

CONSTRUCTION

Montana 406 JOBS Sector Analysis



Montana Department of
LABOR & INDUSTRY

406 JOBS

Modernizing Montana's Workforce



STATE OF MONTANA

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EXECUTIVE SUMMARY

Montana's construction industry provides critical support to the state's economy, facilitating the development of infrastructure, residential, and commercial building. The rapid growth in Montana's population and economy over the last few years has pushed construction demand to historic levels. Montana's construction output has increased by 3.7% per year since 2019 – ranking 4th fastest growth among states. In 2024, construction was the leading contributor to Montana's economic growth, increasing production by 7% on an inflation adjusted basis over the year.

The rapid growth in the construction industry has been supported by a growing skilled workforce. The construction industry has added over 7,000 jobs since 2019 – the most of any industry in Montana. This report provides an in-depth analysis of the construction labor market and identifies workforce training needs to ensure a strong pipeline of skilled workers for Montana's expanding construction sector. Highlights include:

- In 2024, there were over 39,000 construction jobs in Montana, making construction the 5th largest employing industry in the state.
 - Specialty trade contractors are the largest subsector of the construction industry, including plumbers, electricians, carpenters, and painters.
 - Most construction jobs are in the western and south-central regions of the state.
- Construction jobs pay above the statewide average, reporting \$71,250 average annual wage in 2024 compared to \$60,037 statewide.
 - Real wage growth has averaged 1.3% per year since 2019, growing faster than the cost of living and suggesting an increase in standard of living for construction workers.
- Construction employment has grown steadily over the last decade, averaging 3.8% growth per year.
 - A pandemic-related surge in in-migration during 2021 and 2022 drove a significant acceleration of construction employment growth in those years.
 - Construction job growth over the last five years has been concentrated in the western portion of the state, driven by population growth and an increase in demand for residential housing.
- The construction industry is projected to add 360 jobs per year through 2034 – the 2nd most of any industry.
- MTDLI estimates over 3,700 annual job openings in construction over the next ten years in a variety of different roles, primarily to replace workers who leave the industry.
 - Most of the projected job openings (89%) in the construction industry will not require a college degree.
 - Over 60% of all construction job openings are projected to occur in one of ten occupations – including construction laborers, carpenters, electricians, plumbers, HVAC mechanics, and support occupations like bookkeepers and office clerks.

Montana's construction industry has been a key driver of economic growth in the state, facilitating the development of critical infrastructure. Efforts to recruit, train, upskill, and retain construction workers will be important to ensure the construction industry can continue to meet the housing, building, energy, and transportation demands of Montana's people and businesses.



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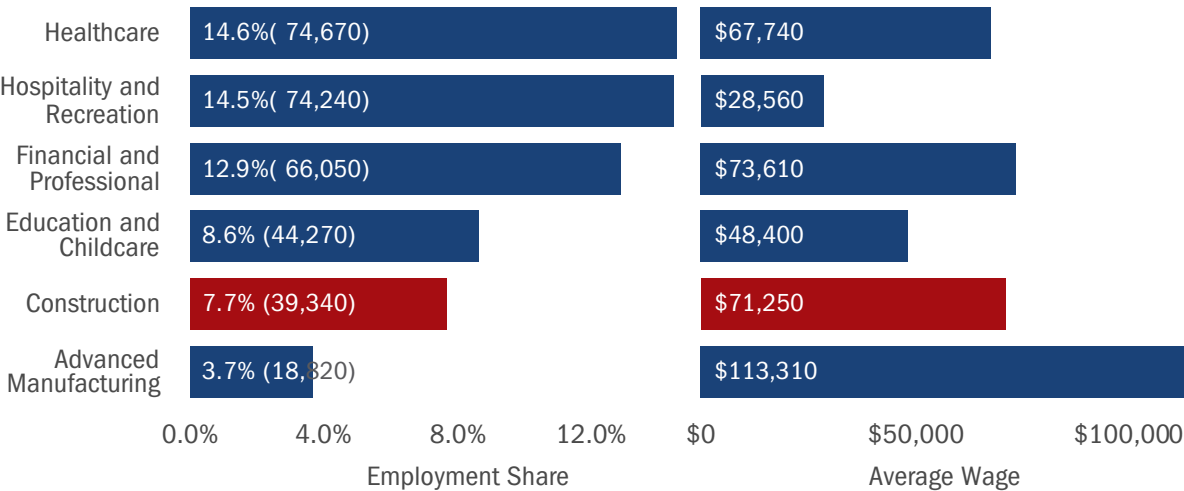


Montana’s construction industry is a foundational element of the state’s economy, driving economic growth and generating many high-wage jobs in the state. Construction was a leading contributor to Montana’s economic growth in 2024 and has added the most jobs of any industry in the state over the last five years. This report provides an in-depth analysis of the construction labor market and identifies workforce training needs to ensure a strong pipeline of skilled workers for Montana’s expanding construction sector.

CONSTRUCTION LABOR MARKET OVERVIEW

Montana’s construction industry is a major source of jobs and a significant sector of the labor market. Shown in Figure 1, construction is the 5th largest sector with over 39,000 jobs in 2024. Overall, construction makes up 8% of jobs statewide in Montana, a larger share of employment than the national average. Most of these jobs (55%) are specialty trade contractors, such as plumbers, HVAC, electricians, flooring installers, painters, and carpenters.

FIGURE 1: 2024 EMPLOYMENT BY 406 JOBS SECTOR

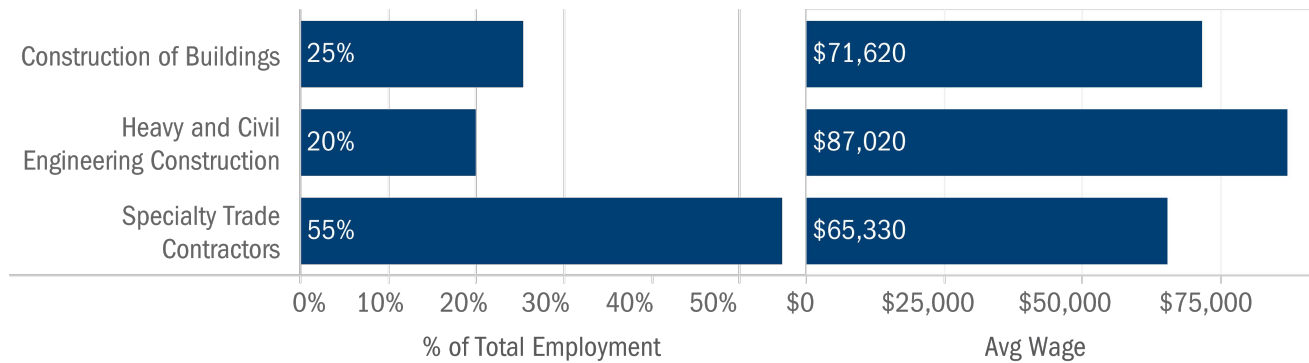


Source: MTDLI analysis of BLS QCEW data, 2024. Industry definitions specific to 406 JOBS initiative.

Construction jobs pay above the statewide average, reporting \$71,250 average annual wage in 2024 compared \$60,037 statewide. Heavy and civil engineering contractors report the highest wages in the industry of \$87,020. Wages are lower for residential contractors and specialty trade contractors but all subindustries report wages above the statewide average. Figure 2 shows the average employment and wages for subsectors within the construction industry.



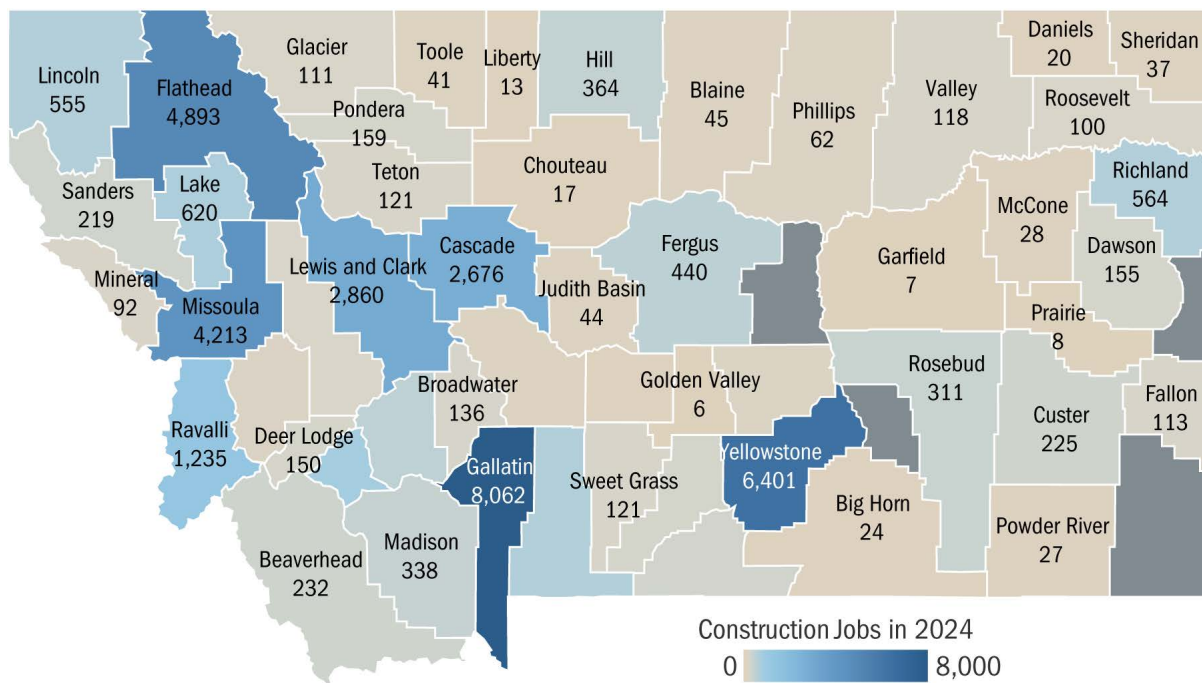
FIGURE 2: EMPLOYMENT AND WAGES BY SUBINDUSTRY, 2024



Source: U.S. BLS QCEW.

Employment in Montana's construction industry tends to be concentrated in and around the state's urban centers, particularly in cities like Bozeman and Billings where nearly two in every five construction jobs are found. Figure 3 shows the number of construction jobs in each county in 2024. Residential construction employment is more prevalent in the western portion of the state and in more populated counties, whereas heavy and civil engineering employment is more prominent in the east where more oil and gas and utility infrastructure has been developed.

FIGURE 3: CONSTRUCTION EMPLOYMENT IN SELECT MONTANA COUNTIES, 2024



Source: U.S. BLS QCEW.

Construction of Buildings:
Businesses responsible for the construction of buildings including new work, alterations, or repairs.

Specialty Trade Contractors:
Businesses providing specialized construction services like plumbing, electrical, HVAC, concrete, roofing, and painting.

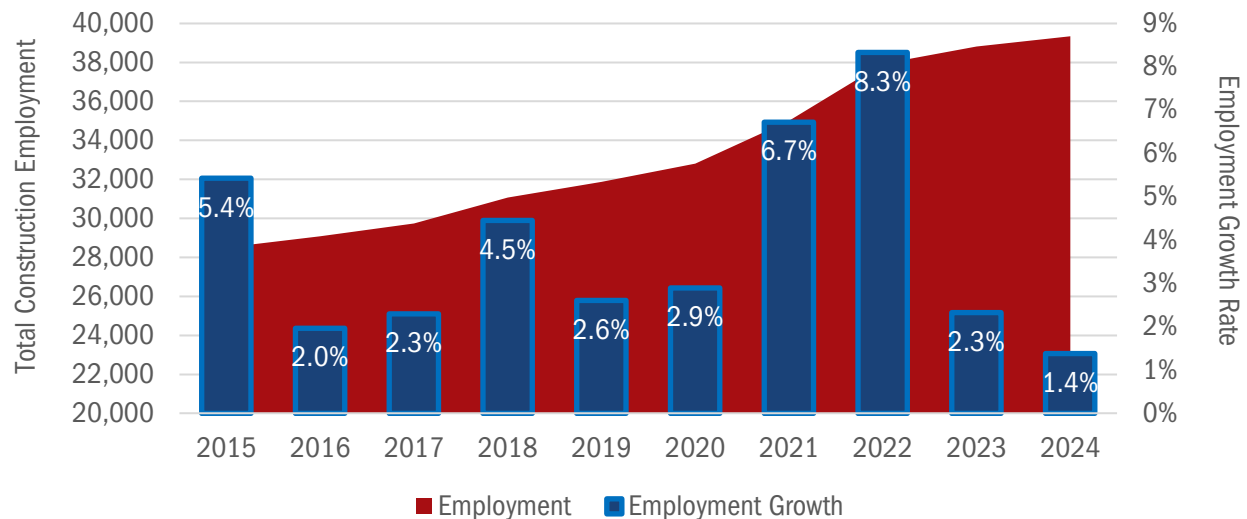
Heavy and Civil Engineering:
Businesses involved in the construction of infrastructure projects, such as utility system, highway, and bridge construction.

CONSTRUCTION LABOR MARKET TRENDS

Montana's construction workforce has expanded steadily over the last decade, averaging 3.8% growth per year. A pandemic-related surge in in-migration during 2021 and 2022 drove a significant acceleration of construction employment growth in those years. During these two years Montana's population increased by nearly 38,000 people due to migration – over three times the long run average. From 2020 to 2022 Montana ranked 3rd in the nation for largest percentage of in-migration.

Montana's rapid population growth drove a significant increase in the demand for residential construction. Construction employment grew by 6.7% in 2021, translating to 2,200 new jobs. Most of this employment growth occurred in specialty trades, like plumbers and electricians, as well as contractors building residential single-family homes. Commercial building also accelerated during this time, adding over 300 jobs in 2021. Employment growth in building and specialty trades continued in 2022, which coupled with a surge in oil and gas pipeline construction employment, generated nearly 3,000 new construction jobs in 2022. Figure 4 shows the change in construction employment since 2015 and the annual employment growth.

FIGURE 4: CONSTRUCTION EMPLOYMENT GROWTH IN MONTANA

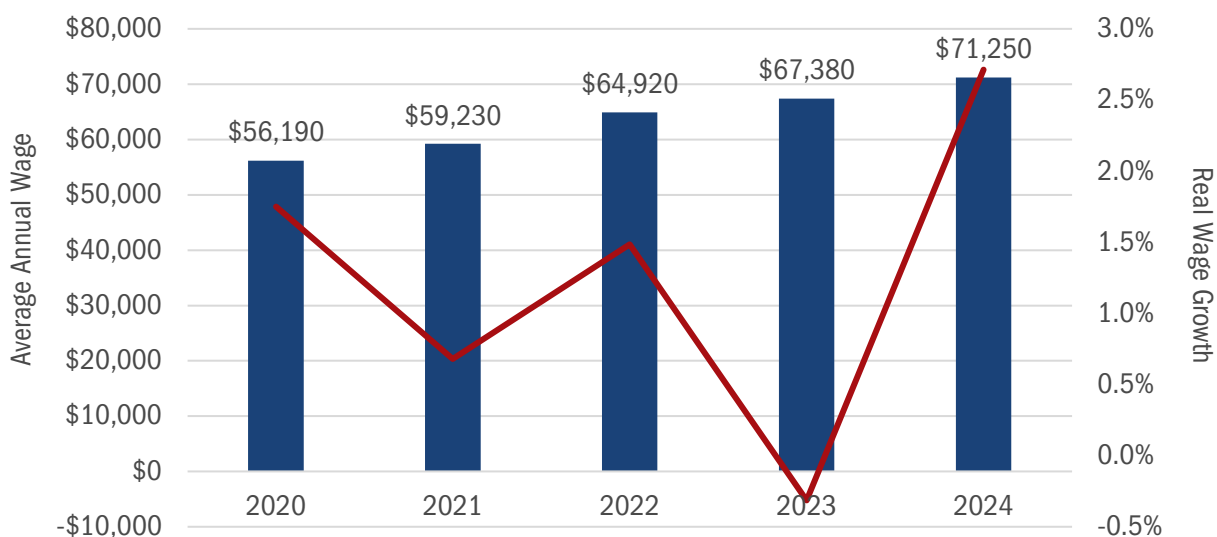


Source: U.S. BLS QCEW.

Wages in the construction industry grew faster than the statewide average during these years, as construction companies accelerated hiring to meet rapidly growing demand. Real wage growth has averaged 1.3% per year since 2019, growing faster than the cost of living and suggesting an increase in standard of living for construction workers. Figure 4 shows the average annual wage for Montana's construction workers and the real wage growth since 2020.



FIGURE 5: CONSTRUCTION AVERAGE ANNUAL WAGE AND REAL WAGE GROWTH



Source: U.S. BLS and MTDLI, QCEW and CPI-U

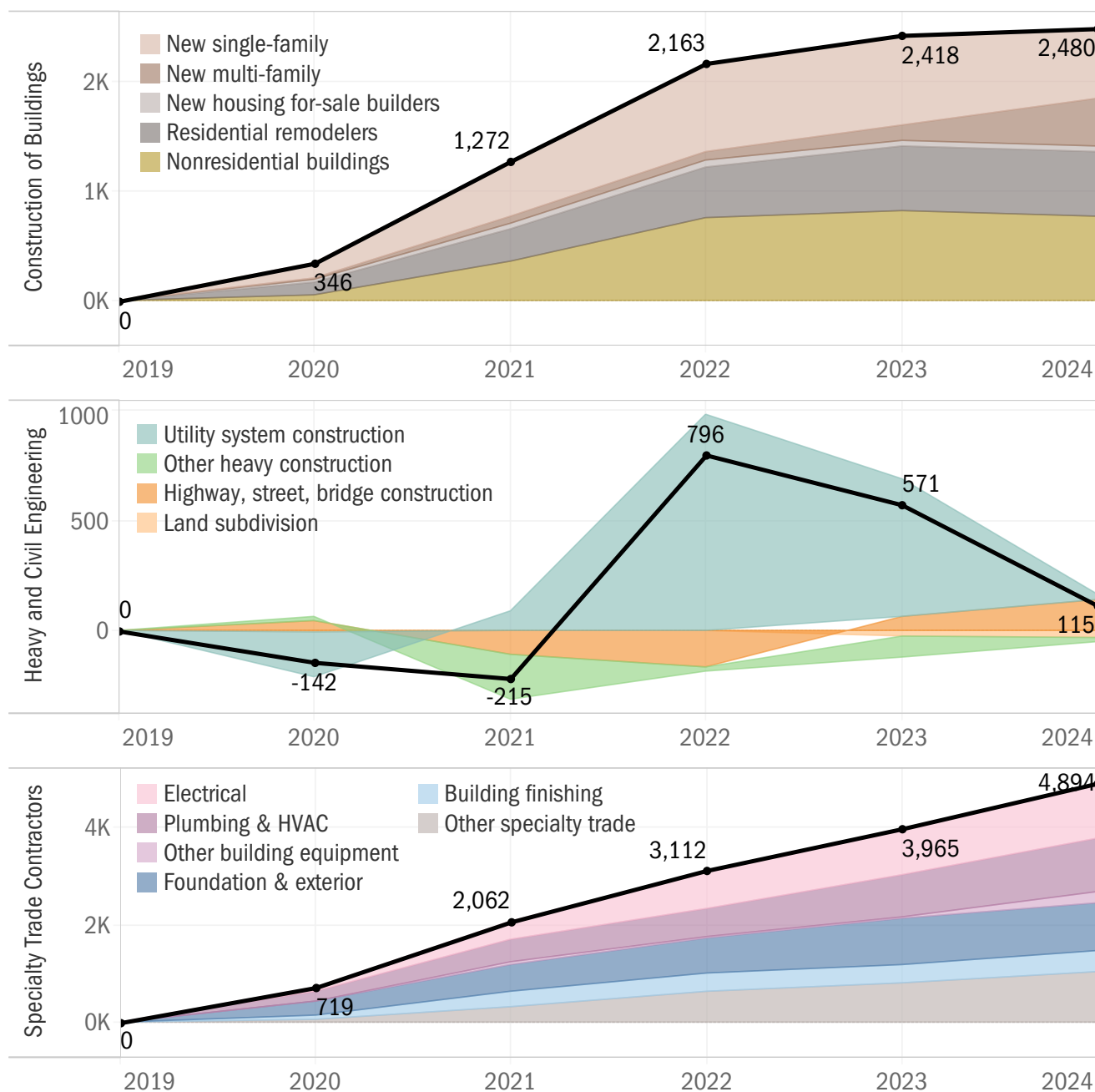
Residential and commercial construction slowed in 2023, partly in response to rising interest rates and building costs. Lumber prices doubled between March of 2020 and March 2022.¹ Inflation reached a forty-year high in June of 2022 of 9.1%, which initiated a period of interest rate hikes by the Federal Reserve Bank to combat inflation.² The average rate on a 30-year mortgage rose from 3.1% in January 2022 to 7.75% by the end of 2023.³ Increased borrowing costs and rising home values quelled demand, and home sales dropped by 38% to record lows in 2023.⁴

Total construction employment remained positive in 2023, adding over 800 jobs during the year. Most of the job growth occurred in specialty trade contracting, which has been a stable source of employment growth for the industry over the past five years. Plumbing, HVAC, and electrical contractors accounted for almost half of the job gains among specialty trade contractors. Figure 6 shows the growth in employment among construction subindustries since 2019.

Construction employment growth slowed again in 2024. The industry added 540 jobs, translating to 1.4% growth. Employment growth in specialty trades contracting offset declines in heavy and civil engineering construction. New single-family home building employment also fell in 2024 but was offset by an increase in multi-family construction jobs. Multi-family housing starts are forecasted to increase in Montana over the next ten years as the market shifts to producing lower-cost, high-density housing to increase supply and address affordability concerns.⁵



FIGURE 6: TOTAL JOBS ADDED IN CONSTRUCTION BY DETAILED INDUSTRY SINCE 2019, MONTANA



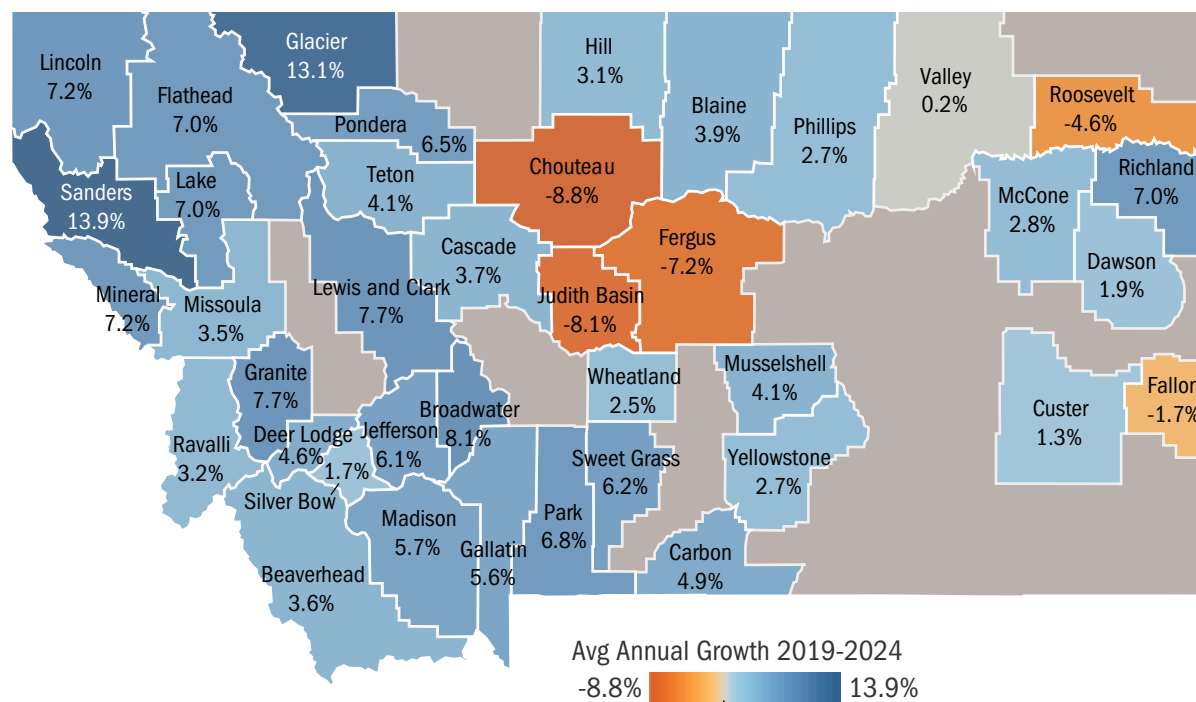
Source: U.S. BLS QCEW. Black line represents total jobs added in the industry, colored lines represent detailed industry contributions to total growth.

Over the next ten years construction employment is projected to grow by 1% per year, slightly below the long-run average. Most of the growth is estimated to occur in building construction and specialty trade contracting, while heavy and civil engineering construction employment is projected to remain stable. Faster growth is projected in the near term driven by elevated migration rates. However, over the longer run construction employment growth is projected to slow but remain positive.⁶

REGIONAL TRENDS IN CONSTRUCTION

Construction job growth over the last five years has been concentrated in the western portion of the state, driven by population growth and an increase in demand for residential housing. Figure 7 shows the average construction employment growth rate at private construction firms by county since 2019. The northwest portion of the state experienced the largest influx of in-migration in Montana, followed by the southwest region.⁷ These regions also experienced the fastest growth in construction.

FIGURE 7: PRIVATE CONSTRUCTION EMPLOYMENT GROWTH BY COUNTY, 2019-2024



Source: U.S. BLS QCEW. Counties missing where data is non-disclosable.

Lewis and Clark County reported the fastest growth in construction employment among the state's most populated counties. The 7.7% growth in Lewis and Clark was driven by increased demand for residential construction and increased heavy and civil engineering construction. Gallatin County added the most private construction jobs (1,891), followed by Flathead County (1,373 jobs) and Lewis and Clark County (651 jobs).

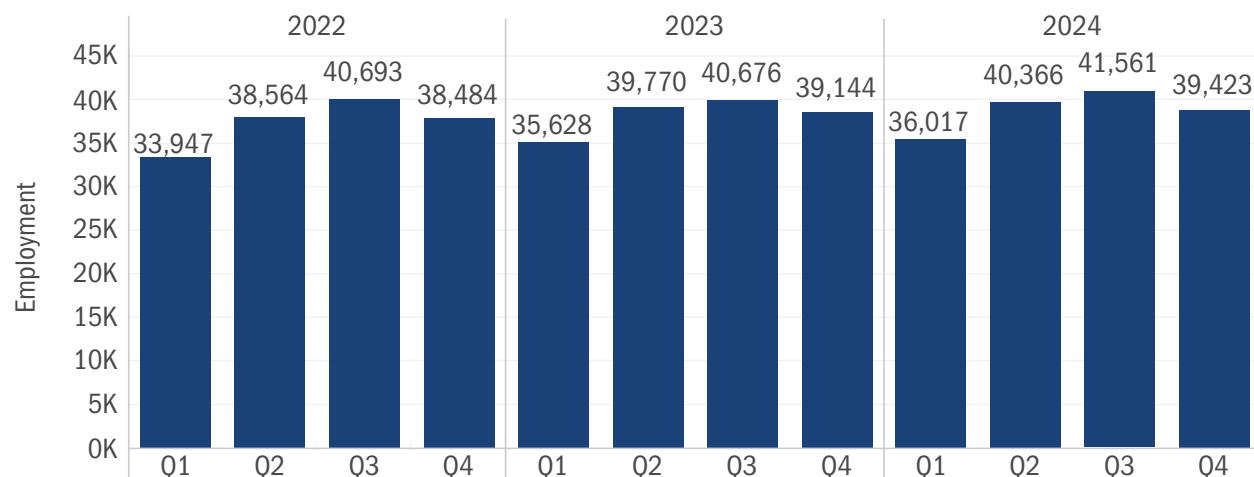
Over the next ten years construction employment is projected to grow by 1% per year in the Northwest and Southwest regions of the state, which include Missoula, Flathead, Gallatin, and Lewis and Clark counties. Construction in the South-Central region, where the city of Billings is located, is expected to grow at 1% per year. More rural regions of the state are projected to see slower growth, driven by more persistent outmigration and limited growth in heavy and civil engineering construction.⁸



SEASONAL EMPLOYMENT TRENDS

The state's construction sector expands and contracts throughout the year, peaking in the warmest months of the year, July through September. In the spring and summer, construction businesses hire an average of 5,800 additional workers to help meet the increased demand for their services. Over 10 percent of the construction workforce are laid off in the colder months as business slows. In 2024, Montana's third quarter construction employment averaged 41,561 jobs, while the first quarter averaged employment of only 36,017.

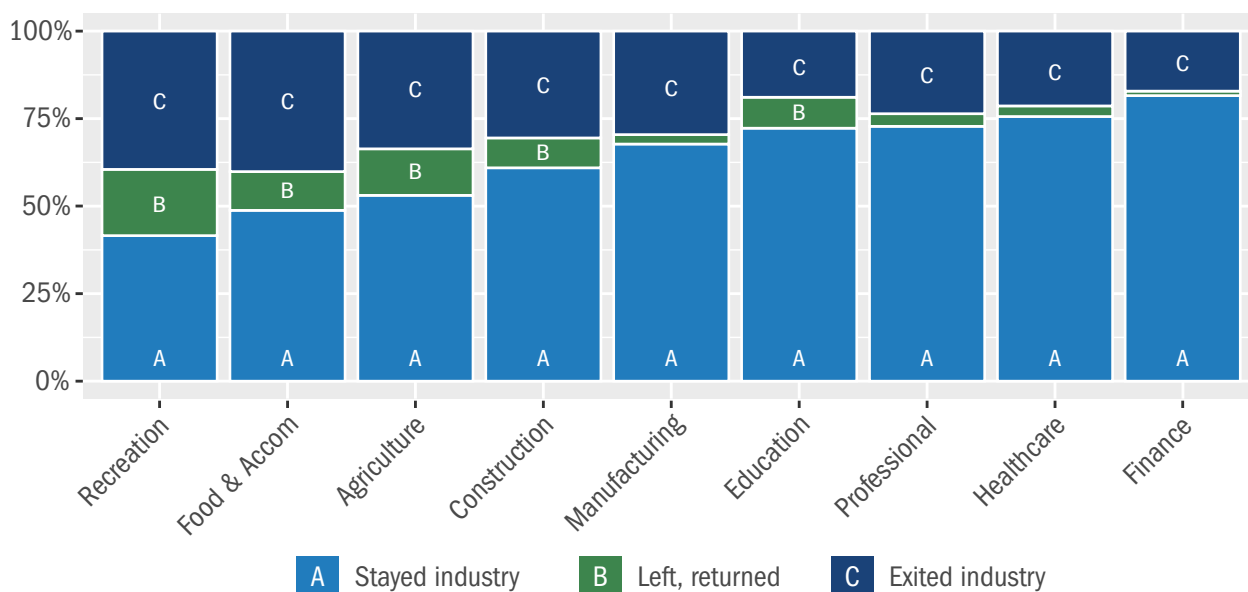
FIGURE 8: MONTANA CONSTRUCTION EMPLOYMENT BY QUARTER, 2022-2024



Source: U.S. BLS QCEW.

The seasonal nature of construction employment generates more turnover in the industry. Turnover increases worker demand as businesses hire to replace those who exit in the offseason and don't return. Figure 9 shows the workforce retention by industry, measuring the percentage of workers in 2023 who were working in the same industry in the following year. Approximately 30% of construction workers no longer worked in the industry in 2024. Some of these workers may have retired, changed careers, or moved out of state.

FIGURE 9: WORKFORCE RETENTION BY INDUSTRY, 2023-2024



Source: MTDLI analysis of UI wage data and QCEW data. Retention evaluated 4-quarters after Q2 or Q3 2023.

CONSTRUCTION WORKER PROFILE

Predominately Male Workforce

89% of construction workers are men*

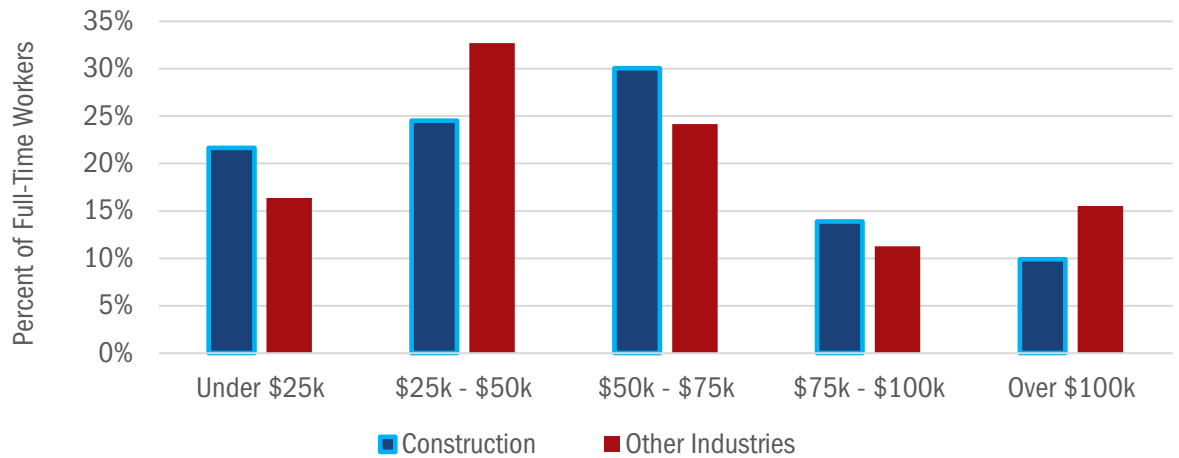
Less College Education

Over half with high school degree or less*

Younger Workforce

60% under the age of 45*

CONSTRUCTION ANNUAL EARNINGS FOR FULL-TIME WORKERS



Source: CPS ASEC 2021-2024.

WORK MORE HOURS PER WEEK

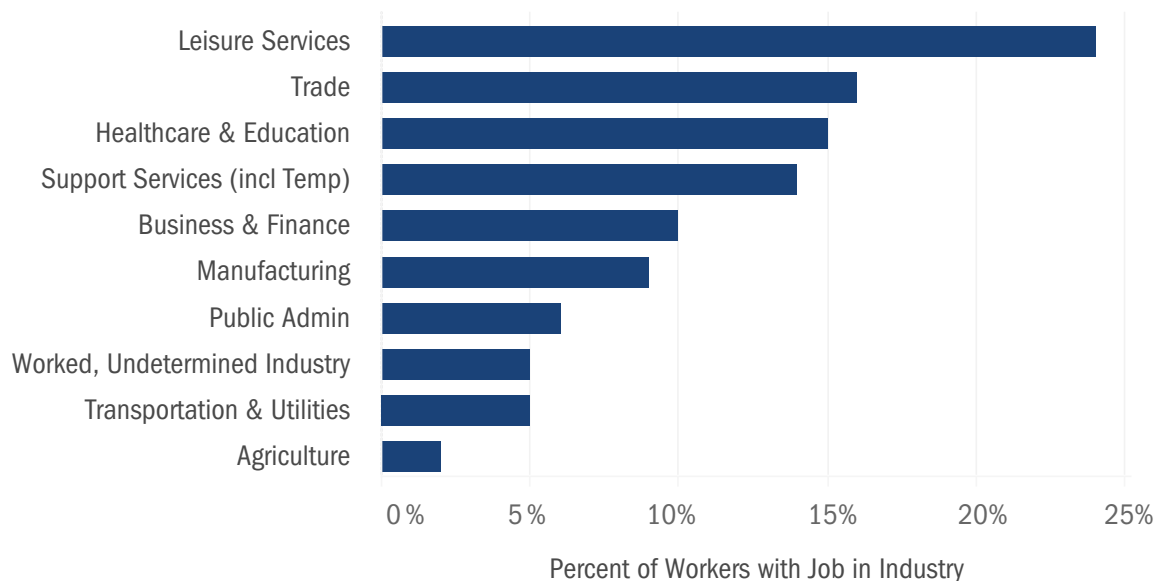
85% work 40 hours or more per week.

*Source: CPS 2021-2024

OFFSEASON INCOME

During the offseason, 9% of construction workers rely on unemployment insurance and 21% earn income by working in another industry.

TOP INDUSTRIES FOR OFFSEASON EMPLOYMENT AMONG CONSTRUCTION WORKERS



Source: MTDLI analysis of UI wage records and QCEW. Represents those who worked in construction in Q3 2023. Offseason defined as Q4 2023 and Q1 2024. Total adds up to more than 100% due to some working in multiple industries.

LOOKING AHEAD: CONSTRUCTION WORKER DEMAND

Montana's construction industry has been a key driver of economic growth in the state, facilitating the development of commercial and residential buildings and critical infrastructure. Continued growth in construction will depend upon the availability of a highly trained workforce to fill job openings generated by worker turnover and industry growth. The Montana Department of Labor and Industry (MTDLI) estimates 3,700 annual job openings in construction over the next ten years in a variety of different roles, primarily to replace workers who leave the industry.

Figure 10 shows the top ten most common occupations in the construction industry along with wages, training requirements, and projected demand for each occupation. Demand is measured by the total number of annual job openings projected in each occupation. Total job openings include openings generated by turnover and retirements, as well as new job creation.

FIGURE 10: TOP 10 LARGEST OCCUPATIONS AT CONSTRUCTION FIRMS, 2024

Detailed Occupation	Employed	Avg Wage	Annual Total (Incl Transfers) Openings 2024-2034	Annual Growth and Replacement Openings 2024-2034	Projected Growth 2024-2034	Training Requirements
Construction Laborers	4,100	\$51,450	380	170	15%	No formal credential
Carpenters	3,890	\$58,330	360	160	10%	High school
First Line Supervisors	3,770	\$75,050	350	160	11%	5+ years work experience
Electricians	2,380	\$65,780	280	120	20%	License
Operating Engineers & Equipment Operators	1,980	\$62,700	170	70	7%	License
Plumbers	1,600	\$72,080	140	50	11%	License
Construction Managers	1,410	\$114,000	140	60	15%	Bachelor's
Office Clerks	1,340	\$47,140	210	90	-1%	High school
Bookkeeping Clerks	1,010	\$51,860	70	40	-2%	Some college
Heavy Truck Driver	890	\$56,680	90	40	11%	Certification

Source: MTDLI Analysis of 2024 OEWS and Occupational Projections 2024-2034.

The most common occupations among construction workers include general roles like carpenters and construction laborers; management roles like first-line supervisors; specialized licensed roles like plumbers and electricians; and administrative support roles like office clerks and bookkeepers. Operating engineers & equipment operators are critical in the state's large-scale energy and infrastructure projects, including highway construction. Over 60% of all construction job openings are projected to occur in one of these ten occupations. Half of the top occupations in construction earn wages above the statewide average, with construction managers earning the highest average wage among the top ten at \$112,080 annually.



As the construction industry adapts to meet Montana’s changing infrastructure and building needs, the demand for certain construction workers is expected to accelerate. Figure 11 shows the fastest growing occupations in the construction industry that have at least ten projected annual openings. Many of the fastest growing jobs are involved in the construction of residential and commercial buildings, like electricians, HVAC mechanics, and tile setters.

FIGURE 11: TOP 10 FASTEST GROWING CONSTRUCTION OCCUPATIONS IN MONTANA, 2024

Occupation	Projected Growth 2024-2034	Annual Total (incl Transfers) Openings 2024-2034	Annual Growth and Replacement Openings 2024-2034	2024 Average Wage	Requirements
Electricians	20%	280	120	\$65,790	License
HVAC Mechanics	18%	120	60	\$61,191	Certification
Tile and Stone Setters	18%	30	10	\$55,690	No formal credential
Construction Managers	15%	140	60	\$104,000	Bachelor’s Degree
Construction Laborers	15%	380	170	\$51,450	No formal credential
Roofers	12%	40	20	\$53,440	No formal credential
Landscaping Workers	12%	40	10	\$44,410	No formal credential
First Line Supervisors	11%	350	160	\$75,050	5+ years work experience
Iron and Steel Workers	11%	20	10	\$57,620	High school
Heavy Truck Driver	11%	90	40	\$56,680	Certification

Source: MTDLI Analysis of 2024 OEWS and Occupational Projections 2024-2034.

CREDENTIAL REGISTRY TO PROVIDE A CLEARER PICTURE OF WORKER SUPPLY.


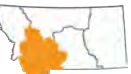

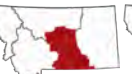

Current estimates of construction worker supply don’t include trainings outside of the state’s postsecondary education system or MT registered apprenticeship program. Thus, the gap analysis presented in Figure 12 likely underestimates the supply of construction workers in Montana. The development of a Credential Registry will allow for the inclusion of workers holding a professional certification and industry-recognized credentials in future analysis.

The STARS Act (HB 252), enacted during the 2025 Montana Legislative session, directs the Department of Labor & Industry to establish a statewide registry of industry-recognized credentials (IRC) and work-based learning (WBL) experiences that students can complete while still in high school. Montana schools will receive increased funding for career programs based on the number of students completing those IRCs and WBL. Schools will also receive funding for students who complete a dual enrollment associate-level degree while in high school. IRCs and WBLs eligible for funding will be determined through an annual rulemaking at DLI.

WORKER TRAINING AND LICENSING

Most of the projected job openings (89%) in the construction industry will not require a college degree. The primary pathways to prepare construction workers are through the state's K-12 education system, registered apprenticeship programs, and certificate and technical education programs. Figure 12 identifies potential gaps in the state's postsecondary workforce training system for construction occupations. Nearly all the construction jobs are undersupplied by the postsecondary system in at least one area of the state. The demand for some of these jobs may be met by trainings outside of the postsecondary system. Additional supply for these occupations may come from professional certifications and industry recognized credentials.

FIGURE 12: SUPPLY AND DEMAND ANALYSIS OF CONSTRUCTION WORKERS FROM POSTSECONDARY SYSTEM

Occupation	Training Reqs	Apprentice Available?	Northwest	Southwest	North Central	South Central	Eastern
							
Boilermakers	High school	Yes	Over	Meets	Over	Under	Under
Brickmasons	High school	Yes	Under	Under	Under	Under	Under
Carpenters	High school	Yes	Under	Under	Under	Under	Under
Construction laborers	No formal credential	Yes	Under	Under	Under	Under	Under
Construction and building inspectors	Course/exam		Under	Under	Under	Under	Under
Construction managers	Bachelor's		Under	Meets	Under	Under	Under
Electricians	License	Yes	Under	Meets	Under	Under	Under
First-line supervisors	5+ years work experience		Under	Under	Under	Under	Under
Glaziers	High school	Yes	Under	Under	Under	Under	Under
HVAC mechanics	Certification	Yes	Under	Under	Under	Under	Under
Truck drivers	Certification		Under	Under	Under	Under	Under
Construction equipment operators	License	Yes	Under	Under	Under	Under	Under
Plumbers, pipefitters, and steamfitters	License	Yes	Under	Under	Meets	Under	Under
Roofers	High school	Yes	Under	Under	Under	Under	Under
Sheet metal workers	High school	Yes	Meets	Meets	Under	Under	Meets
Structural iron & steel workers	High school	Yes	Under	Under	Under	Under	Under
Welders	High school	Yes	Meets	Over	Over	Meets	Meets

Source: Montana Post-Secondary Workforce Report, 2022, MTDLI. MTDLI 2020-2030 Occupational Employment projections. Graduate data from IPEDS and RAPIDS. Demand is sum of occupation demand historically filled by graduates from the program according to 2015-2019 ACS IPUMS micro data. Only graduates from institutions located in the region are included in supply.

Registered Apprenticeships are the primary pathway for many construction occupations. Most apprentices are training to become electricians and plumbers. Carpenters, sheet metal workers, and structural iron and steel workers are the next most common roles, with a wide and growing variety of additional occupations available across the state. Construction apprenticeship programs have grown in popularity over the last five years. The number of active Montanan apprentices in the construction trades has grown by about 45% from 2019 to 2025.

Preparation for the construction trades can begin early in Montana. Many high schools in the state have career technical education programs in the construction trades. The Office of Public Instruction provides an established Design & Construction Career Pathway, with recommended courses and a suggested High School Plan of Study. Local schools may use this pathway to design their own programs if there are instructors and financial resources available.

The Montana Contractors Association has developed the Build Montana program for schools, providing curriculum, industry recognized credentials, and work-based learning opportunities in the construction trades. Build Montana currently operates in Billings, Kalispell, Missoula, and Great Falls and is seeking to expand partnerships in additional school districts. Pre-Apprenticeship programs in the trades are limited but growing; the AFL-CIO recently announced an effort to expand partnerships to bring the Multi-Craft Core Curriculum pre-apprenticeship program to more high schools and tribal colleges in Montana.

An estimated 36% of Montana's construction workforce hold a professional certification in addition to other educational training they may have completed.⁹ These include accredited licenses like CDLs, safety certifications through OSHA, and recognition by professional organizations like LEED Green Associates and Certified Professional Constructors. The attainment and recognition of advanced skills is often associated with higher wages for workers, and wage premiums for license holders. Micro credentials like Job Site Ready offer rapid training options to better prepare workers for success in entry level positions. Larger employers in the state have also created formal on-the-job training programs that develop essential skills in the construction trades. The STARS Act's Credential Registry will give a broader view of the variety of pathways that Montanans take in entering these skilled positions.

About 11% of workers in the construction industry hold a professional license that's governed by a licensing board. Figure 13 shows the sectors of the construction industry with the greatest proportions of license holders, as well as the average annual wage for licensed and unlicensed employees at those firms in 2024. The firms with the greatest proportion of licensed work are electrical, plumbing and HVAC, and other building equipment contractors.



FIGURE 13: BUSINESSES WITH THE LARGEST SHARE OF LICENSED WORKERS, MONTANA 2024

Industry Sub-sector	% Licensed	# Licensed	Quarterly Avg Licensed Wage	Quarterly Avg Non-licensed Wage	Avg Wage Premium
Electrical contractors	36%	1,596	\$18,609	\$13,196	141%
Plumbing & HVAC contractors	21%	1,244	\$19,593	\$13,996	140%
Other equipment contractors	12%	82	\$28,919	\$14,478	200%
New housing construction	5%	290	\$15,309	\$12,670	121%
Commercial & institutional building construction	4%	161	\$23,515	\$17,485	134%
Framing, siding, foundation contractors	3%	76	\$16,891	\$12,248	138%

Source: MTDLI Analysis of QCEW and UI wage data, 2024 quarter 3. Wages and workers are from UI-covered firms—does not include sole proprietors. New housing construction includes new single-family housing, new multifamily housing, and new housing for-sale builders.

Most license holders in the construction industry are plumbers and electricians, positions that consistently earn a higher wage relative to non-licensed workers in the industry. The licensed wage premium reflects high demand for these skills from construction firms, and a return on training to the workers who become licensed.

CONCLUSION

Montana's construction industry is foundational to the state economy, employing a significant portion of the workforce in high-paying jobs. Construction facilitates other economic activity through the creation of spaces for businesses to operate, people to live, and commerce to travel. The expansion of workforce training opportunities in the construction industry, through registered apprenticeship and postsecondary credentialing, will help address critical workforce shortages and allow the industry to continue to grow. The Montana Department of Labor and Industry remains committed to investing in workforce development and training opportunities for the state's growing construction industry.



ENDNOTES

- 1.....U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: Lumber and Wood Products: Lumber [WPU081], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WPU081>, June 26, 2025.
- 2.....BLS CPI-U All items.
- 3.....Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>, June 26, 2025.
- 4.....S&P Global Forecast
- 5.....S&P Global Forecast
- 6.....MTLDI Employment Projections by Industry 2024-2034.
- 7.....U.S. Census Bureau, Annual Resident Population Estimates, Estimated Components of Resident Population Change: April 1, 2020 to July 1, 2024.
- 8.....MTLDI Employment Projections by Industry 2024-2034.
- 9.....BLS CPS 2021 – 2024, IPUMS.