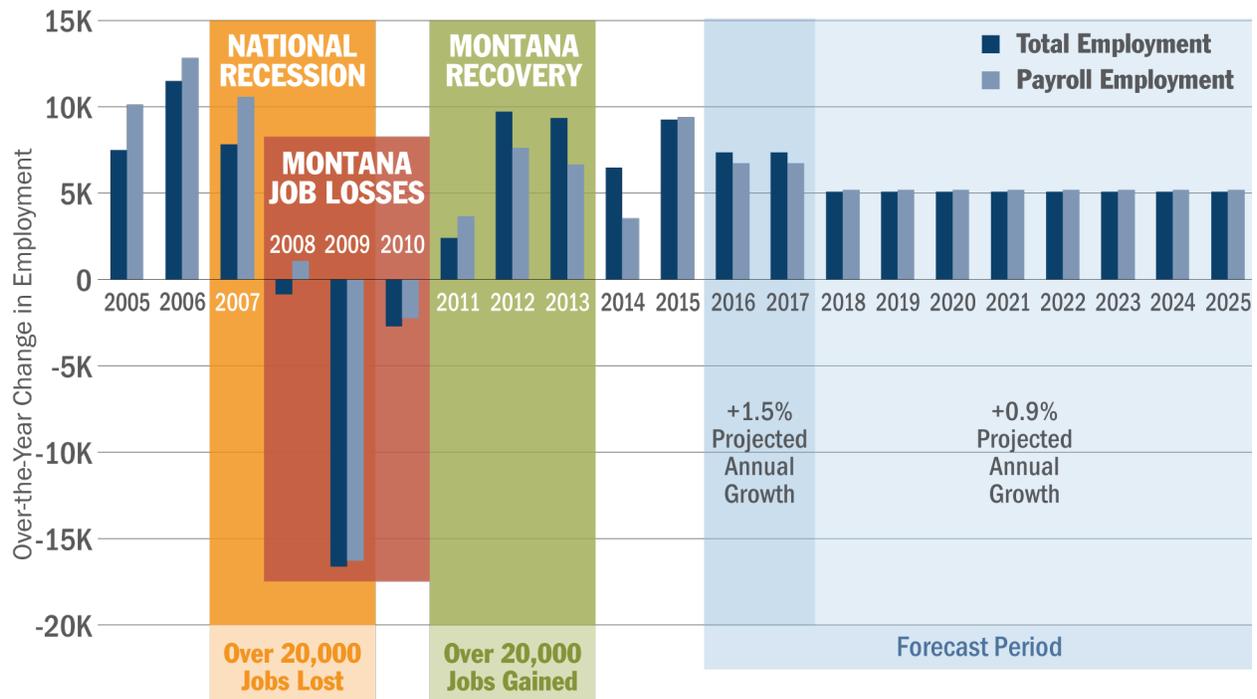
### Statewide Employment Forecasts

Employment is expected to grow by 1.1% over the next ten years. This rate is slower than that of recent years because of tight labor markets and a restricted worker supply. Employment is estimated to grow by approximately 7,300 jobs per year over the next two years, then to slow as the labor market gets tighter, fewer workers are available to fill open positions, and businesses struggle to expand without a readily available workforce.

#### ABOUT EMPLOYMENT PROJECTIONS

- Employment projections forecast the number of people in jobs. They **DO NOT** consider any current unmet employment demand.
- Employment forecasts **DO NOT** predict changes in the political climate that may impact the economy.
- Employment forecasts **DO** account for changing demographics, retirements, and the aging workforce.
- Employment projections estimate the long-term skill set needed by workers. They **DO NOT** predict the timing of business cycle fluctuations.

**FIGURE 1**  
**OVER-THE-YEAR EMPLOYMENT CHANGE, HISTORICAL AND PROJECTED 2005-2025**



Source: Historical total employment data from Local Area Unemployment Statistics (LAUS) and historical payroll employment from the Quarterly Census of Employment & Wages (QCEW), Montana Department of Labor & Industry 2015-2025 employment projections.

**Figure 1** shows the annual employment change in Montana since 2005, and the projected annual growth through 2025.

The projected growth is presented in **Figure 1** as an annual average. The projection methodology does not produce straight-line forecasts of employment. Only annual average growth is published because the projections do not attempt to predict fluctuations in the business cycle, and instead focus on the end goal established by U.S. Department of Labor of predicting long-term training needs.

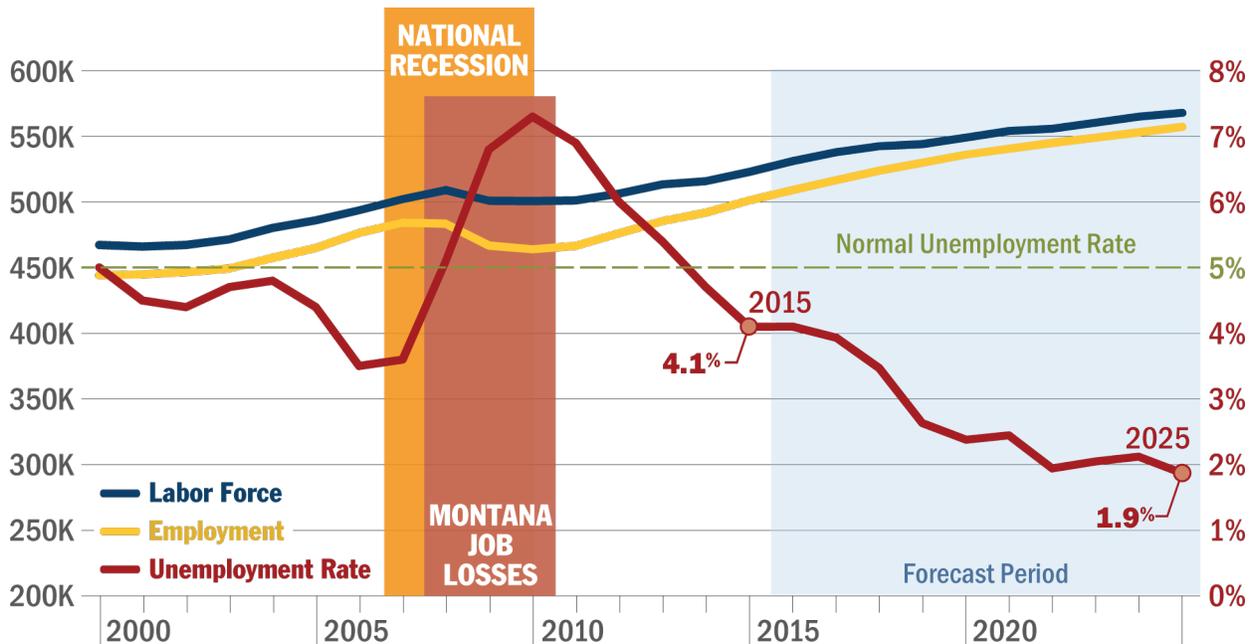
Over the last five years, employment in Montana has grown faster than average, adding more than 30,000 jobs since 2010. Employment was back to pre-recession levels by 2014, and since then Montana’s economy has continued to expand. Employment growth was especially strong in 2015, with Montana adding over 9,200 jobs (+1.9% growth).

Montana’s prolonged period of employment growth and an aging population has created tight labor markets. The unemployment rate in Montana currently sits just above 4%, which is 1% below the normal rate of unemployment. While low unemployment rates mean it is easier for people to find jobs, if unemployment rates fall too low, employers have a difficult time finding the workers they need. **Figure 2** shows the historical and projected employment and labor force levels in Montana, and the corresponding unemployment rate. If the labor force and employment levels grow as projected, the unemployment rate in Montana is forecasted to fall below 2% by 2025.

### Regional Employment Growth

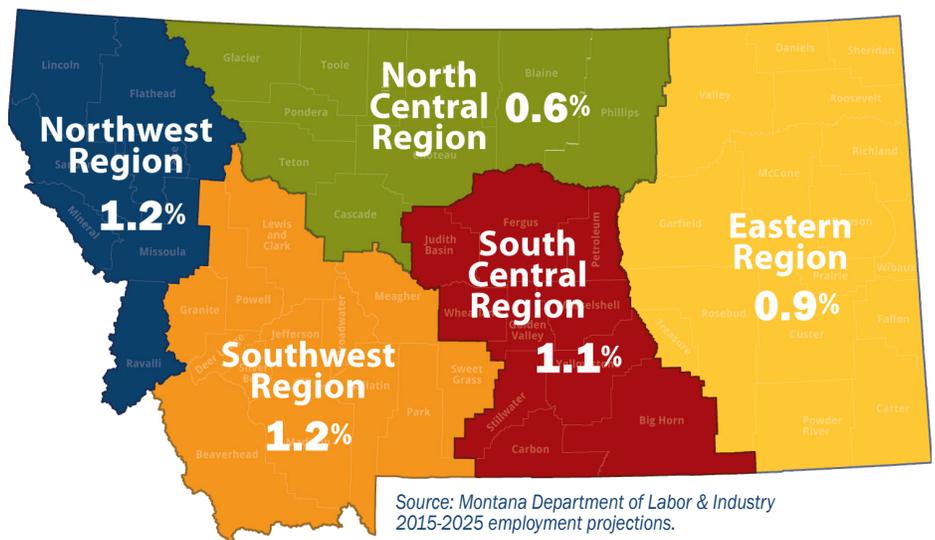
Montana is a large, geographically diverse state. As a result, the labor market varies considerably in different regions. The Montana Department of Labor & Industry defines five regions of the state, shown in **Figure 3**. The

**FIGURE 2**  
**HISTORIC AND PROJECTED LABOR FORCE STATISTICS IN MONTANA**



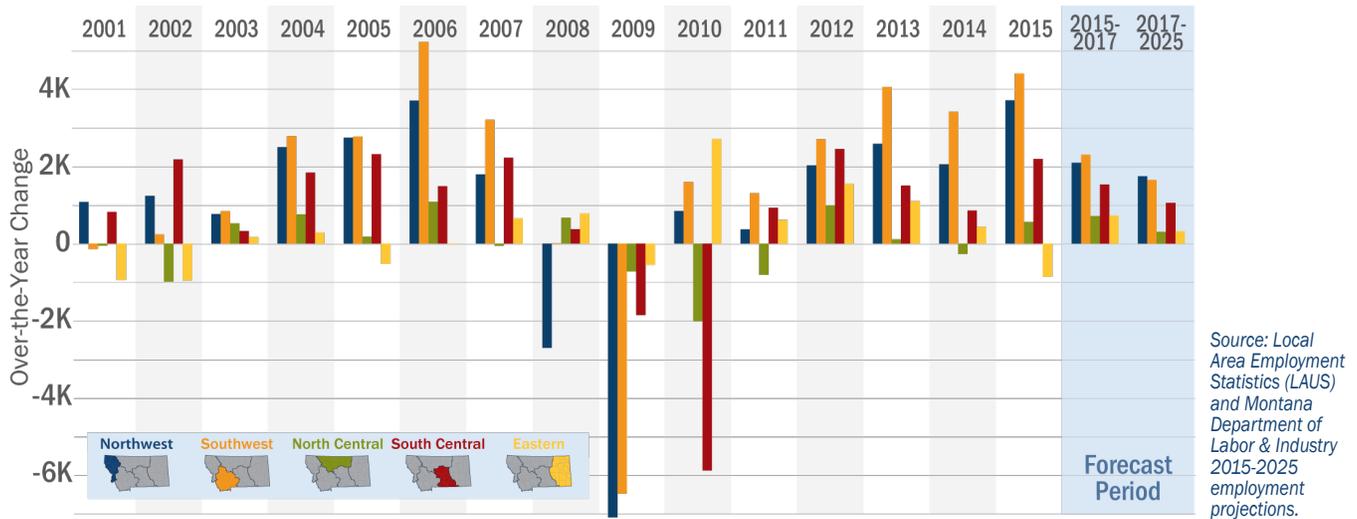
majority of Montana’s population lives in the western regions, with the exception of Billings, which is located in the South Central region. Much of the recent growth in Montana’s economy has stemmed from the more populated regions, contrary to the recession years when the rural areas outperformed them. Employment in the Northwest and Southwest regions is projected to grow by 1.2% annually through 2025. This growth results in an additional 1,770 jobs per year in the Southwest, and 1,810 jobs annually in the Northwest. The South Central region is estimated to have the next largest employment gains, with 1,150 additional jobs per year (at a rate of 1.1%) through 2025.

**FIGURE 3**  
**PROJECTED 10-YEAR EMPLOYMENT GROWTH RATE BY REGION**



The North Central region, which includes the Great Falls area, and the Eastern region are both projected to experience employment growth below the statewide average over the next ten years. Employment in the Eastern region has been growing rapidly as a result of oil and gas production, but recent drops in oil prices have resulted in employment losses over the last year.

**FIGURE 4**  
**ANNUAL EMPLOYMENT GROWTH BY REGION, HISTORICAL AND PROJECTED**



**Figure 4** shows the annual change in employment by region since 2001. The Northwest and Southwest regions saw rapid employment growth in 2015, adding almost 4,400 jobs in the Southwest, and over 3,700 in the Northwest. This strong job growth momentum is expected to continue in the short-term. Both western regions are projected to add over 2,000 jobs per year through 2017, almost twice as many as the average for these regions. The South Central region also experienced strong job growth in 2015, and is expected to grow faster than average, adding over 1,500 jobs per year through 2017.

In the long-run, employment is expected to taper off in all regions towards the average. All of Montana’s regions are expected to experience job growth over the next ten years, with faster growth in the short-term followed by slower growth in the long-run.

### Employment Growth by Industry

Employment in Montana stems from many different industries. Diverse employment opportunities create a more robust economy, generate stable economic growth, and protect Montana’s economy from sudden shocks like commodity price swings or changes in public policy. Healthcare is the largest-employing industry in the state, making up 15% of total employment, followed

by retail trade (13%), and accommodation and food service (11.3%). **Figure 5** shows projected employment growth by industry, and the total number of additional jobs projected each year.

**FIGURE 5**  
**EMPLOYMENT PROJECTIONS BY INDUSTRY 2015-2025**

Industry	Annual Growth Rate	Annual Empl. Growth
Healthcare	1.5%	1,100
Construction	2.7%	820
Accommodation & Food Service	1.2%	630
Retail Trade	1.0%	590
Professional & Technical Services	2.1%	490
Admin & Waste	1.9%	360
Arts, Entertainment, & Recreation	1.8%	230
Other Services	1.1%	190
Finance & Insurance	1.1%	170
Local Government	0.8%	160
Transportation	1.0%	150
Wholesale Trade	0.7%	130
Mining	1.4%	110
Education	0.3%	110
Agriculture	1.5%	90
Real Estate	1.1%	70
Manufacturing	0.4%	70
State Government	0.6%	70
Management of Companies	1.6%	30
Federal Government	0.2%	20
Utilities	-0.8%	-20
Information	-0.3%	-20

Source: MT DLI 2015-2025 Employment Projections

**FIGURE 6**  
**HIGH-DEMAND OCCUPATIONS WITH SHORTER TRAINING TIMES**

Occupation	Typical Requirements		Annual Openings			2015 Median Wage
	Education	Work Experience	Replacement	Growth	Total	
Nursing Assistants	PS Award		145	111	256	\$24,360
Heavy and Tractor-Trailer Truck Drivers	PS Award	ST-OJT	128	78	206	\$41,360
Automotive Service Technicians & Mechanics	PS Award	ST-OJT	94	24	118	\$34,660
LPNs and LVNs	PS Award		75	32	107	\$39,420
Teacher Assistants	SCND		90	14	104	\$24,160
Bookkeeping, Accounting, and Auditing Clerks	SCND	MT-OJT	97	0	97	\$32,810
Forest and Conservation Technicians	Associate's		71	6	77	\$31,940
Computer User Support Specialists	SCND		31	42	73	\$41,180
Hairdressers, Hairstylists, and Cosmetologists	PS Award		46	4	50	\$24,990
Medical Assistants	PS Award		25	21	46	\$30,580

Notes: PS Award=Postsecondary Award; SCND= Some College, No Degree; ST-OJT= Short-Term On-The-Job Training; MT-OJT= Moderate-Term On-The-Job Training

Source: Montana Department of Labor & Industry 2015-2025 Employment Projections

The large-employing industries of Healthcare, Construction, and Accommodation and food service are projected to have the most employment growth through 2025. The Construction industry is projected to grow the fastest of any industry in Montana, at 2.7% annually. Over the last five years, Construction, Manufacturing, Transportation, and Agriculture employment have been growing above 3% annually. Construction has been growing rapidly, especially in the Southwest region, but the industry still has not reached pre-recession employment levels.

Healthcare is projected to add 1,100 jobs every year through 2025, at a rate of 1.5% per year. Healthcare employment increased steadily from 2000 to 2010, averaging 2.8% annual growth, to become Montana’s largest-employing industry. Over the last five years, employment growth has slowed to 1.8%. This slowdown is caused by tight labor markets, which is more severe in Healthcare because of the industry’s consistent employment growth, a retiring workforce, and increased demand for healthcare services from the aging population.

### Occupational Employment Projections

Food preparation, sales, and office and administrative support occupations are expected to have the most job openings over the next ten years. These occupations are found in a variety of industries, so it isn’t surprising Montana will need a lot of workers to fill these positions. The next largest occupational categories are healthcare practitioners, and construction and extraction

### ABOUT OCCUPATIONAL PROJECTIONS

Occupational employment projections are often requested because they most directly answers the question “what types of jobs are in high-demand?” To generate the occupational forecasts, the industry projections are allocated to occupations based on a Montana-specific staffing pattern. The Occupational Employment Statistics (OES) data captures the occupational composition of each industry. These staffing patterns reflect the actual staffing decisions of Montana employers in each region of the state. If hospitals in Eastern Montana tend to hire more nursing assistants than registered nurses compared to Northwest, the occupational projections will capture that difference.

The occupational projections also consider changes in staffing patterns that could occur over the next ten years due to technological or demographic changes, which may reduce demand for some occupations, or increase the number of people needed to replace retiring workers.

FIGURE 7

**HIGH-DEMAND, HIGH-WAGE OCCUPATIONS FOR ASPIRING 4-YEAR COLLEGE STUDENTS**

Occupation	Typical Requirements		Annual Openings			2015 Median Wage
	Education	Work Experience	Replacement	Growth	Total	
Registered Nurses	Bachelor's		236	209	445	\$60,720
General and Operations Managers	Bachelor's	>= 5 years	117	60	177	\$78,960
Accountants and Auditors	Bachelor's		89	68	157	\$56,960
Elementary School Teachers <i>Except Special Education</i>	Bachelor's	Internship	87	20	107	\$48,550
Secondary School Teachers <i>Except Special and Career/ Technical Education</i>	Bachelor's	Internship	74	8	82	\$48,460
Lawyers	Prof. degree		39	30	69	\$71,670
Substitute Teachers	Bachelor's	Internship	58	10	68	\$21,940
Business Operations Specialists, <i>All Other</i>	Bachelor's		36	29	65	\$53,960
Physical Therapists	Prof. degree		29	32	61	\$73,080
Middle School Teachers <i>Except Special and Career/ Technical Education</i>	Bachelor's	Internship	49	11	60	\$55,890

Source: Montana Department of Labor & Industry 2015-2025 Employment Projections

workers. These occupations make up the majority of employment in Healthcare and Construction, which are the industries projected to have the most employment growth.

**Figure 6** identifies high-demand occupations requiring some college education, but less than a Bachelor's degree. These occupations may be good opportunities for individuals who are looking to change careers, but do not have the time or resources to dedicate to longer educational programs. Five of the ten occupations listed in **Figure 6** have a median wage above the statewide median (\$31,970) and all require no more than two years of post-secondary education.

**Figure 7** shows the occupations with the most job openings that require at least a Bachelor's degree. All else being equal, the job openings for these occupations will be more difficult to fill because of the longer training times. The occupations in **Figure 7** also tend to be higher-wage occupations. Individuals with the time and resources may look to these occupations as potential careers.

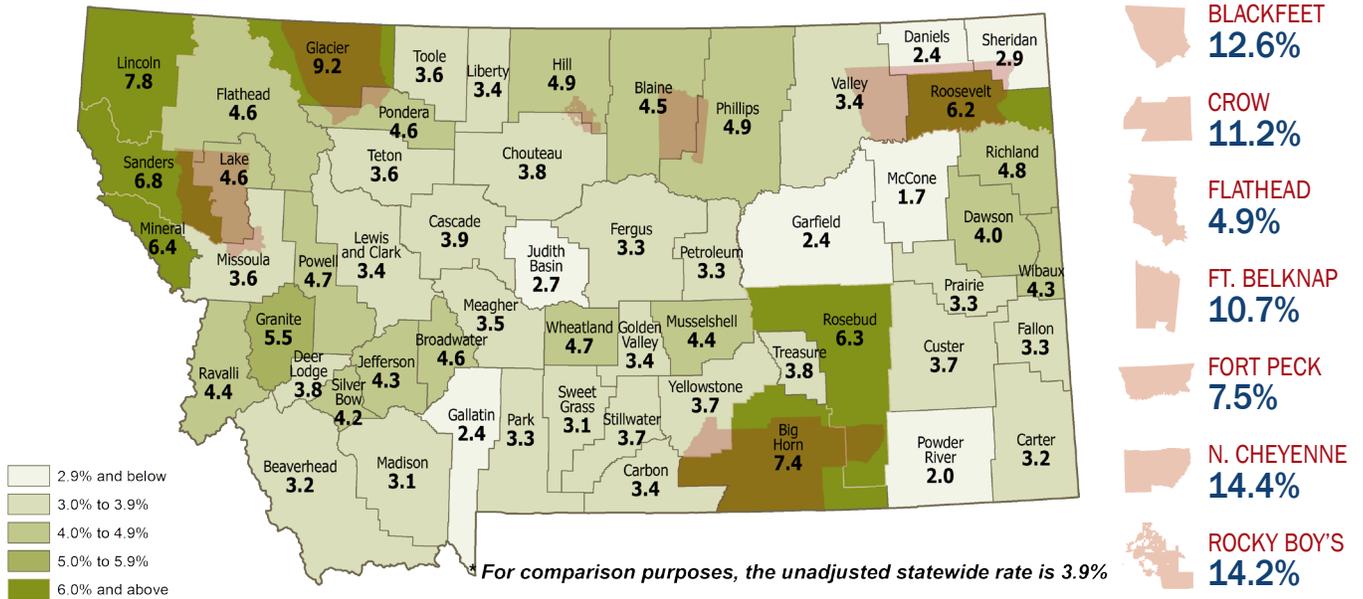
Registered Nursing (RN) tops the list of Bachelor's degree occupations with the most openings. An additional 445 annual job openings for RNs is projected

for Montana. Just over half of these openings will occur because of replacement needs. The average age of RNs in Montana is older than the statewide average, and the Bureau of Labor Statistics (BLS) estimates that 23.6% of RNs will retire or otherwise leave their job over the next ten years. This year was also the first year the BLS identified a Bachelor's degree as the typical degree held by registered nurses. In the United States 46.5% of RNs hold a Bachelor's degree, compared to 36.7% with an Associate's degree. This change in educational attainment reflects the national push towards educating Bachelor's Degree Registered Nurses.

The Montana economy is constantly changing, making it difficult to predict future employment. The Montana Department of Labor and Industry does not attempt to predict temporary fluctuations in employment levels caused by unforeseen changes in public policy or the business cycle. Instead, the employment projections focus on long-run workforce needs so students, educators and economic developers are better prepared to meet future workforce needs. To find more information about the employment projections or other labor market resources, please visit [lmi.mt.gov](http://lmi.mt.gov).

# COUNTY AND RESERVATION UNEMPLOYMENT RATES – JULY 2016

Not Seasonally Adjusted



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