



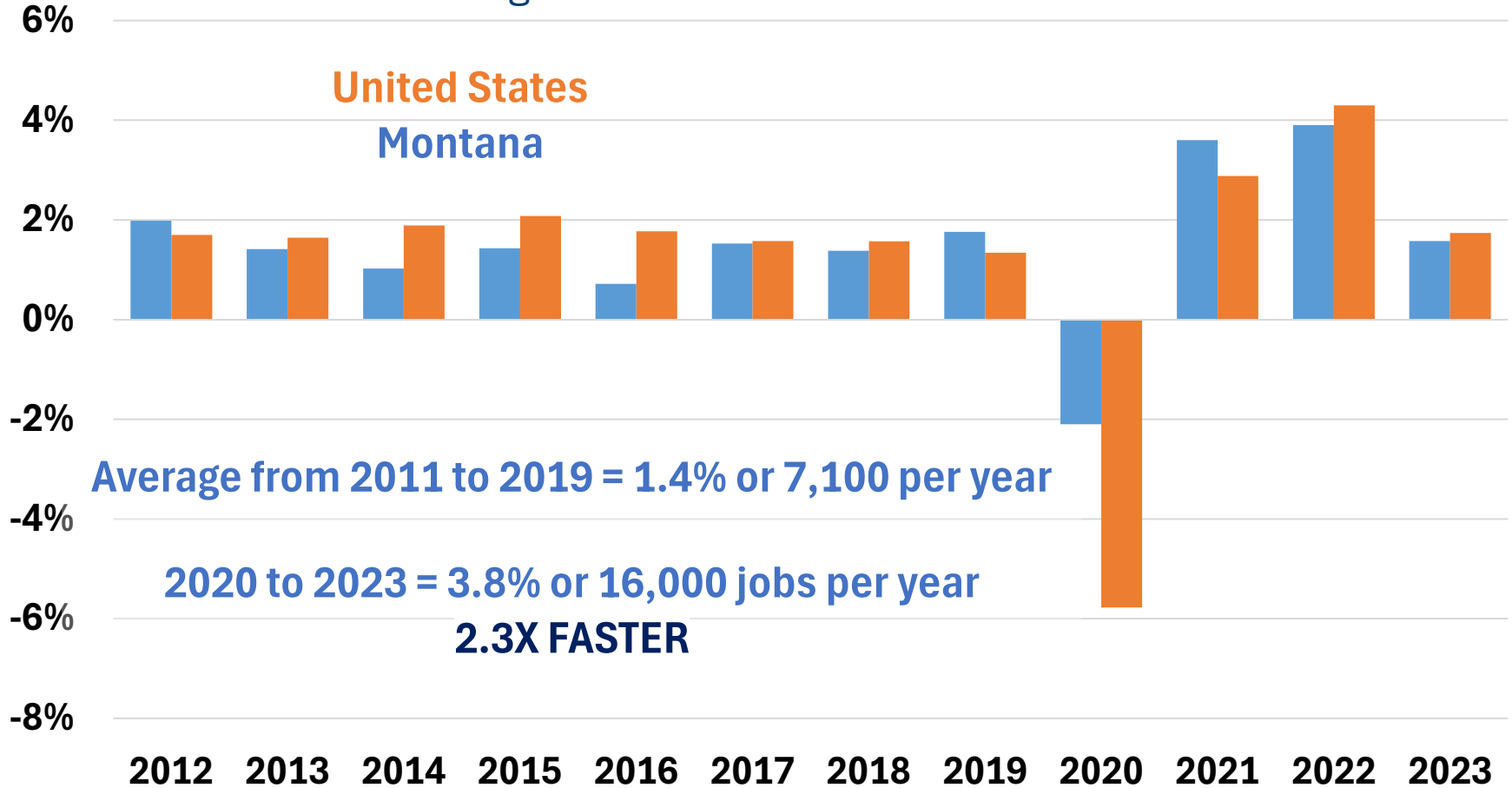
NICK HOLOM, SENIOR ECONOMIST  
NICHOLAS.HOLOM@MT.GOV



Montana Department of  
**LABOR & INDUSTRY**

# Steady Job Growth in Montana

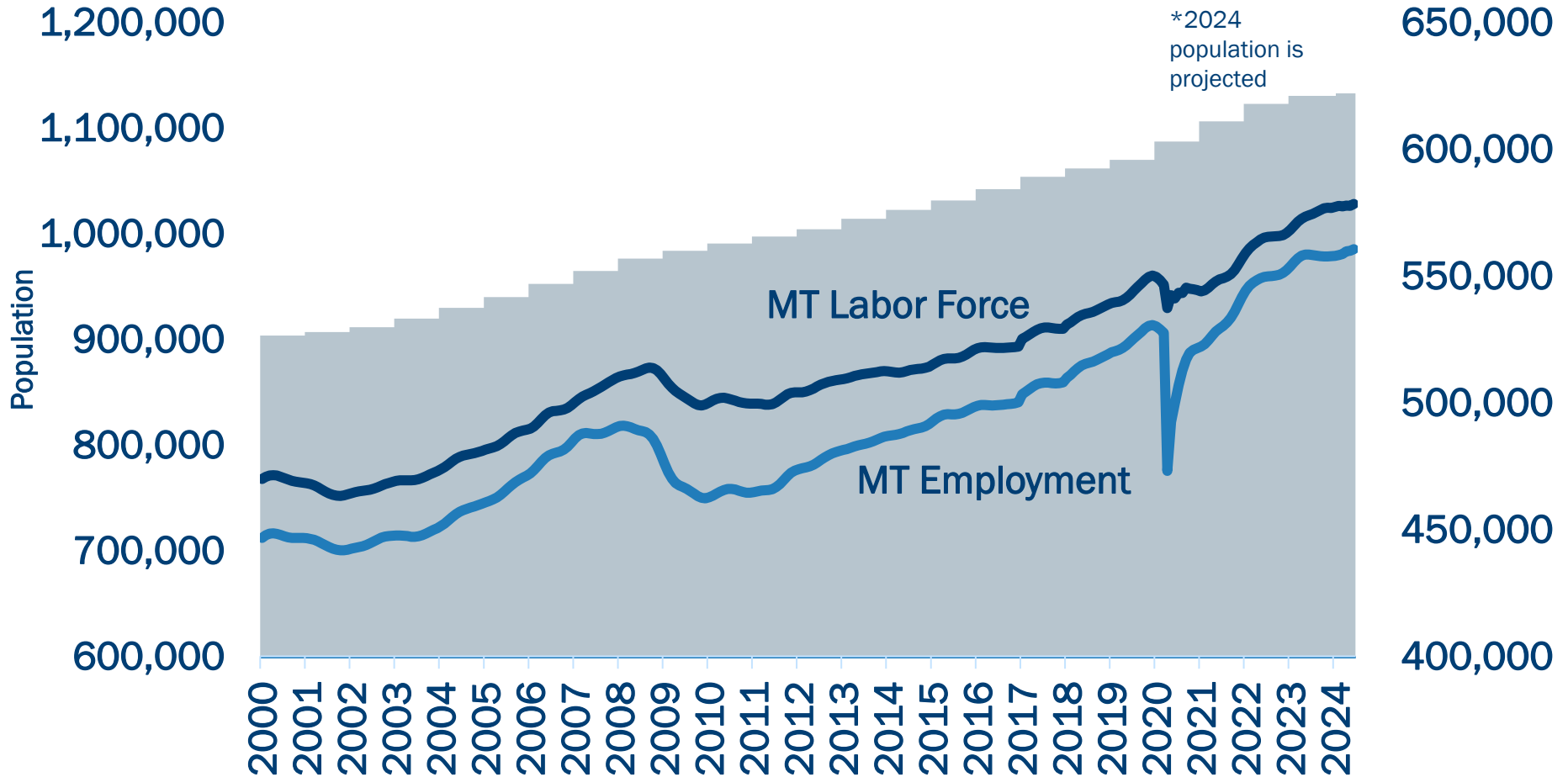
Following an extraordinary growth in 2021 and 2022.  
Montana returns to long-run trend.



Source: LAUS, BLS & MTDLI

# More Workers and People than Ever Before

Employment and Labor Force grows steadily post-pandemic



Source: US Census Bureau and Local Area Unemployment Statistics (LAUS).

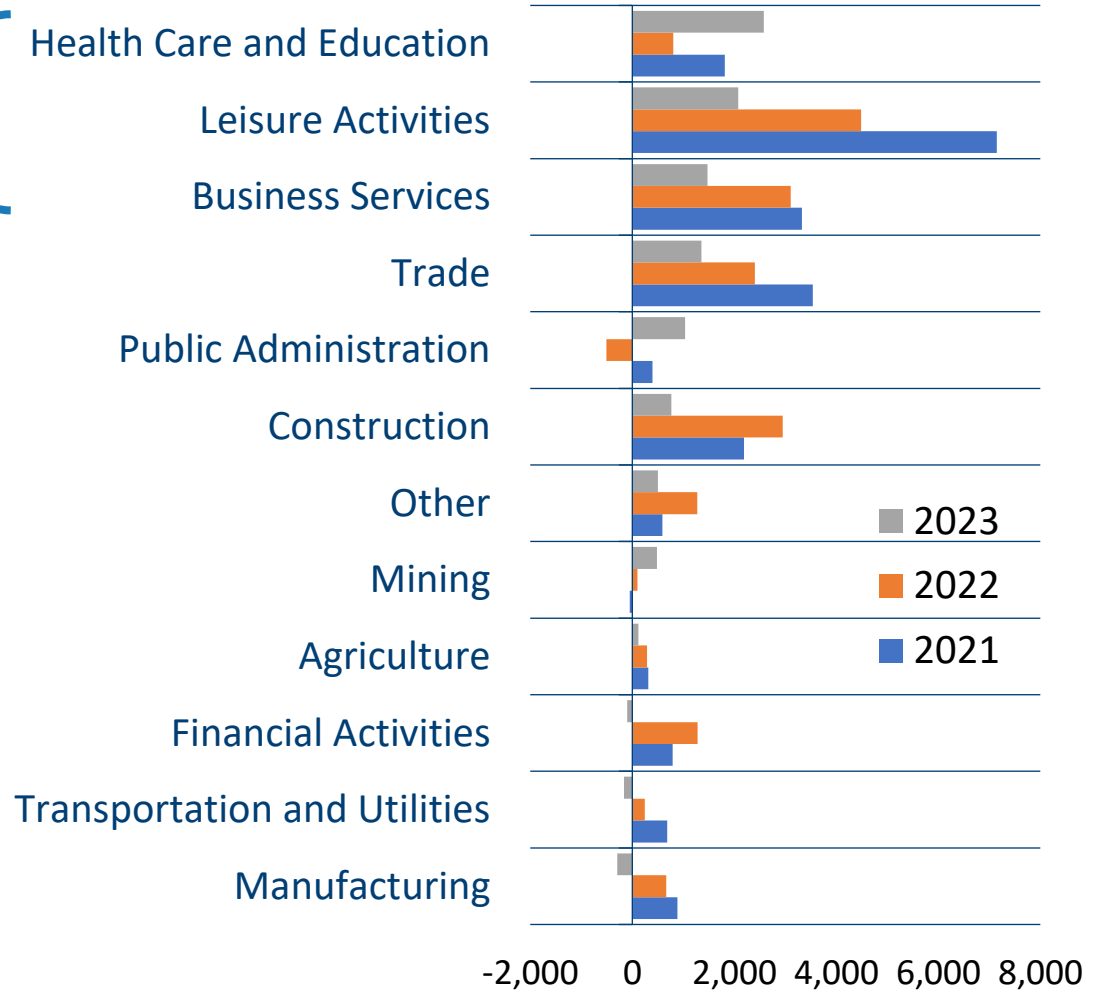
# Employment Growth Across Industries

Over half (58%) of job gains



All industries have surpassed pre-pandemic levels of employment.

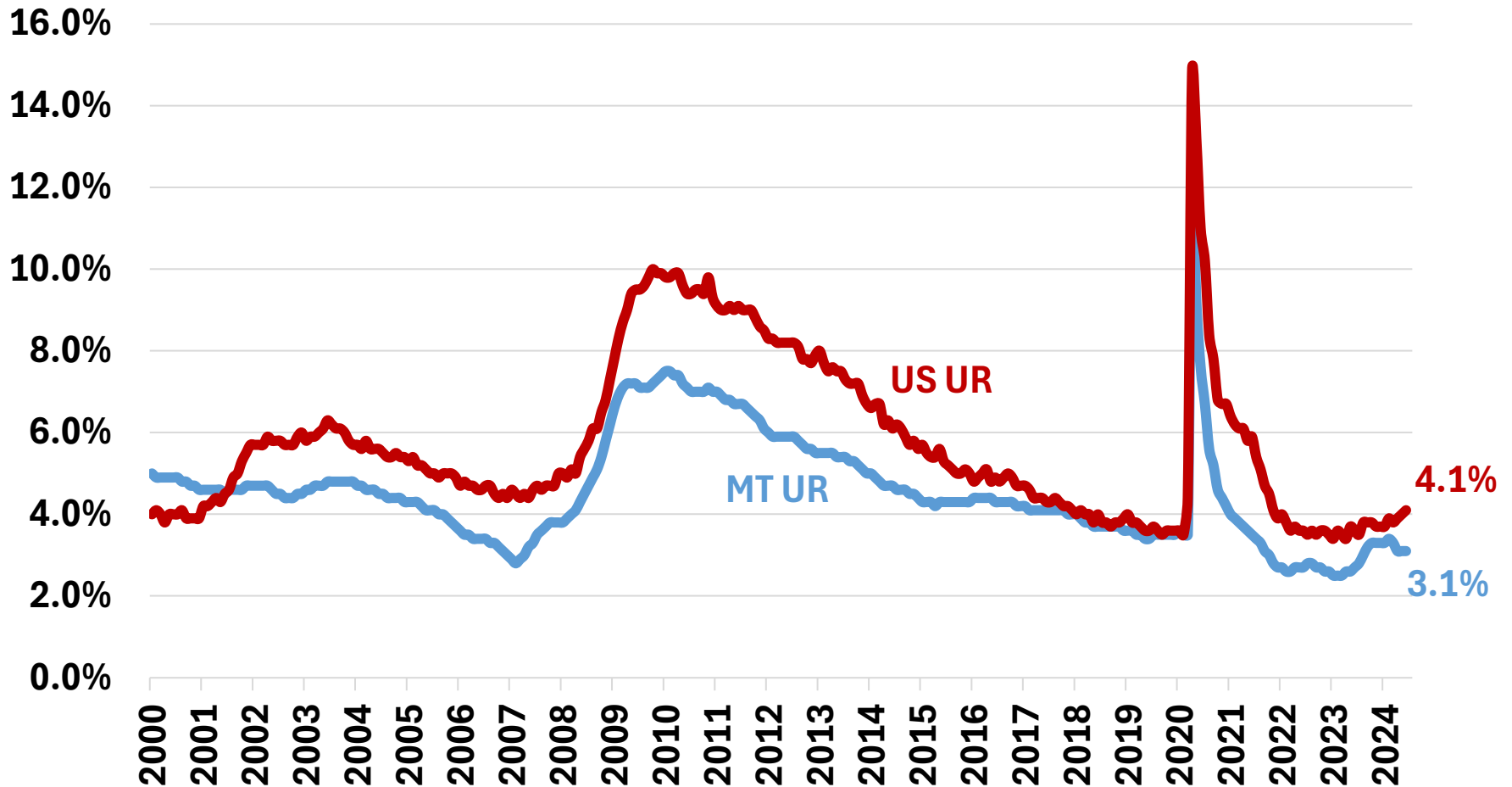
Most industries experienced job growth in 2023, except for manufacturing, transportation, and financial activities.



Source: BLS Quarterly Census of Employment and Wages.

# Unemployment Rate Hits Record Low in 2023

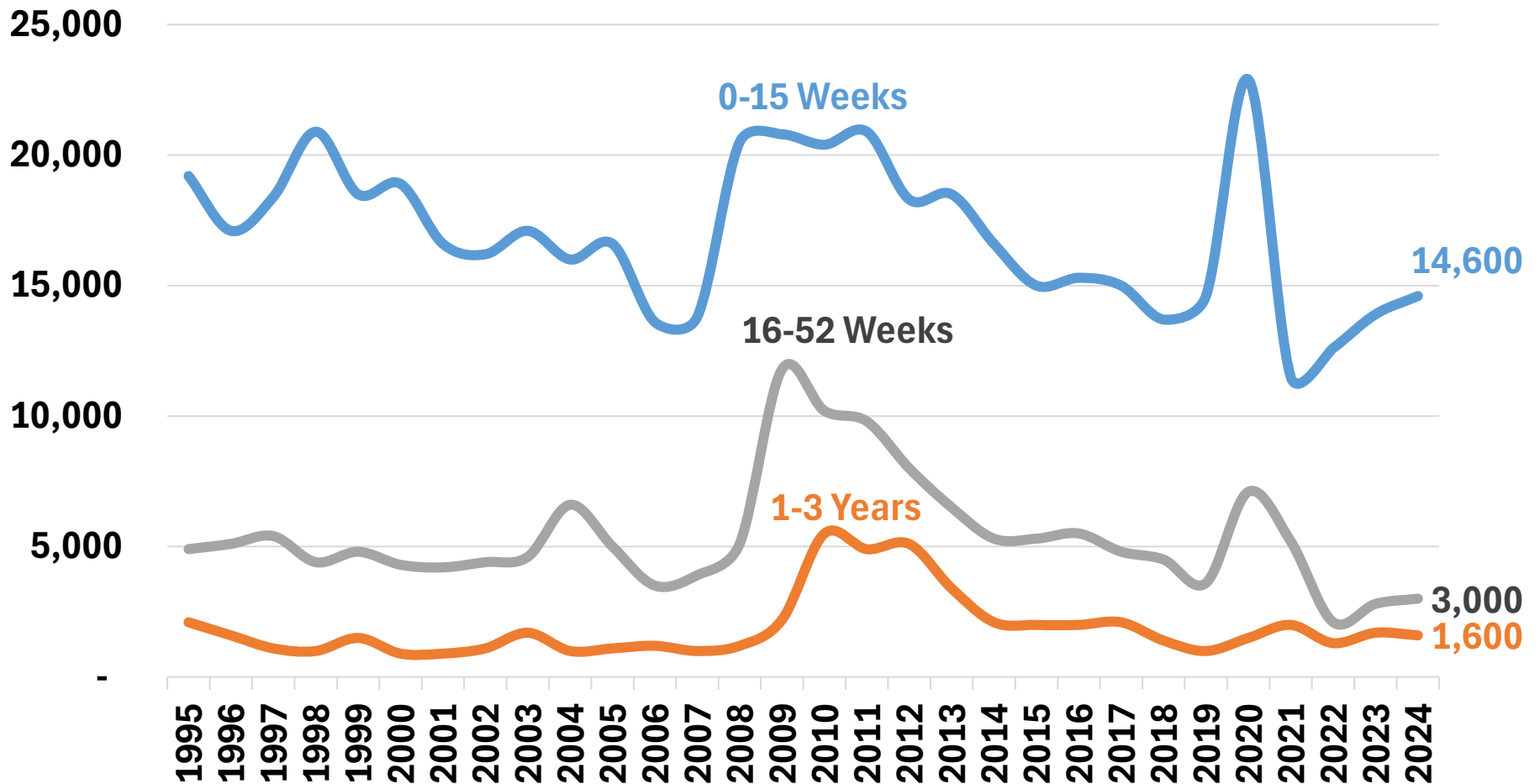
Some signs of increased labor market slackness in 2024.



Source: BLS Local Area Unemployment Statistics, through June 2024.

# Unemployment Durations Remain Low

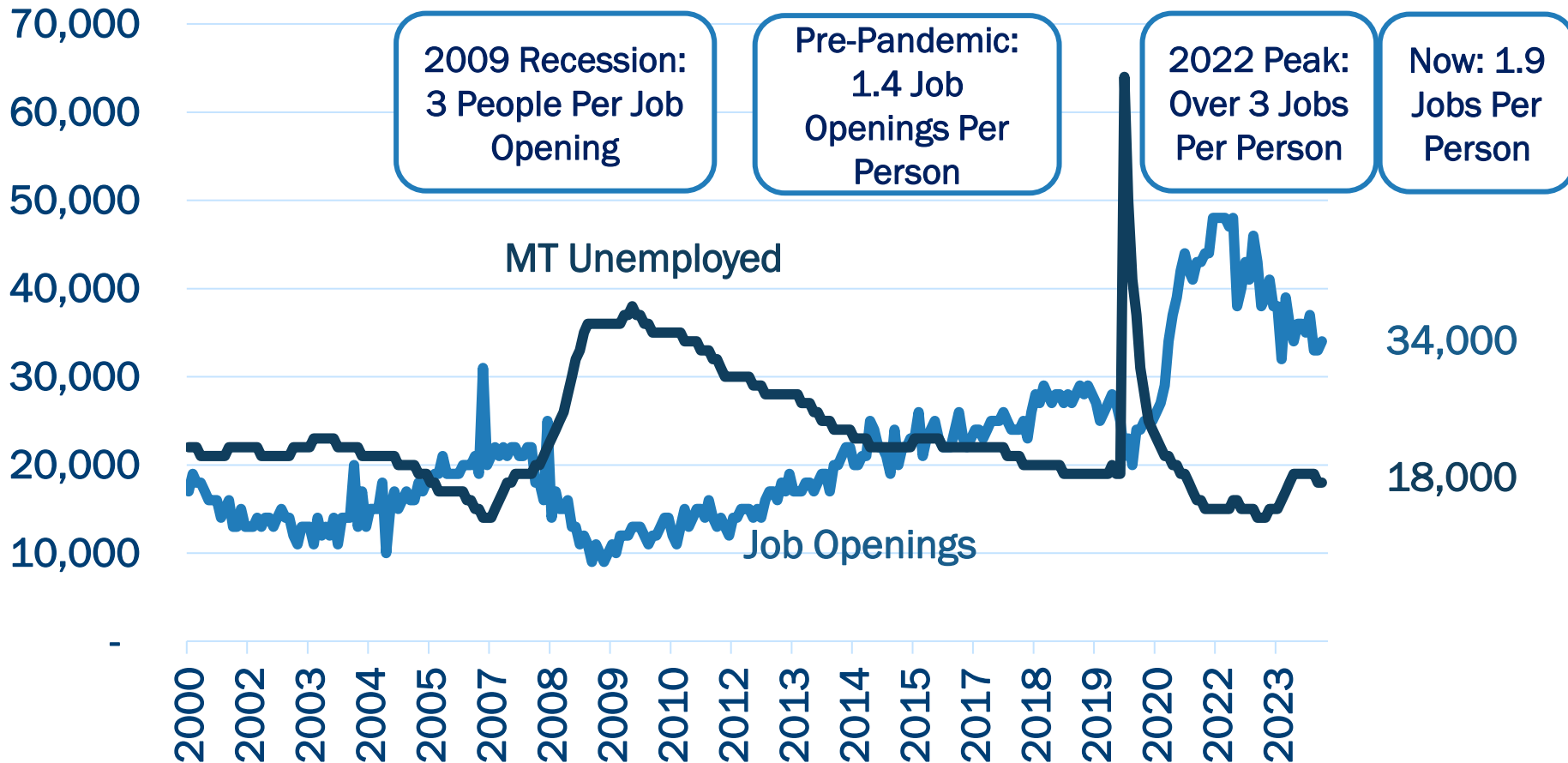
Increase in Unemployment Not Extending to Longer Durations.



Source: IPUMS Current Population Survey.  
Twelve-month moving averages, rounded to the nearest hundred.

# Tight Labor Markets Persist in Montana

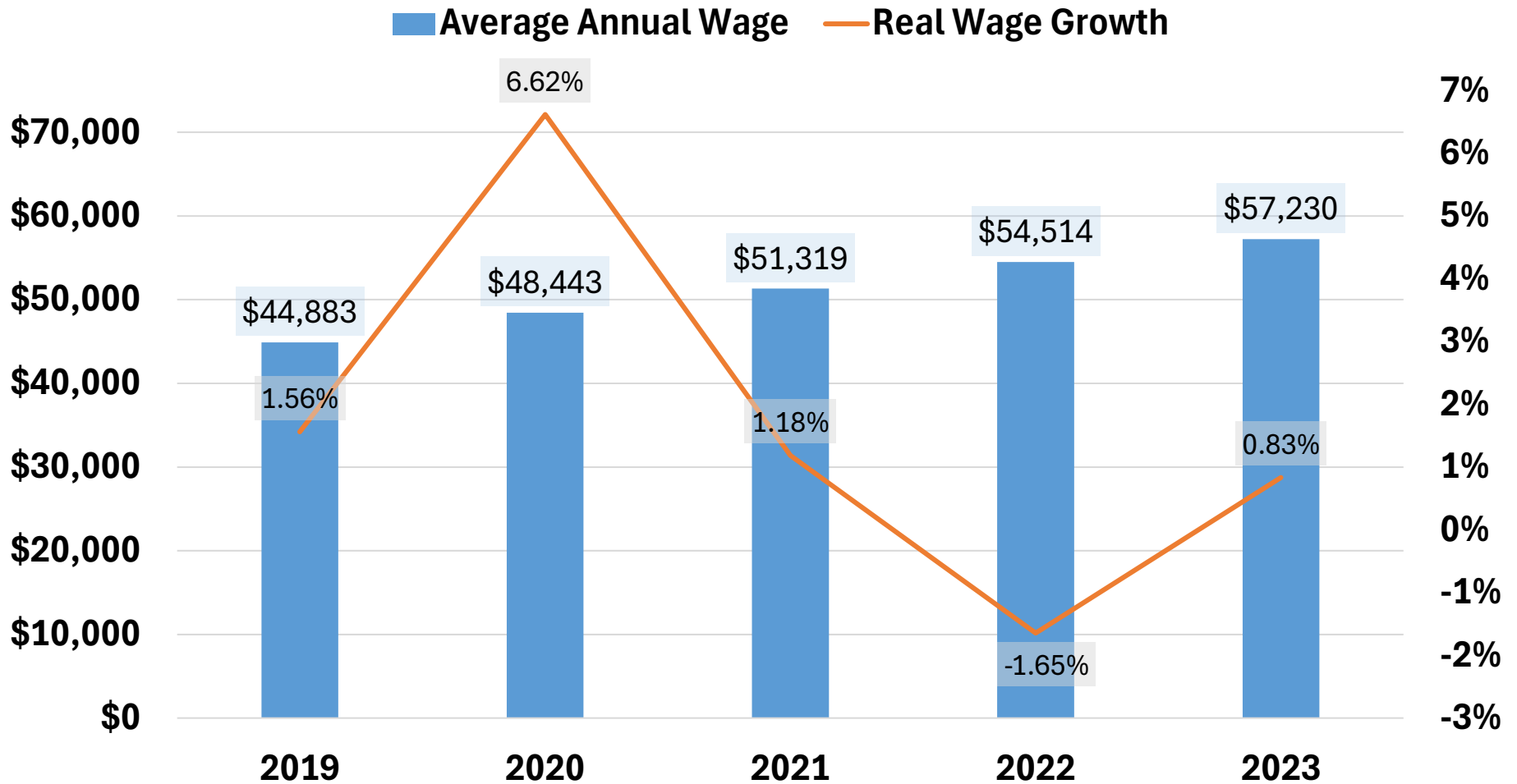
Characterized by two job openings for every one unemployed person



Source: JOLTS and LAUS, January 2000 to February 2024. Unemployment level is rounded to the nearest thousand.

# Wages Grew Faster Than Prices in 2023

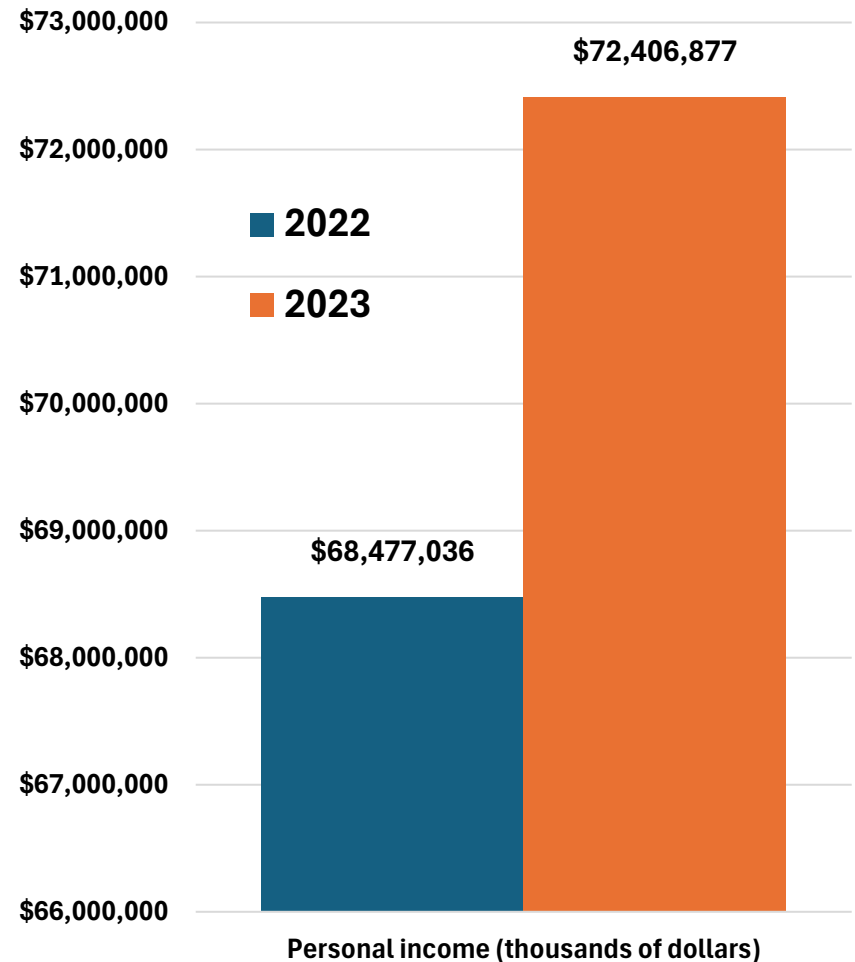
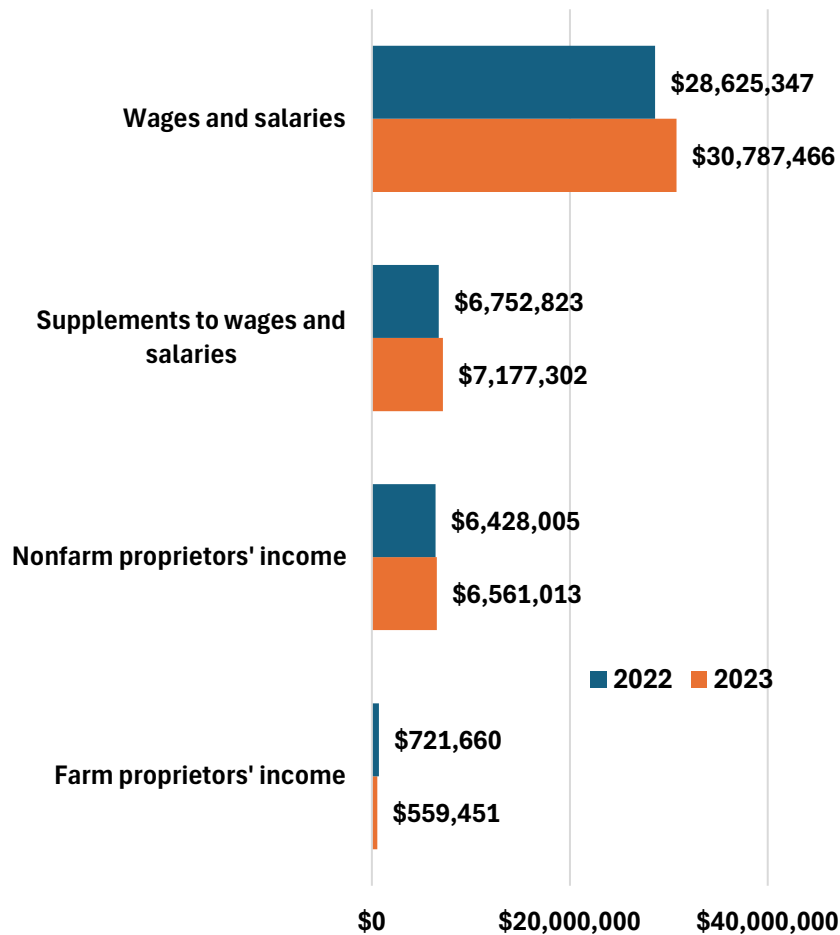
Reaches record-high in 2023– ranking Montana 28<sup>th</sup> highest among states.



Source: BLS QCEW

# Real Personal Income Growth 7.5% Annually Since 2020

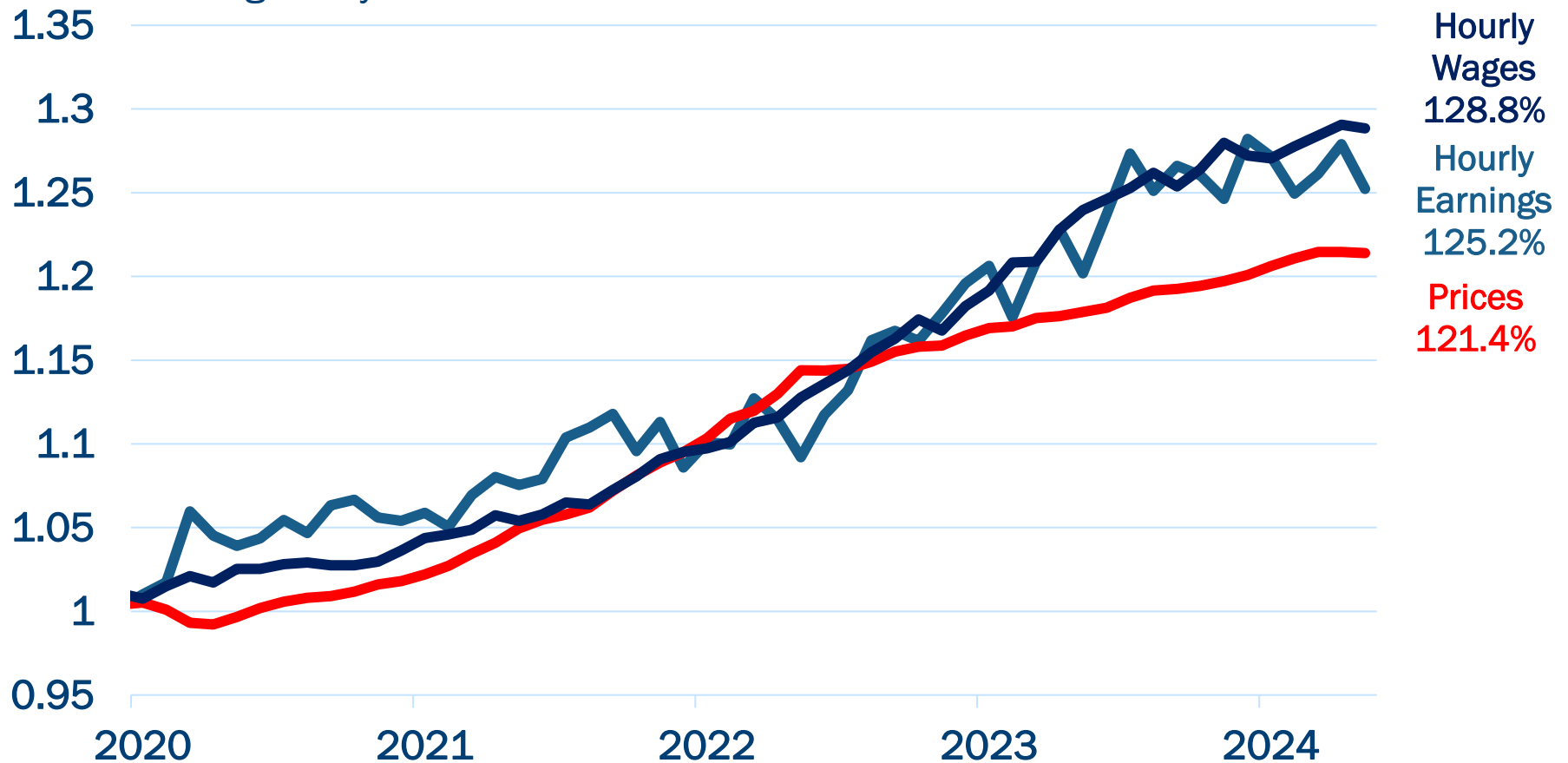
Person Income Growth Ranks 4<sup>th</sup> Among States Since 2020



Source: US Bureau of Economic Analysis

# More Recent Data Shows Real Wage Growth Is Continuing

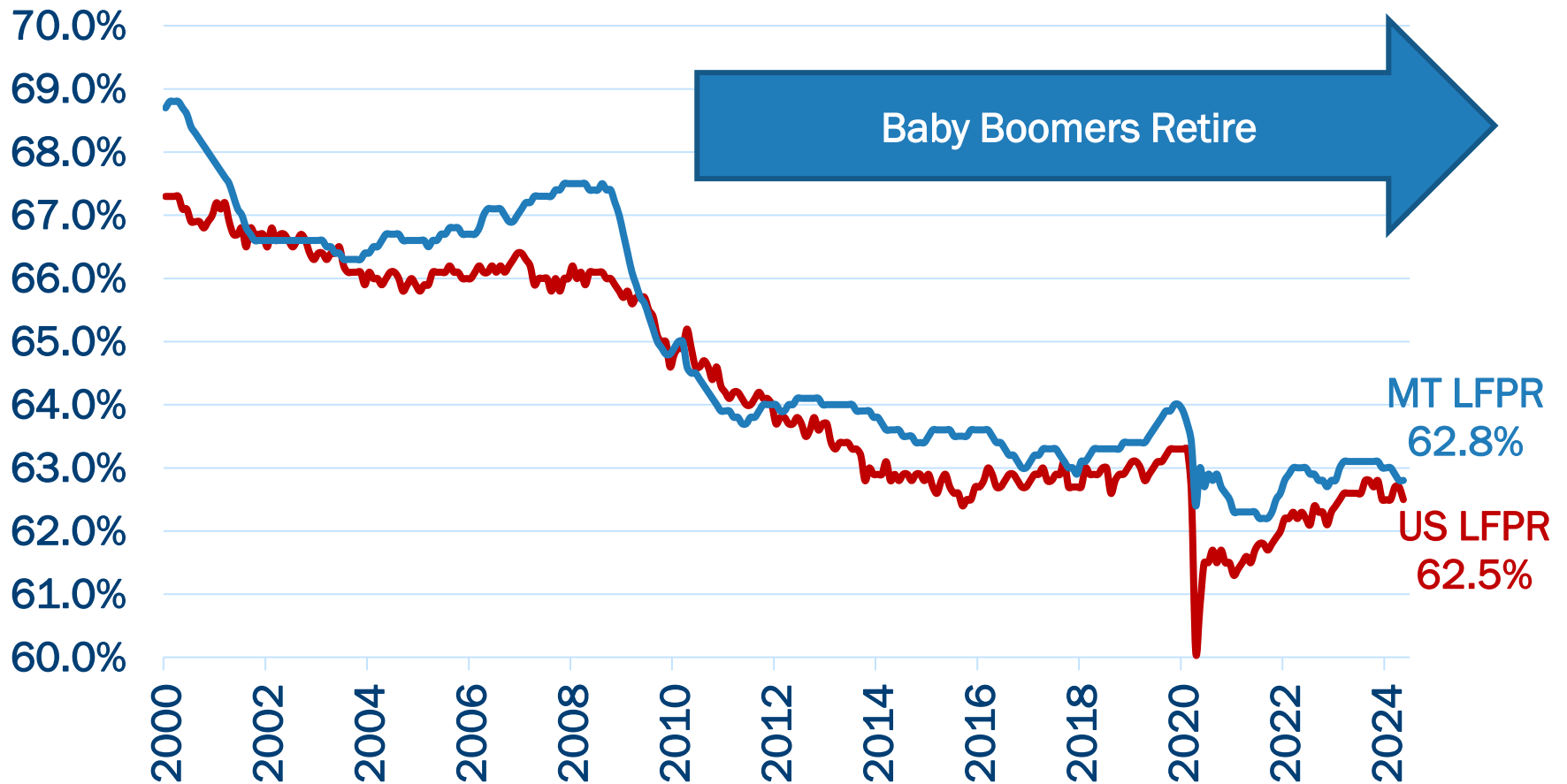
Hourly Wage Rates and Earnings Grew by Over 25% since Feb 2020.  
Prices grew by 21%



Source: IPUMS Current Population Survey, twelve-month moving averages.  
CES Hourly Earnings, Consumer Price Index, BLS.

# Labor Force Participation Rate Declines

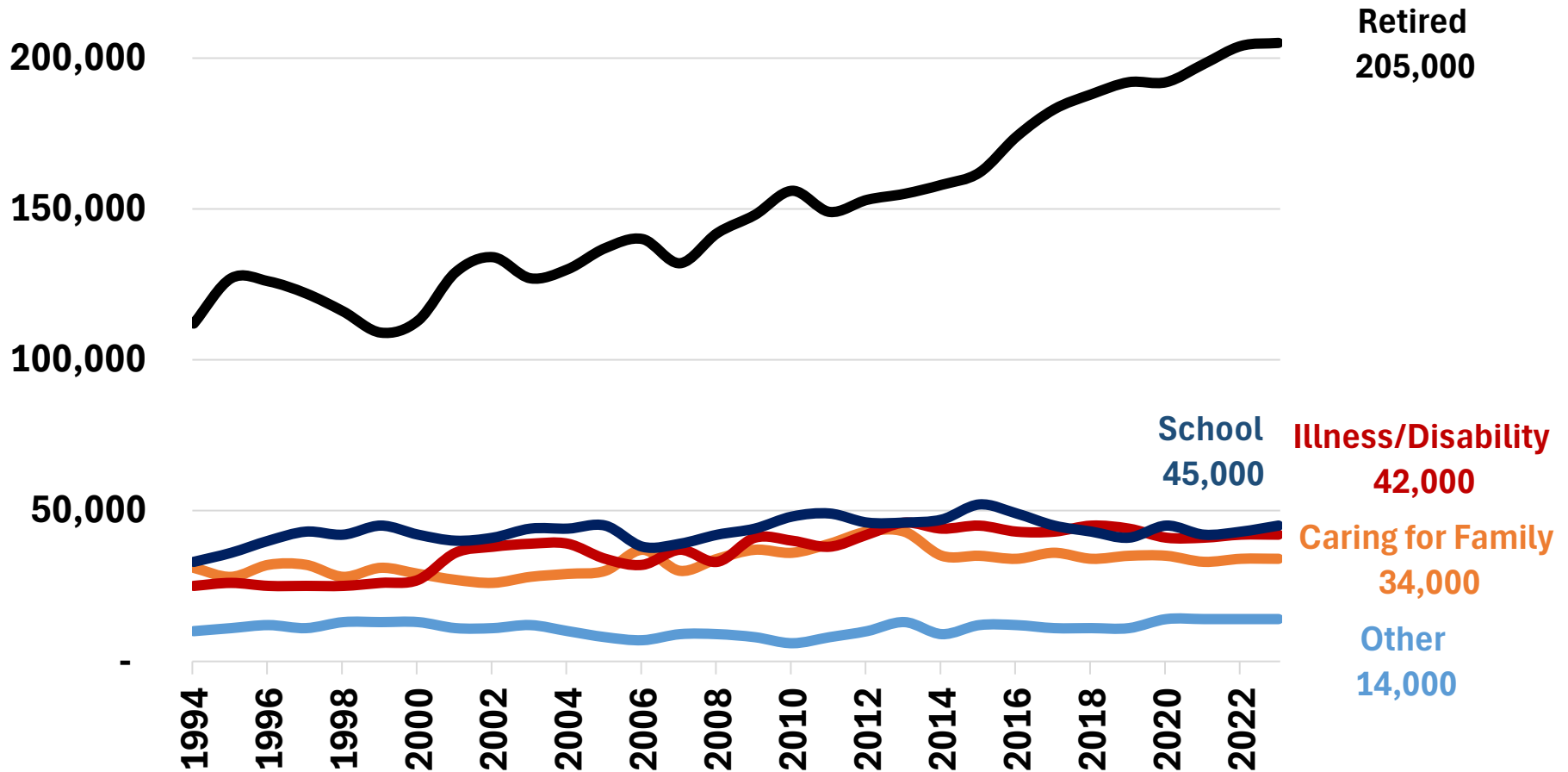
About 63% of Percent of Population Working or Actively Seeking Work



Source: BLS LAUS.

# Reasons Montanans are not in the Labor Force

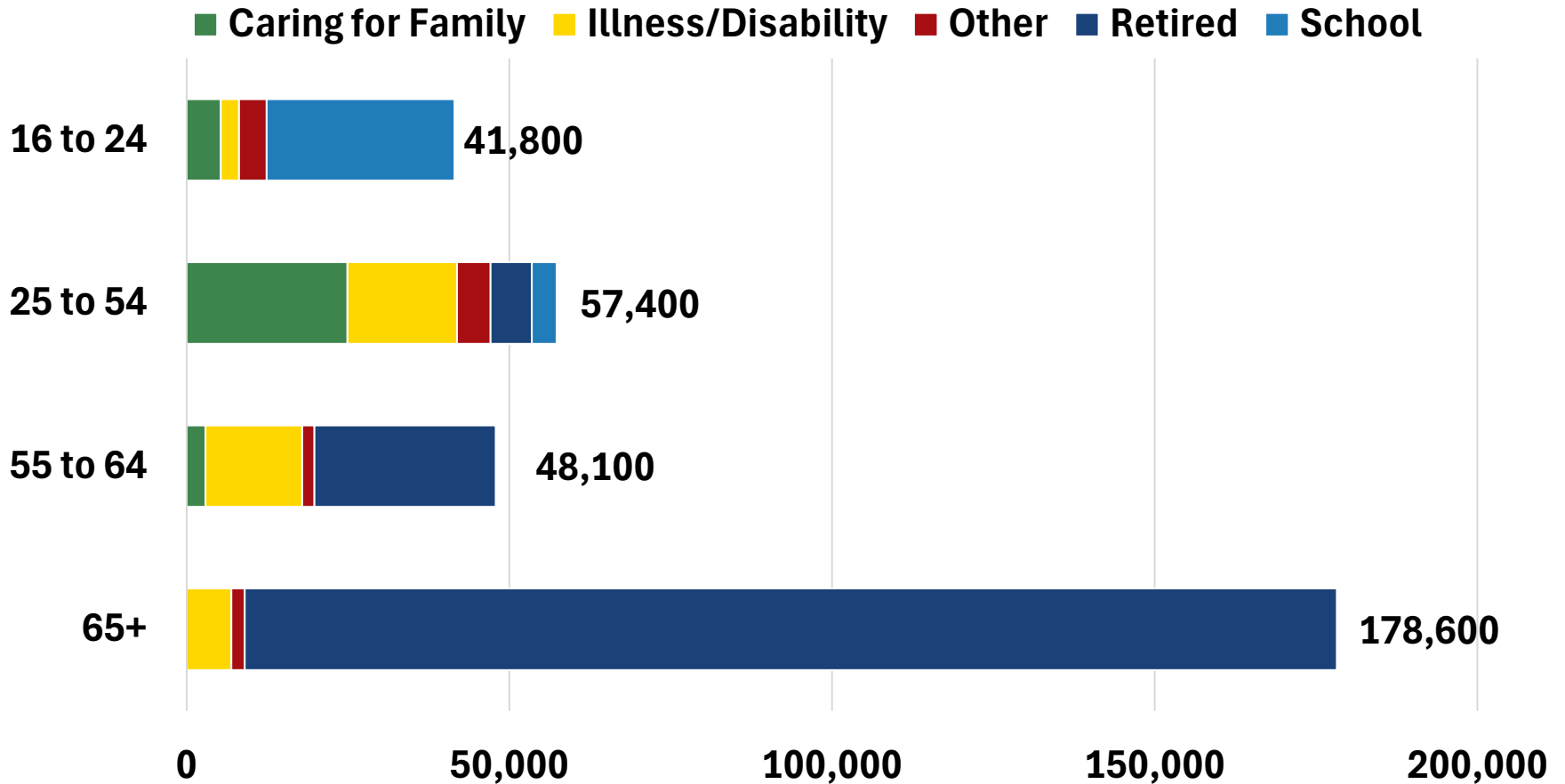
Aging Population and Increased Retirements Drive Long-run LFPR Decline



Source: IPUMS Current Population Survey, Jan 1995- April 2024. Twelve-month moving averages, rounded to the nearest thousand.

# Age Groups Stay Out of the Labor Force For Different Reasons Montanans

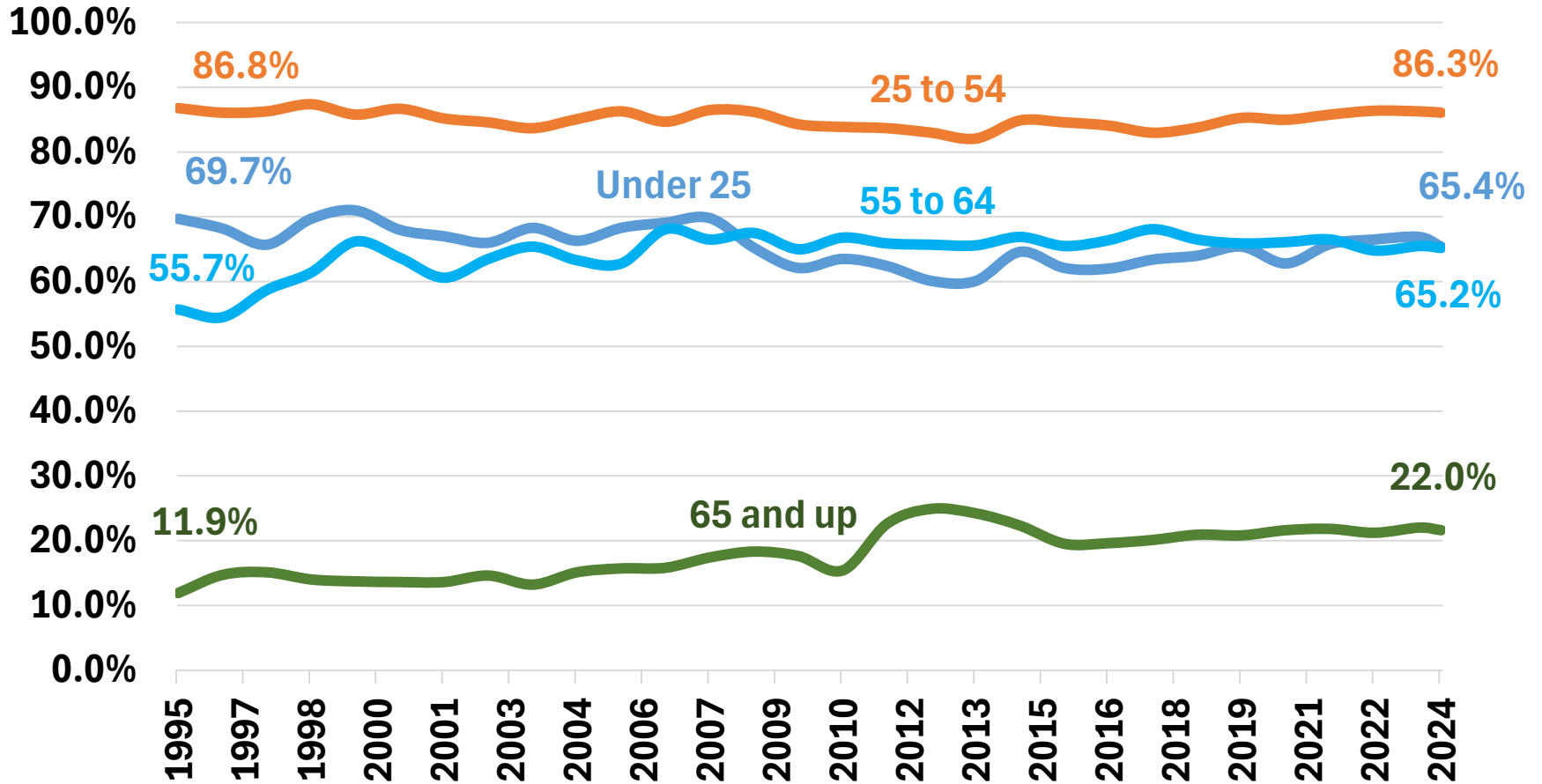
Older Age Groups Retire and/or Have an Illness or Disability



Source: IPUMS Current Population Survey, Jan 1995- April 2024. Twelve-month moving averages, rounded to the nearest thousand.

# Labor Force Participation by Age

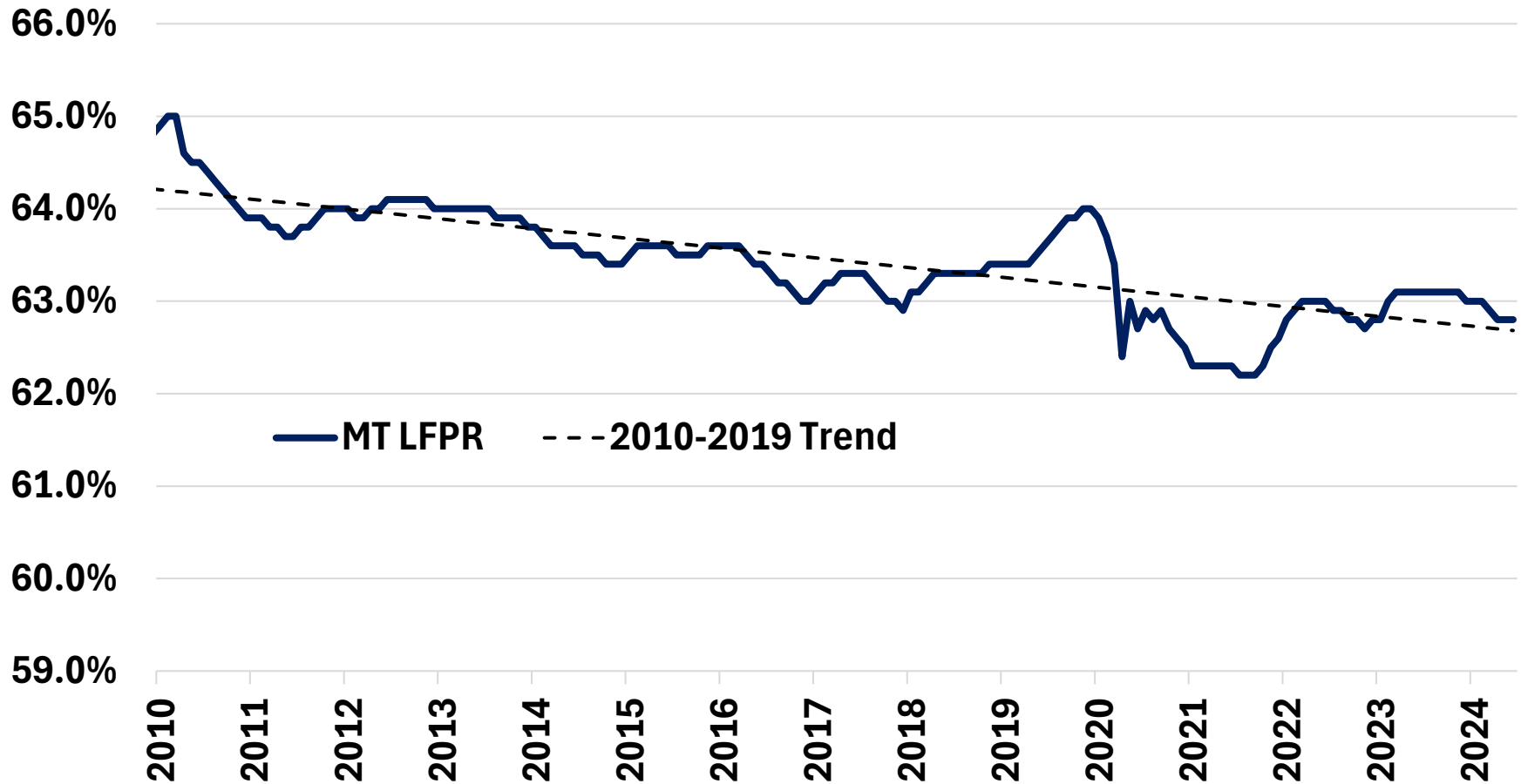
Long-run participation is stable across age groups



Source: IPUMS Current Population Survey, Jan 1995- April 2024. Twelve-month moving averages, rounded to the nearest thousand.

# Participation Down After Pandemic, But Not Off Trend

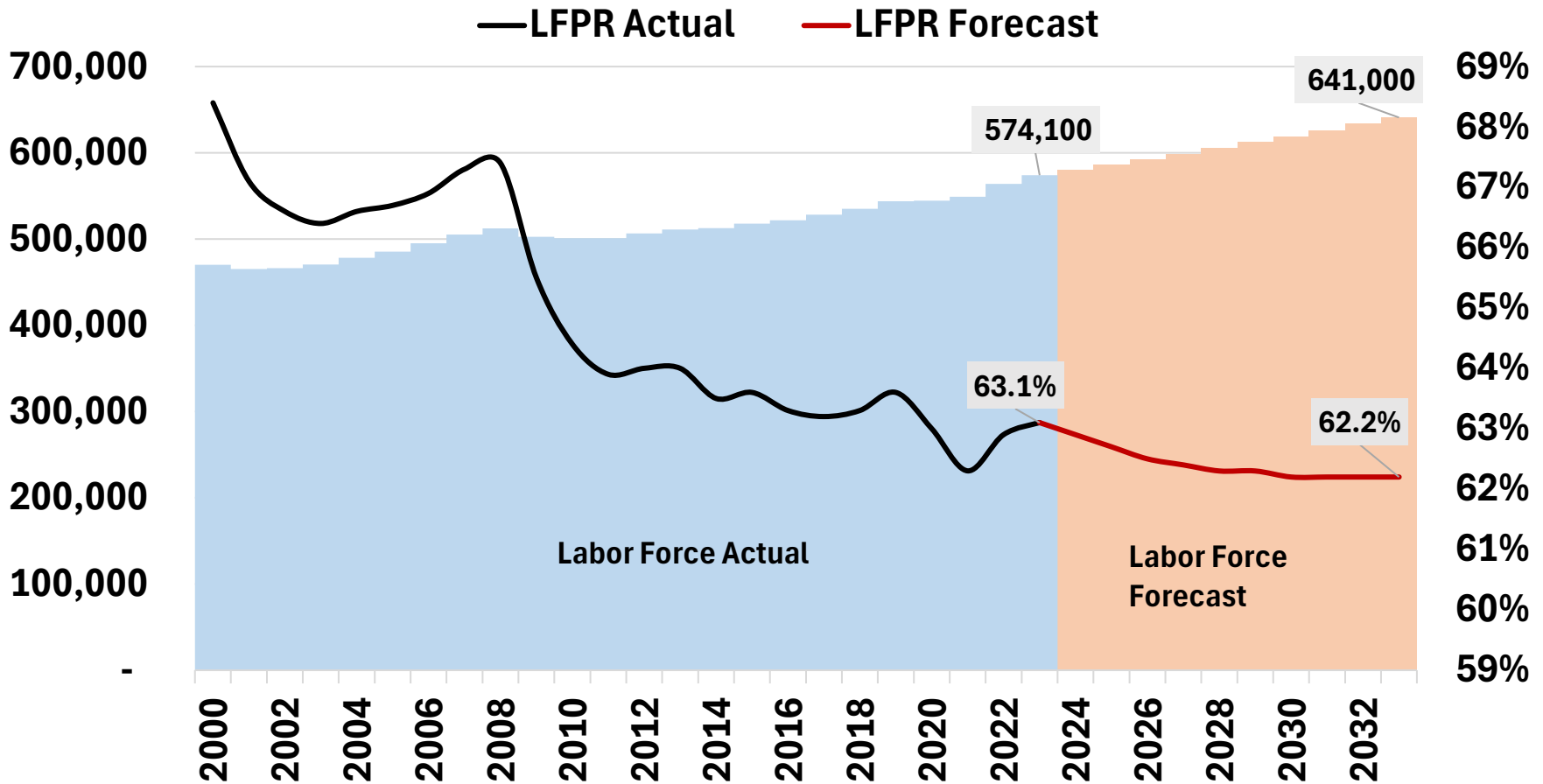
Pandemic didn't change long-run trend in labor force participation rate



Source: BLS LAUS.

# Demographic Trends Projected to Push Participation Down Further

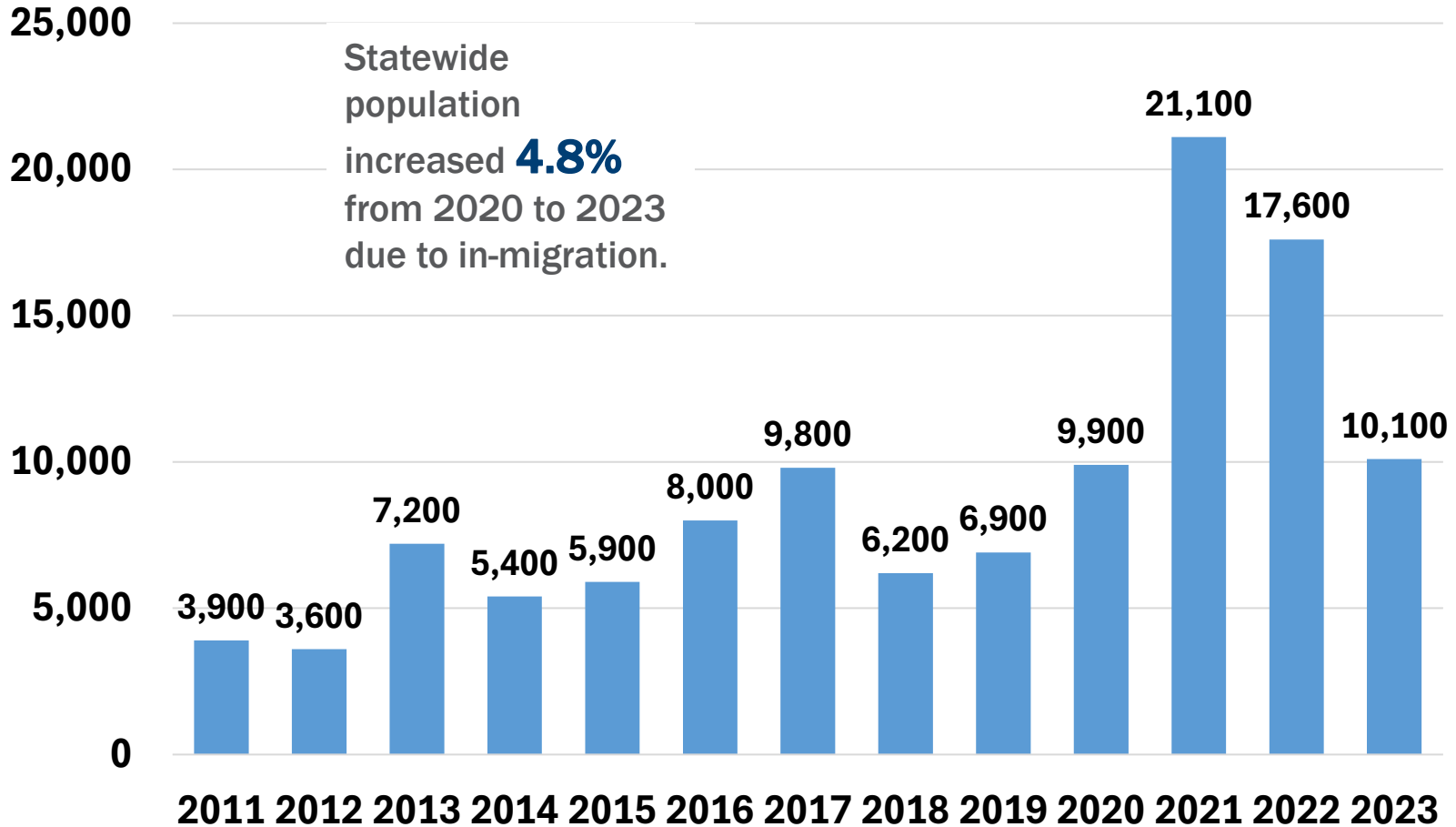
Aging Population Will Continue to Put Downward Pressure on LFPR



Source: IPUMS Current Population Survey, Jan 1995- April 2024. Twelve-month moving averages, rounded to the nearest thousand.

# In-Migration Spikes Post-Pandemic

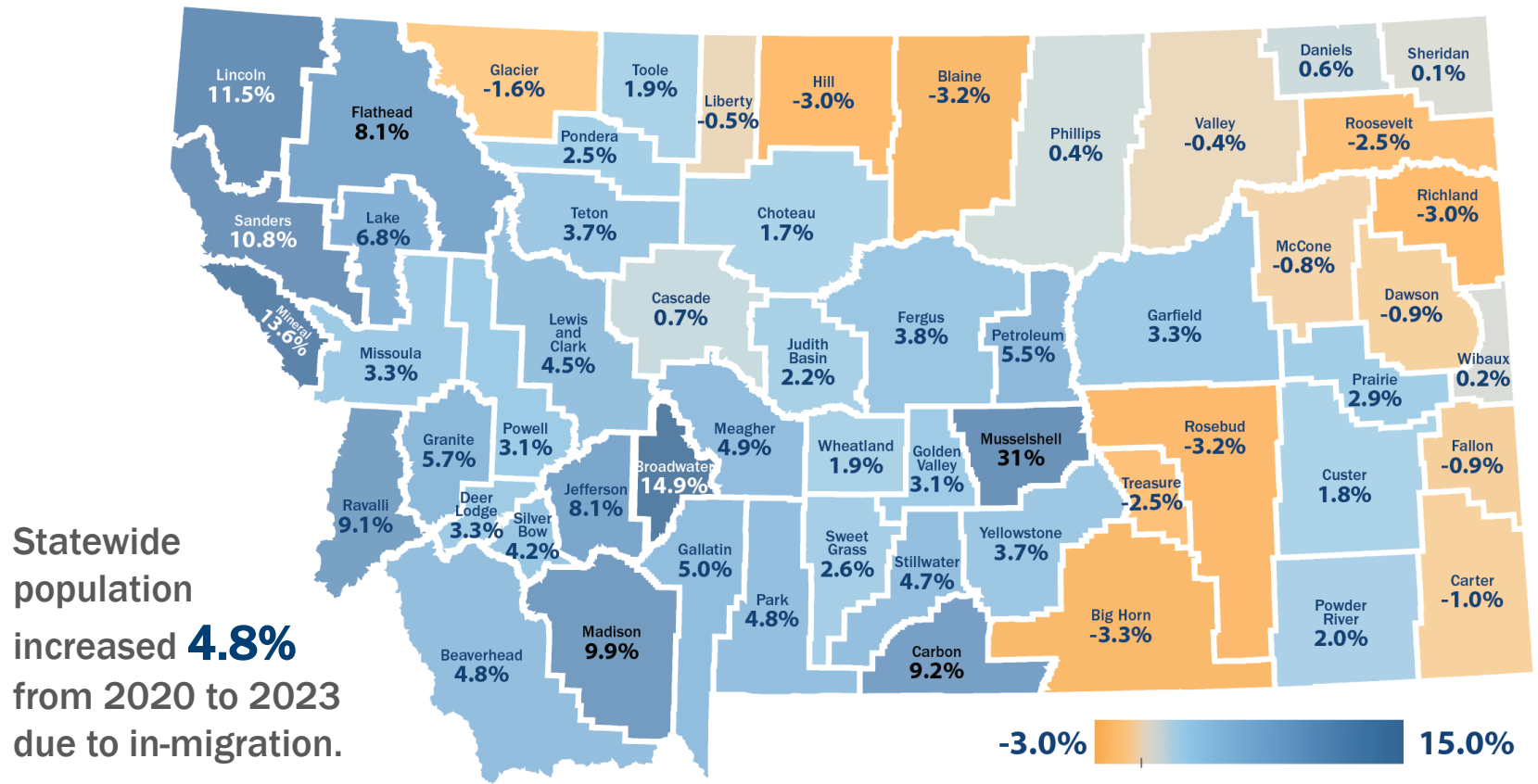
Montana ranks 4<sup>th</sup> in the nation for highest rate of in-migration since 2020



Source: US Census Bureau, Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Changes for State statistics through July 1, 2023.

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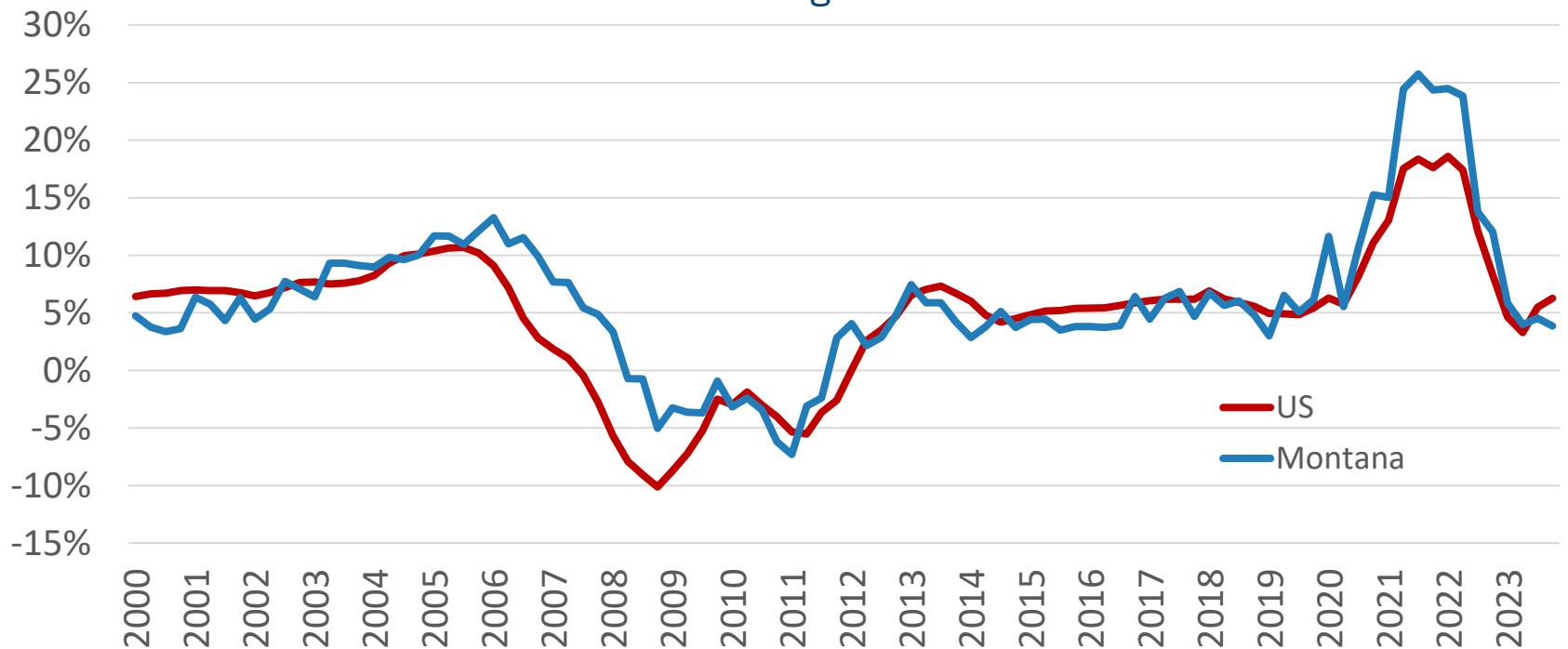


Source: US Census Bureau, Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Changes for Counties: April 1, 2020 to July 1, 2022. State statistics through July 1, 2023.

# Montana Housing Market

Montana ranks **8<sup>th</sup>** among states for fastest home price appreciation since 2020. The typical home value in Montana averaged **\$459,000** in the first quarter of 2024, **up 61%** from the beginning of 2020.

Annual Percent Change in House Prices



Source: FHFA. HPI. Purchase-Only Index. Data shown through 2023 Q4. Typical home value reported by Zillow Research Data. ZVHI for All Homes. Average of Jan-March 2024.

# Solutions for Tight Labor Market

## REDUCE WORKER DEMAND

- Labor-saving technological advancements
- Increased productivity

## INCREASE WORKER SUPPLY

- Increase labor force participation rate
- In-migration



# Implications for the Tax Revenue

- Continued economic growth, more jobs, and higher wages expands tax base.
- In-migrants tend to have higher wages.
- Upward pressure on housing prices increases property tax revenue.
- Tight labor market pressure wages upward, driving up tax revenues.
- Few places to get more workers may limit growth.
- In-migration showing signs of tapering.
- Inflation moderating.





**2024 Labor Day Report will be available at [lmi.mt.gov/publications](https://lmi.mt.gov/publications)**

**Nick Holom, Senior Economist, MTDLI**

**[Nicholas.Holom@mt.gov](mailto:Nicholas.Holom@mt.gov)**