

iClicker Question

Bobcats or Grizzlies? Or Other?

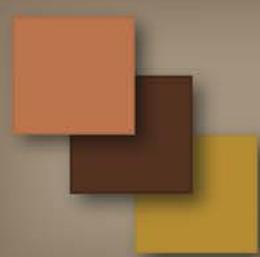
- A. Bobcats
- B. Grizzlies
- C. Other

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Economic Research Center,
Montana State University - Billings**



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Economic Research

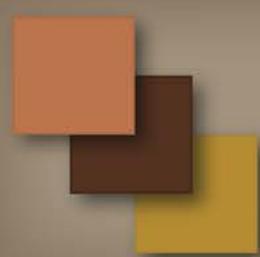


iClicker Questions

What is your gender?

A. Female

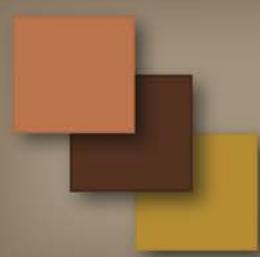
B. Male



iClicker Question

What is your role in Montana's economy?

- A. Business owner
- B. Retired
- C. Educator or student
- D. Healthcare or non-profit
- E. Other



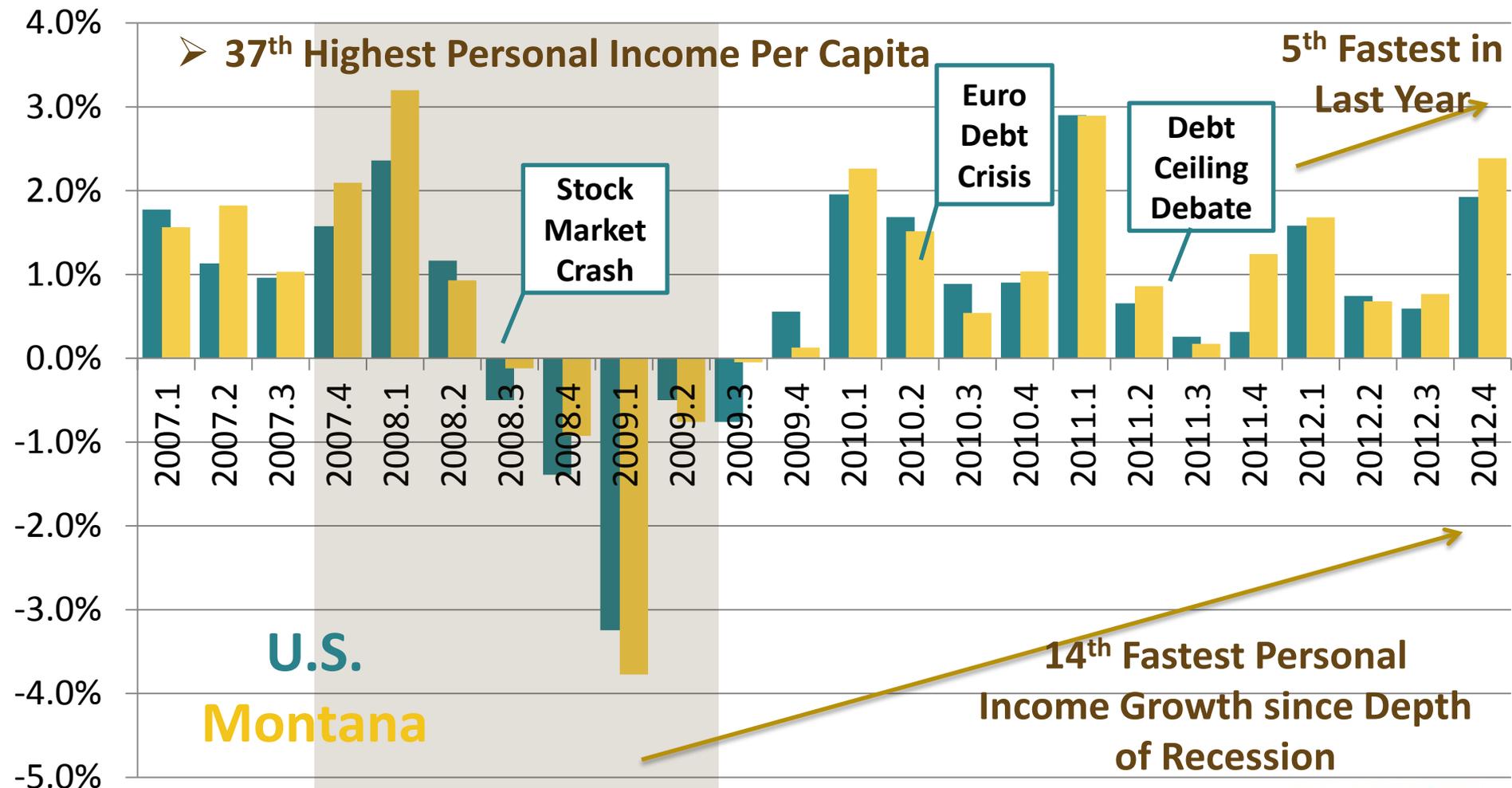
What's Happening on Main Street Montana

Main Street Montana Project Roundtable

Bozeman, Montana

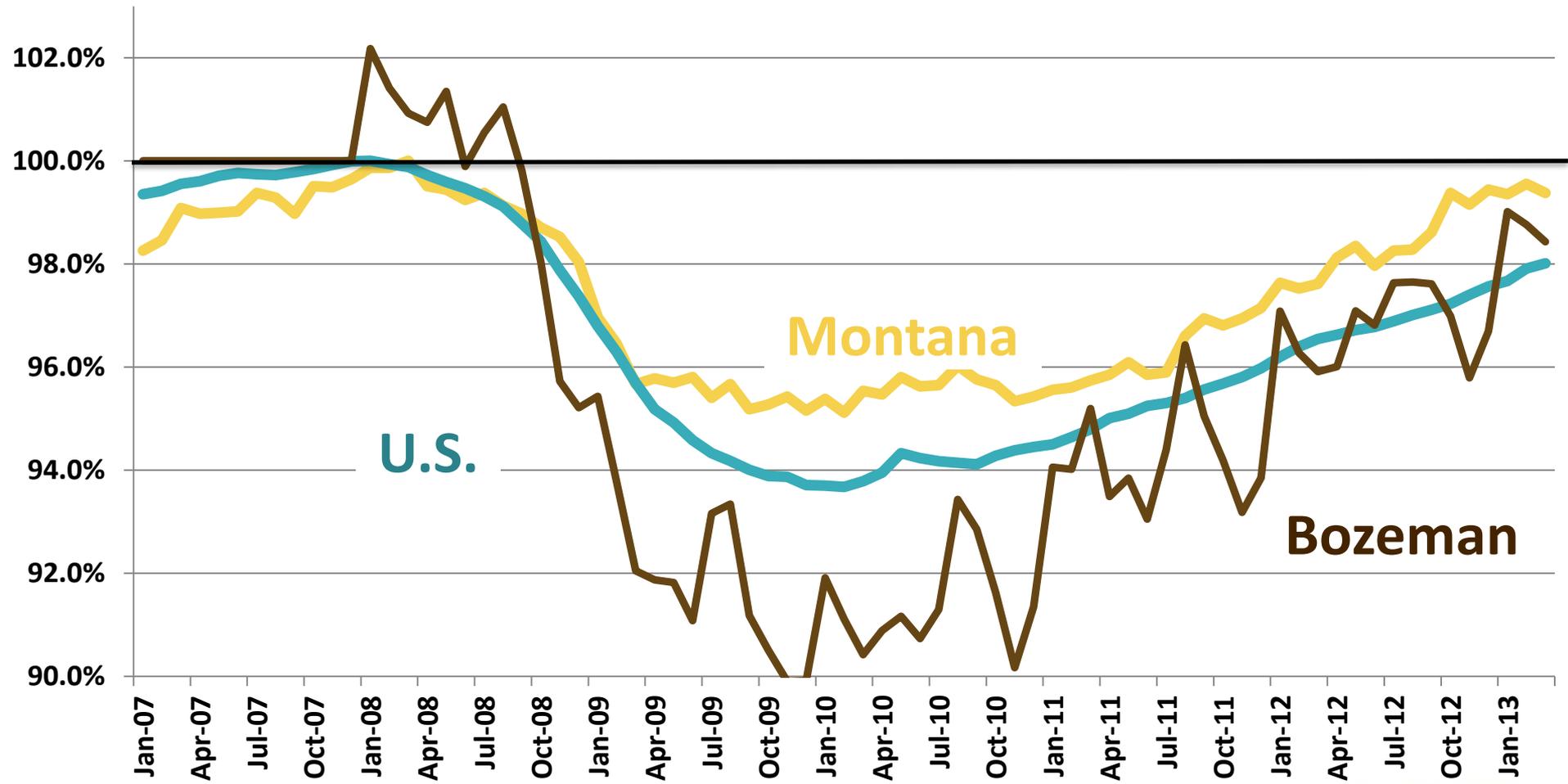
June 25, 2013

Montana and U.S. Personal Income Growth



Source: Quarterly Personal Income, Bureau of Economic Analysis, U.S. Dept. of Commerce. 37th using 2012 data.

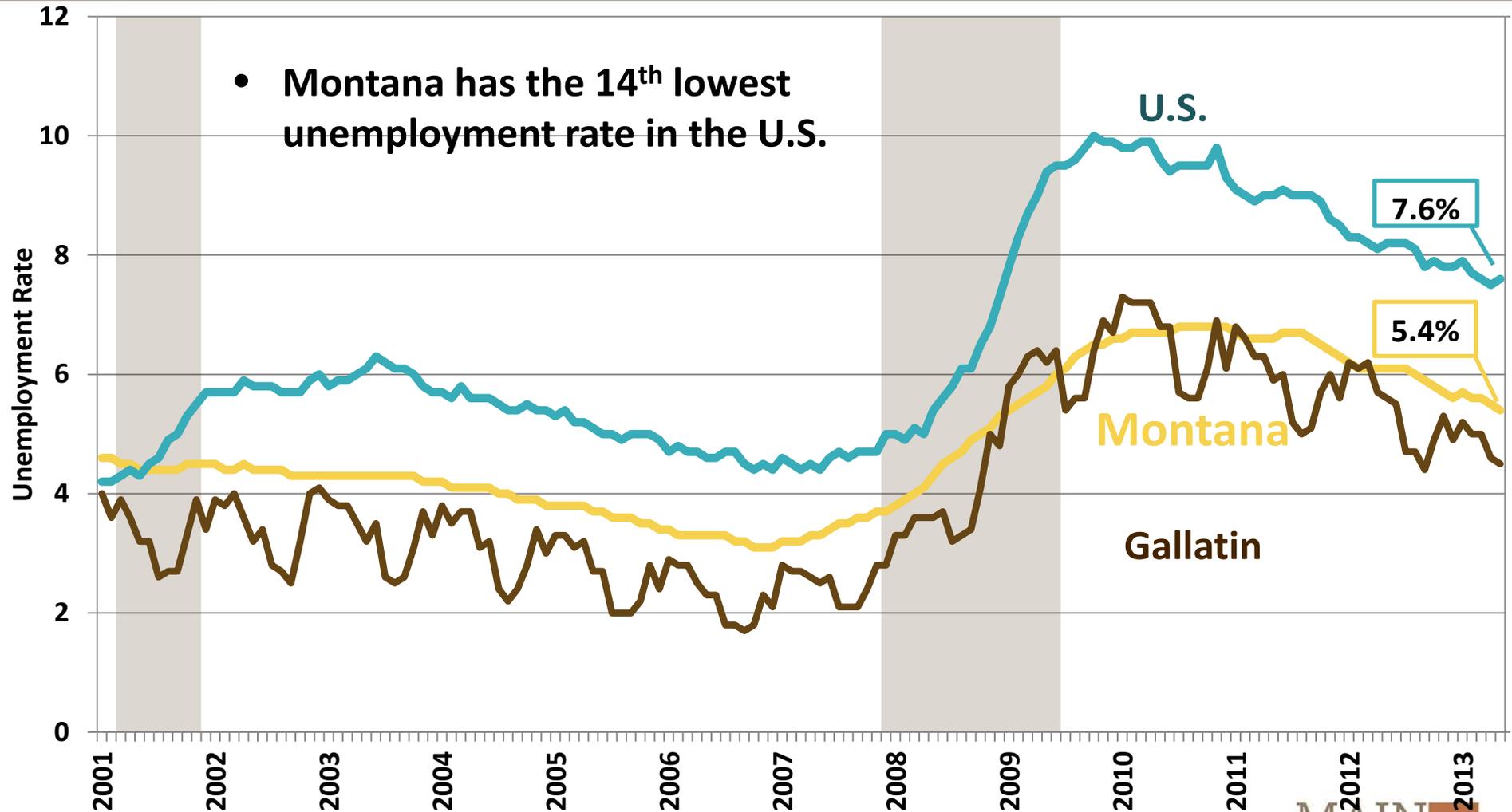
Payroll Employment Nearly Recovered (Indexed to Peak Employment)



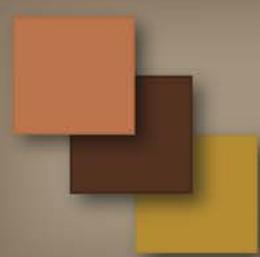
Source: Current Employment Statistics, May 2013 preliminary. Peak employment for Montana occurred in March 2008. U.S. indexed to Jan. 2008 peak. Bozeman to Montana's March 2008 peak.

Montana and U.S. Unemployment Rate

- **Montana has the 14th lowest unemployment rate in the U.S.**



Source: Local Area Unemployment Statistics from MT DLI and the Current Population Survey from BLS. 14th lowest from 2012 annual.

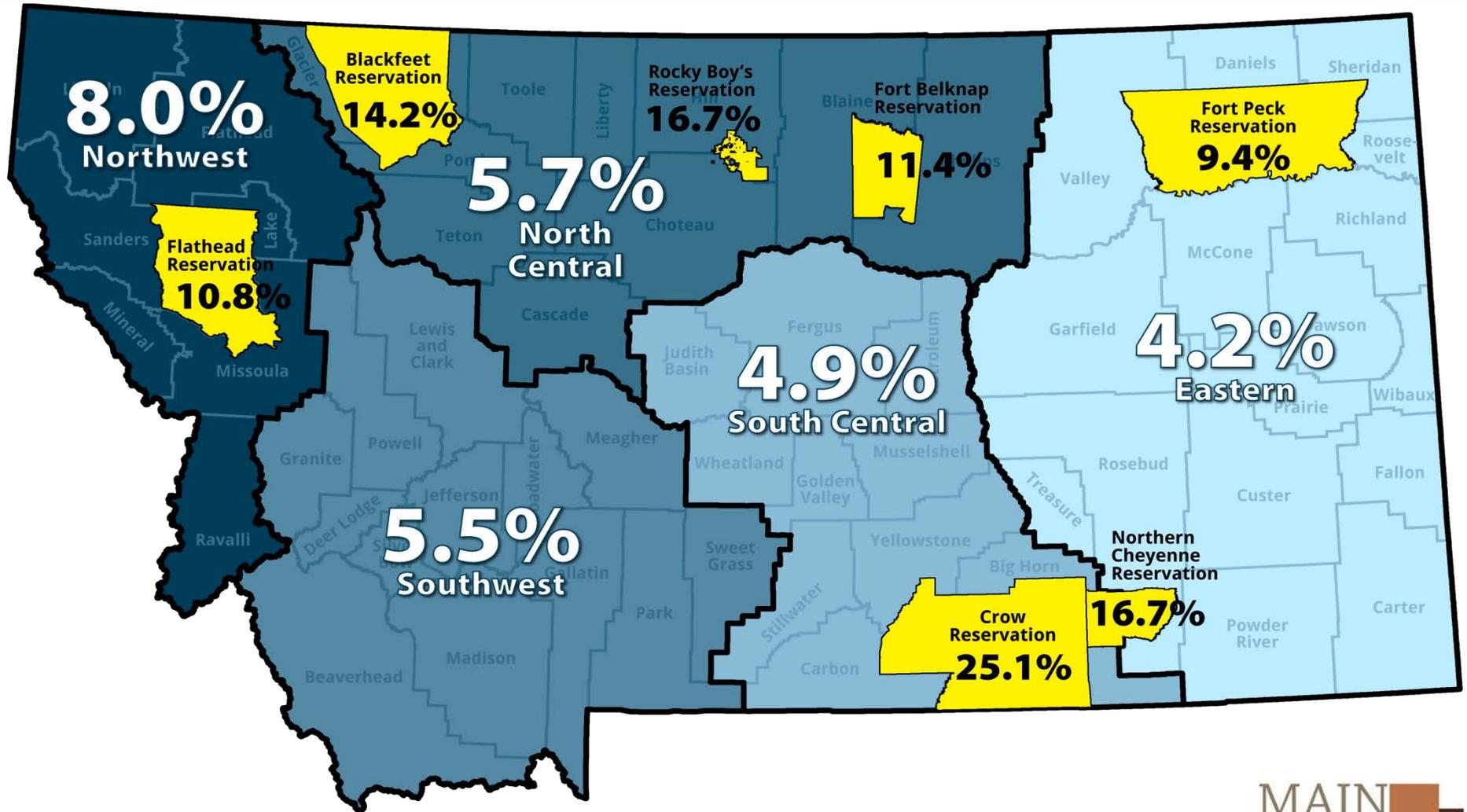


iClicker Question

How do you feel our economy is performing right now?

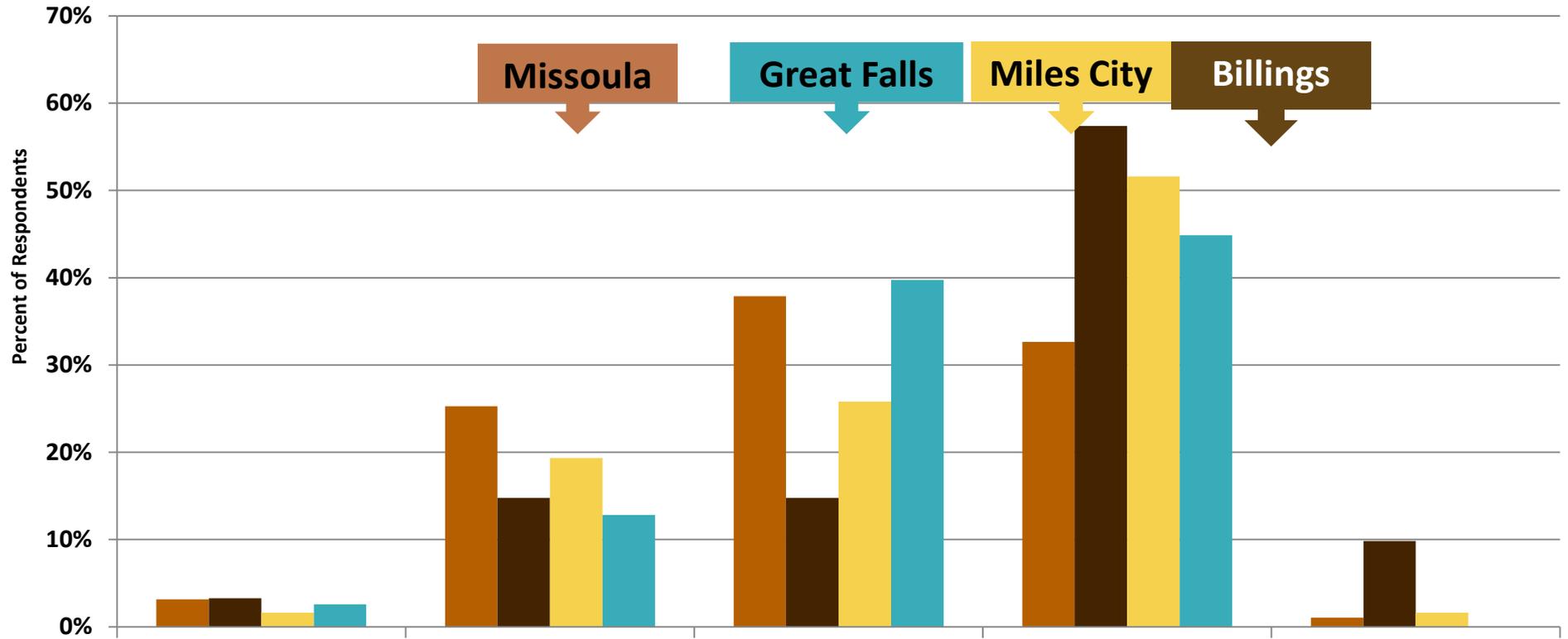
- A. Montana is rocking it!
- B. Doing pretty good, but room for improvement.
- C. Ho hum. The economy isn't good, but it's not bad.
- D. Some people are doing ok, but not the rest of us.
- E. Statistics are lies. It's rough out there.

Regional and Reservation Unemployment 2012



Source: Montana Dept. of Labor and Industry Reservation Unemployment Rates, 2012, and Local Area Unemployment Statistics, BLS and MTDLI.

Responses to Current Economic Performance Question



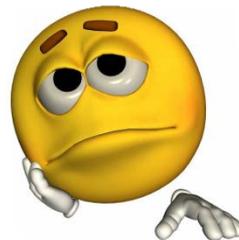
Rough out there



Not Great



Not Good, Not Bad



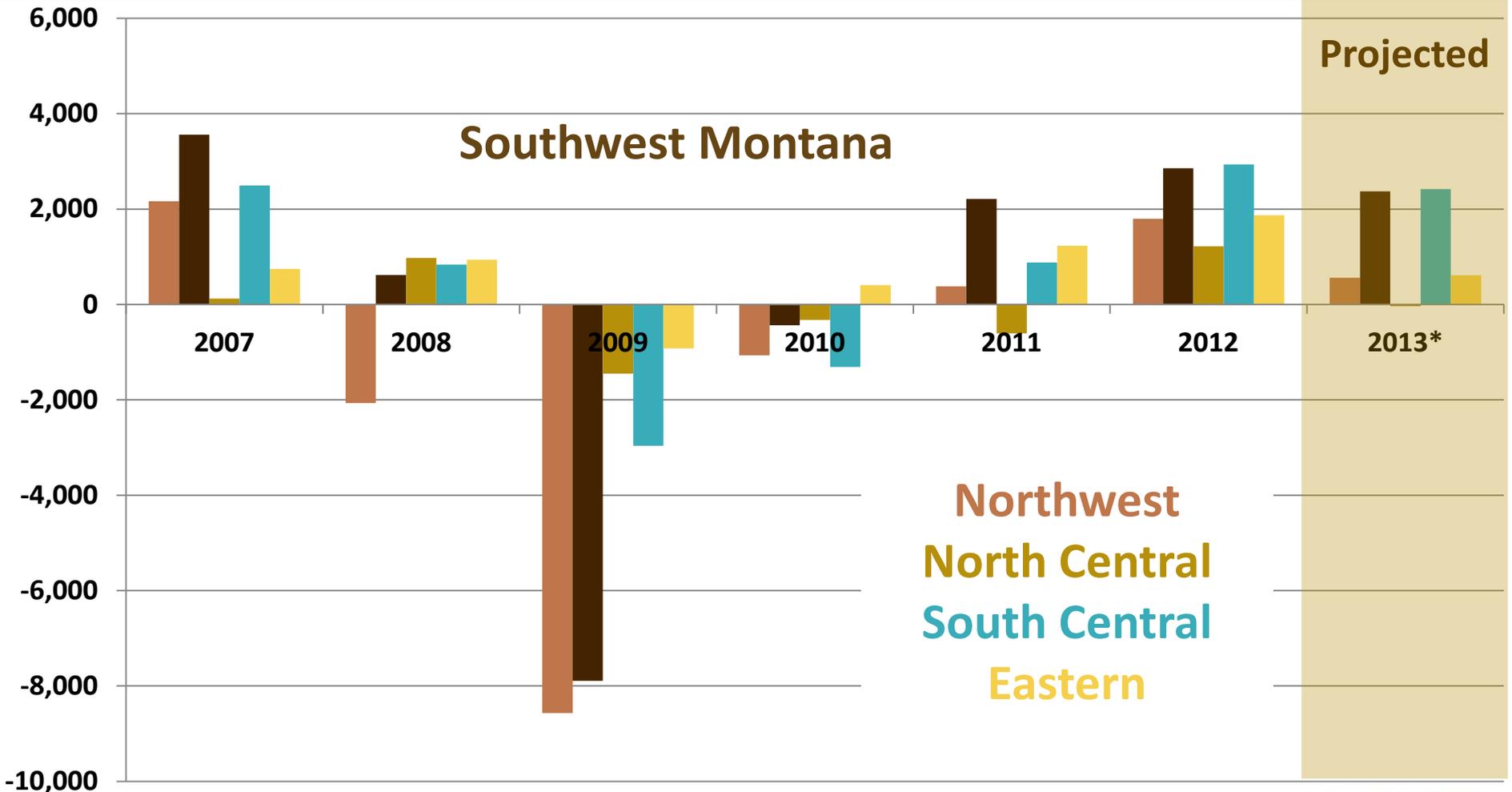
Pretty Good



Rocking it



Job Growth by Region



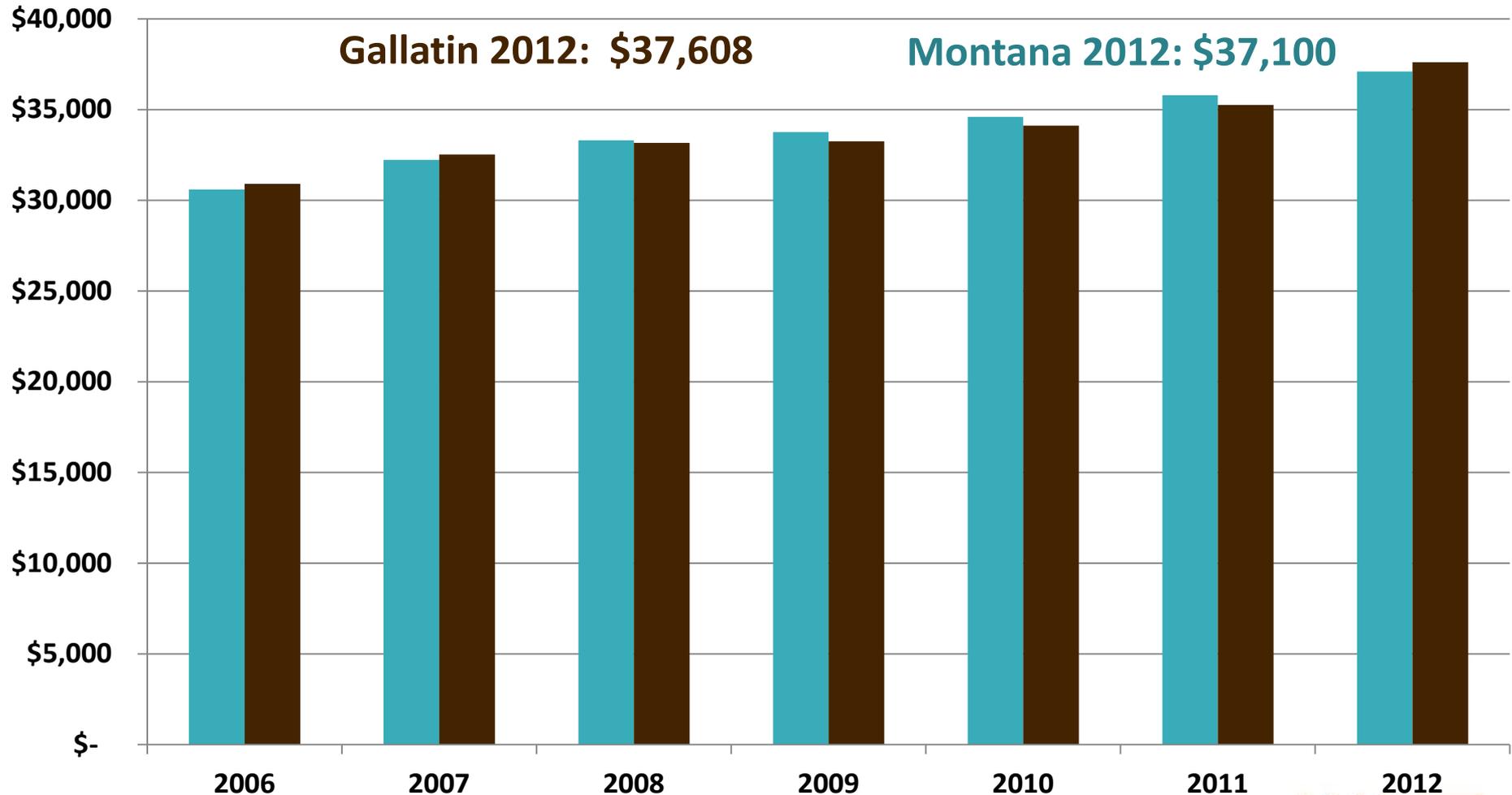
Projected

2013*

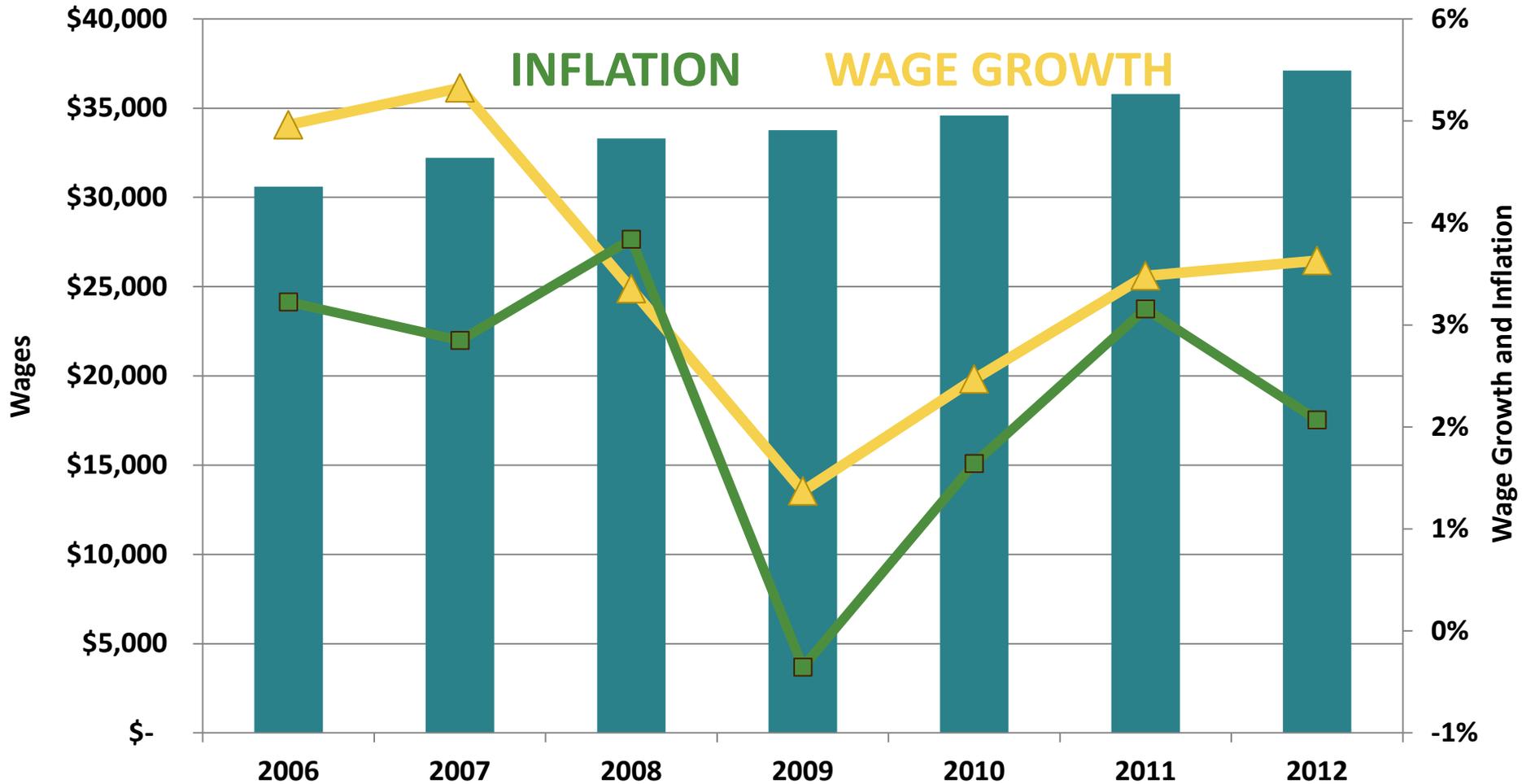
Northwest
North Central
South Central
Eastern

Source: Local Area Unemployment Statistics, Bureau of Labor Statistics and MT Dept of Labor and Industry. 2013 data is estimate based on four months of data.

Montana Average Annual Wages

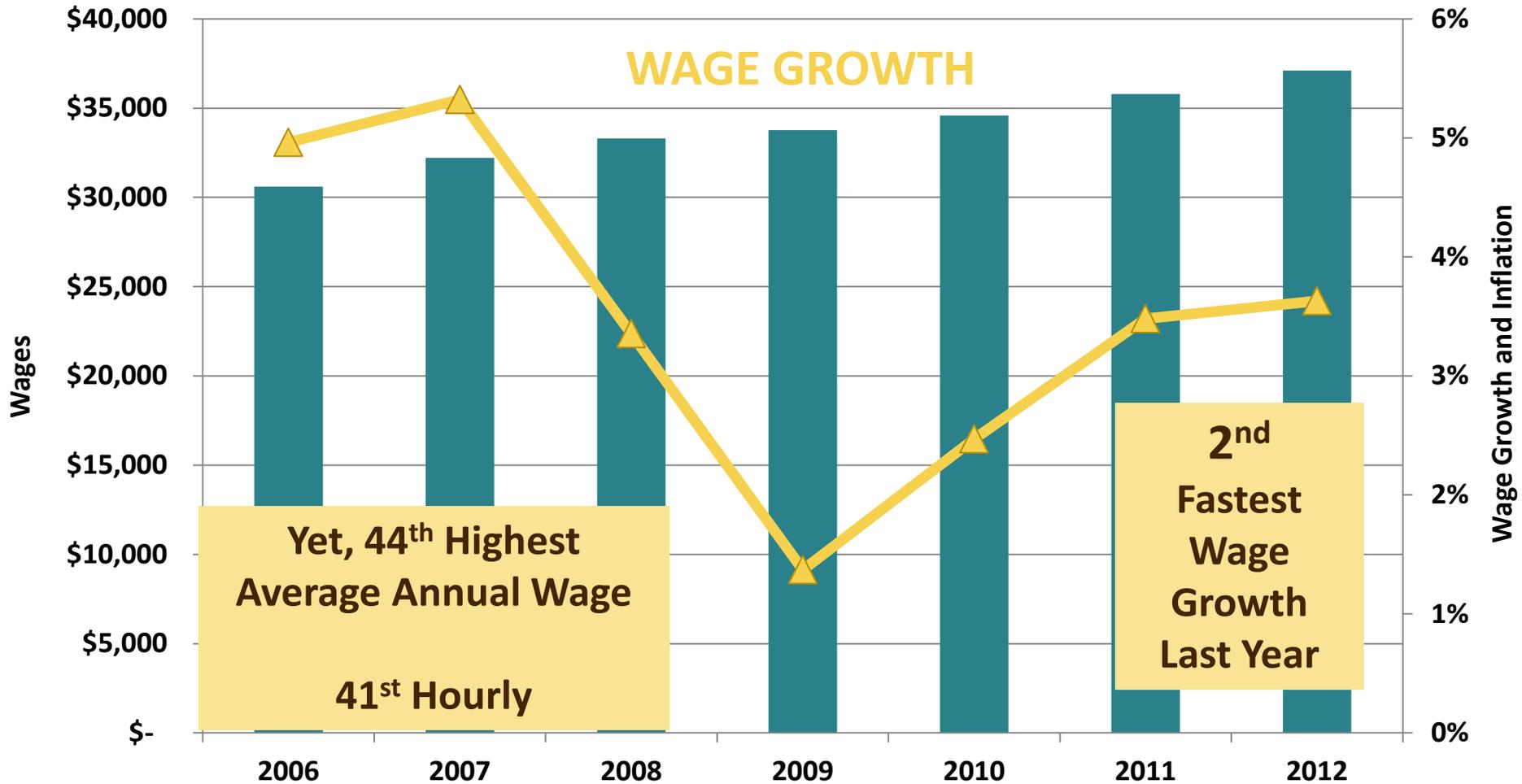


Montana Average Annual Wages

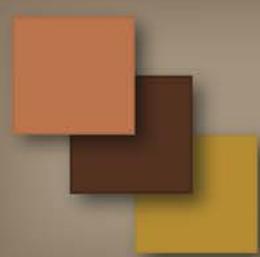


Source: Quarterly Census of Employment and Wages, BLS, and MT DLI

Montana Average Annual Wages



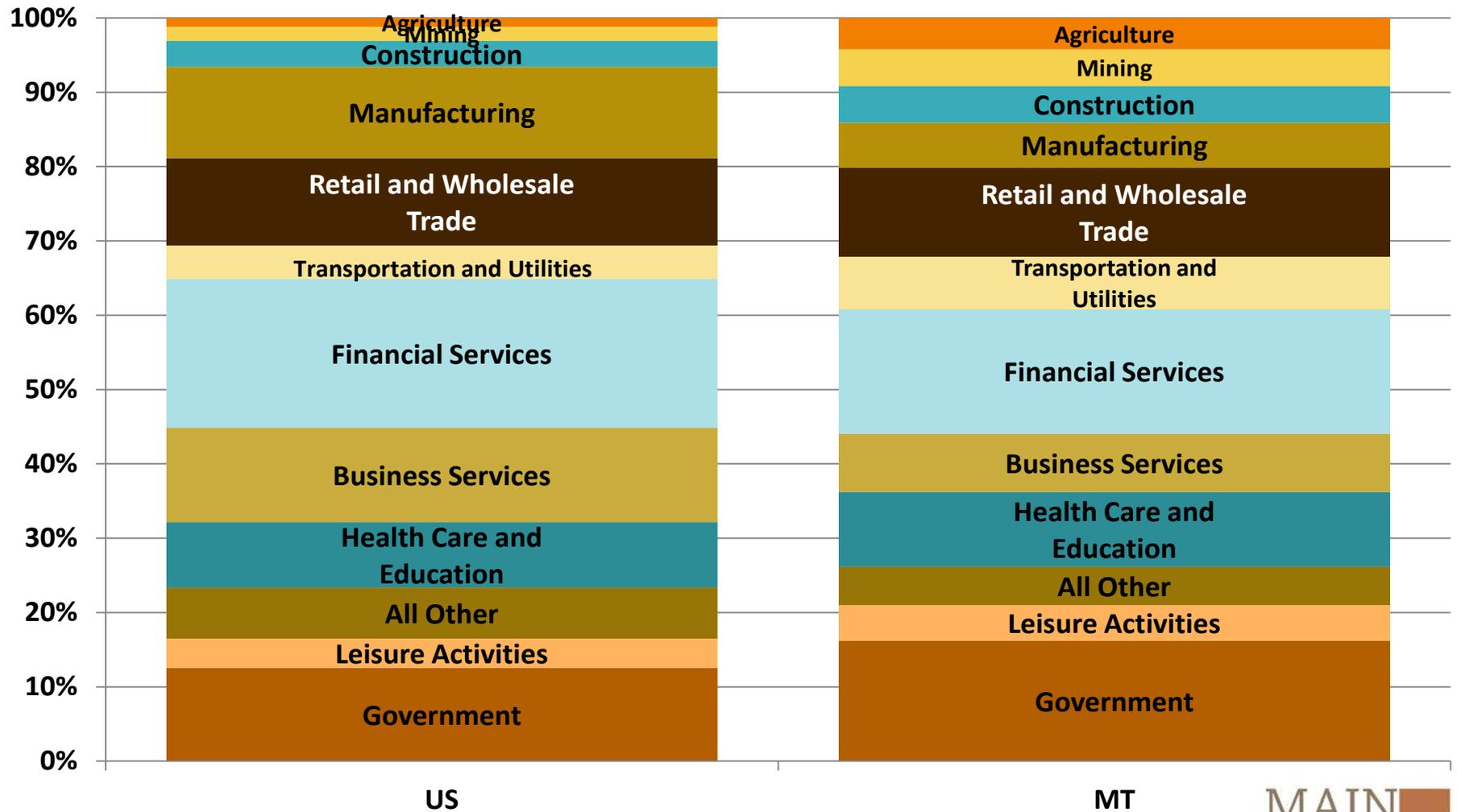
Source: Quarterly Census of Employment and Wages, BLS, and MT DLI. 48th determined by 2011 ranking.



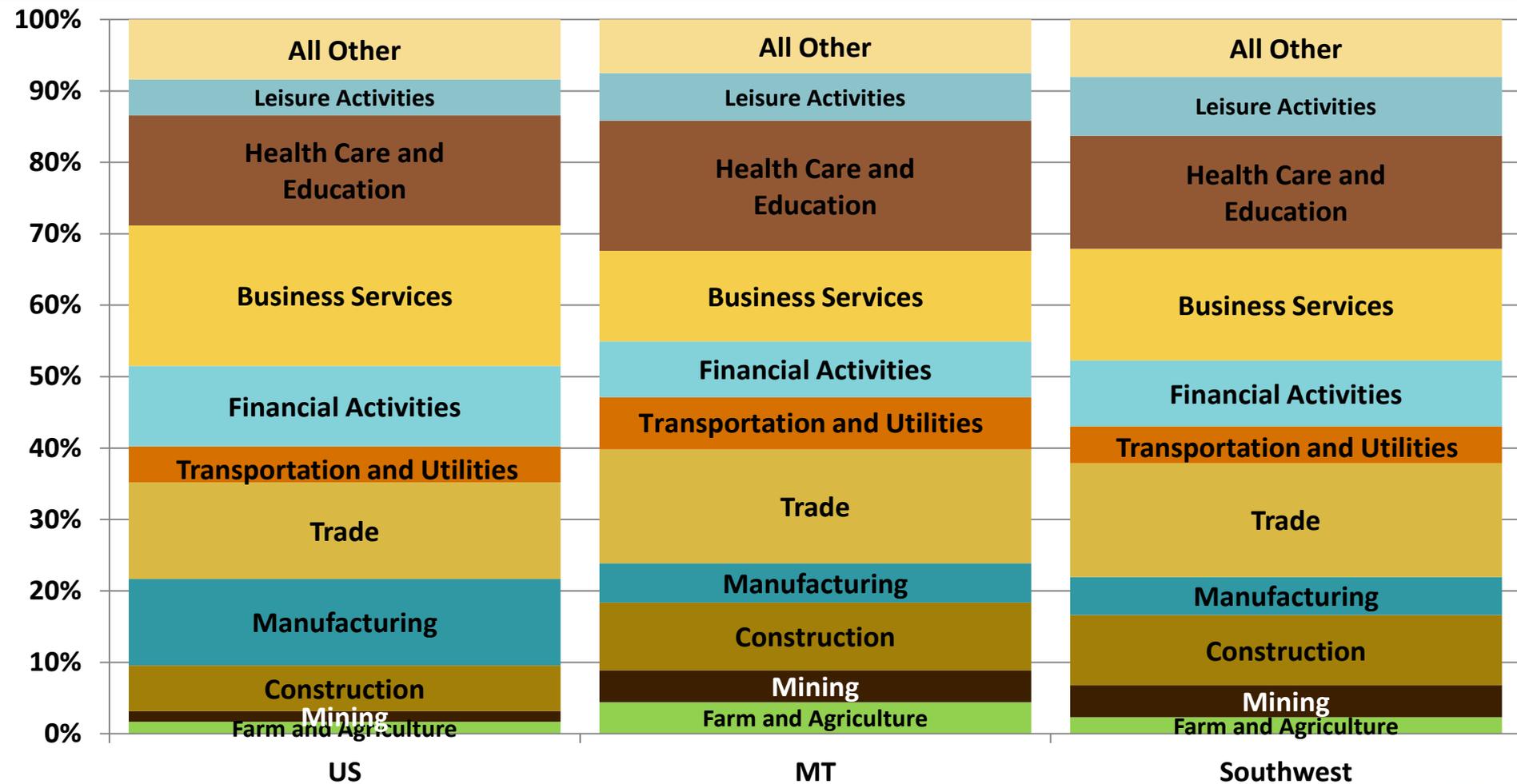
Take Away Points

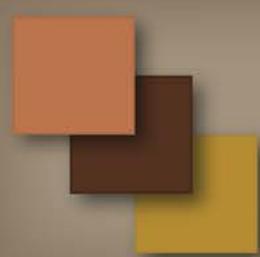
- Montana's economy is growing quickly,
 - Faster income growth,
 - Faster job growth,
 - Faster wage growth, and
 - Lower unemployment than the nation.
- But we have a long way to go.
 - What are we doing right?
 - What do we need to work on?
- Let's focus on wages.

Industry Composition of U.S. and MT Economies (by GDP)



Private Industry Composition: Regional using Personal Income





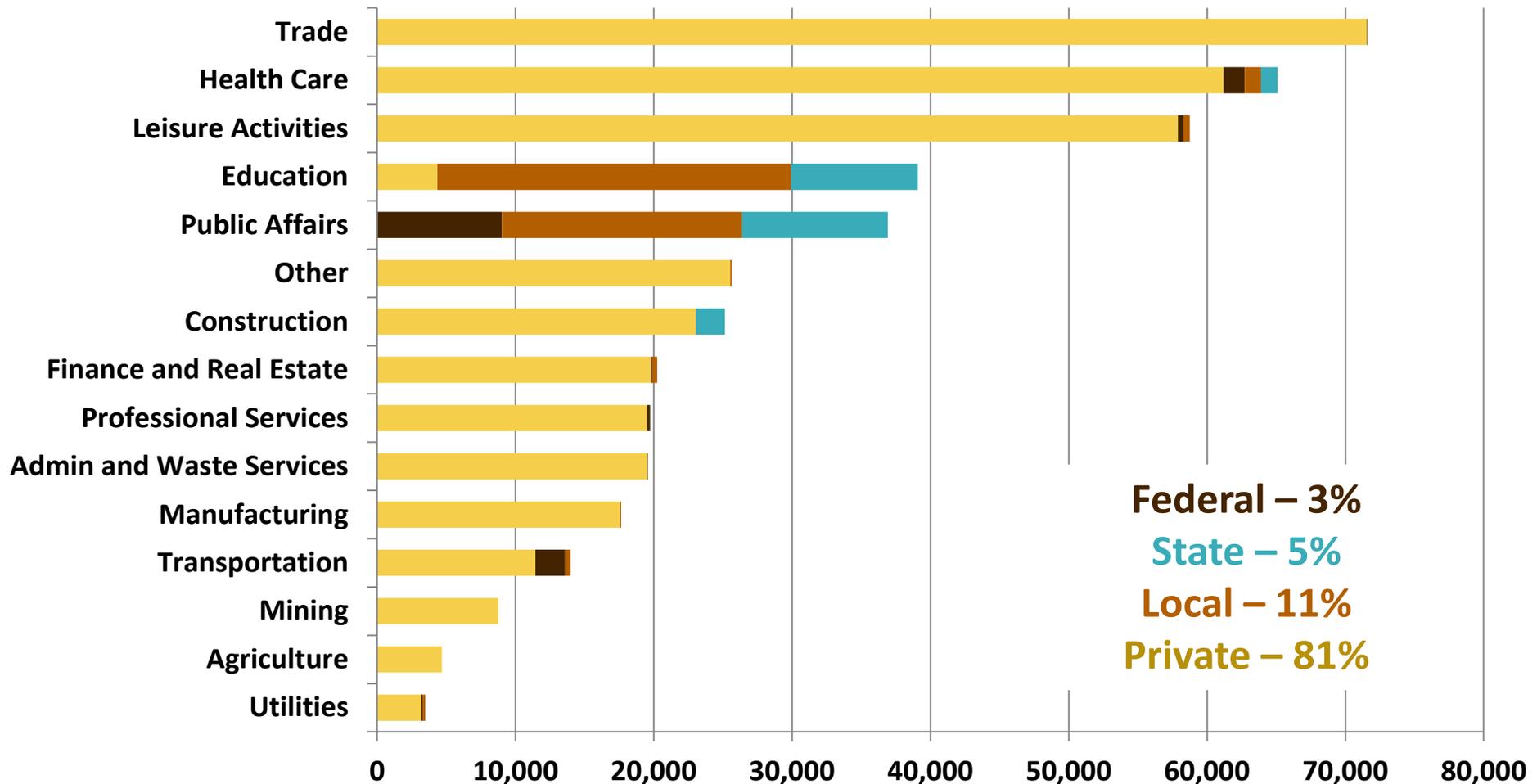
iClicker Question

Financial Services was Montana's largest industry in terms of GDP in 2011.

What industry has the largest employment?

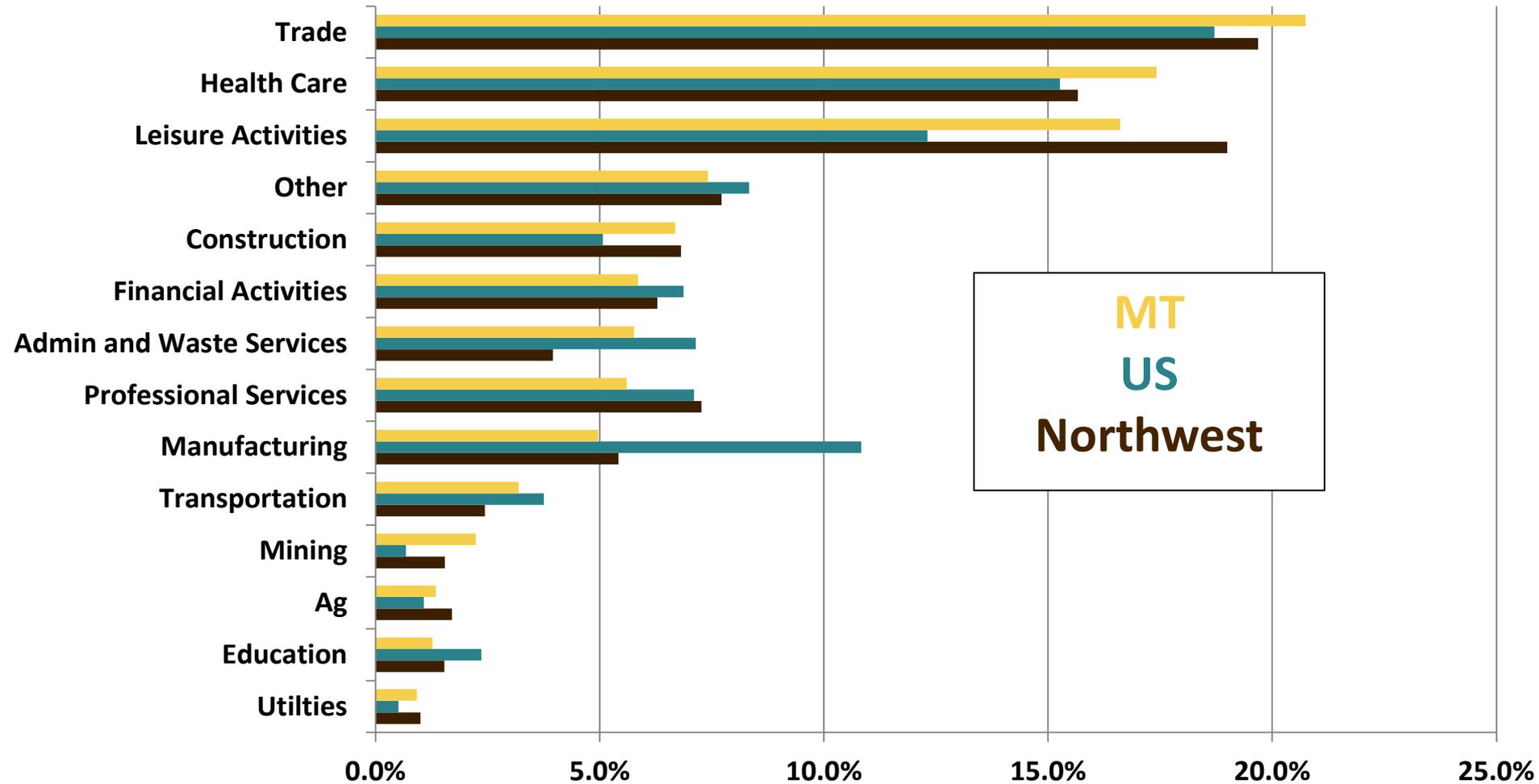
- A. Financial Services
- B. Trade and Transportation
- C. Government
- D. Leisure Activities
- E. Other

Comparative Industry Employment



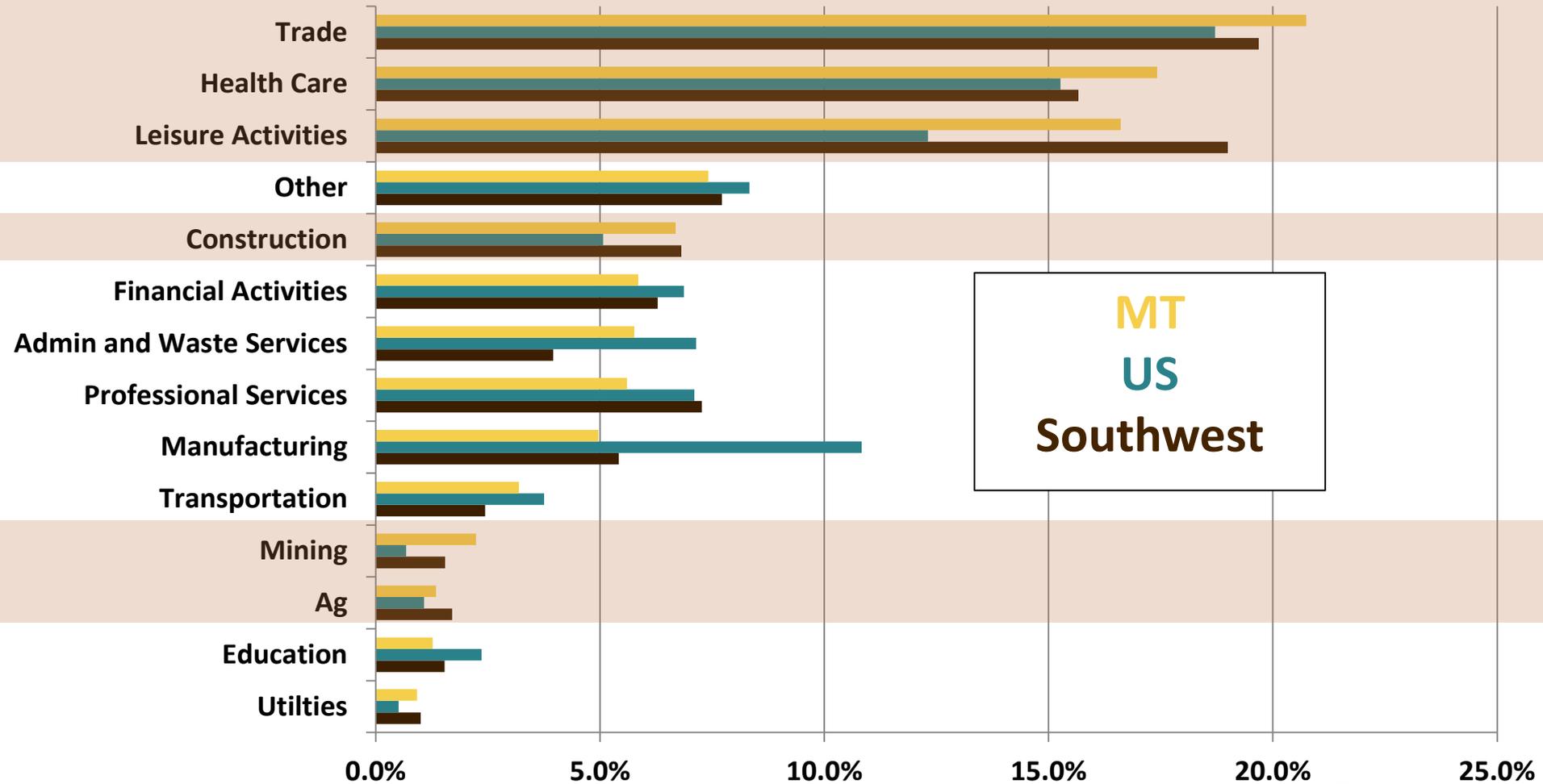
Federal – 3%
State – 5%
Local – 11%
Private – 81%

Comparative Industry Private Employment: US, MT, and Southwestern MT

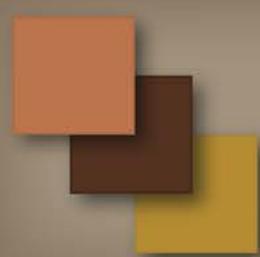


Source: Quarterly Census of Employment and Wages, 2011 Private Employers only.

Comparative Industry Private Employment: US, MT, and Southwestern MT



Source: Quarterly Census of Employment and Wages, 2011 Private Employers only.

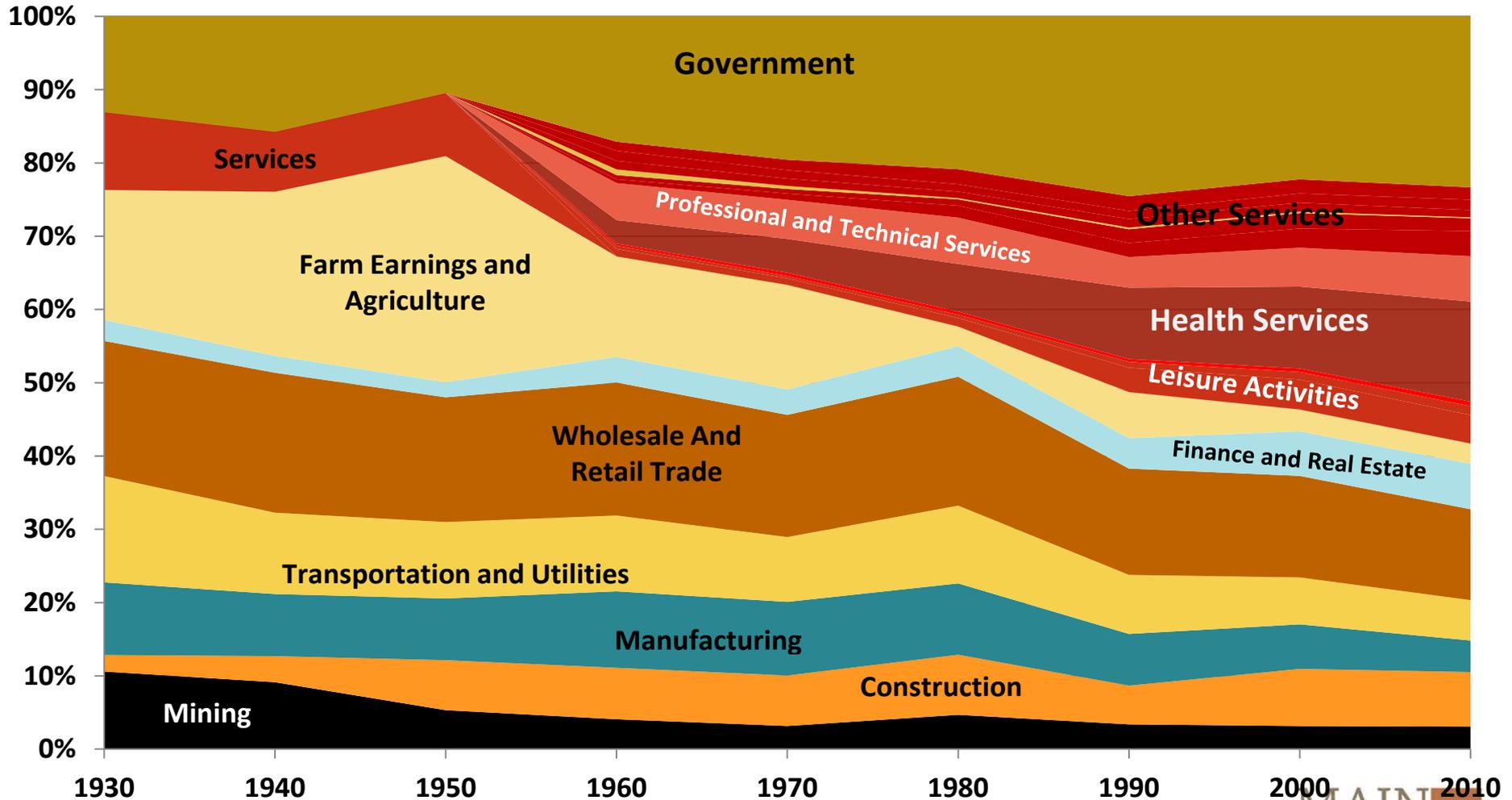


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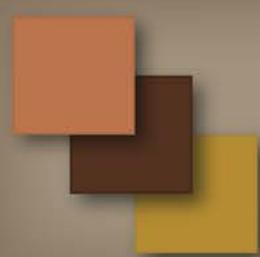
What industry do you represent?

- A. Wholesale or retail trade
- B. Leisure Activities (hotel, food, entertainment)
- C. Healthcare
- D. Education
- E. Other

Montana Personal Income by Industry Since 1930



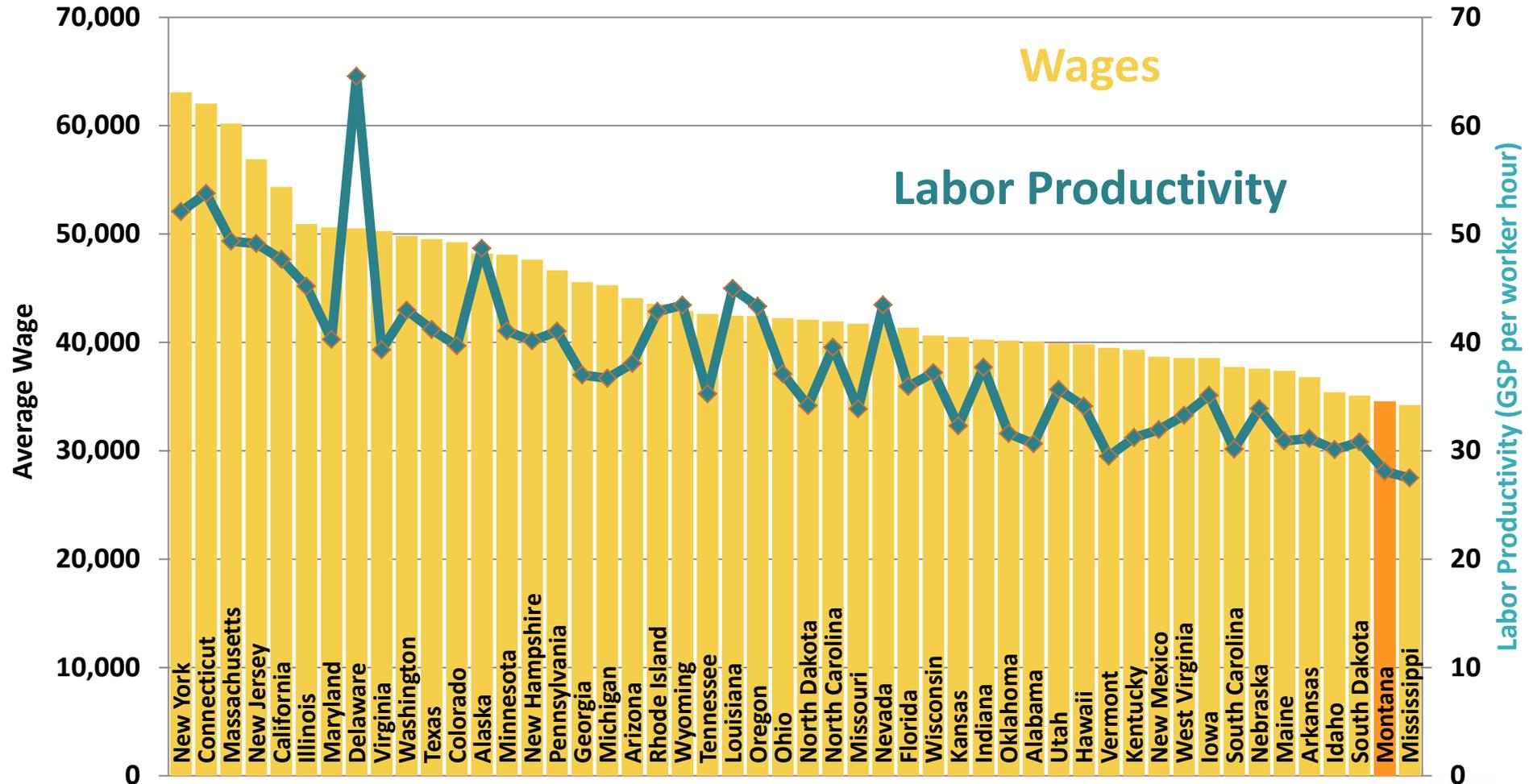
Source: Bureau of Economic Analysis, Personal Income from 1930, SICs to NAICS conversion compiled by the Montana Department of Labor and Industry Research and Analysis Bureau.



Industry Mix Compared to U.S.

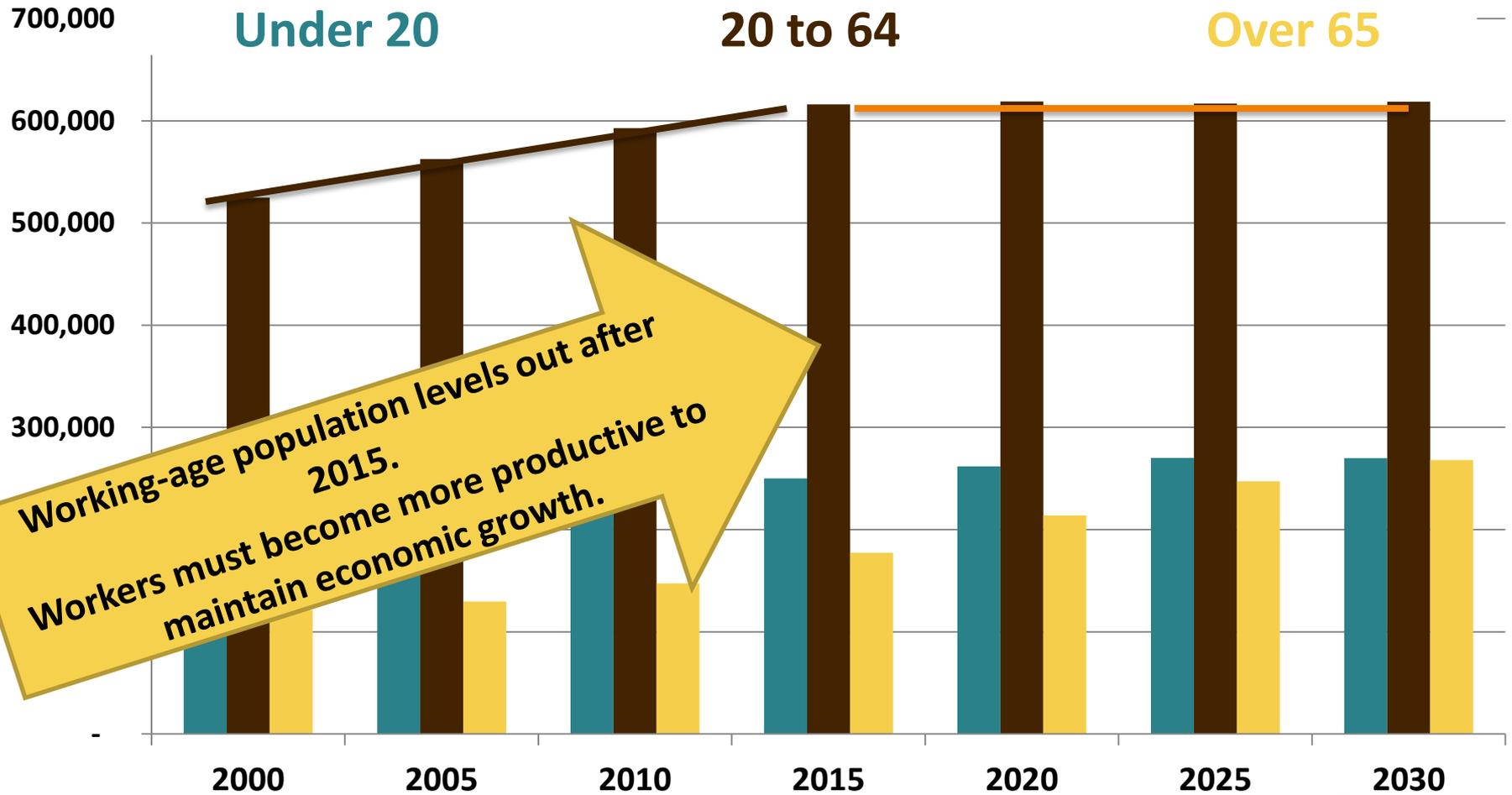
- Roughly equal in good-producing industries, but less manufacturing.
- Larger government, health care, and tourism.
- Smaller financial and business services.
- Industry mix doesn't explain lower wages.

Wages and Productivity

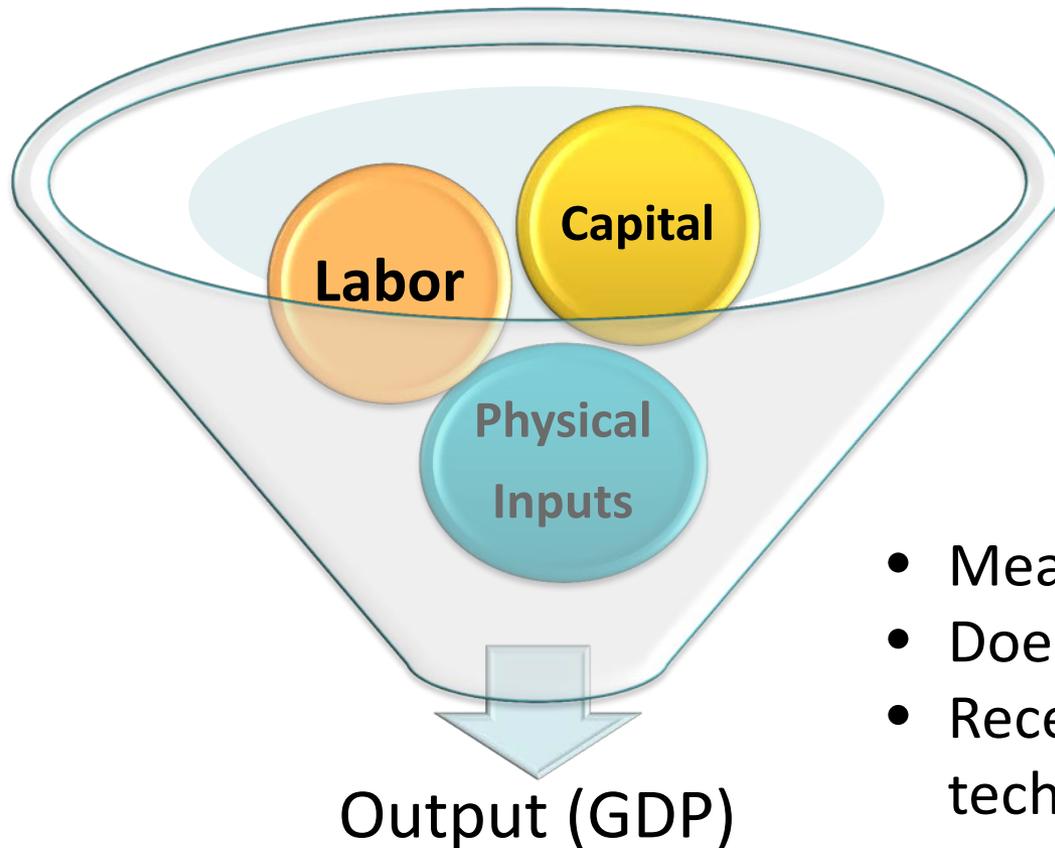


Source: Wages from Quarterly Census of Employment and Wages, 2011 annual. GSP and employment from the Bureau of Economic Analysis and average hours from the Current Employment Statistics. Calculated by MT DLI R&A.

Montana's Aging Population



Productivity Defined

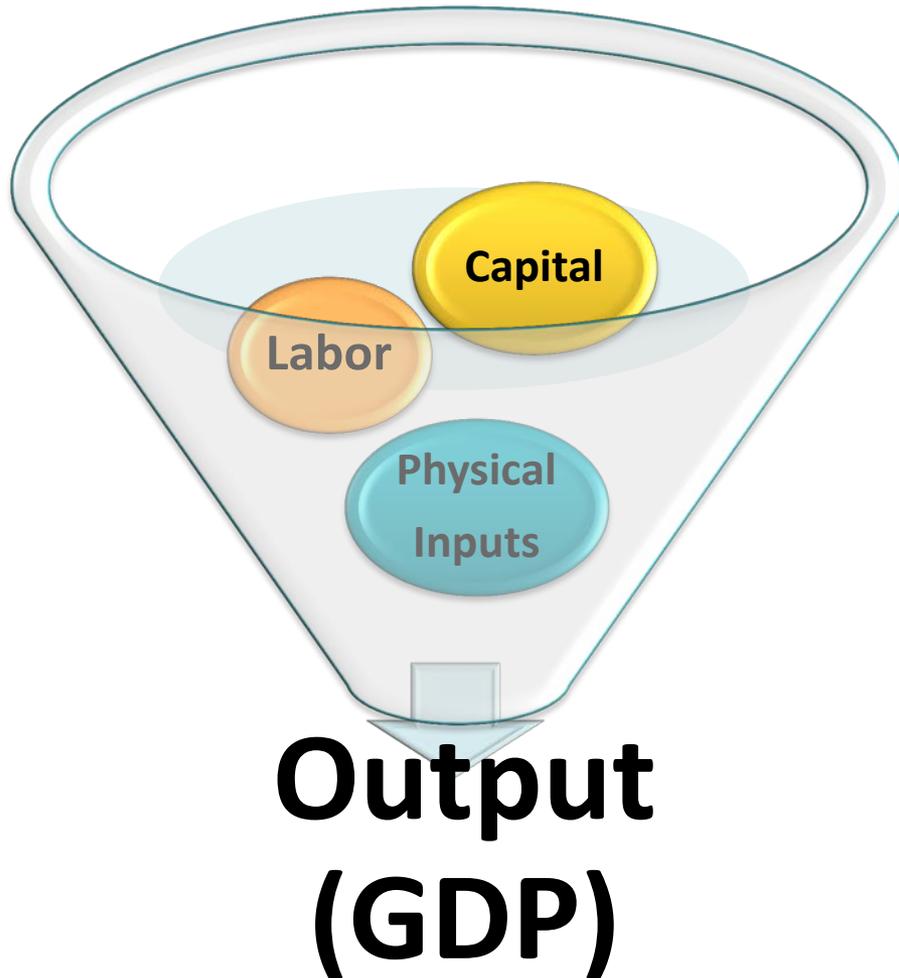


Productivity:
the “recipe” used to combine labor, capital (equipment), and inputs together to make output.

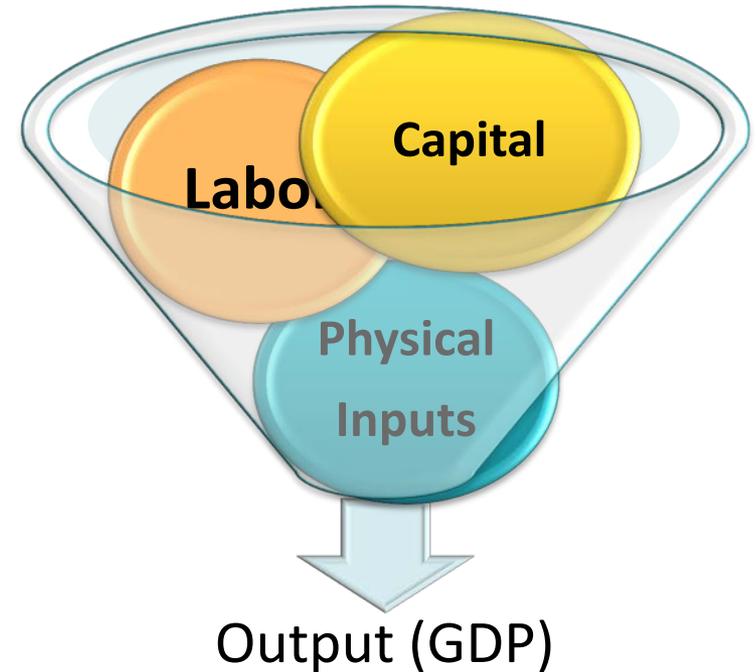
- Measured by labor in states.
- Does NOT mean workers are lazy.
- Recently, it is a factor of technology.
- Work smarter, not harder.

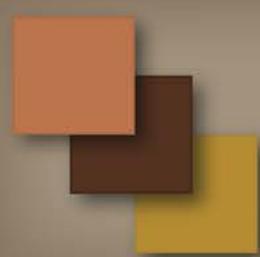
Productivity Defined

High Productivity



Low Productivity

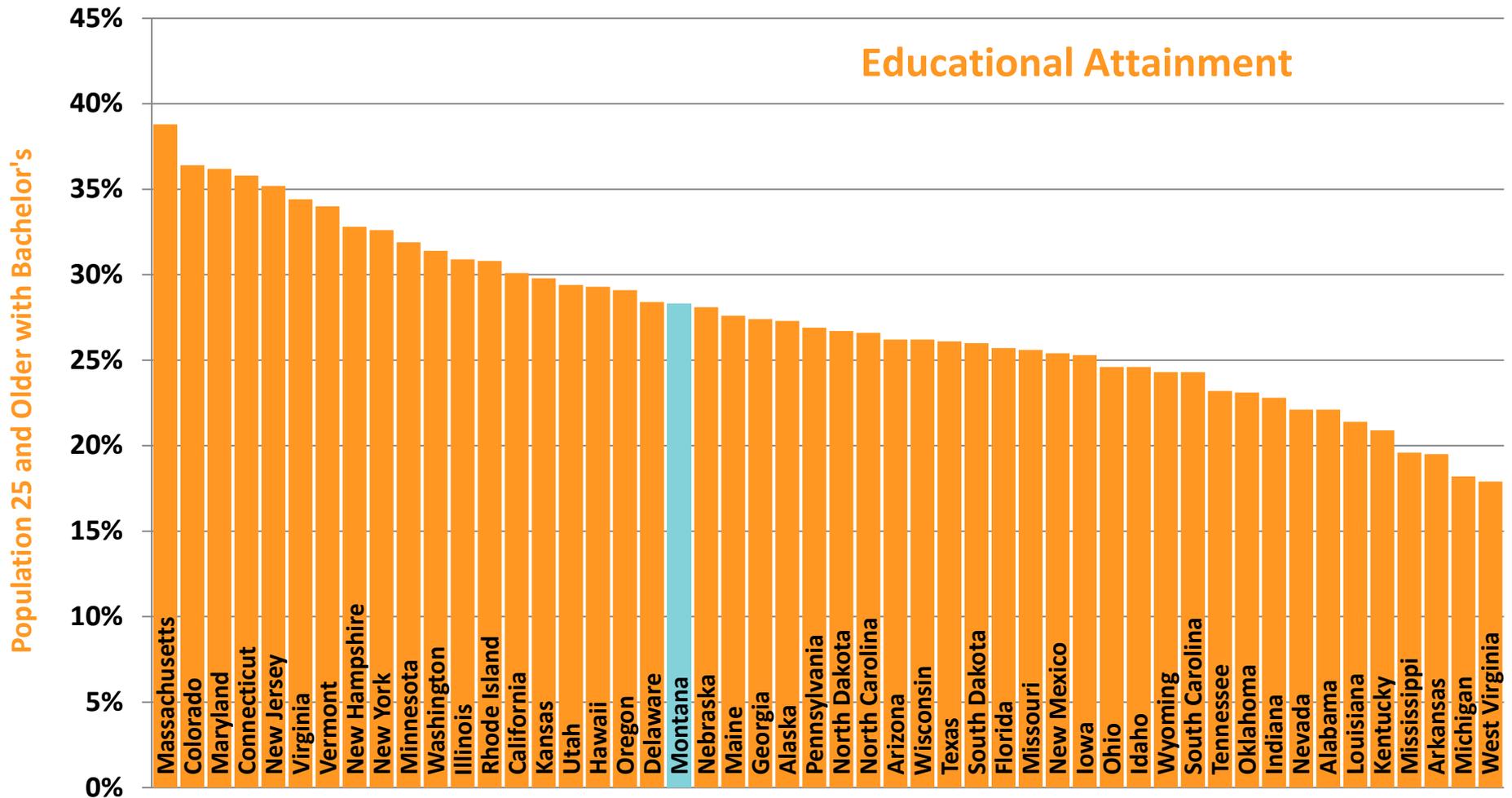




Factors Influencing Productivity

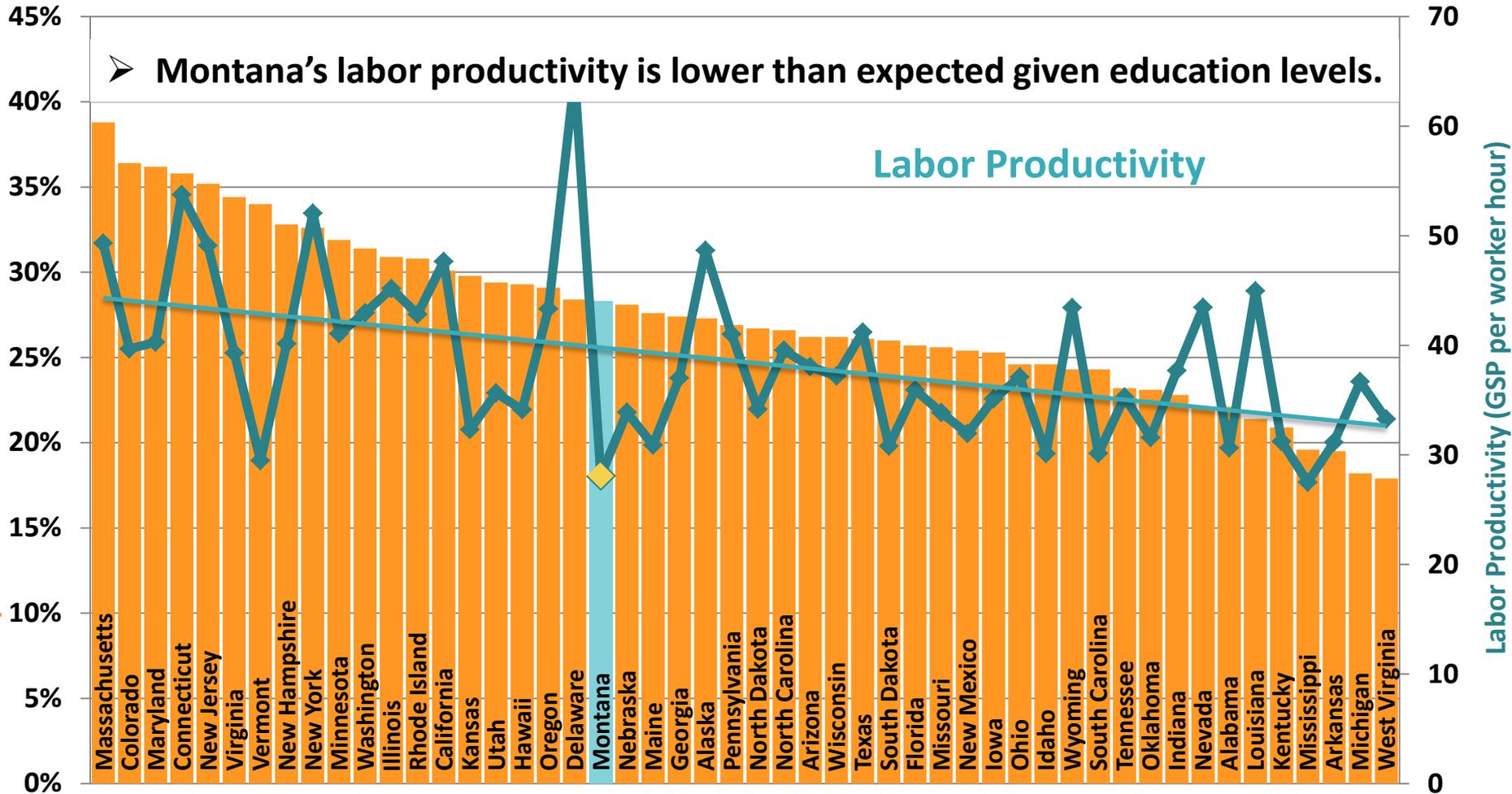
- Education

Productivity and Education

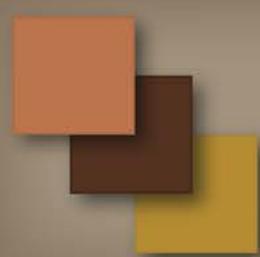


Source: Education attainment from 2009-2011 ACS, U.S. Census. GSP and employment from the Bureau of Economic Analysis and average hours from the Current Employment Statistics. Calculated by MT DLI R&A.

Productivity and Education



Source: Education attainment from 2009-2011 ACS, U.S. Census. GSP and employment from the Bureau of Economic Analysis and average hours from the Current Employment Statistics. Calculated by MT DLI R&A.

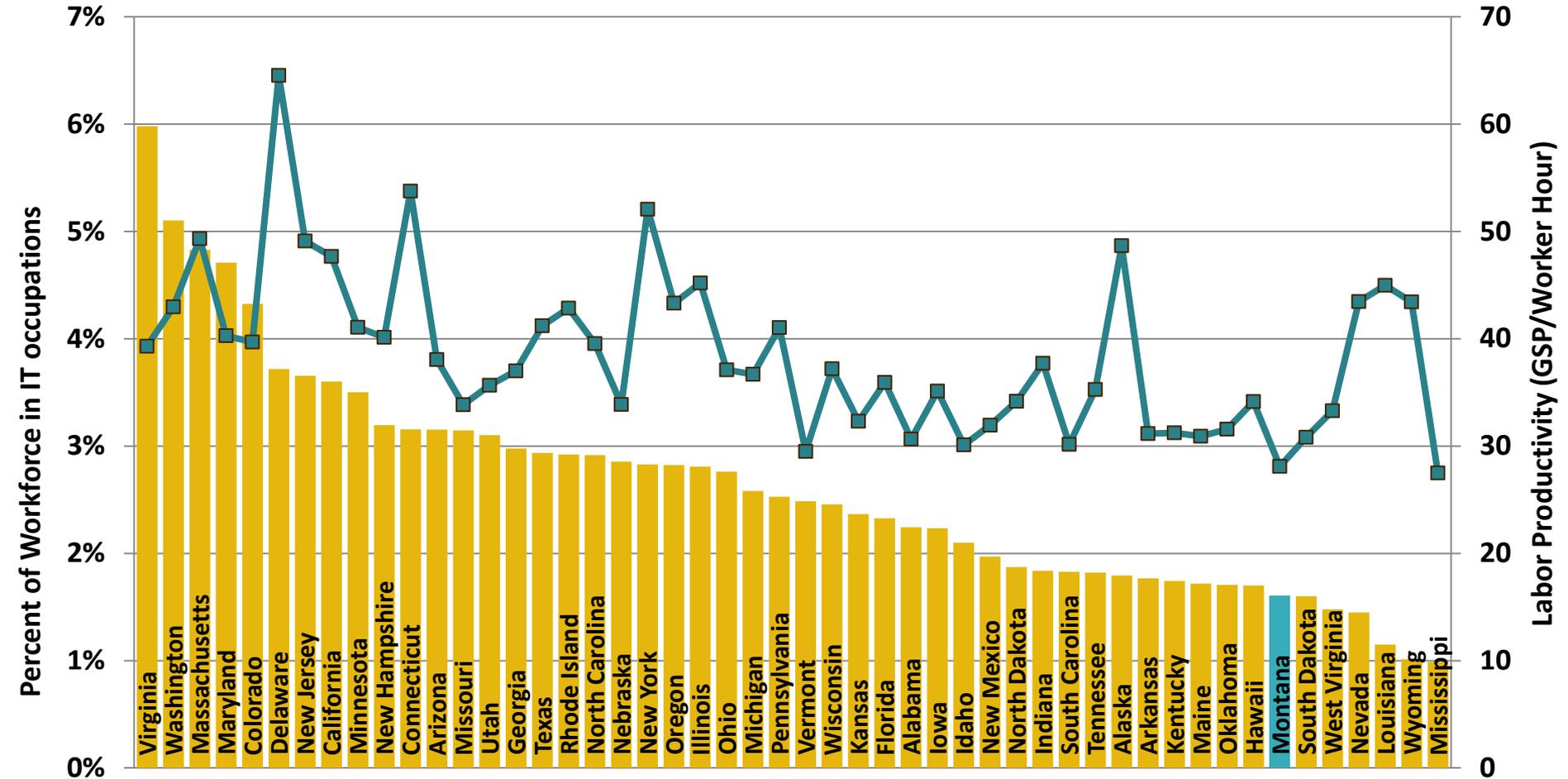


Factors Influencing Productivity

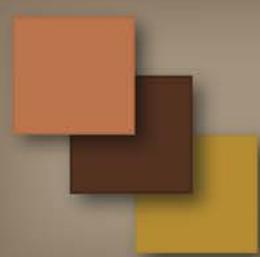
- Education
- Experience in job
- Job Matching
- Industry Mix
- Urban concentration
- Use of technology
- Spread of best practices and innovative methods
- Business Size

Use of Technology

(measured in percent of workers in IT fields)

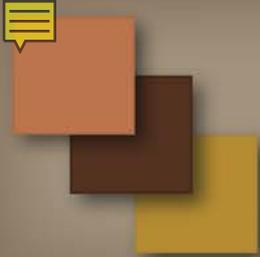


Source: Occupational Employment Statistics, 2012. Employment in 11-3021 and 15-0000 as percent of total employment.



Factors Influencing Productivity

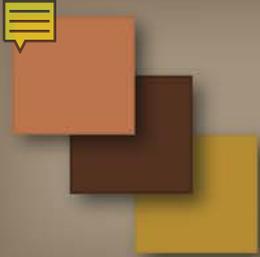
- Education
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- Business Size



Montana has High Rates of Entrepreneurialism

Montana Ranks Among States

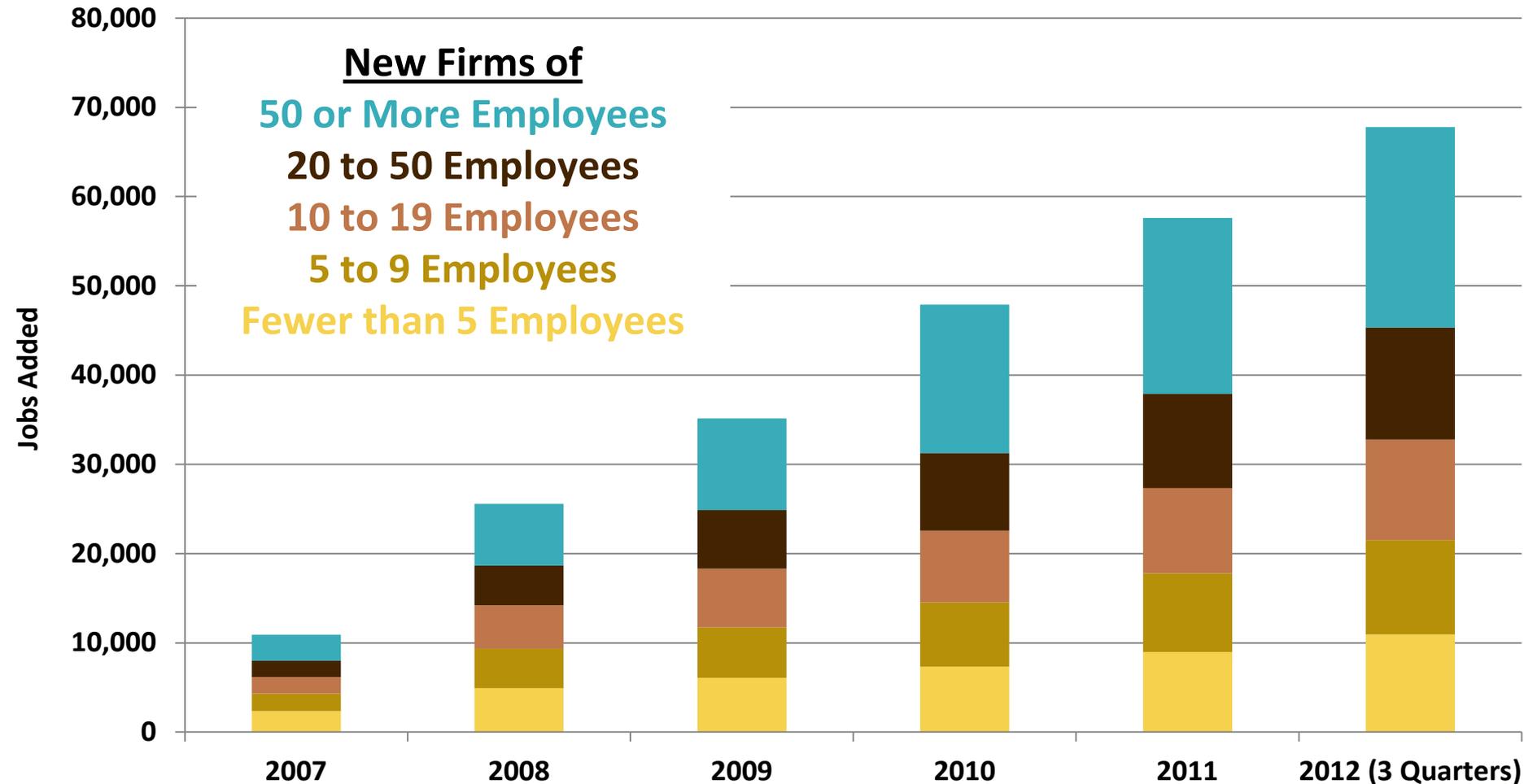
- #3 for Percent of Households owning a Business
- #6 for Employer Startups
- #15 for Net Employer Startups



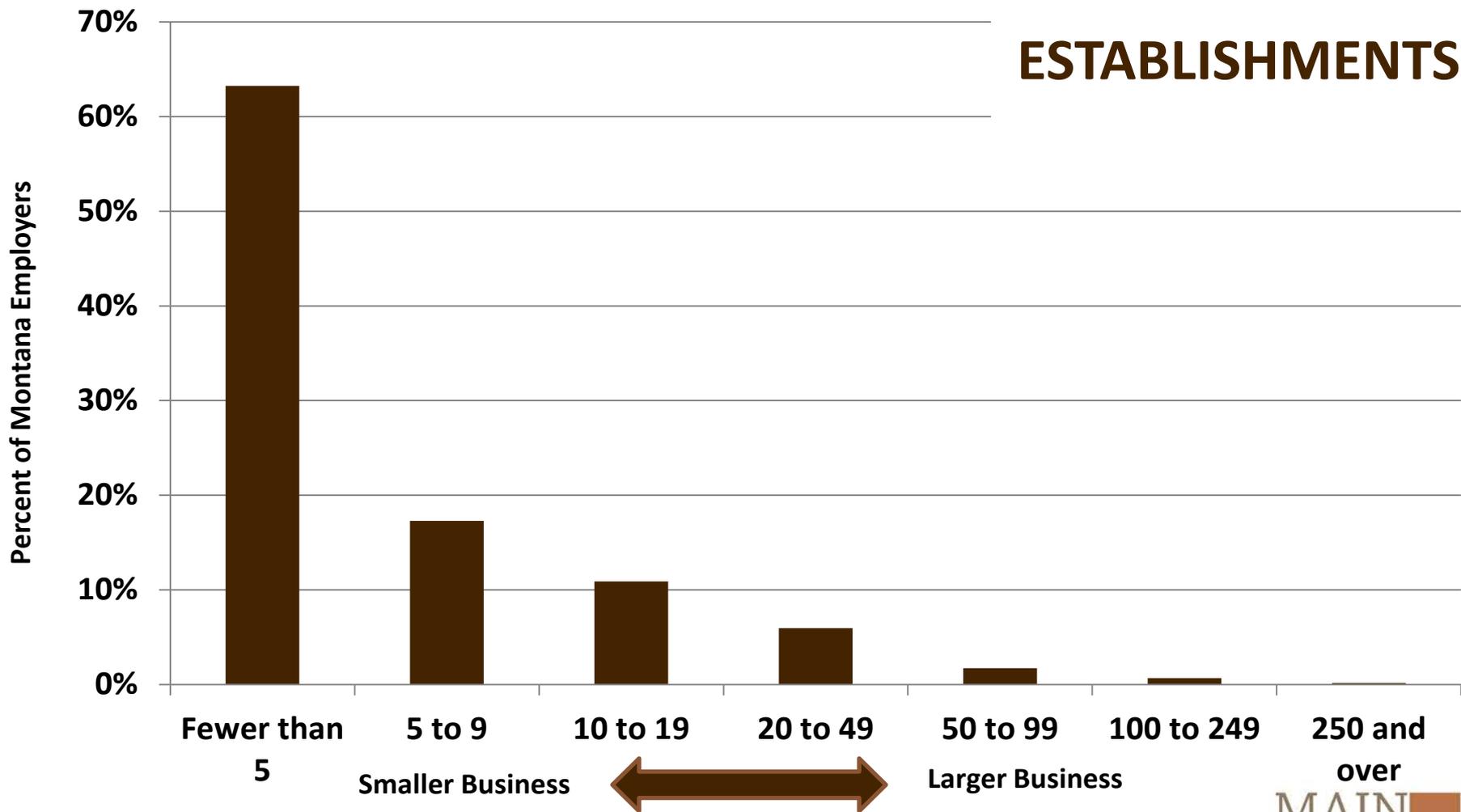
Business Startups by County 2007-2010

(as percent of existing establishments)

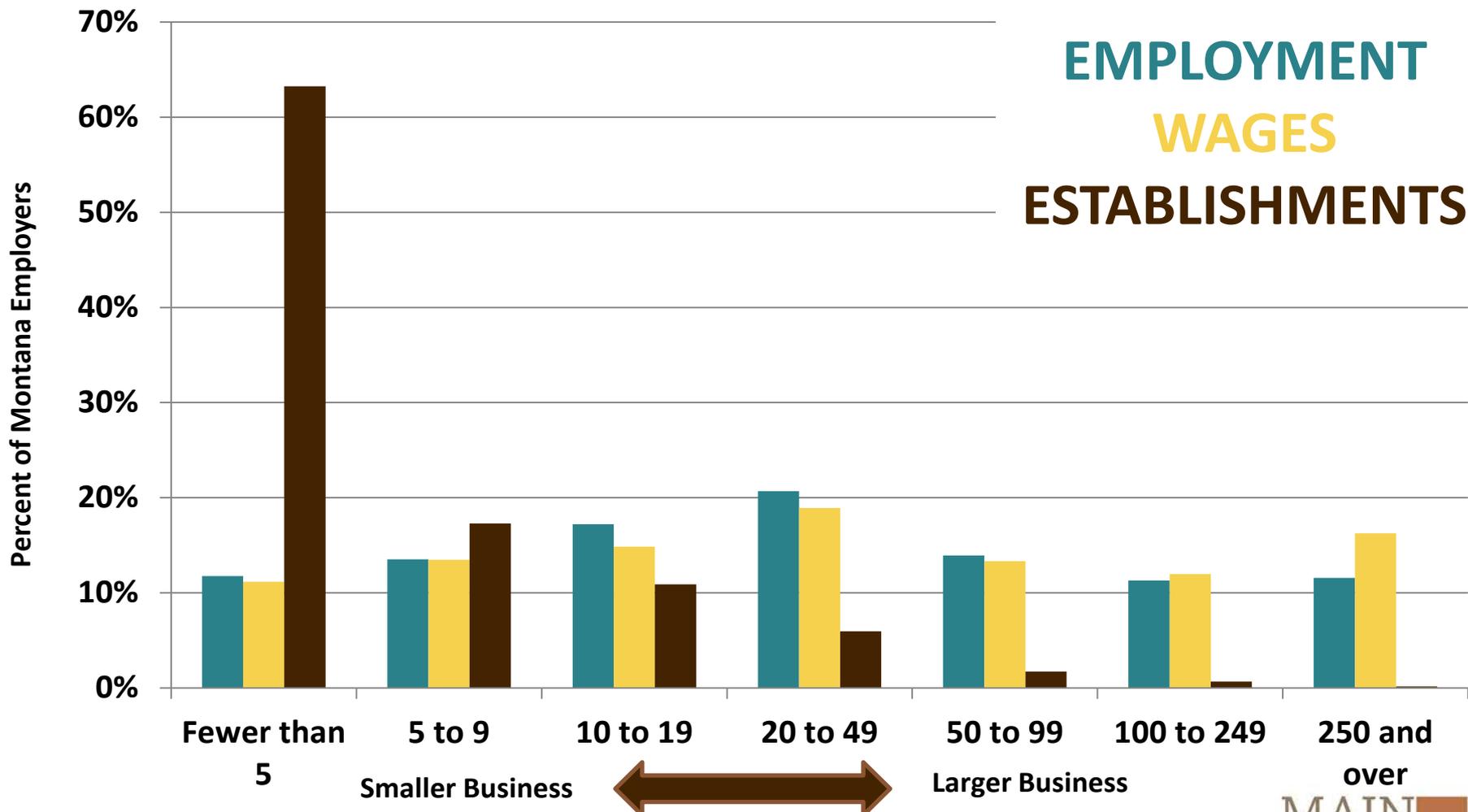
Job Performance of New Firms Started Since 2007 by Size



Montana has Lots of Small Businesses, but Large Business Provide the Jobs and Wages



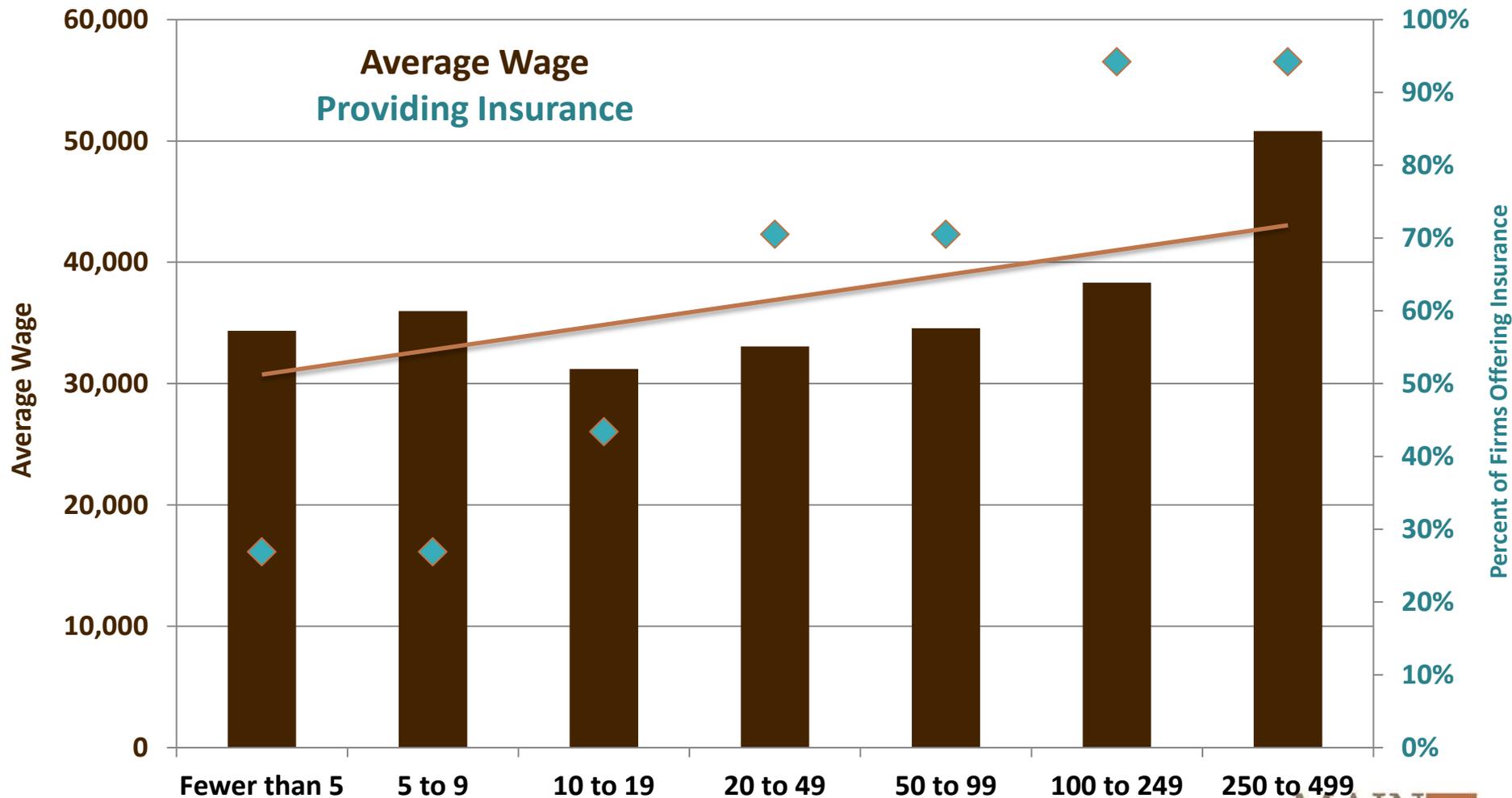
Montana has Lots of Small Businesses, but Large Business Provide the Jobs and Wages



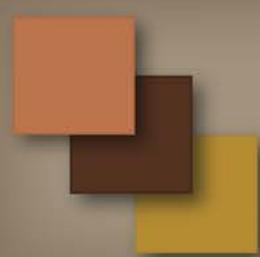
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), 2012



Large Businesses Provide Higher Pay and Benefits



Source: Quarterly Census and Employment and Wages and Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends. 2011 Medical Expenditure Panel Survey-Insurance Component.



Factors Influencing Productivity

- Education
- Experience in job
- Job Matching
- Industry Mix
- Urban concentration
- Use of technology
- Spread of best practices and innovative methods
- Business Size

Capital

- Venture Capital
- Exports
- Outside Investment
- Reduce Taxes

Technology (Productivity)

- R&D
- Increase innovation
- Professional Networks
- Education
- Linkages to Universities

Output

Labor

(Human Capital)

- Education and Training
- Better Job Matching
- Entrepreneurialism
- Recruit People to Good Place to Live

Reduce Input Costs

- Improve Infrastructure
- Clustering
- Reduce Transportation Costs

What aspect of economic development is most important?

- A. Reducing transportation costs
- B. Increasing capital availability
- C. Improving our labor force
- D. Improving innovation and technology diffusion
- E. Other

www.lmi.mt.gov

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What do you think presents the **largest challenge to your region** for economic development?

- A. Infrastructure
- B. Workforce Development
- C. Access to Capital
- D. Competitiveness of tax and regulatory environment
- E. Other

What do you think presents the **largest opportunity** for economic development in **your region**?

- A. Healthcare
- B. Education
- C. Quality of Life
- D. Work Ethic
- E. Other

