

Planning for the Future

Montana's Employment Projections

by Nick Holom, Economist

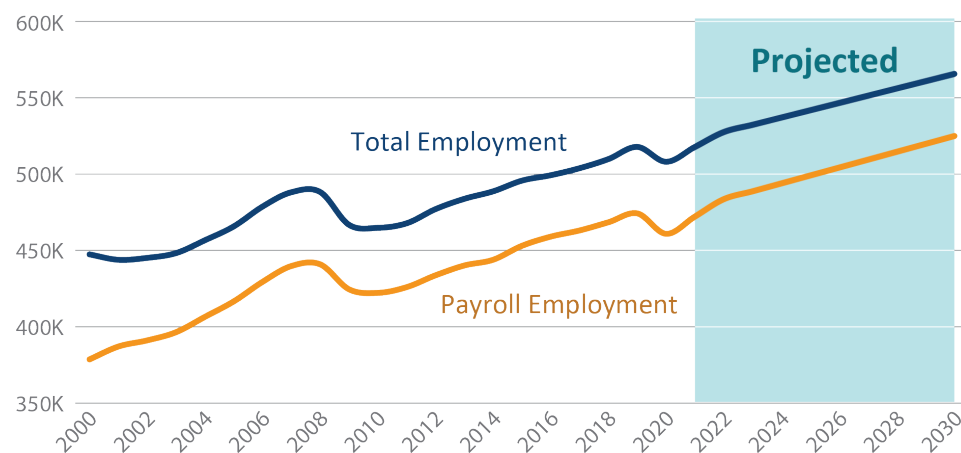
Every year, the Montana Department of Labor and Industry produces employment projections to help businesses, universities, and training programs anticipate the training needs of tomorrow. Employment projections help to identify trends in Montana's economy, and the specific occupations that will be in demand in the future. This article looks at employment projections, high wage occupations, and the skills required for tomorrow's workforce.

Employment Growth Across Montana

Since 2011, Montana has posted steady growth of about 5,800 jobs per year. The COVID recession dealt a blow to employment, decreasing total employment by 9,600 jobs from 2019 to 2020. Total employment includes both the self-employed and payroll jobs. As of June, Montana is still at 99.1% of the pre-pandemic peak for total employment. Montana is projected to regain its pre-recession employment level in the next several months, with total employment of 517,800 for the year. Over the next two years, growth is expected to be high due to the recovery from the recession trough and stimulus spending, with total employment increasing by approximately 9,700 jobs per year.

FIGURE 1:
Montana Total and Payroll Employment

Historic (2001-2020) and Projected (2021-2030)



Source: Historic total employment data is from Local Area Unemployment Statistics. Historic payroll data are from the Quarterly Census of Employment and Wages (QCEW) plus an estimate for railroad jobs. Projected data is from the Montana Department of Labor & Industry (MTDLI) Employment forecasts, 2020-2030.

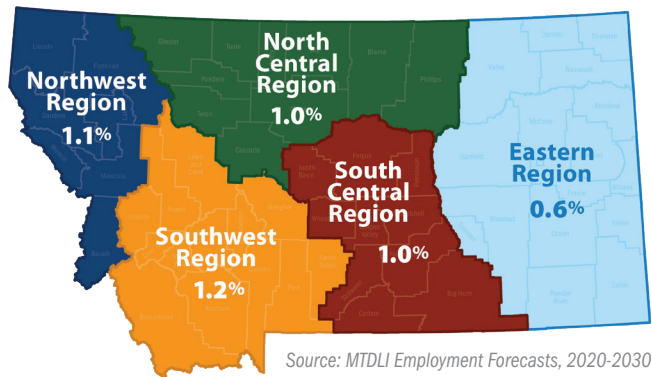
From 2022 to 2030, average annual employment growth is expected to taper to roughly 4,800 jobs per year. The slowed growth is due to expected labor shortages as more workers retire and fewer workers will be available to fill vacant jobs.

The expected job growth from 2020 to 2030 by sub-state region is shown in **Figure 2**. Most of the growth is expected in Northwest and Southwest Montana, which continue to experience high population growth and benefit from large educational institutions. As population continues to grow, employment in industries such as construction, accommodation and food services, and retail trade will follow suit. The North Central and South Central regions are expected to grow by approximately 660 and 1,100 jobs respectively per year, with higher

growth than in previous years, partially due to the large loss of employment in the base year.

Figure 3 shows that Montana's largest growth over the next two years will be in the accommodation and food services industry, which is the industry that suffered the largest losses from the pandemic recession. Other industries that were also impacted

FIGURE 2:
Projected Employment Growth by Region



by large employment losses due to COVID include healthcare, education, other services, and arts and entertainment.

The construction industry, though less affected by the pandemic, is also expected to have significant growth over the next two years. Montana is experiencing a housing shortage and rapid price increases, which means construction businesses will ramp up in response to higher demand and higher profits. The construction industry is expected to add approximately 1,200 jobs per year over the next two years. As the housing market stabilizes, construction employment is expected to grow at a slower rate into the future.

In Demand Occupations

Job openings have three causes: (1) new jobs being created (equivalent to job growth in **Figure 3**); (2) workers retiring and exiting the labor force, referred to as exits; and (3) workers transferring from one occupation to another as they switch jobs and move up the career ladder. Transfers are the largest source of openings for most occupations, and tend to be more common among low-wage occupations where turnover is high. Therefore, the top 10 in-demand occupations based on total openings tend to include lower-wage, higher-turnover jobs that have relatively low education and training requirements. In comparison, openings due to job creation alone is spread out more evenly across both low-wage and high-wage jobs.

Worker demand by occupation including new jobs, exits, and transfers are shown in **Figures 4 and 5**. **Figure 4** shows the top ten major occupation groups by number of annual job openings expected over the next ten years. Food preparation and serving related occupations are expected to have the most openings with 9,900 annually, 4,900 of which are due to transfers. Looking at detailed occupations instead of the large occupational categories, food and counter workers (2,730

FIGURE 3:
Average Annual Job Growth By Industry
Historic (2001-2020) and Projected (2021-2030)

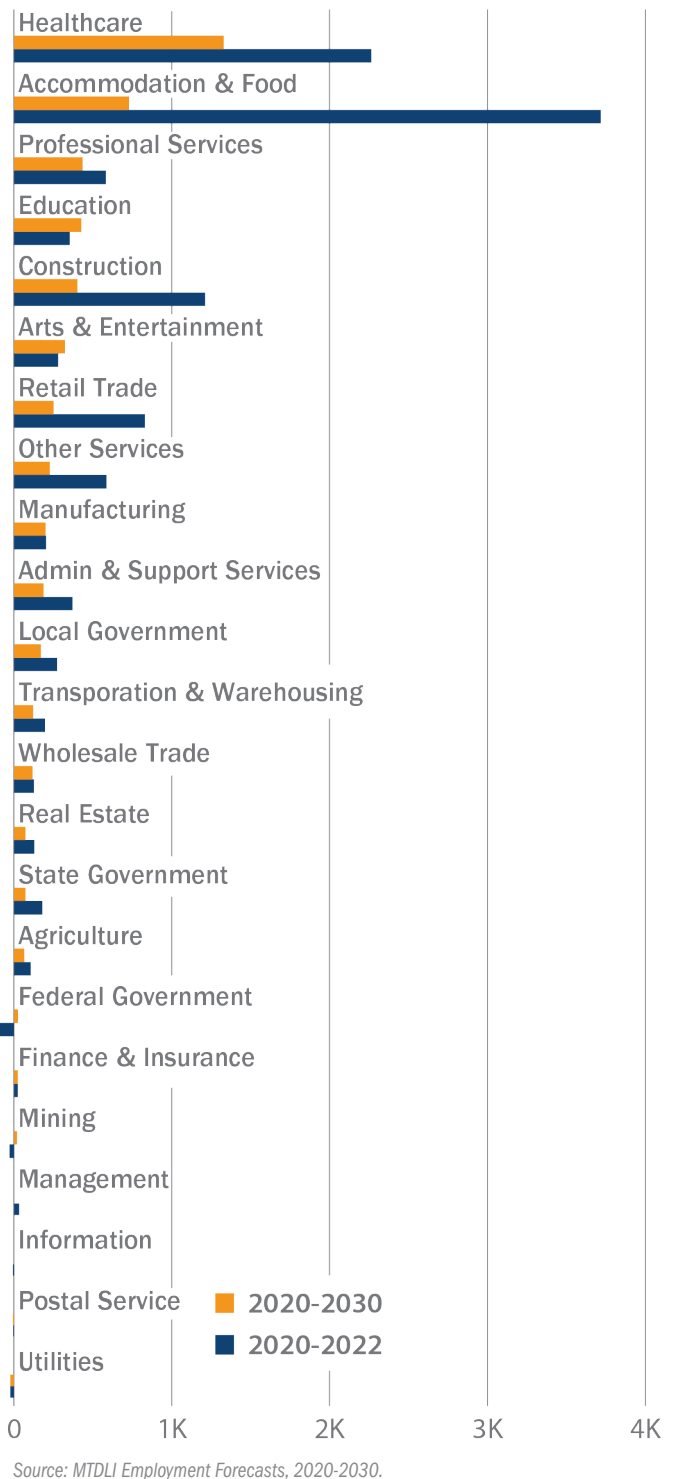


FIGURE 4
Top 10 Major Occupation Groups by Source of Openings

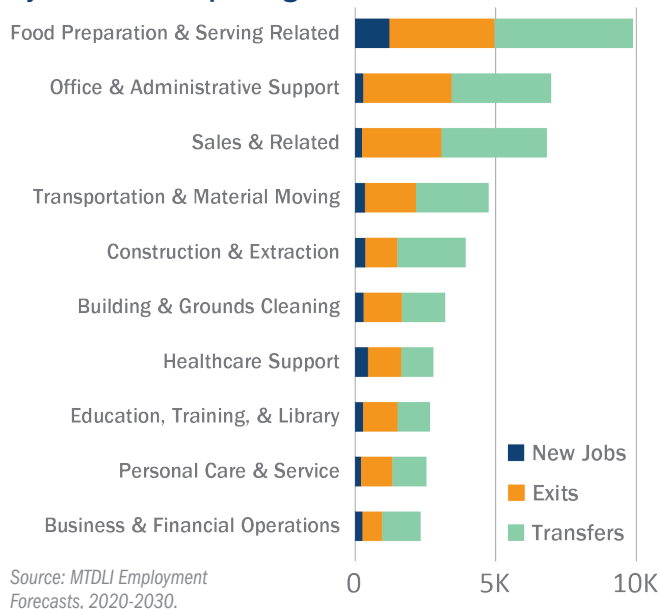


FIGURE 5
Top Ten Detailed Occupations by Job Openings

Occupation	Minimum Requirements		Annual Openings	2020 MT Annual Median Wage
	Edu.	Work Exp.		
1 Fast Food & Counter Workers	<HS	ST OJT	2,730	\$22,740
2 Cashiers	<HS	ST OJT	2,450	\$23,760
3 Retail Salespersons	<HS	ST OJT	2,100	\$27,570
4 Waiters & Waitresses	<HS	ST OJT	2,090	\$19,980
5 Office Clerks, General	HSE	ST OJT	1,460	\$34,010
6 Home Health & Personal Care Aides	HSE	ST OJT	1,170	\$26,660
7 Janitors & Cleaners, Except Maids & Housekeeping Cleaners	<HS	ST OJT	1,100	\$28,910
8 Cooks, Restaurant	<HS	MT OJT	1,060	\$26,850
9 Bookkeeping, Accounting, & Auditing Clerks	SC ND	MT OJT	950	\$36,900
10 Maids & Housekeeping Cleaners	<HS	ST OJT	920	\$24,790

Source: MTDLI Employment Forecasts, 2020-2030. PS ND = postsecondary, no degree, ST OJT = Short-term on-the-job training of a month or less, MT OJT = Medium-term on-the-job training of more than one month but less than 12 months, LT OJT = Long-term on-the-job training of more than a year.

annual openings), cashiers (2,450), retail salespersons (2,100), and waiters and waitresses (2,090) hit the top (Figure 5). All of the top detailed occupations for openings require a high school education or less except for bookkeeping, accounting, and auditing clerks. All the top ten occupations have a median annual wage below Montana's median wage of \$37,860.

In-Demand, High-Wage Occupations

Although the top occupations by total openings include many lower-wage occupations, the economy also has high demand for many occupations that pay above Montana's median wage. Figure 6 shows the top ten occupations with a median wage of \$45,000 or more. Truck drivers have the highest demand of this group with approximately 780 openings per year over the next ten years and median wage of \$48,900. Registered nurses are expected to have 710 openings per year and a median wage of \$68,740. Only five occupations in this category require a bachelor's degree. The highest paying occupation is general and

operations managers which requires a bachelor's degree and five or more years of experience and pays a median wage of \$87,810.

For Montanans seeking higher wages who are not interested in pursuing a traditional education pathway, Figure 7 shows the top ten occupations by job openings that earn over \$45,000 and require a high school education. Many of these occupations require at least some medium-term on-the-job training, apprenticeship, or work experience, typically requiring some type of credential, license, or training certification other than a post-secondary degree. Three of the top occupations in this category are sales representatives in services, wholesale and manufacturing, and insurance, while four occupations are supervisory roles. Plumbers and electricians, which are two of the most popular apprenticed occupations in Montana, are in high demand and pay a median wage of \$57,000 and \$60,600 respectively.

FIGURE 6
Top Ten Occupations Earning Over \$45,000 by Job Openings

Occupation	Minimum Requirements		Annual Openings	2020 MT Annual Median Wage
	Education	Work Experience		
1 Heavy & Tractor-Trailer Truck Drivers	PS ND	ST OJT	780	\$48,900
2 Registered Nurses	Bachelor's		710	\$68,740
3 General & Operations Managers	Bachelor's	5+ yrs	590	\$87,810
4 Sales Representatives, Wholesale & Manufacturing, Except Technical & Scientific Products	HSE	MT OJT	440	\$53,910
5 First-Line Supervisors of Office & Administrative Support Workers	HSE	<5 yrs	430	\$51,240
6 Project Management & Business Operations Specialists, All Other	Bachelor's		400	\$60,500
7 First-Line Supervisors of Construction Trades & Extraction Workers	HSE	5+ yrs	390	\$65,510
8 Operating Engineers & Other Construction Equipment Operators	HSE	MT OJT	380	\$50,740
9 Accountants & Auditors	Bachelor's		360	\$63,240
10 Elementary School Teachers, Except Special Education	Bachelor's		350	\$48,940

Source: MTDLI Employment Forecasts, 2020-2030. PS ND = postsecondary, no degree, ST OJT = Short-term on-the-job training of a month or less, MT OJT = Medium-term on-the-job training of more than one month but less than 12 months, LT OJT = Long-term on-the-job training of more than a year.

FIGURE 7
Top Ten Occupations that Earn Over \$45,000 and Require a High School Diploma but Less than a Bachelor's Degree, 2020-2030

Occupation	Minimum Requirements		Annual Openings	2020 MT Annual Median Wage
	Education	Work Experience		
1 Sales Representatives, Wholesale & Manufacturing, Except Technical & Scientific Products	HSE	MT OJT	440	\$53,910
2 First-Line Supervisors of Office & Administrative Support Workers	HSE	<5 yrs	430	\$51,240
3 First-Line Supervisors of Construction Trades & Extraction Workers	HSE	5+ yrs	390	\$65,510
4 Operating Engineers & Other Construction Equipment Operators	HSE	MT OJT	380	\$50,740
5 Electricians	HSE	Apprenticeship	350	\$60,560
6 Plumbers, Pipefitters, & Steamfitters	HSE	Apprenticeship	300	\$57,010
7 Sales Reps of Services, Except Advertising, Insurance, Financial Services, & Travel	HSE	MT OJT	240	\$48,520
8 Insurance Sales Agents	HSE	MT OJT	180	\$47,560
9 First-Line Supervisors of Mechanics, Installers, and Repairers	HSE	<5 yrs	180	\$68,570
10 First-Line Supervisors of Production and Operating Workers	HSE	<5 yrs	160	\$58,380

Source: MTDLI Employment Forecasts, 2020-2030. PS ND = postsecondary, no degree, ST OJT = Short-term on-the-job training of a month or less, MT OJT = Medium-term on-the-job training of more than one month but less than 12 months, LT OJT = Long-term on-the-job training of more than a year.

Montana has many other opportunities in apprenticeable trades. **Figure 8** shows the top ten apprenticeable occupations in Montana by the number of annual openings. Restaurant cooks have the highest expected openings (1,060 openings) followed by bookkeeping, accounting, and auditing clerks (950) and truck drivers (780). Other apprenticeable occupations have above the median wages include carpenters, construction laborers, registered nurses, and nursing assistants.

FIGURE 8
Montana's Apprenticeable Occupations with the Most Projected Job Openings, 2020-2030

Occupation	Minimum Requirements		Annual Openings	2020 MT Annual Median Wage
	Education	Work Experience		
1 Cooks, Restaurant	<HS	MT OJT	1,060	\$26,850
2 Bookkeeping, Accounting, & Auditing Clerks	SC ND	MT OJT	950	\$36,900
3 Heavy & Tractor-Trailer Truck Drivers	PS ND	ST OJT	780	\$48,900
4 Nursing Assistants	PS ND		770	\$31,070
5 Childcare Workers	HSE	ST OJT	720	\$22,860
6 Registered Nurses	Bachelor's		710	\$68,740
7 Carpenters	HSE	Apprenticeship	680	\$44,960
8 Construction Laborers	<HS	ST OJT	670	\$39,200
9 Maintenance & Repair Workers, General	HSE	MT OJT	470	\$36,970
10 Operating Engineers & Other Construction Equipment Operators	HSE	MT OJT	380	\$50,740

Source: MTDLI Employment Forecasts, 2020-2030. PS ND = postsecondary, no degree, ST OJT = Short-term on-the-job training of a month or less, MT OJT = Medium-term on-the-job training of more than one month but less than 12 months, LT OJT = Long-term on-the-job training of more than a year.

Healthcare Occupations in Demand

Montana's largest industry, health care and social assistance, is also expected have the most job growth in from 2020 to 2030. Growth in health care is expected due to in-migration increasing the population in Montana over the period, and Montana's aging population demanding more healthcare. Montana's healthcare industry is expected to grow by 1,300 jobs per year on average over the next 10 years. **Figure 9** shows the top 10 healthcare jobs by most annual openings. The occupation with the most openings is home health and personal care aides, which requires a high school education and short-term on-the-job training and pays approximately \$26,700. Most of the top occupations in health care require some post-secondary education, but many don't require a degree.

FIGURE 9
Top 10 Healthcare Jobs with the Most Annual Openings, 2020-2030

Occupation	Minimum Requirements		Annual Openings	2020 MT Annual Median Wage
	Education	Work Experience		
1 Home Health & Personal Care Aides	HSE	ST OJT	1,170	\$26,660
2 Nursing Assistants	PS ND		770	\$31,070
3 Registered Nurses	Bachelor's		710	\$68,740
4 Licensed Practical & Licensed Vocational Nurses	PS ND		210	\$46,210
5 Medical Assistants	PS ND		180	\$36,690
6 Dental Assistants	PS ND		170	\$37,070
7 Medical Dosimetrists, Medical Records Specialists, & Health Technologists & Technicians, All Other	PS ND		120	\$42,020
8 Pharmacy Technicians	HSE	MT OJT	110	\$36,780
9 Veterinary Assistants & Laboratory Animal Caretakers	HSE	ST OJT	90	\$27,800
10 Physical Therapists	Phd or Prof		90	\$81,440

Source: MTDLI Employment Forecasts, 2020-2030. PS ND = postsecondary, no degree, ST OJT = Short-term on-the-job training of a month or less, MT OJT = Medium-term on-the-job training of more than one month but less than 12 months, LT OJT = Long-term on-the-job training of more than a year.

Skills and Software Most in Demand

Workforce demands and the skills required to succeed are constantly evolving. **Figure 10** shows the skills most in demand by number of annual job openings. Active listening (giving full attention to what coworkers are saying and asking appropriate questions) is the number one job skill in demand with approximately 49,000 annual job openings per

year for which active listening is an important skill. Soft skills, such as coordination, social perceptiveness, and service orientation are also in high demand with over 35,000 job openings a year requiring these soft skills. The technical skills most in demand include operation monitoring (using gauges, dials, and other indicators to run a machine properly),

FIGURE 10
Most In-Demand Skills by Annual Openings

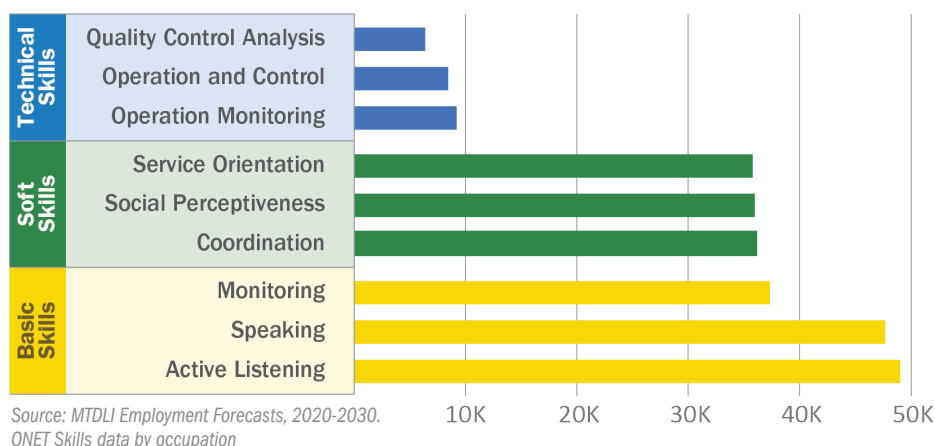


FIGURE 11
Software Skills Most in Demand

Software Type	Example	Annual Openings
Spreadsheet software	Microsoft Excel	54,450
Office suite software	Microsoft Office	37,500
Word processing software	Microsoft Word	31,700
Presentation software	Microsoft PowerPoint	29,250
Web page creation & editing software	Facebook	22,840
Electronic mail software	Microsoft Outlook	16,580
Document management software	Adobe Systems Adobe Acrobat	13,820
Accounting software	Intuit QuickBooks	12,530
Video creation & editing software	YouTube	11,460
Project management software	Microsoft Project	11,340

Source: ONET Hot Tech Skills, MTDLI Employment Forecasts, 2020-2030.

operation and control (the controlling of equipment or systems), and quality control analysis (conducting tests and inspections of products and services) – each are needed in jobs with over 6,000 openings per year.

Software skills are also in high demand as seen in **Figure 11**. The most in-demand skill is spreadsheet software, which has predicted openings of nearly 54,450 per year. Other important software skills are web page creation and editing software (22,800 openings per year), document management software (13,820 openings per year), and accounting software (12,530 openings per year).

Conclusion

Montana's economy has many opportunities available for workers starting out in their career or looking to switch occupations. Projections are useful in helping businesses and workers understand where these opportunities exist and what requirements they may need to fulfill to achieve career goals. These projections are also used by Montana's education systems to ensure the right training opportunities exist to meet the demand from employers, making sure workers are trained with the right skills for the job. The 2020-2030 employment projections are currently available on the [lmi.mt.gov](http://lmi.mt.gov/projections) website at: lmi.mt.gov/projections.