iClicker Question

Bobcats or Grizzlies? Or Other?

A. Bobcats
B. Grizzlies
C. Other

iClicker use donated by the Economic Research Center, Montana State University - Billings

MSUBILLINGS
Economic Research

iClicker Questions

What is your gender?

A. Female

B. Male

MAIN STREET MONTANA PROJECT

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

MAIN STREET MONTANA PROJECT

What’s Happening on Main Street Montana

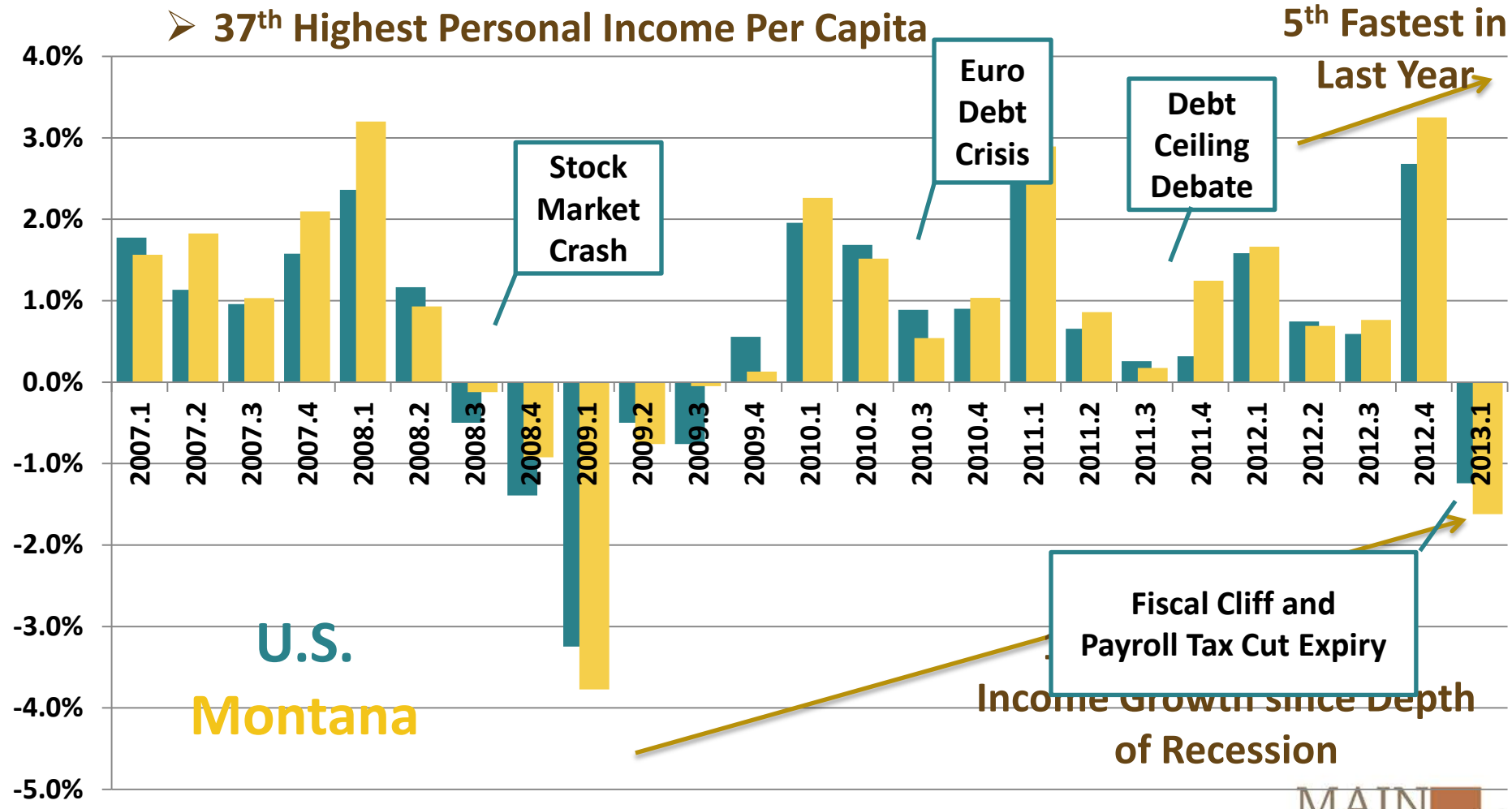
Main Street Montana Project Roundtable

Kalispell, Montana

July 8, 2013

MAIN STREET MONTANA PROJECT

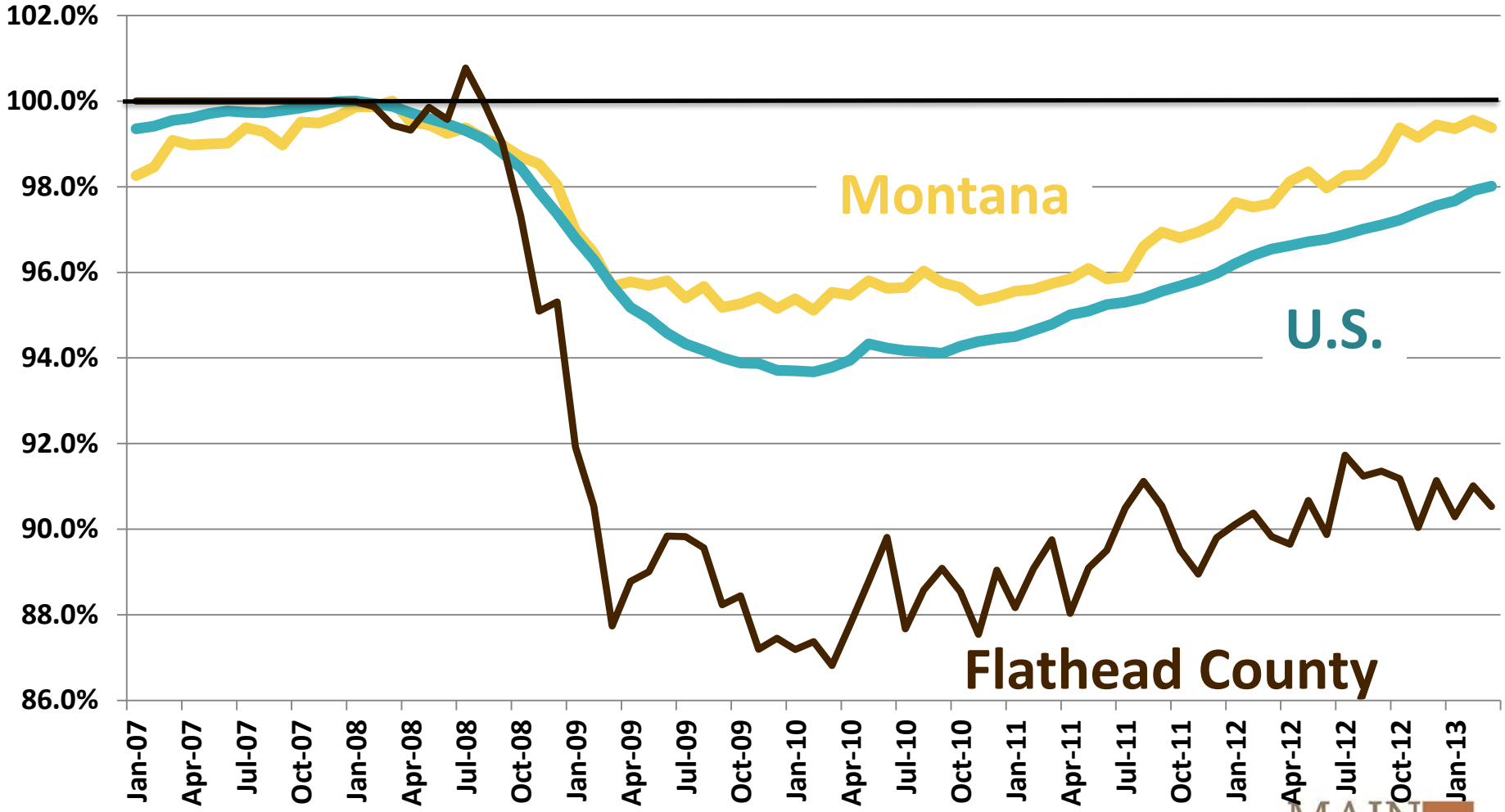
Montana and U.S. Personal Income Growth



Source: Quarterly Personal Income, Bureau of Economic Analysis, U.S. Dept. of Commerce. 37th in 2012, excludes DC

MAIN STREET MONTANA PROJECT

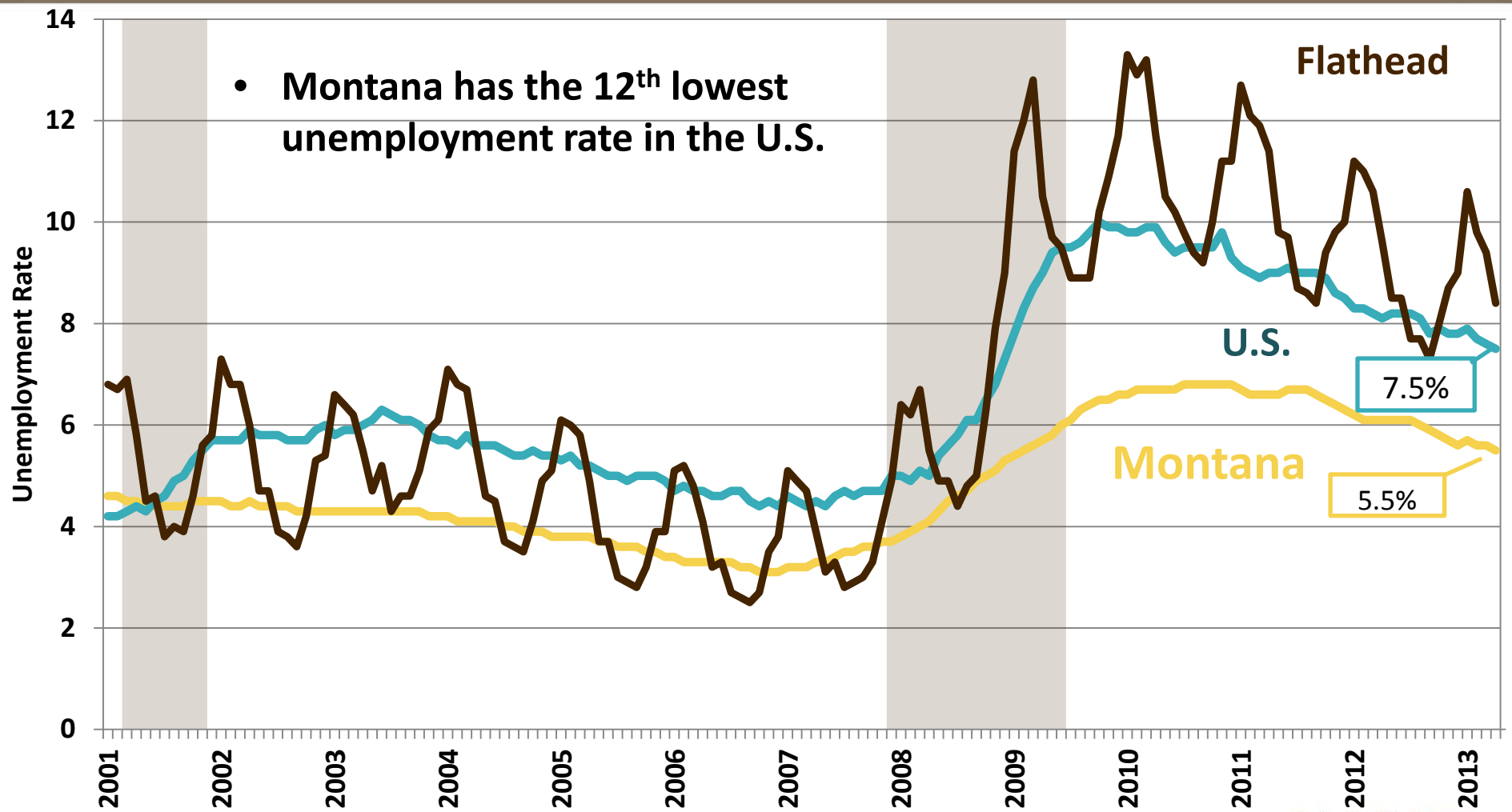
Payroll Employment Nearly Recovered
(Indexed to Peak Employment)



Source: Current Employment Statistics, April 2013 preliminary. Peak employment for Montana occurred in March 2008. U.S. indexed to Jan. 2008 peak. Great Falls to Montana peak in March 2008.

MAIN STREET MONTANA PROJECT

Montana and U.S. Unemployment Rate



Source: Local Area Unemployment Statistics from MT DLI and the Current Population Survey from BLS. 12th lowest from April 2012.

MAIN STREET MONTANA PROJECT

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.

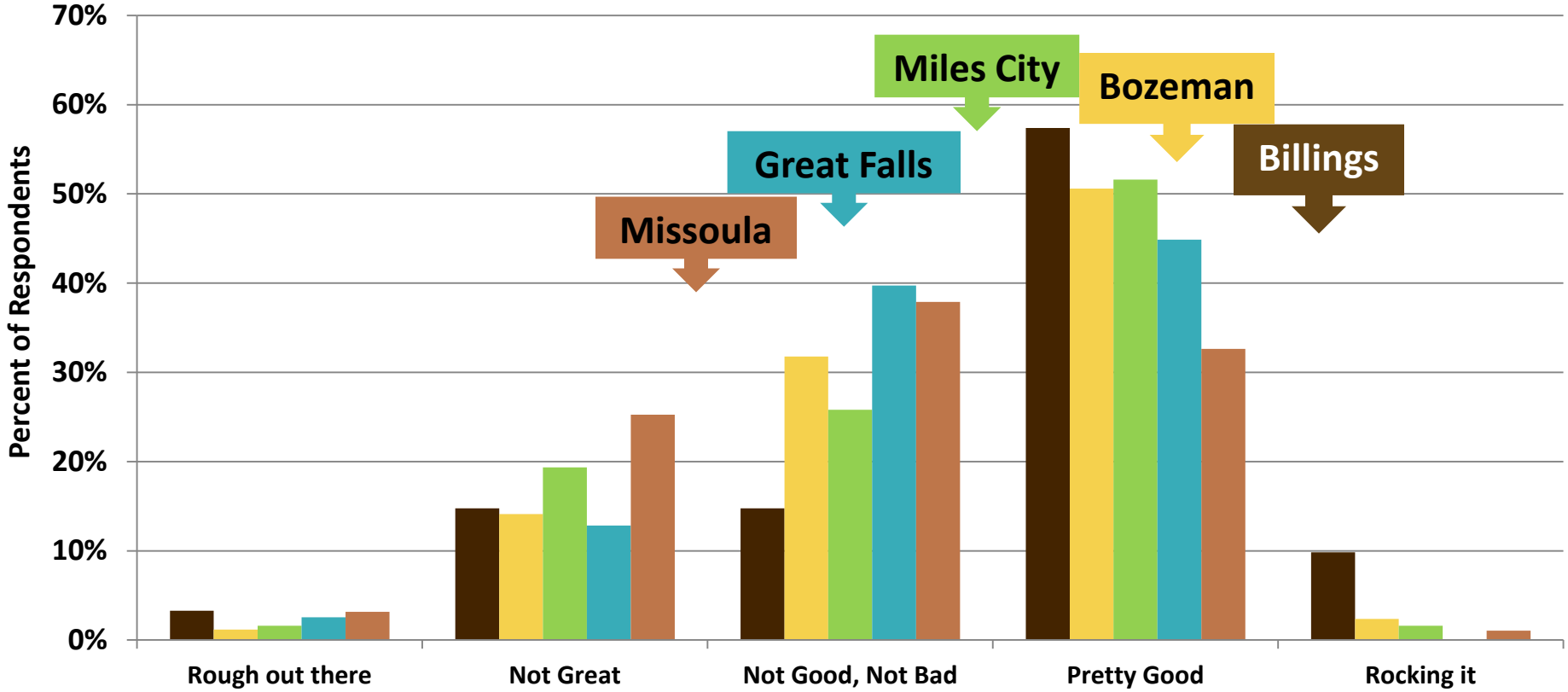
C. Ho hum. The economy isn't good, but it's not bad.

D. Some people are doing ok, but not the rest of us.

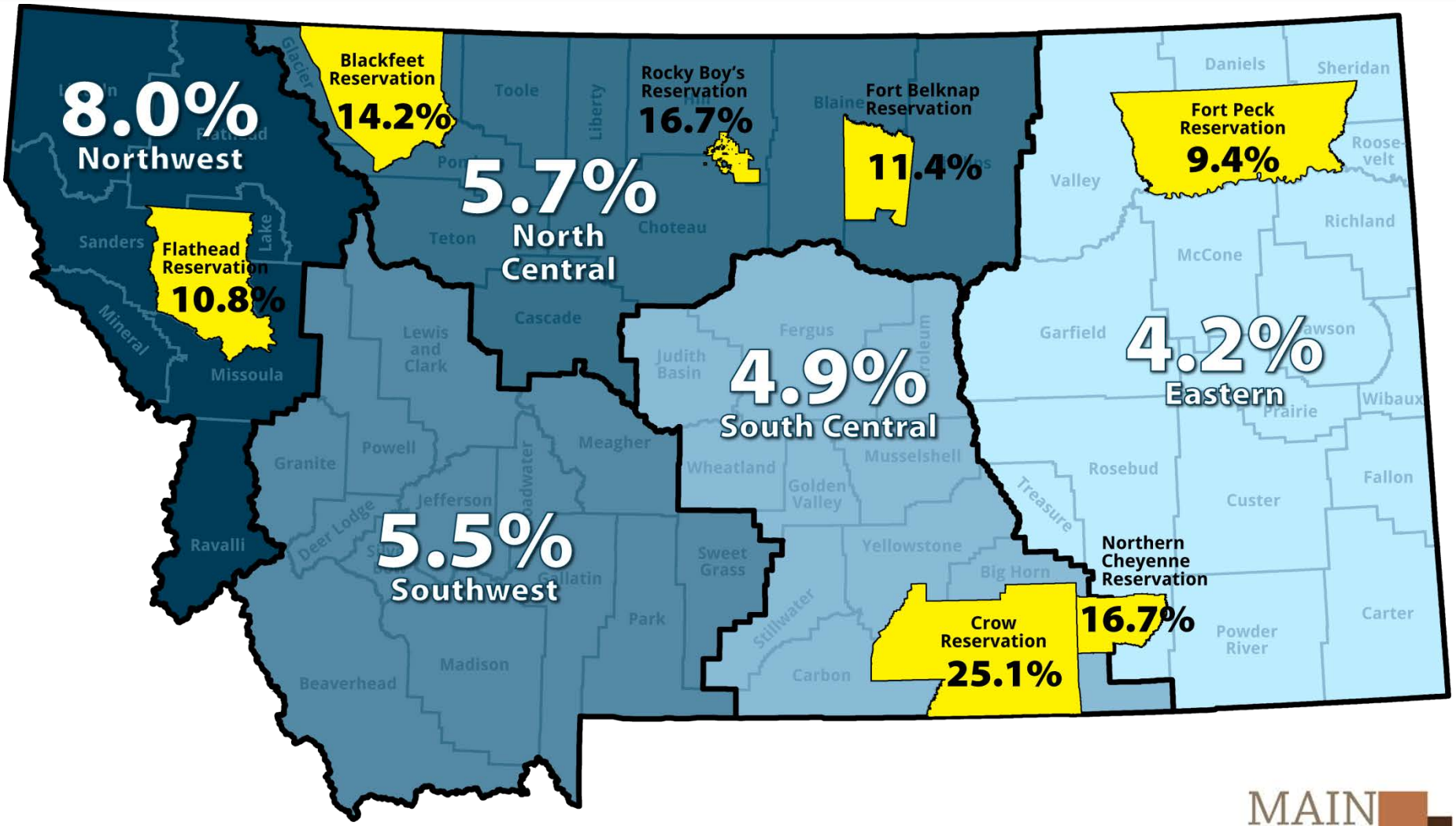
E. Statistics are lies. It's rough out there.

MAIN STREET MONTANA PROJECT

Responses to Current Economic Performance Question



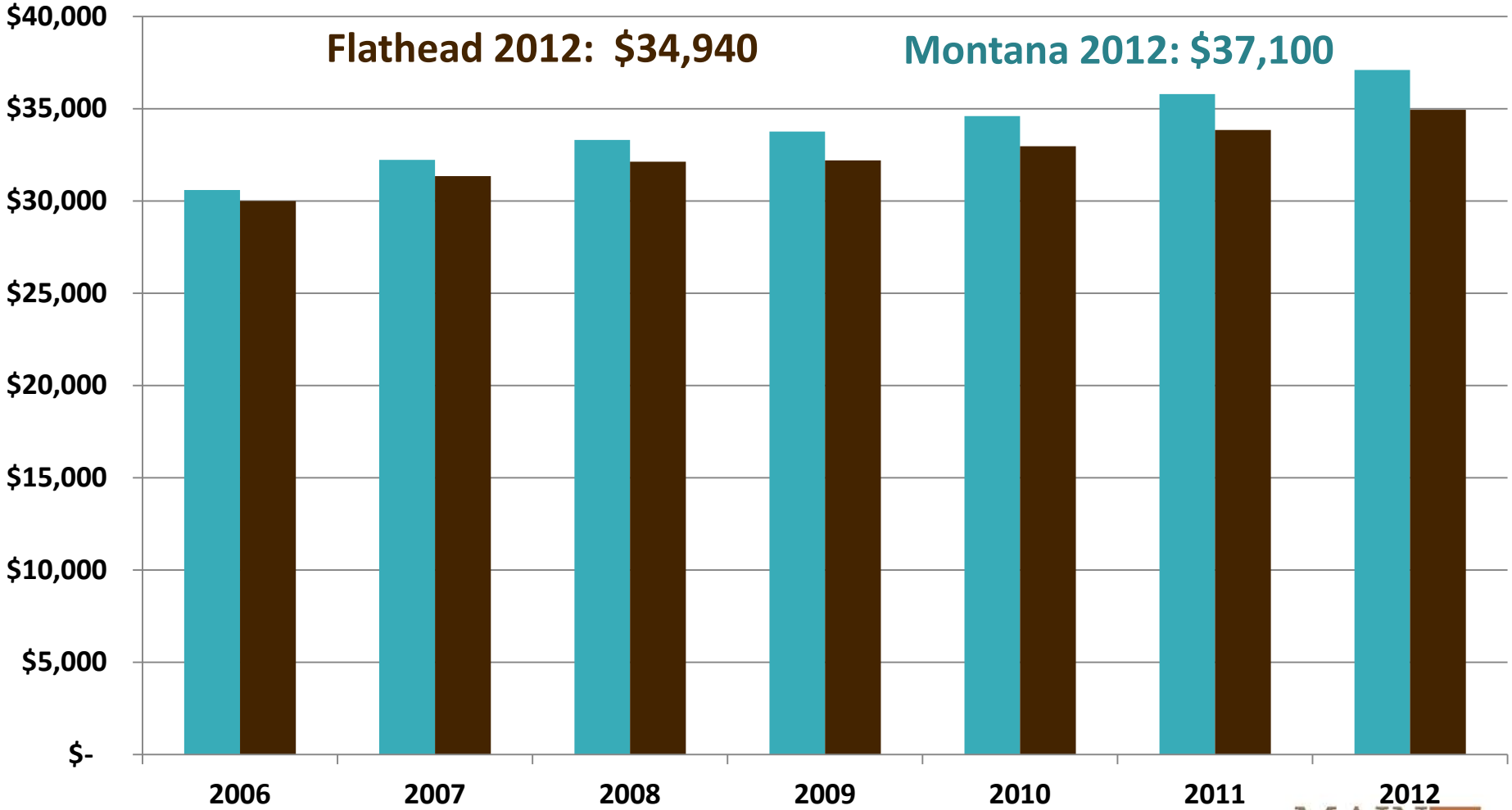
Regional and Reservation Unemployment 2012



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

MAIN STREET MONTANA PROJECT

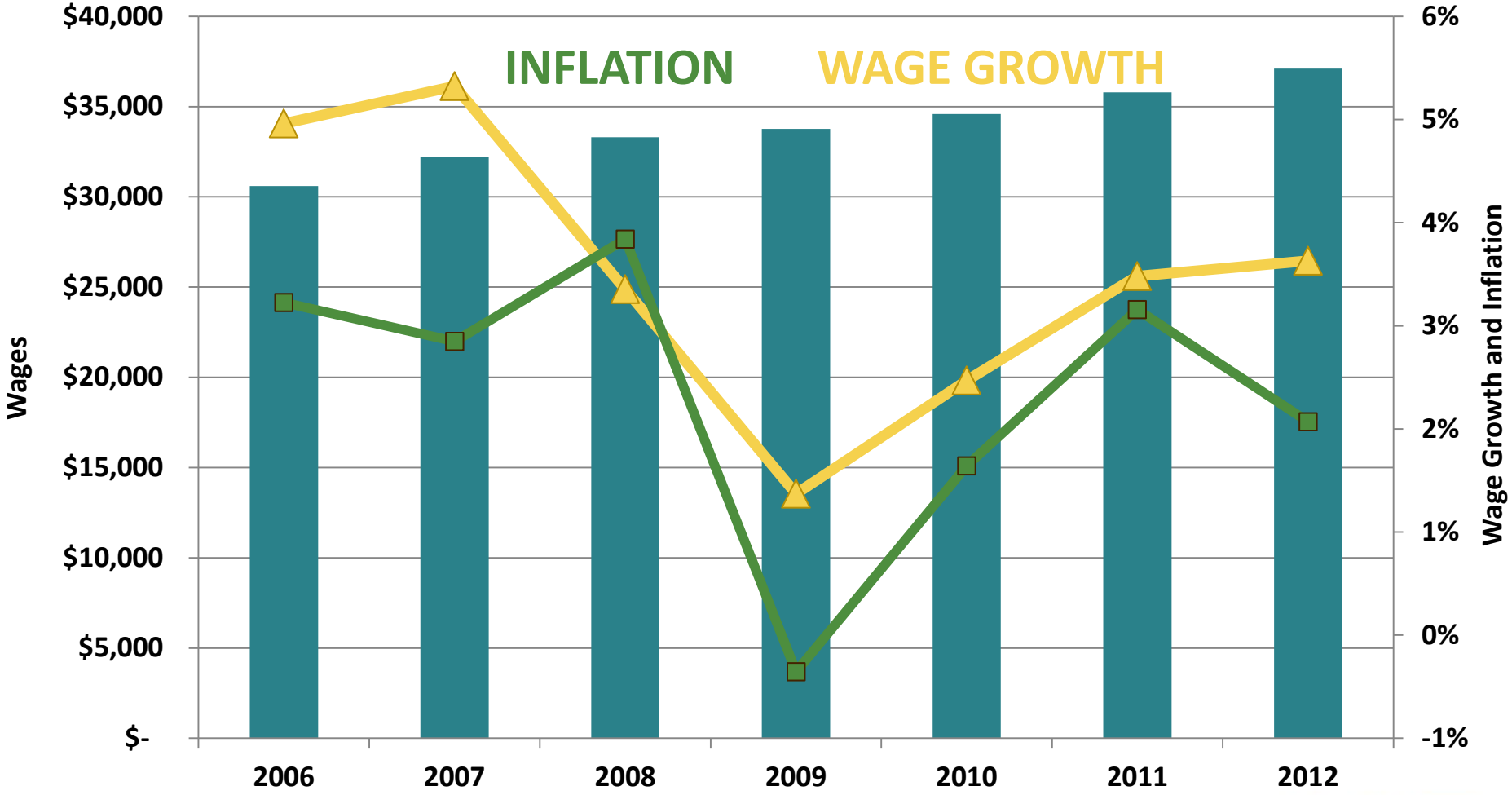
Montana Average Annual Wages



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

MAIN STREET MONTANA PROJECT

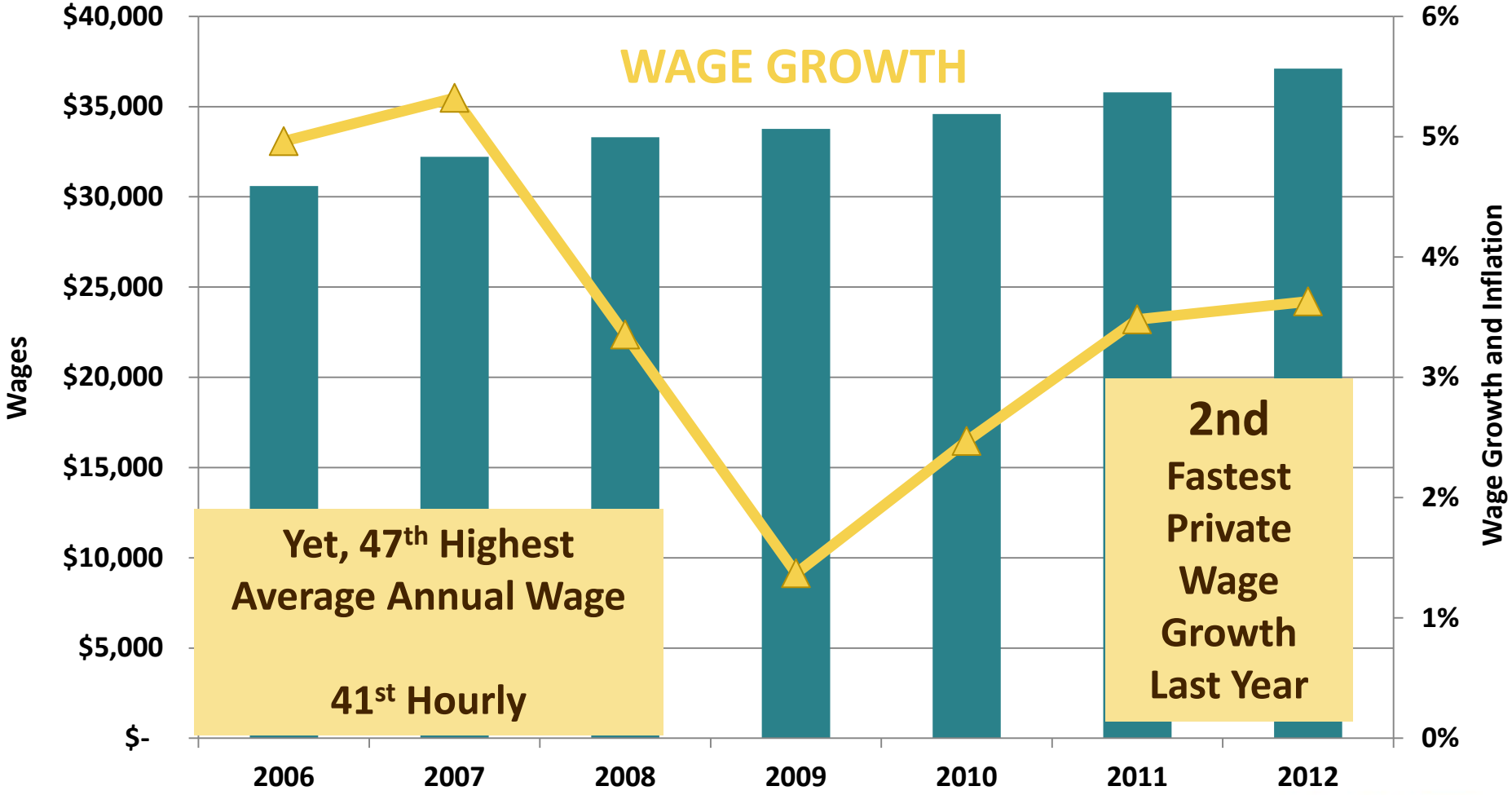
Montana Average Annual Wages



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

MAIN STREET MONTANA PROJECT

Montana Average Annual Wages



Source: Quarterly Census of Employment and Wages, BLS, and MT DLI. 4th and 2rd determined by 2012 QCEW, 41st by Occupational Employment Statistics, 2012.

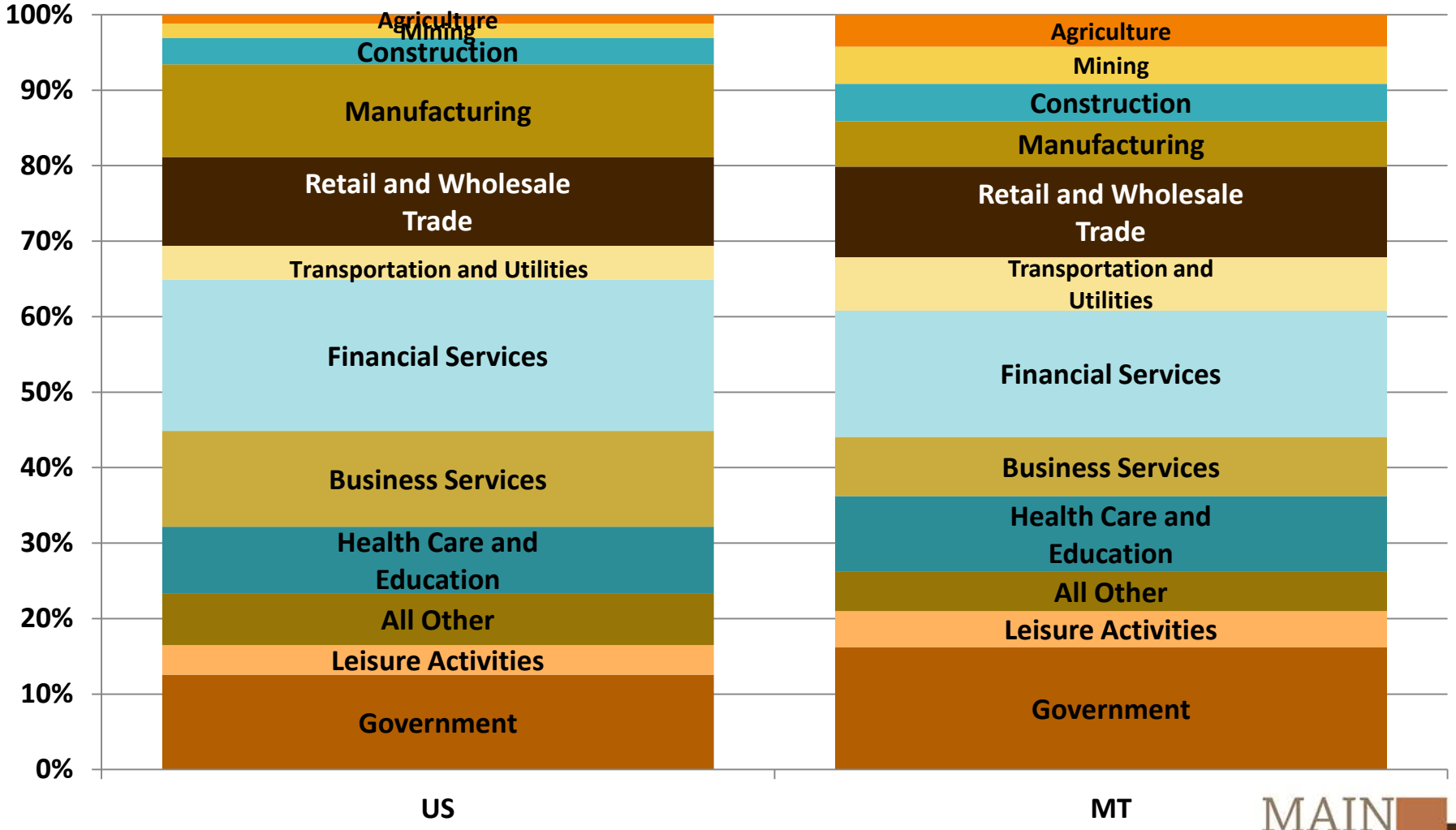
MAIN STREET MONTANA PROJECT

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.

MAIN STREET MONTANA PROJECT

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



Source: Bureau of Economic Analysis, Gross Domestic Product 2011.

MAIN STREET MONTANA PROJECT

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

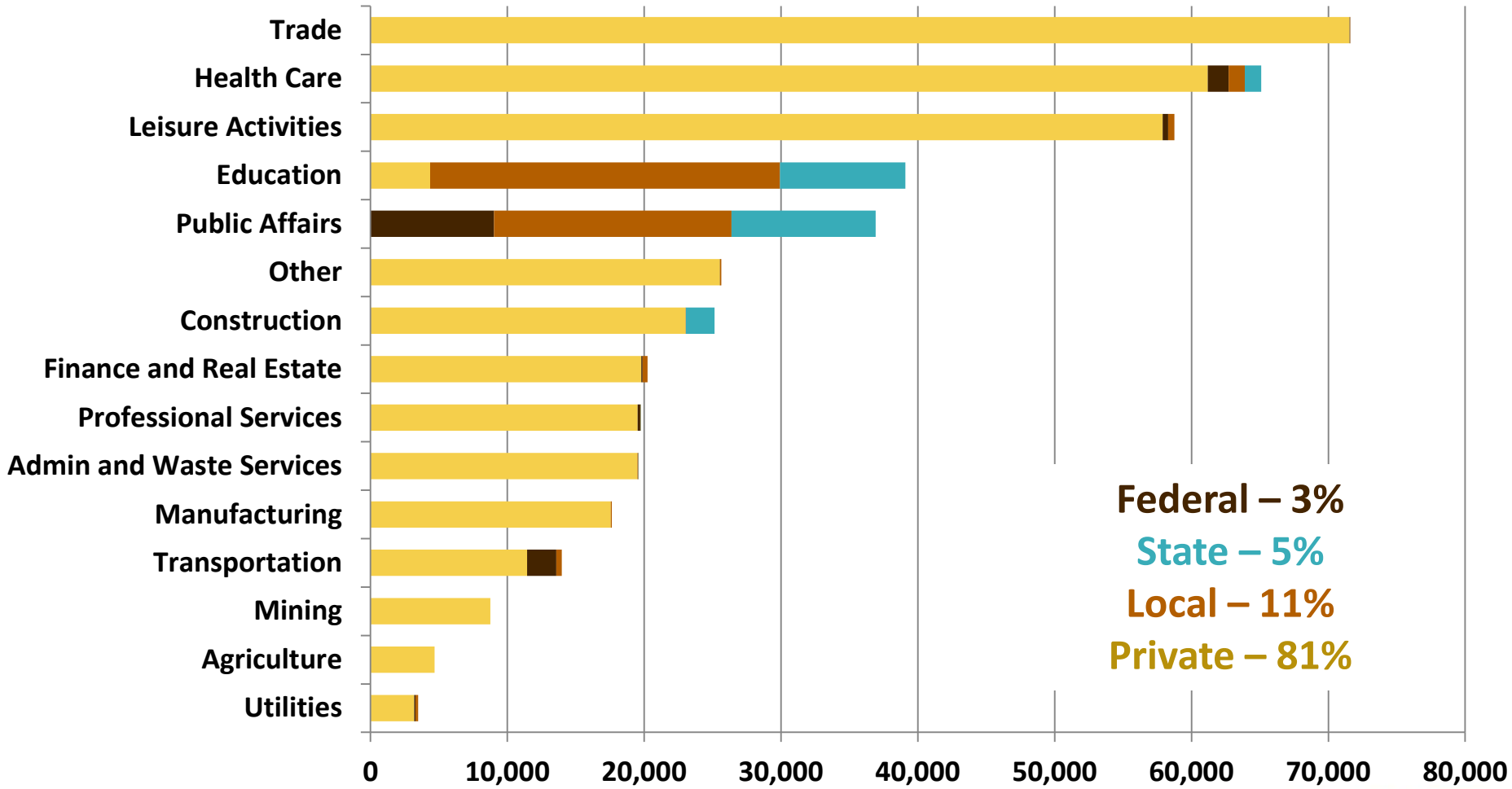
C. Government

D. Leisure Activities

E. Other

MAIN STREET MONTANA PROJECT

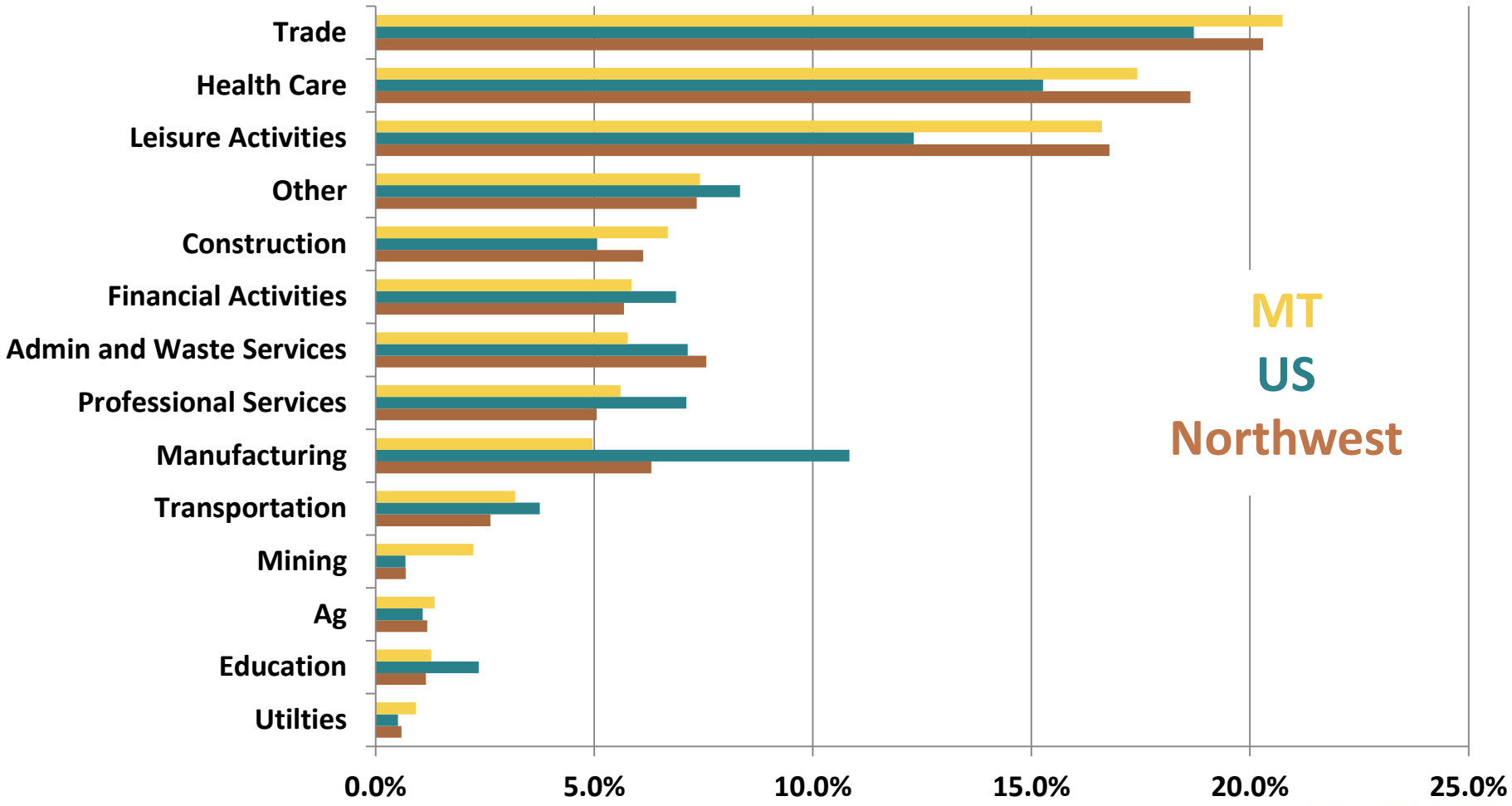
Comparative Industry Employment



Source: Quarterly Census of Employment and Wages, 2012.

MAIN STREET MONTANA PROJECT

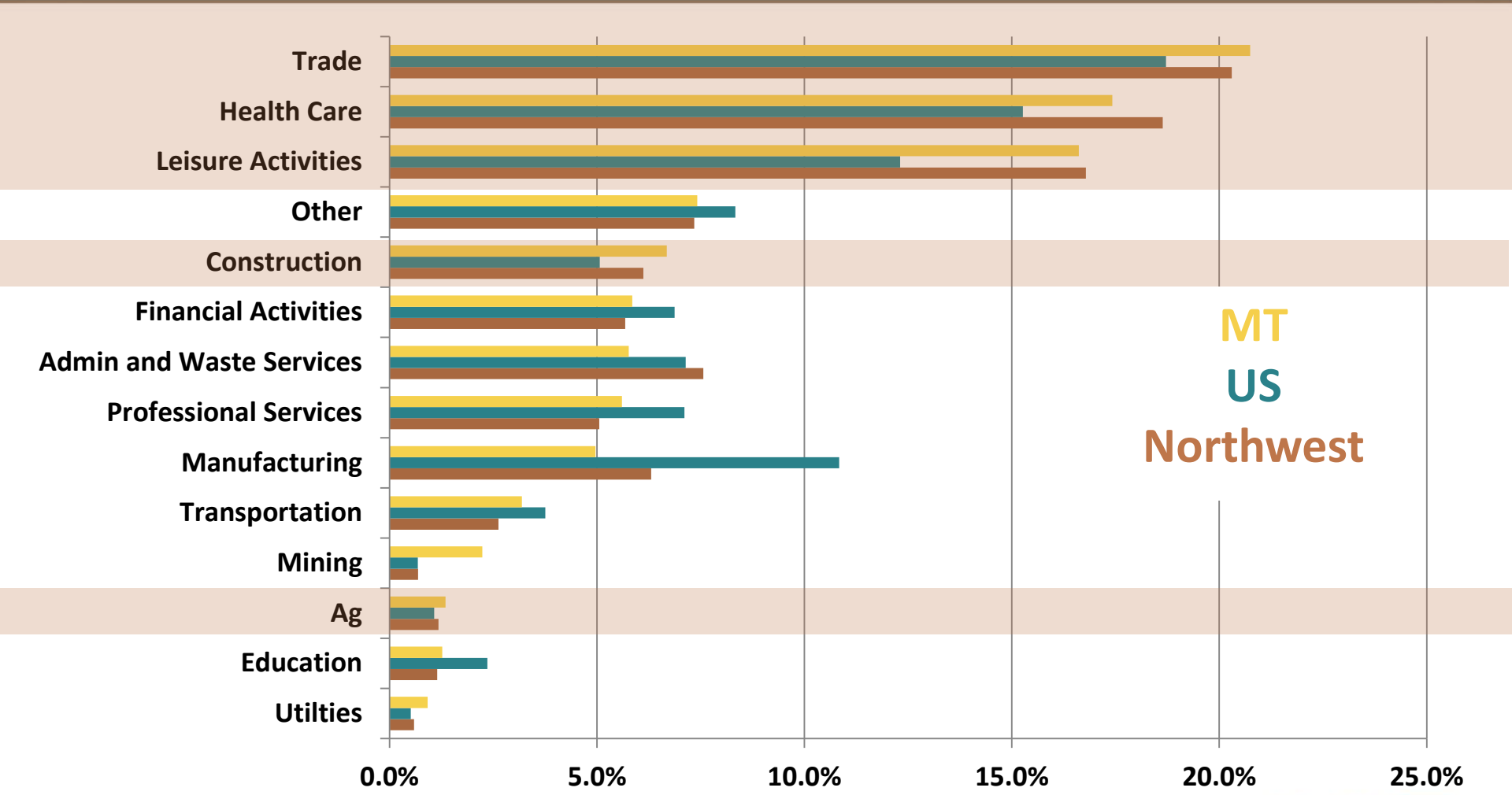
Comparative Industry Private Employment:
US, MT, and Northwest MT



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

MAIN STREET MONTANA PROJECT

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



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

MAIN STREET MONTANA PROJECT

iClicker Question

What industry do you represent?

A. Wholesale or retail trade

B. Leisure Activities (hotel, food, entertainment)

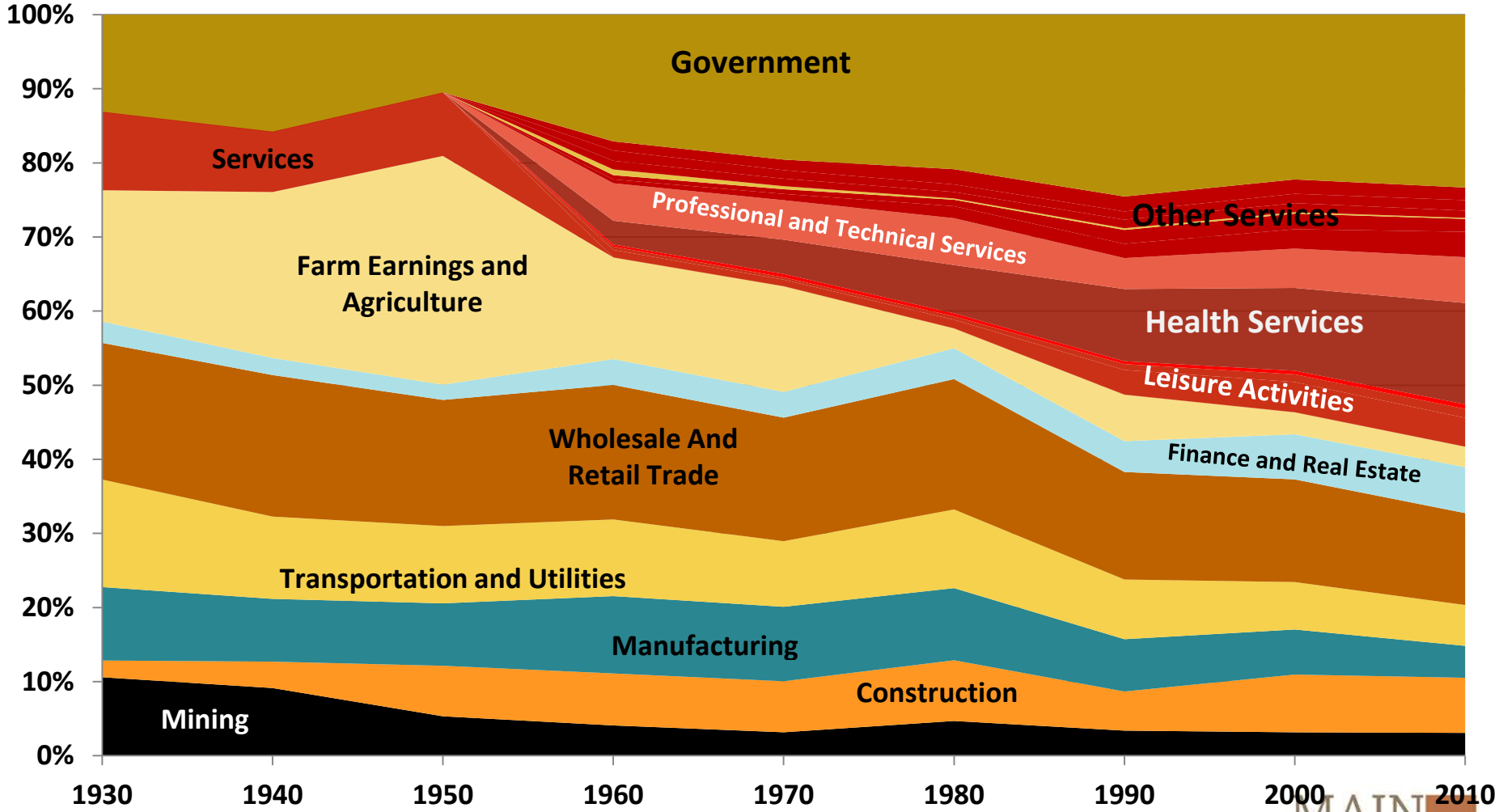
C. Healthcare

D. Education

E. Other

MAIN STREET MONTANA PROJECT

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.

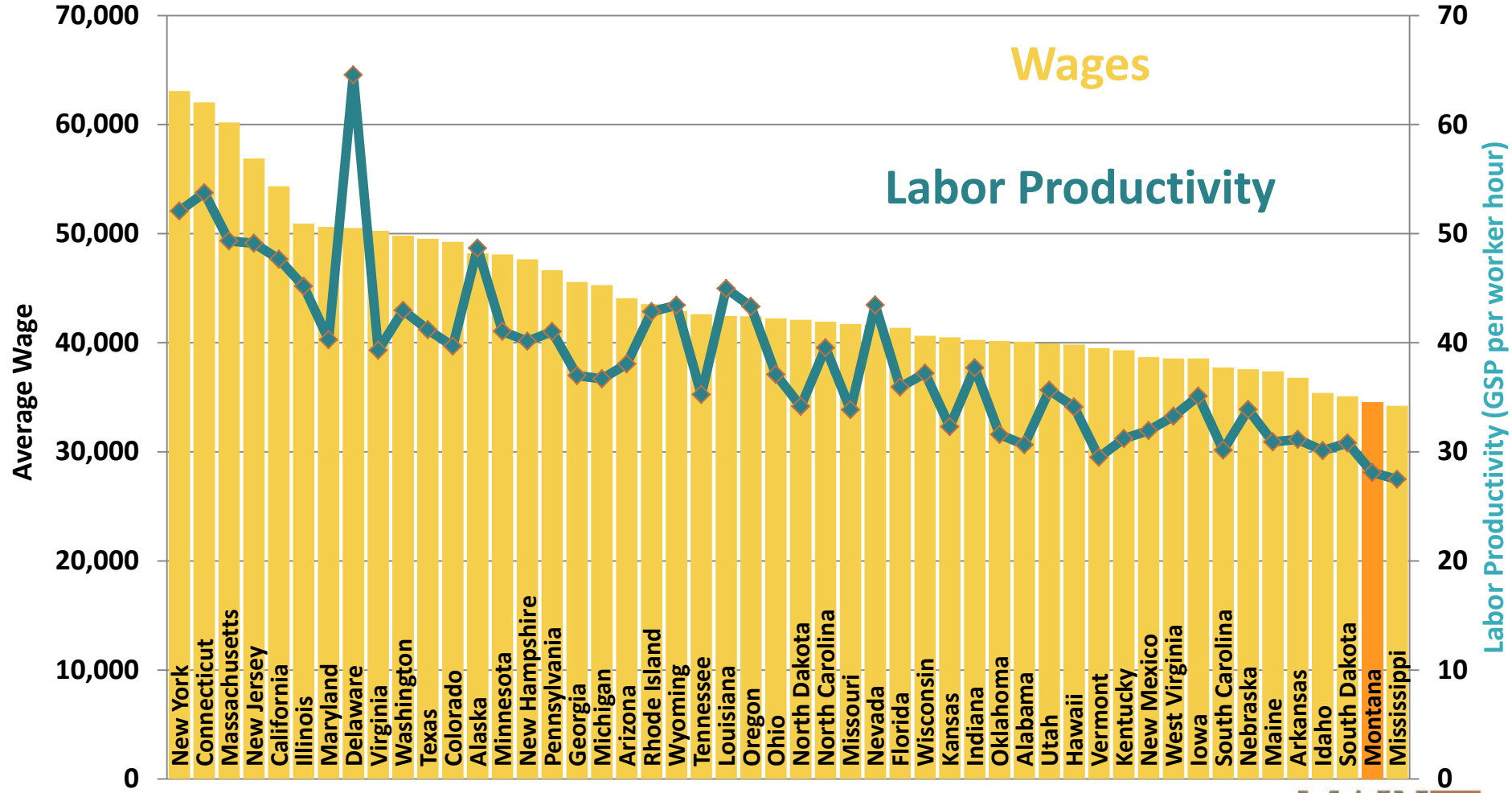
MAIN STREET MONTANA PROJECT

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.

MAIN STREET MONTANA PROJECT

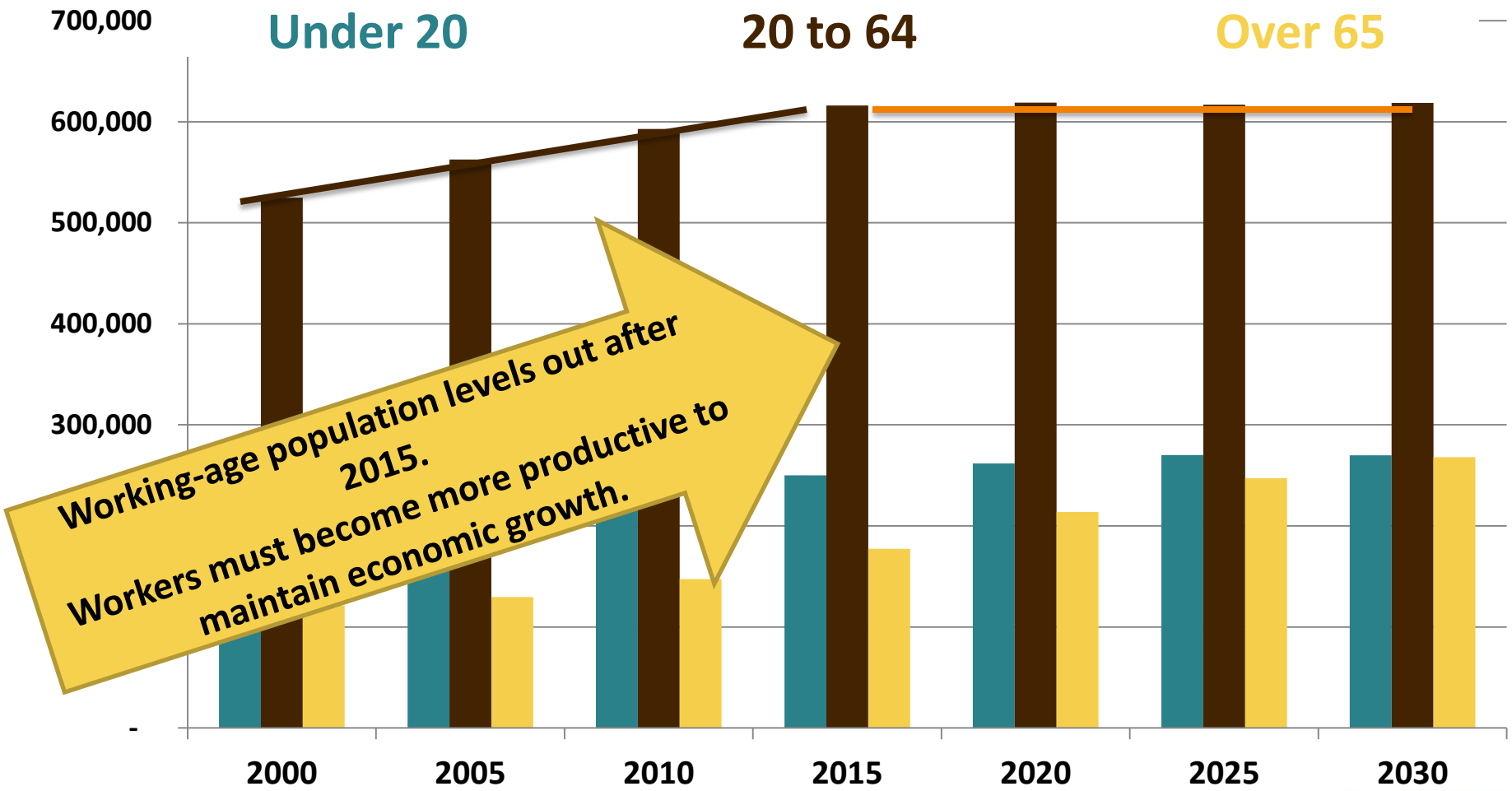
Wages and Productivity



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.

MAIN STREET MONTANA PROJECT

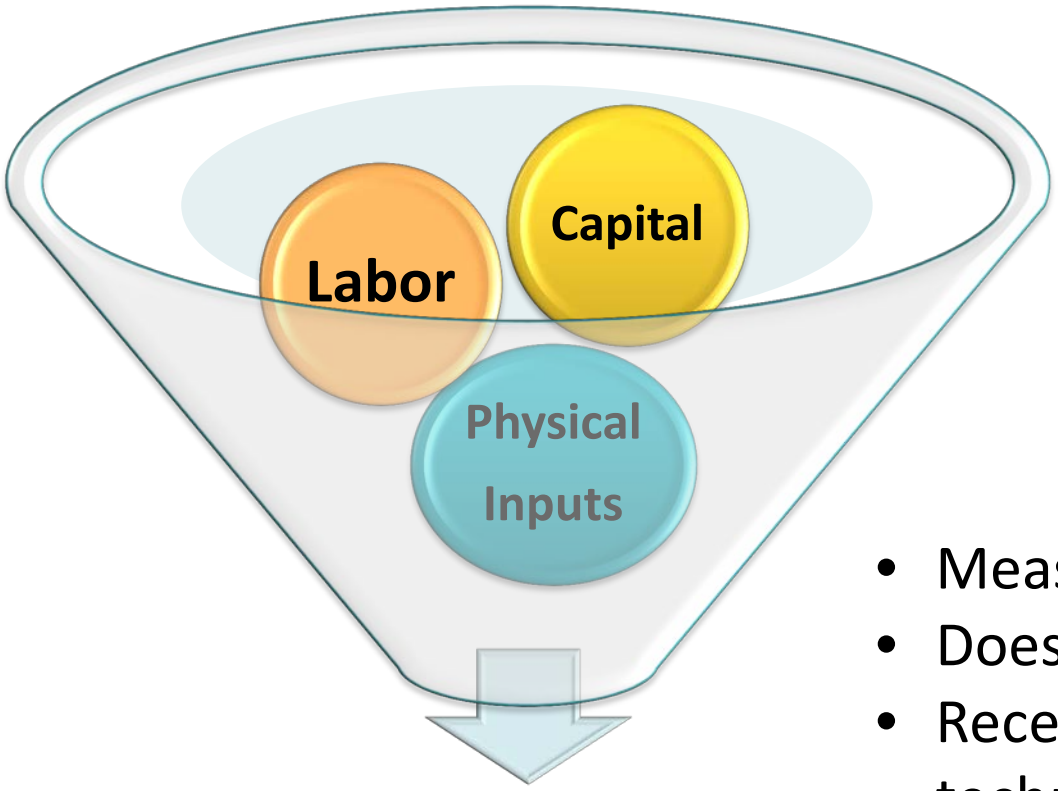
Montana's Aging Population



Source: Census and Economic Information Center, MT Dept. of Commerce, April 2013

MAIN STREET MONTANA PROJECT

Productivity Defined



Output (GDP)

Productivity:

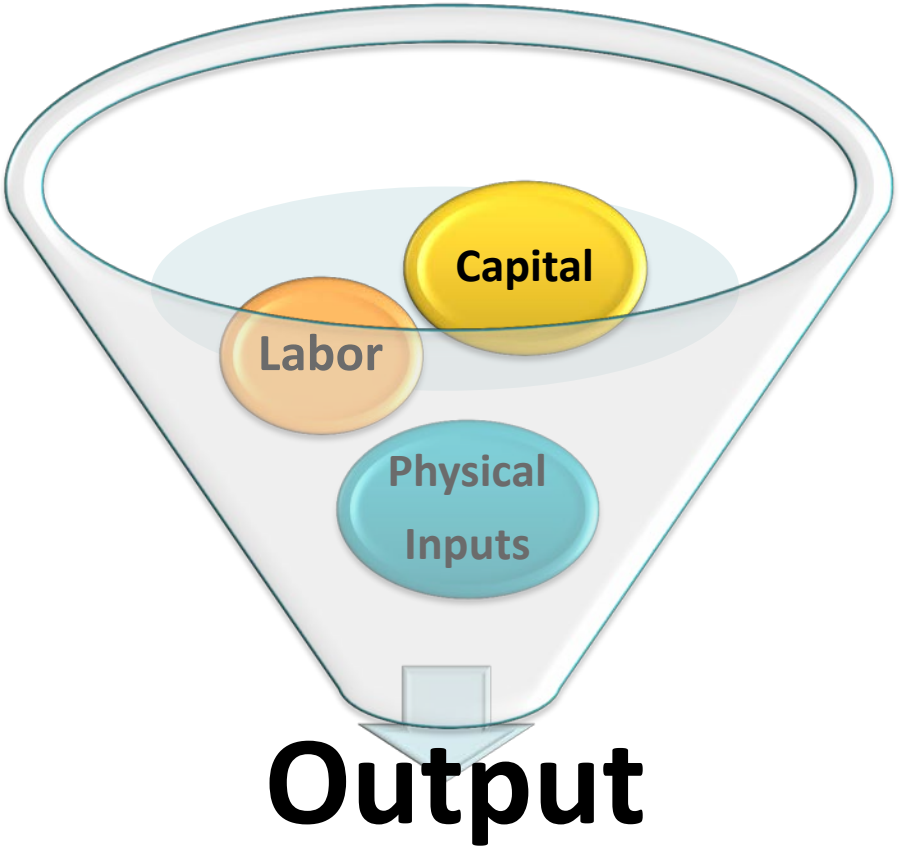
the "recipe" used to combine labor, capital (equipment), and inputs together to make output.

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

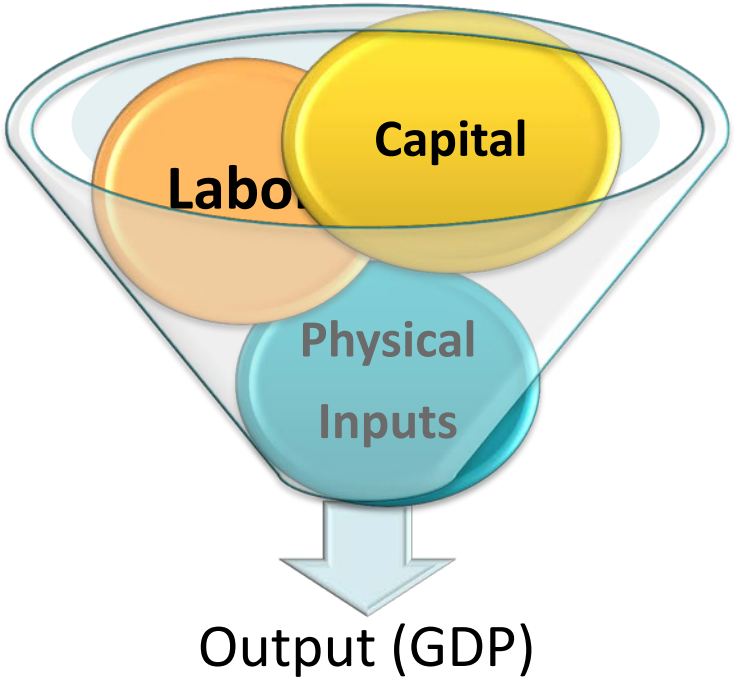
MAIN STREET MONTANA PROJECT

Productivity Defined

High Productivity



Low Productivity

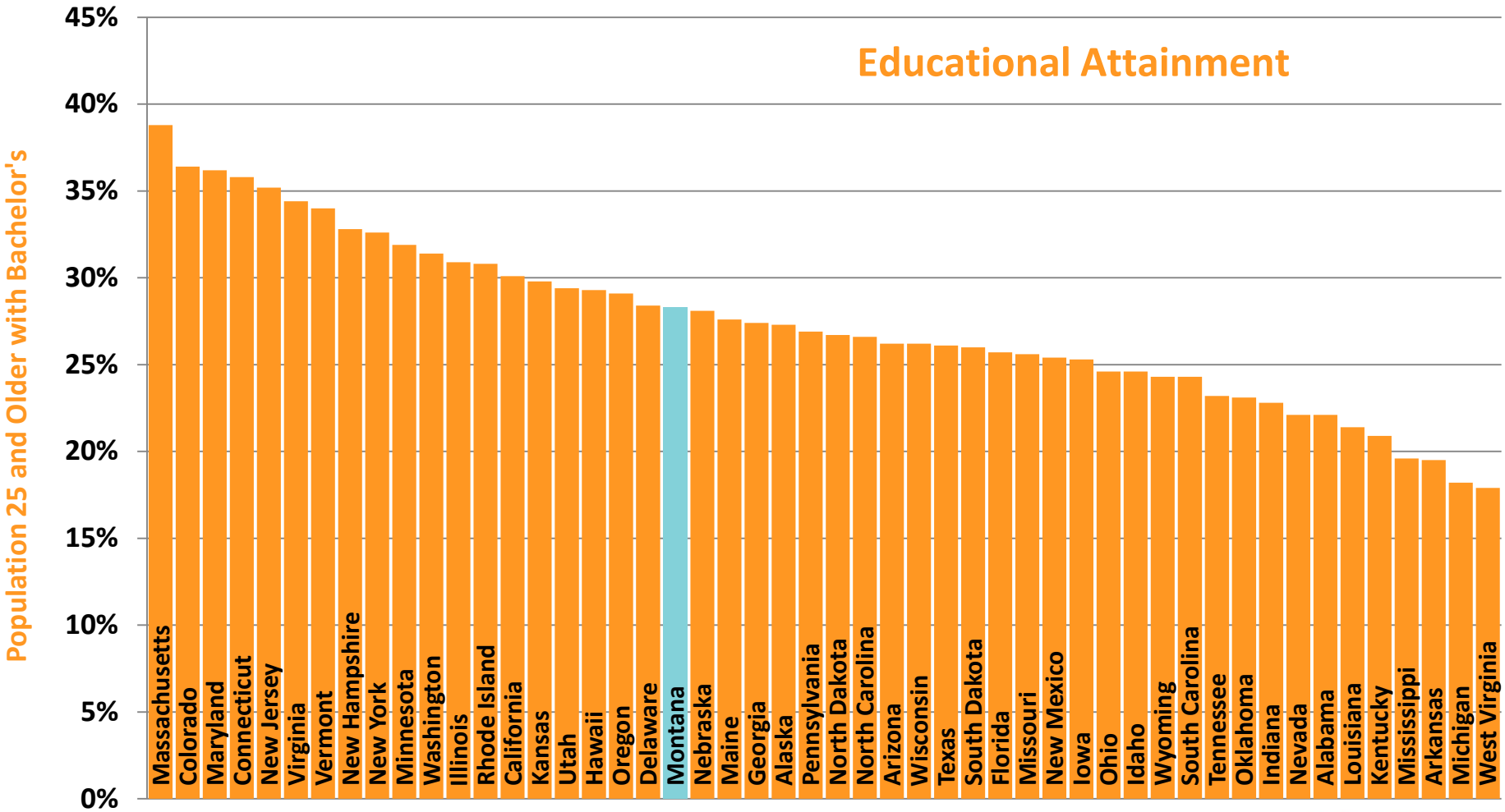


MAIN STREET MONTANA PROJECT

Factors Influencing Productivity

- Education

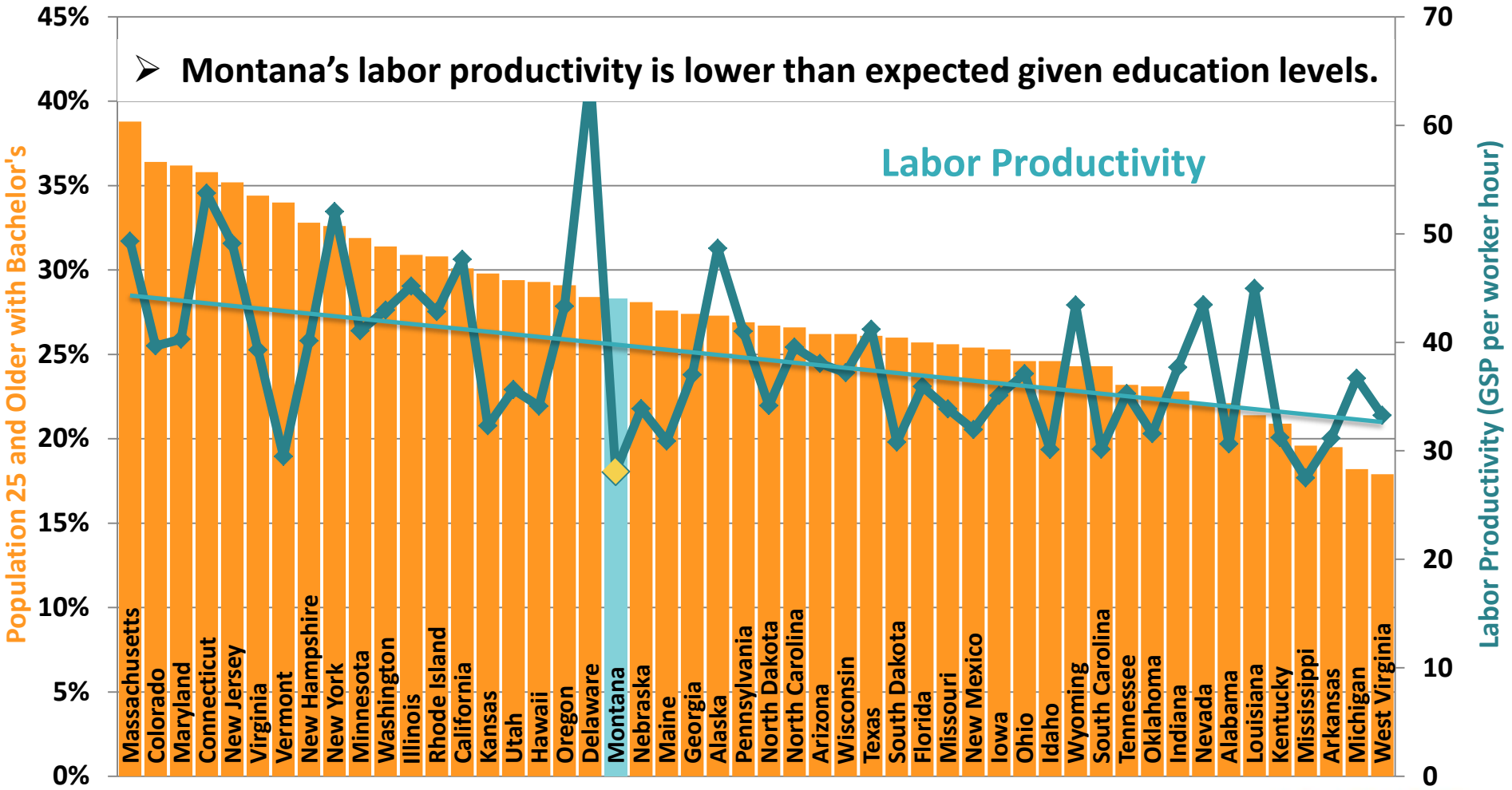
Productivity and Education



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.

MAIN STREET MONTANA PROJECT

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.

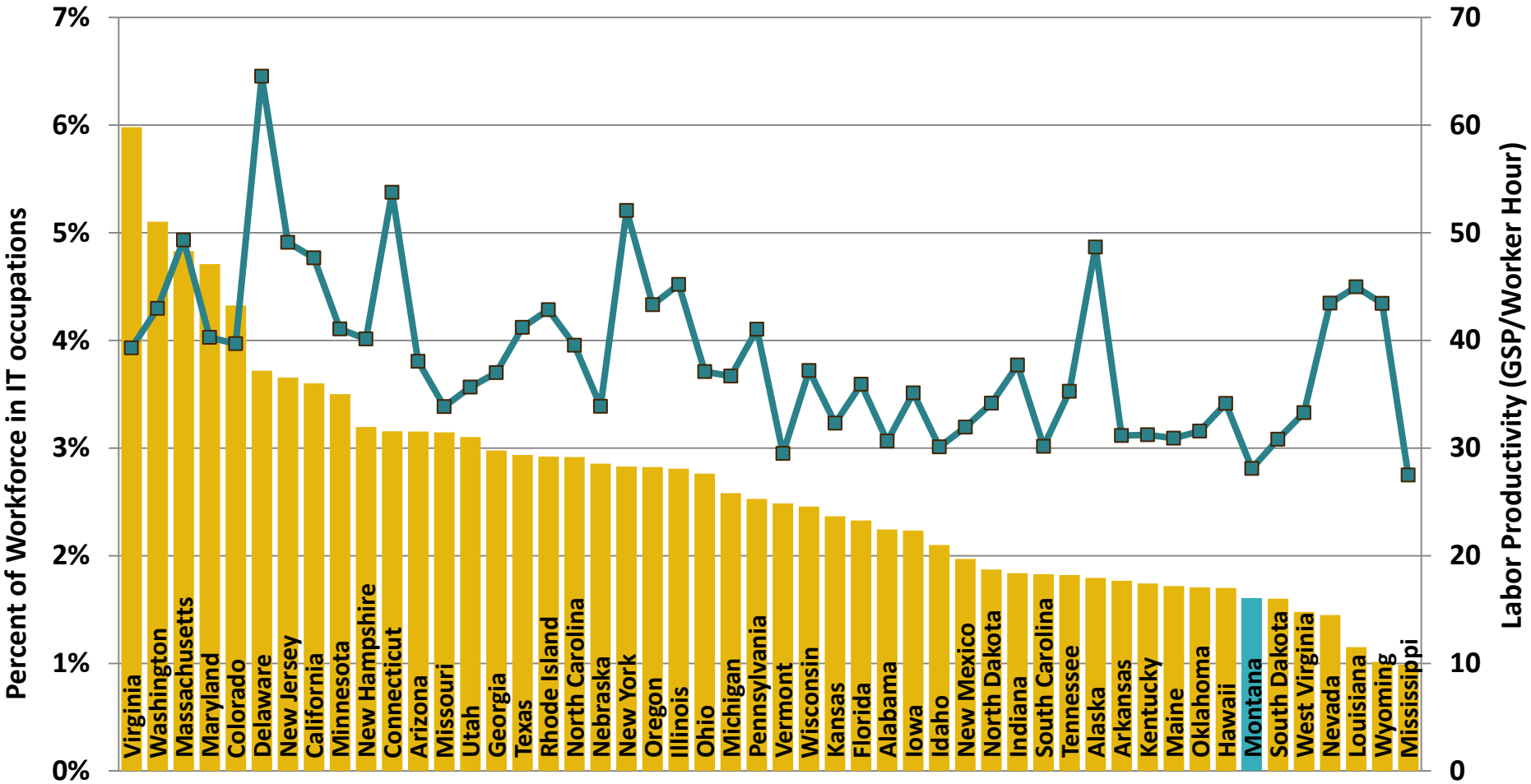
MAIN STREET MONTANA PROJECT

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

MAIN STREET MONTANA PROJECT

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.

MAIN STREET MONTANA PROJECT

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

MAIN STREET MONTANA PROJECT

Montana has High Rates of Entrepreneurialism

Montana Ranks Among States

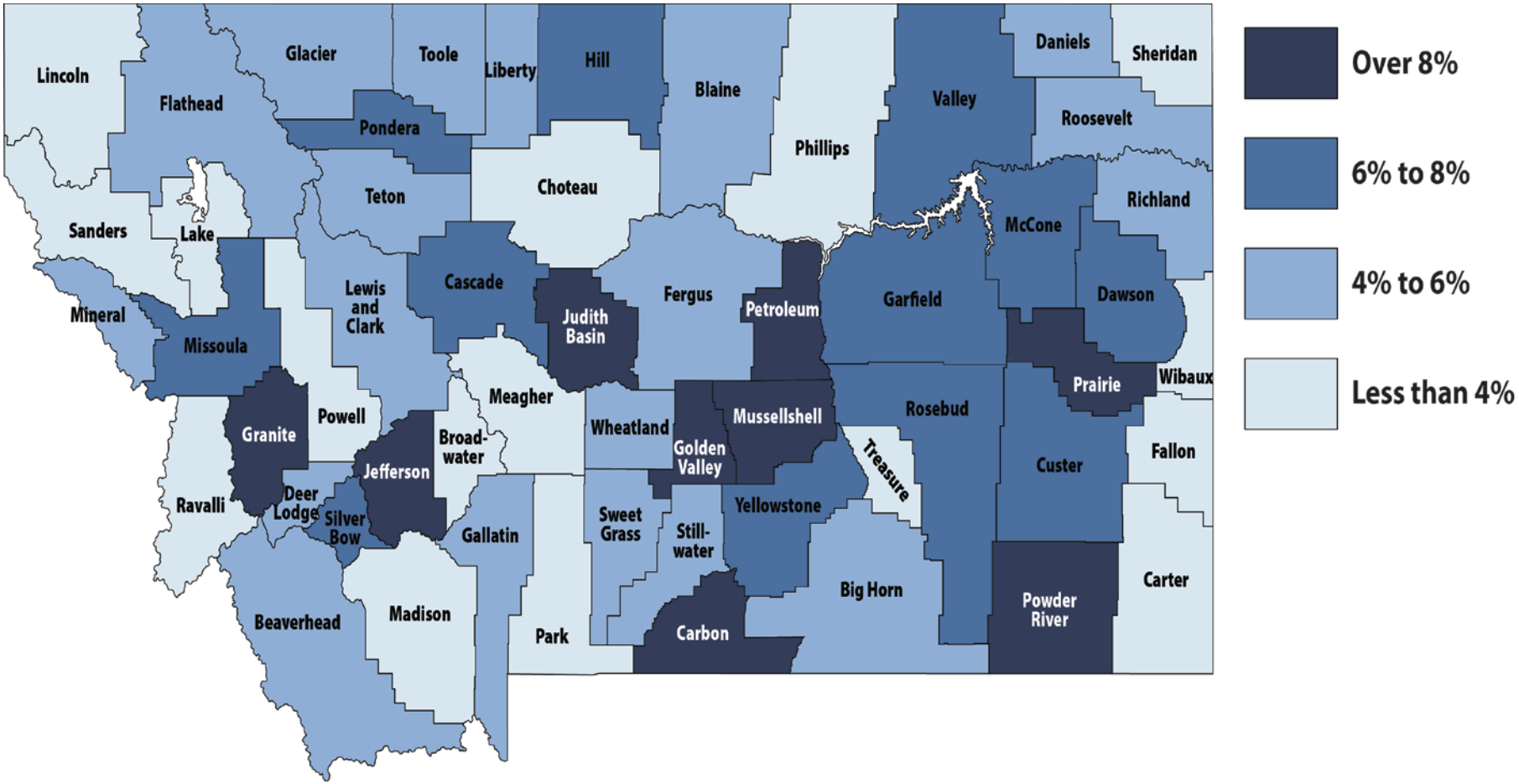
- #3 for Percent of Households owning a Business
- #6 for Employer Startups
- #15 for Net Employer Startups

Source: Kaufman Foundation, 2012. Employer statistics from Business Employment Dynamics, 2010Q2 - 2012Q3, Bureau of Labor Statistics. Percent of Households from Current Population Survey, 2009-2012. Analysis by MT Dept of Labor and Industry

MAIN STREET MONTANA PROJECT

Business Startups by County 2007-2010

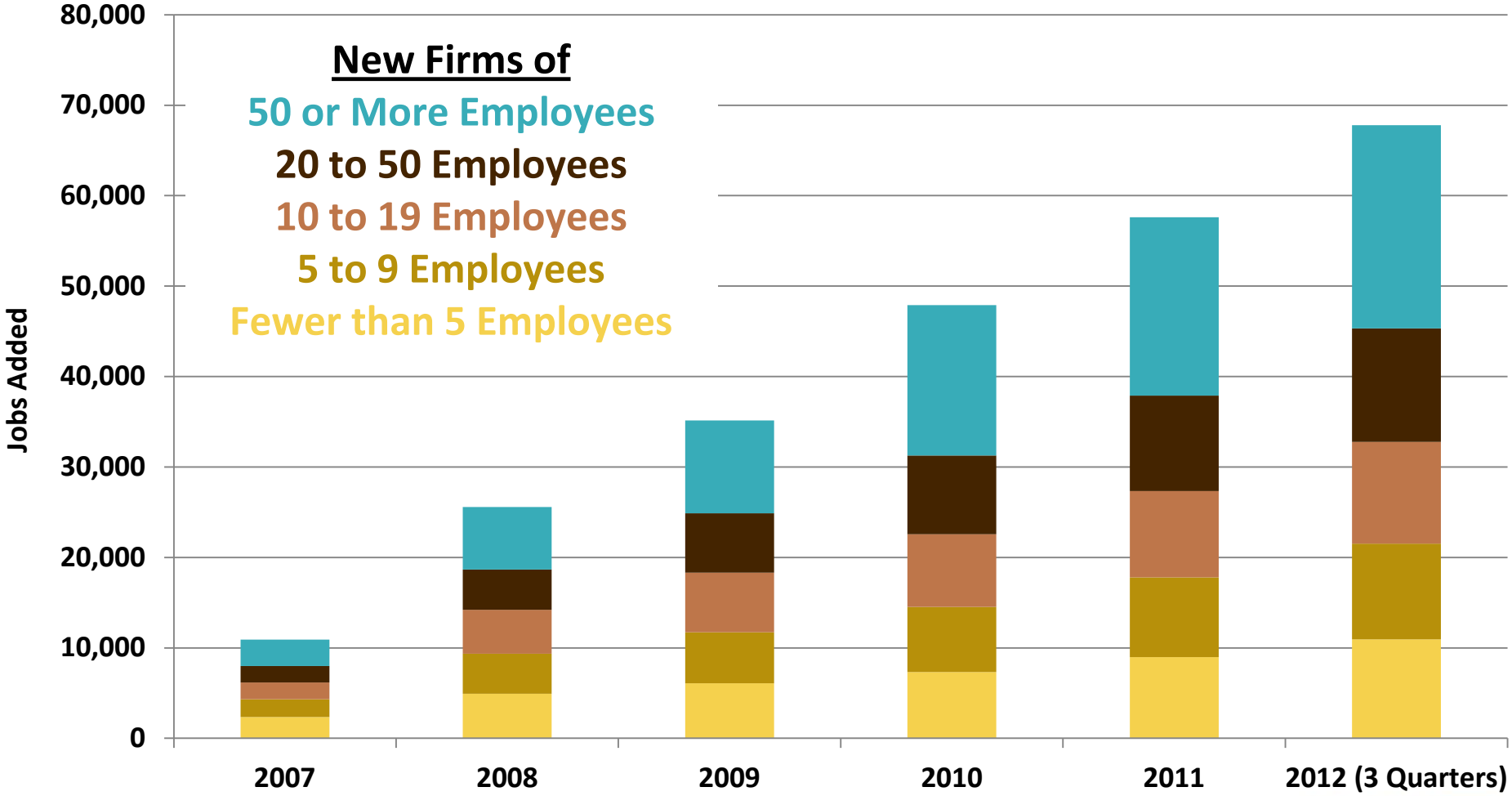
(as percent of existing establishments)



Source: Research and Analysis Bureau, MT Dept of Labor and Industry

MAIN STREET MONTANA PROJECT

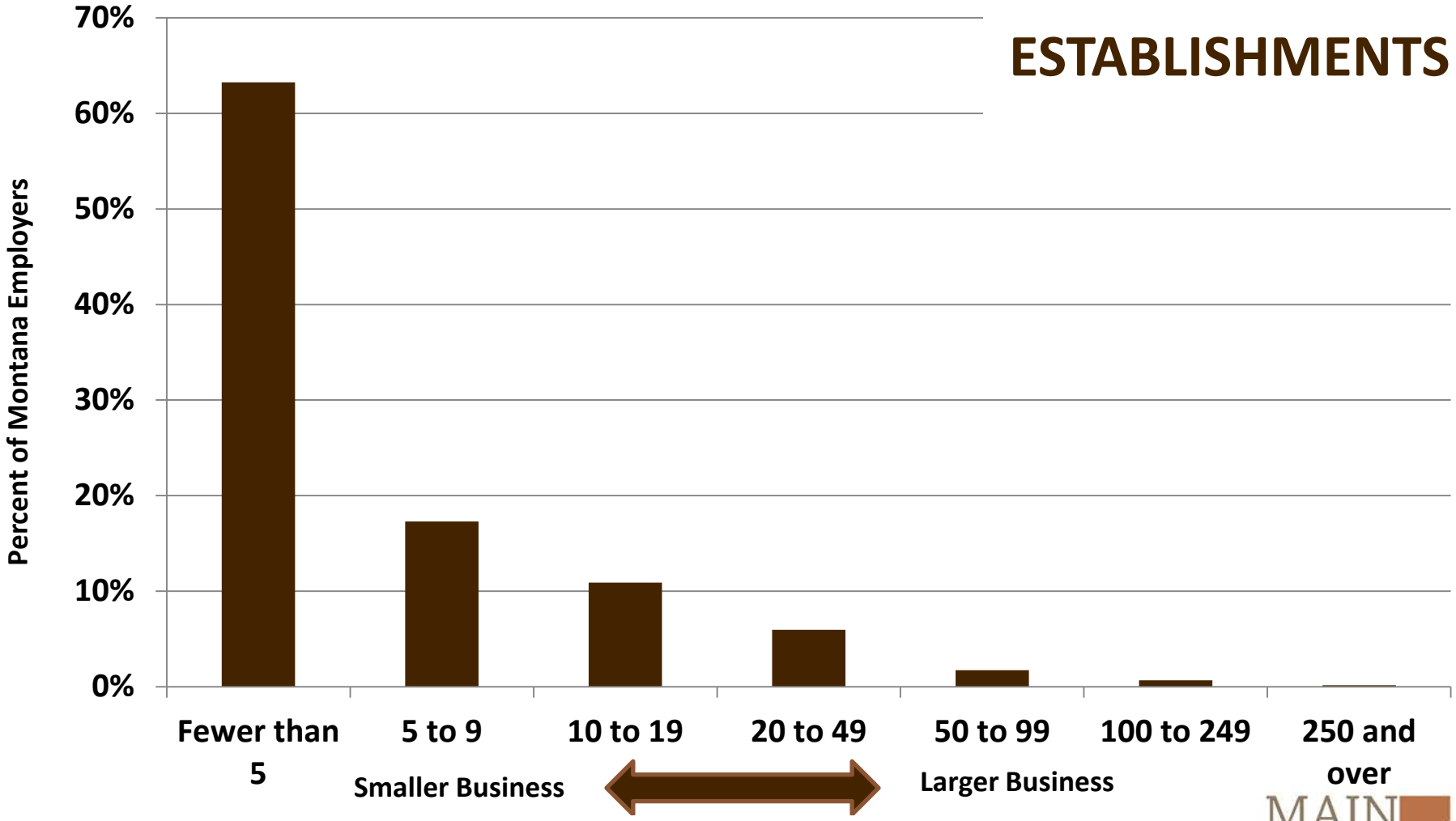
Job Performance of New Firms Started Since 2007 by Size



Source: Research and Analysis Bureau, MT Dept of Labor, using QCEW micro data.

MAIN STREET MONTANA PROJECT

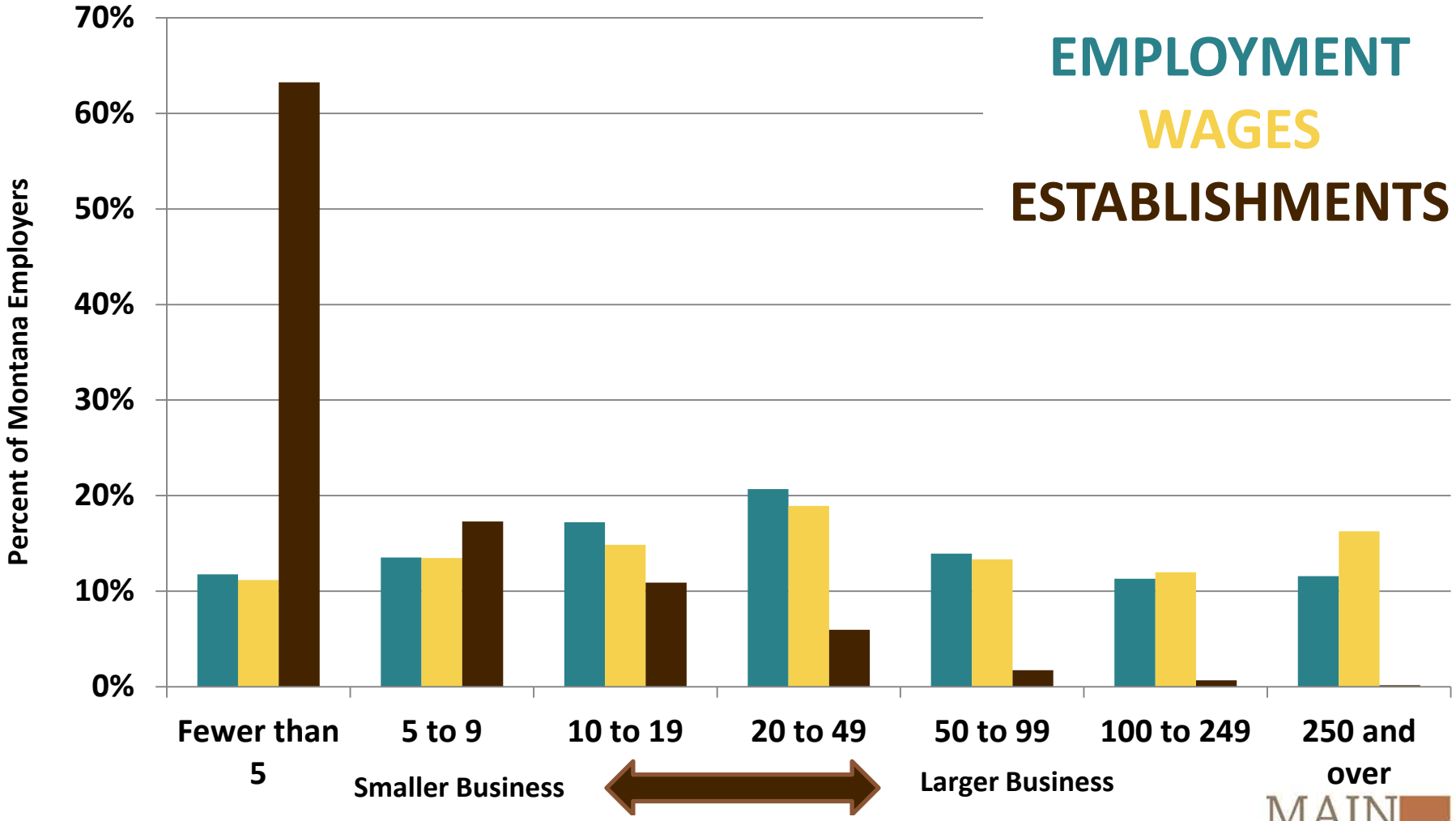
Montana has Lots of Small Businesses, but Large Business Provide the Jobs and Wages



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

MAIN STREET MONTANA PROJECT

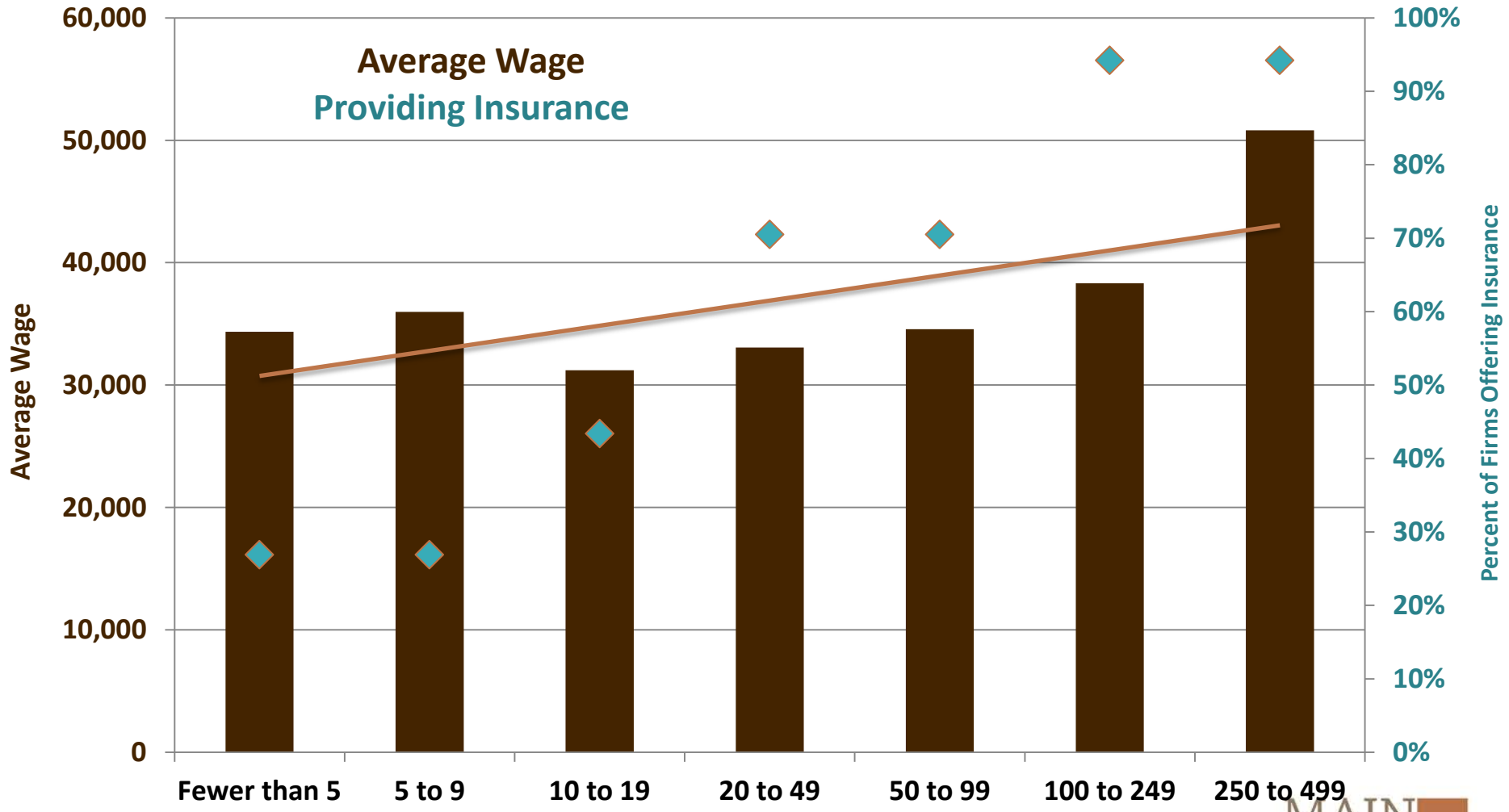
Montana has Lots of Small Businesses, but Large Business Provide the Jobs and Wages



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

MAIN STREET MONTANA PROJECT

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.

MAIN STREET MONTANA PROJECT

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

MAIN STREET MONTANA PROJECT

Economic Development Concept Map

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

MAIN STREET MONTANA PROJECT

iClicker Question

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

MAIN STREET MONTANA PROJECT

www.lmi.mt.gov

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Chief Economist
Montana Department of Labor and Industry
406-444-5474
bwagner@mt.gov

MAIN STREET MONTANA PROJECT

iClicker Questions

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

MAIN STREET MONTANA PROJECT

iClicker Question

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

MAIN STREET MONTANA PROJECT