

Montana Economic Update

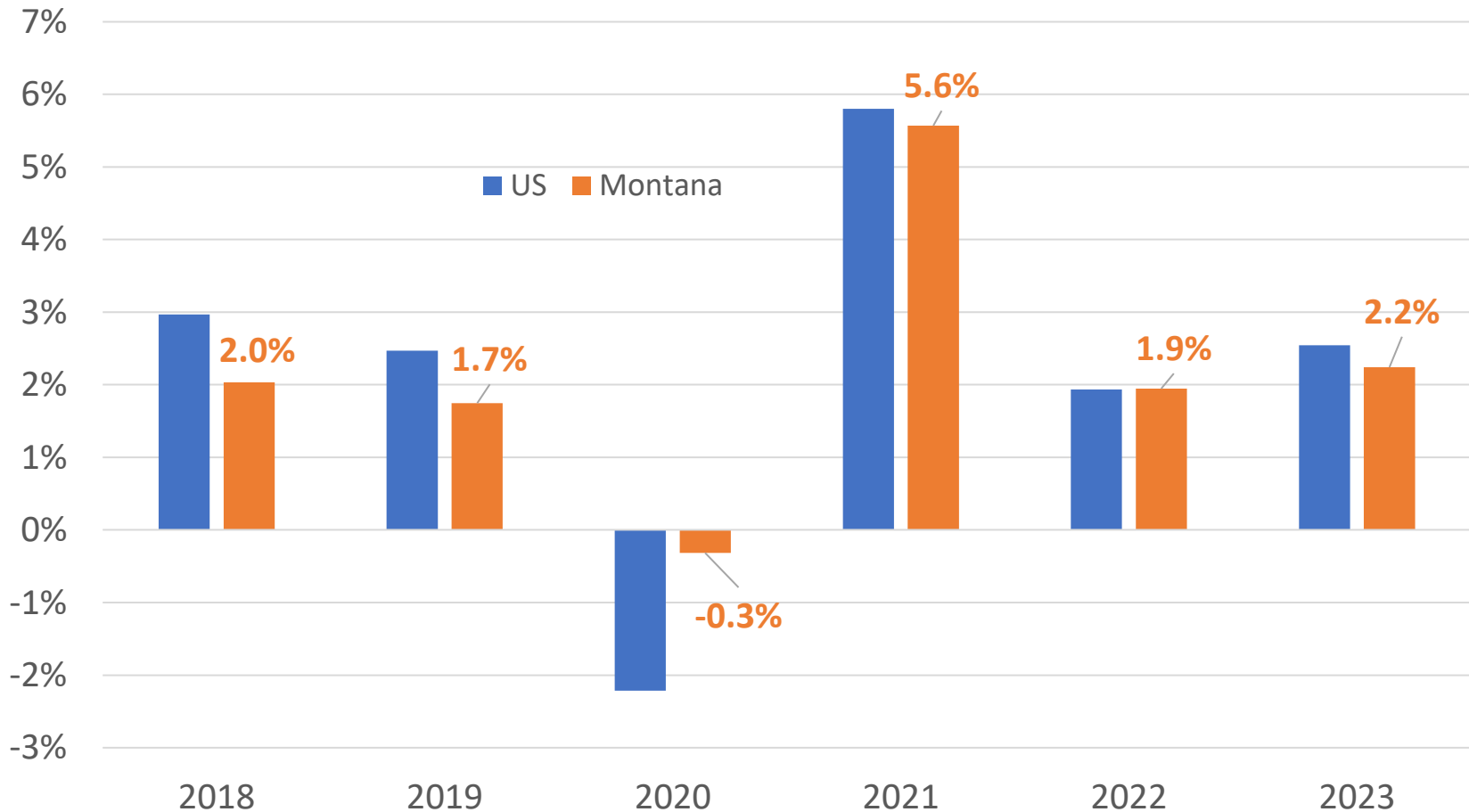


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Steady Economic Growth in Montana

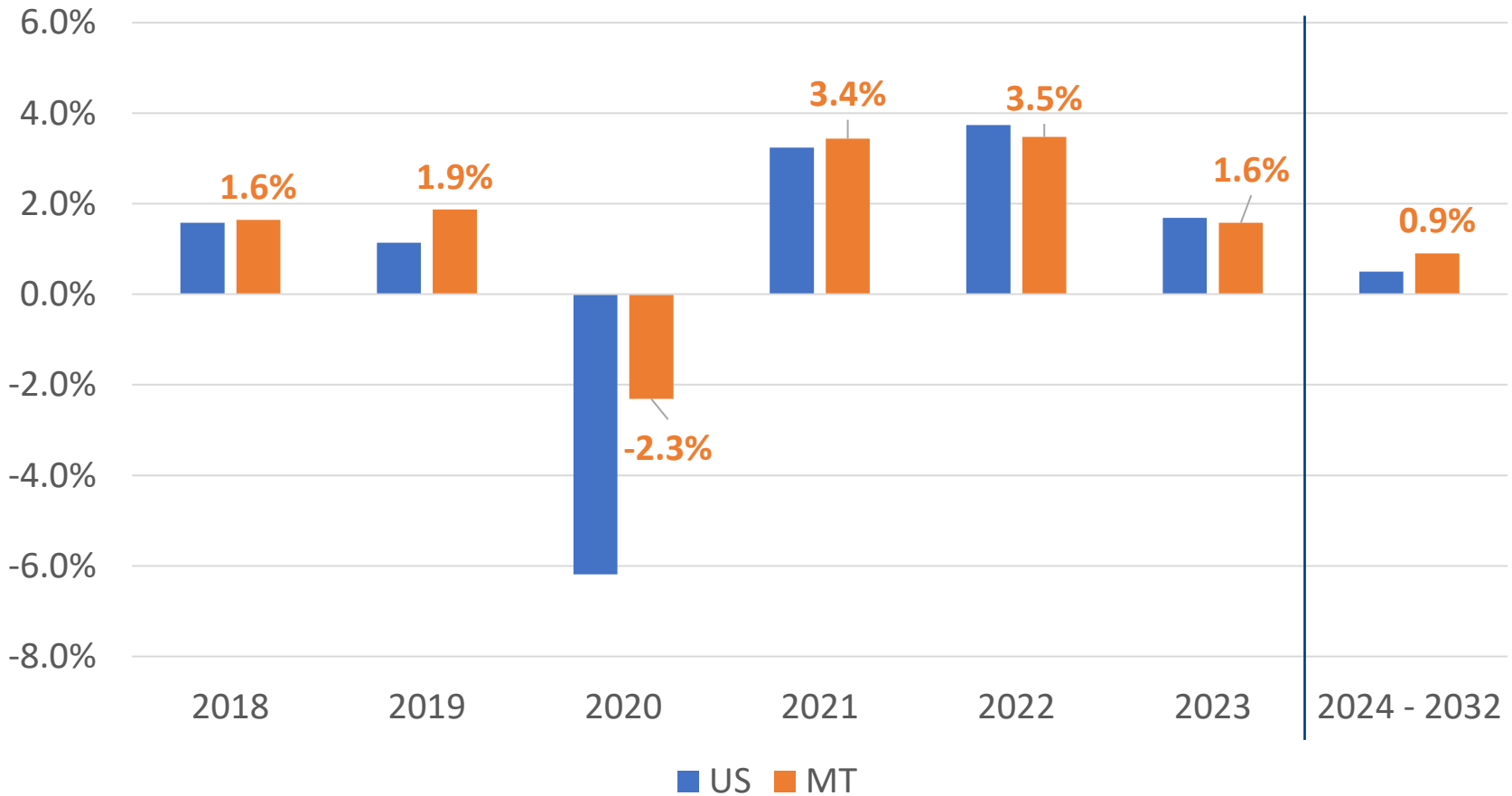
Following an extraordinary growth in 2021, Montana returns to long-run trend.



Source: Bureau of Economic Analysis.

Employment Growth in Montana and US

Job gains moderate in 2023 and projections remain positive.



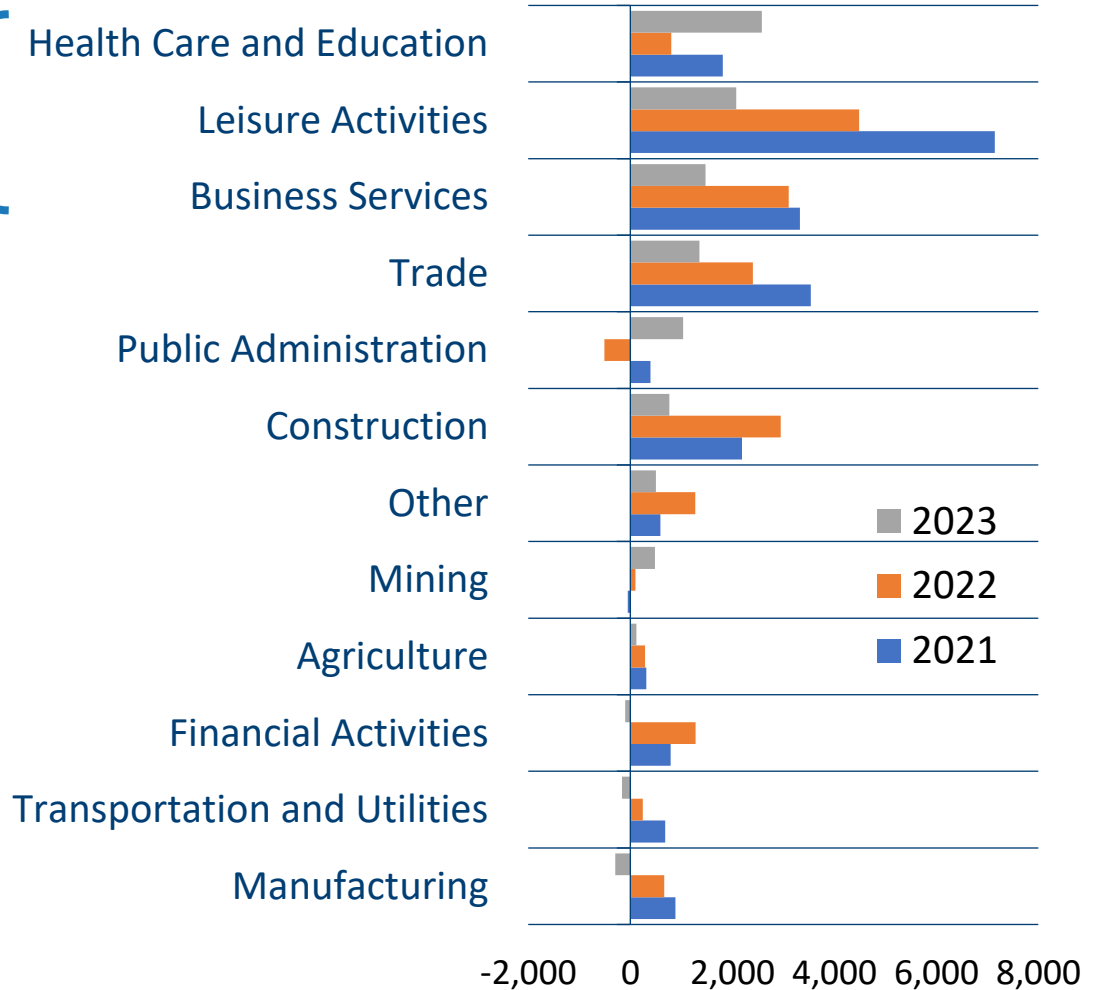
Source: Local Area Unemployment Statistics (LAUS). MTDLI 2022 - 2032 Employment Projections. National employment projections from S&P Global.

Employment Growth Across Industries

Over half (58%) of job gains

All industries have surpassed pre-pandemic levels of employment.

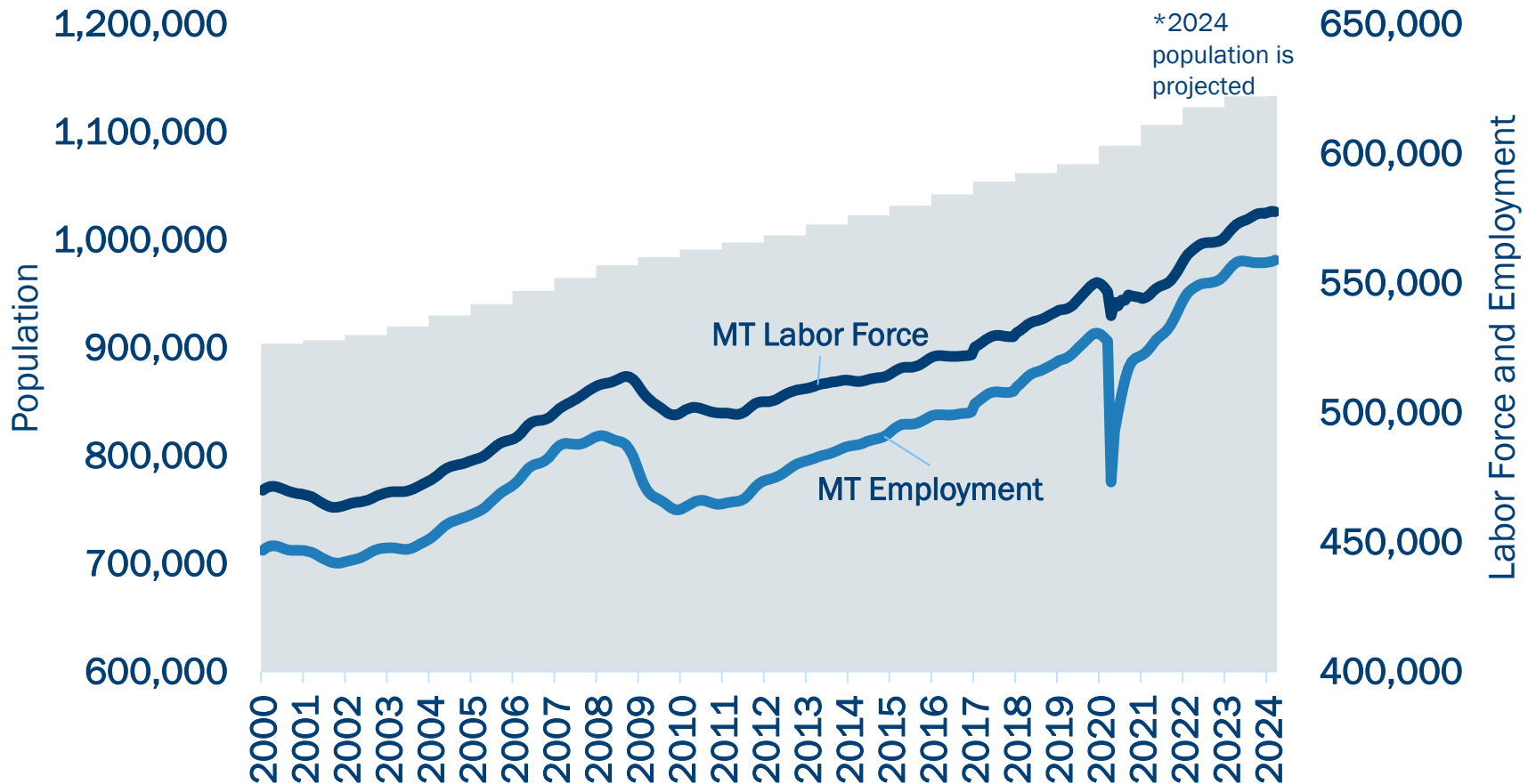
Most industries experienced job growth in 2023, except for manufacturing, transportation, and financial activities.



Source: Quarterly Census of Employment and Wages.

More Workers and People than Ever Before

Employment and Labor Force grows steadily post-pandemic



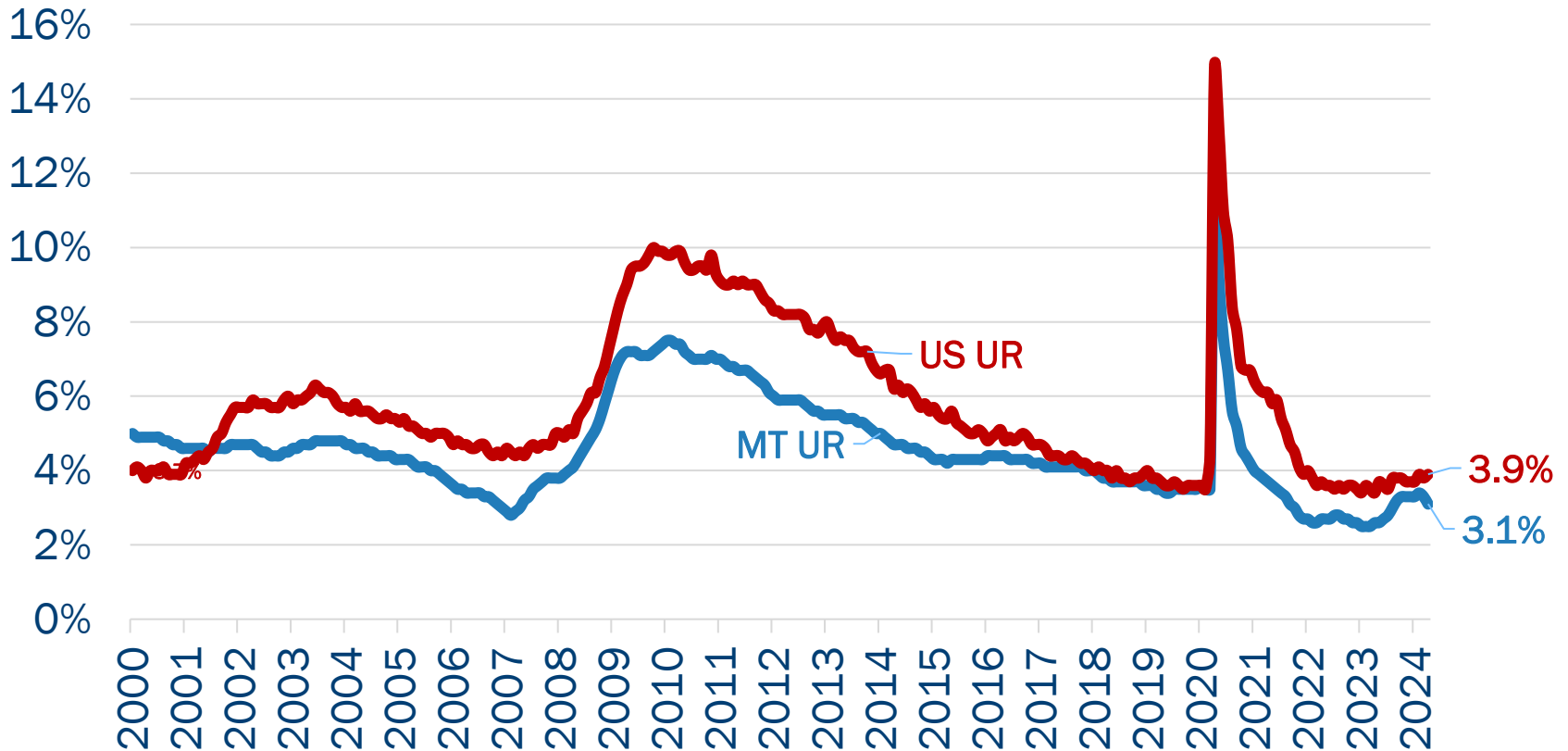
Source: US Census Bureau and Local Area Unemployment Statistics (LAUS), through March 2024.



Montana Department of
LABOR & INDUSTRY

Unemployment Rate Hits Record Low in 2023

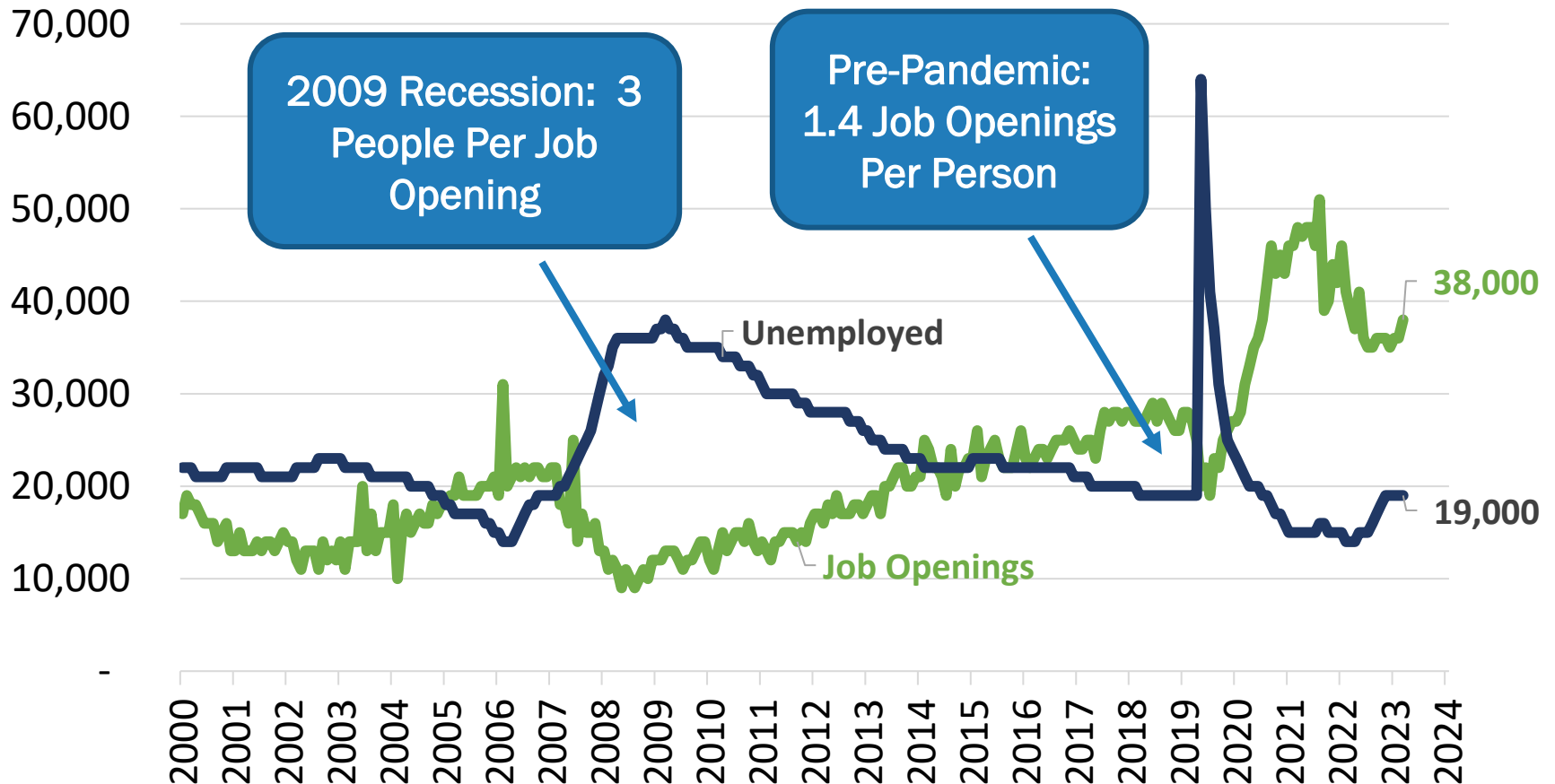
Some signs of increased labor market slackness in 2024.



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

Tight Labor Markets Persist in Montana

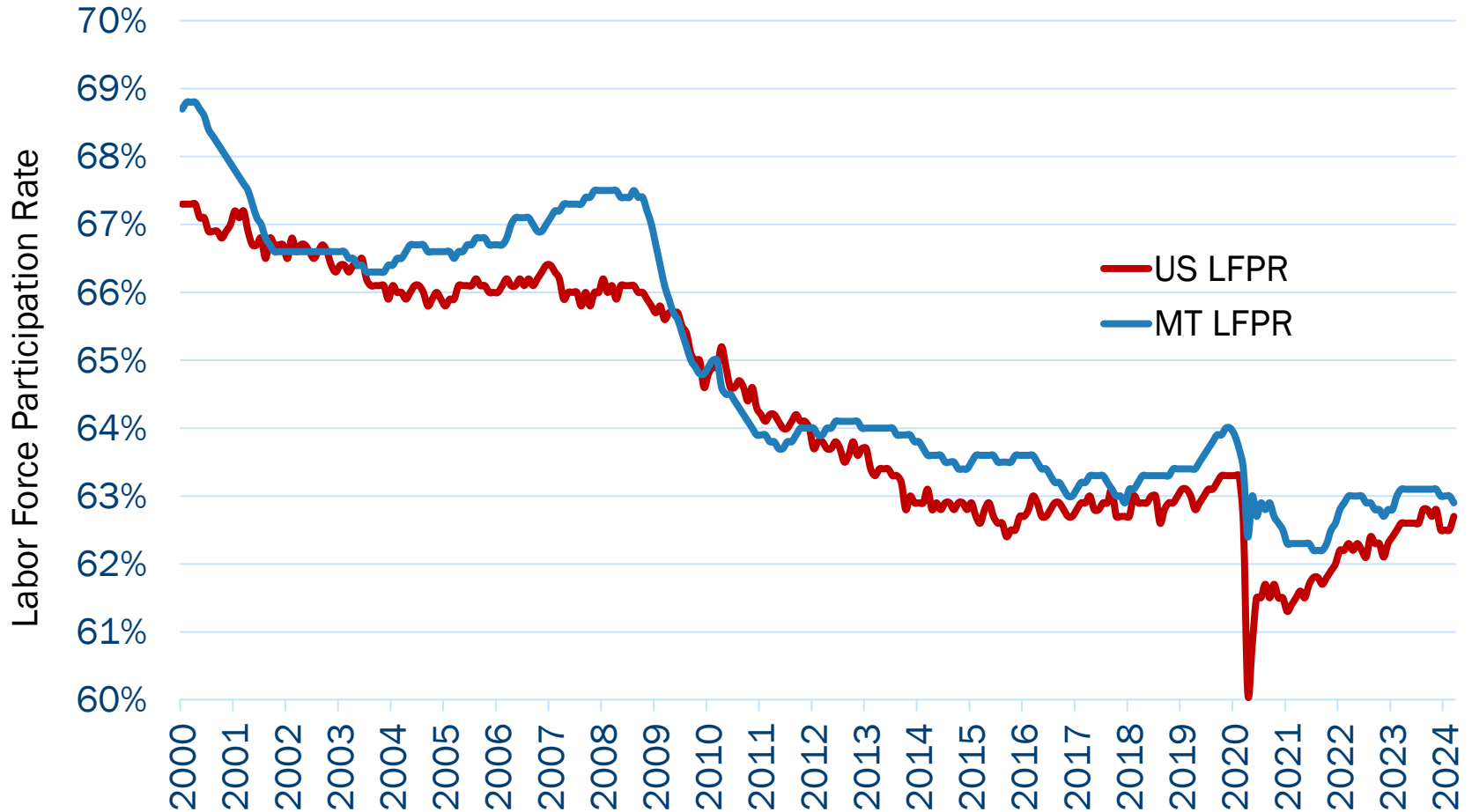
Characterized by two job openings for every one unemployed person



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

Labor Force Participation Rate Declines

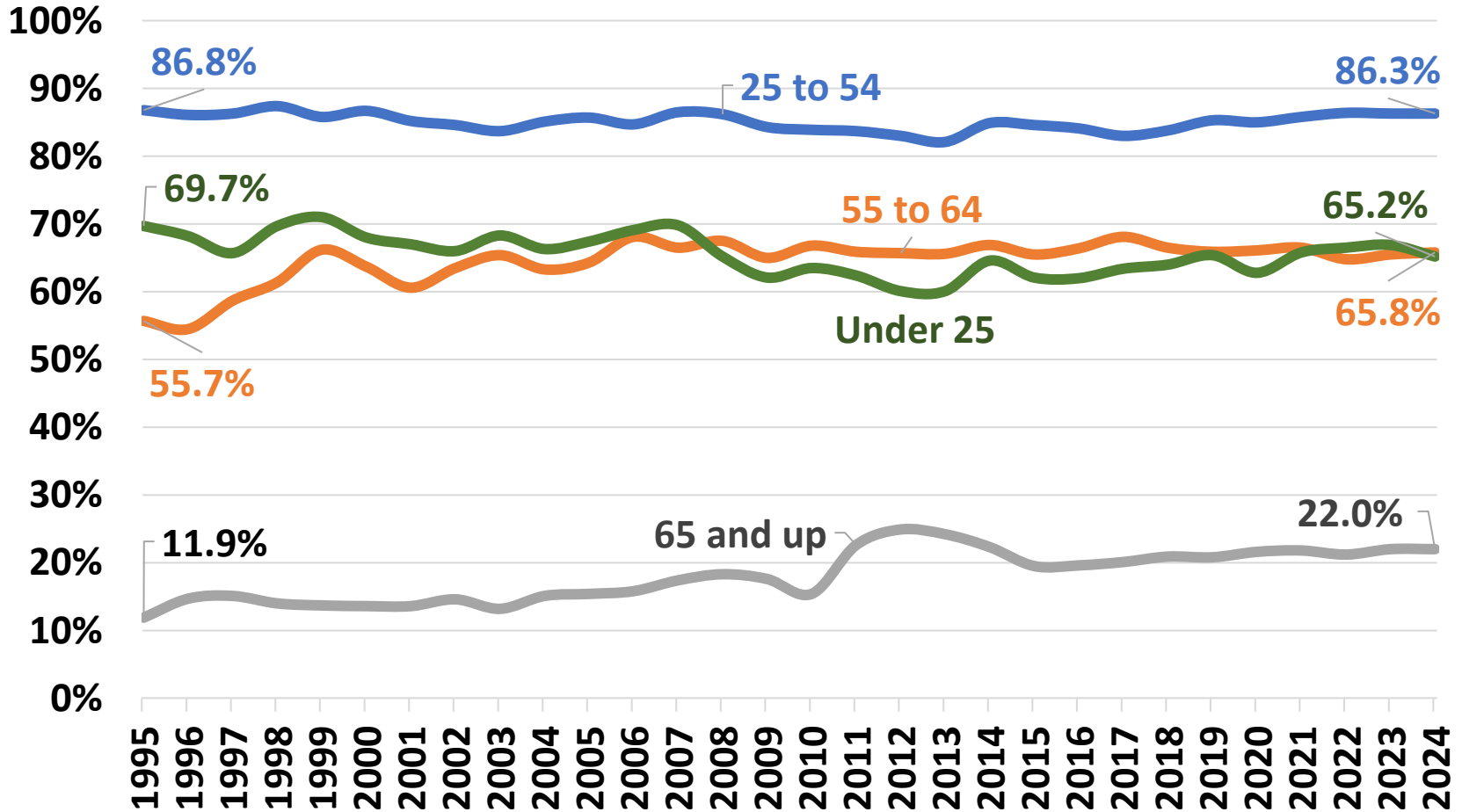
About 63% of Percent of Population Working or Actively Seeking Work



Source: IPUMS Current Population Survey, Jan 2000 to March 2024. Reported as twelve-month moving average.

Labor Force Participation by Age

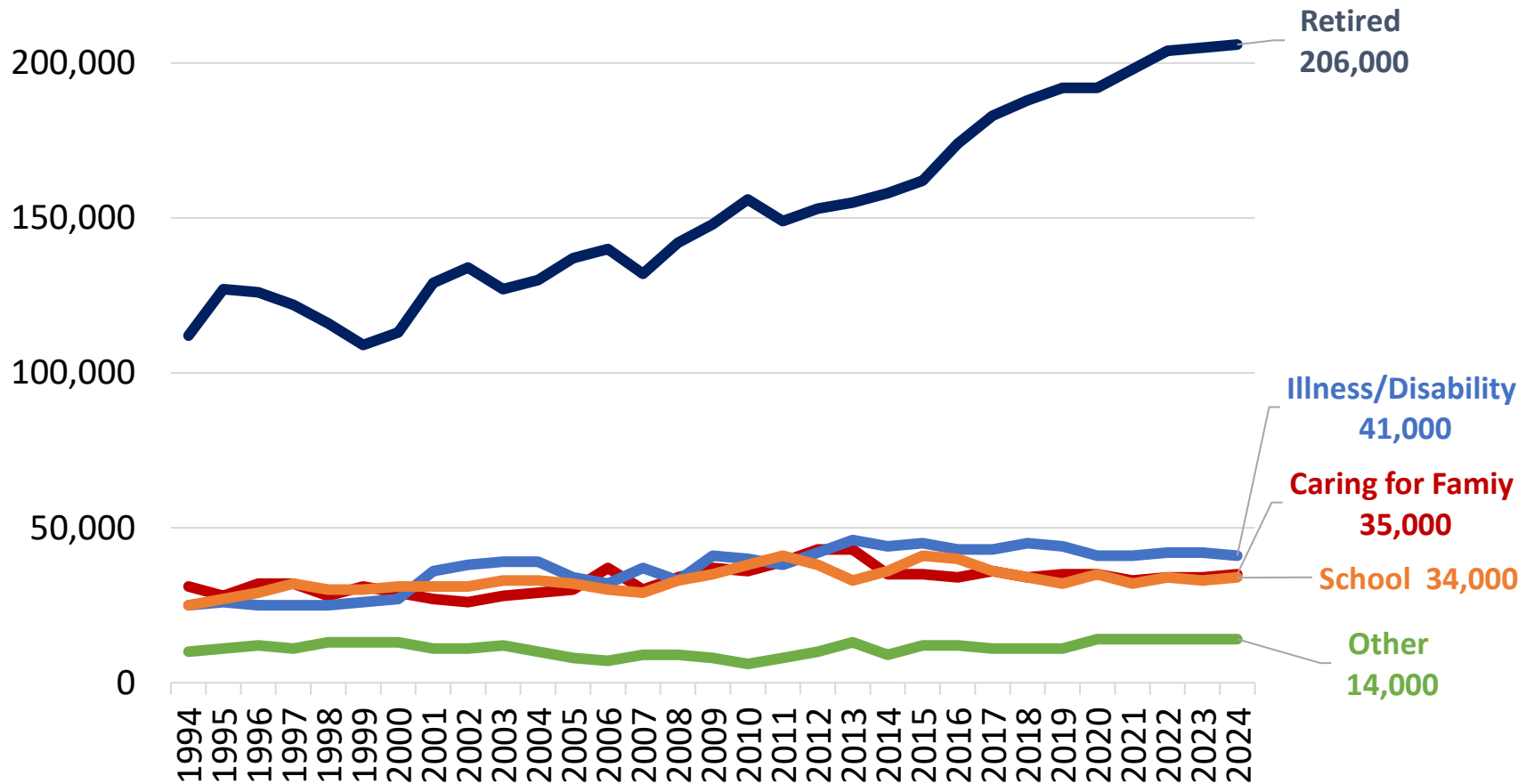
Long-run increases in labor force participation within every age group



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

Reasons Montanans are not in the Labor Force

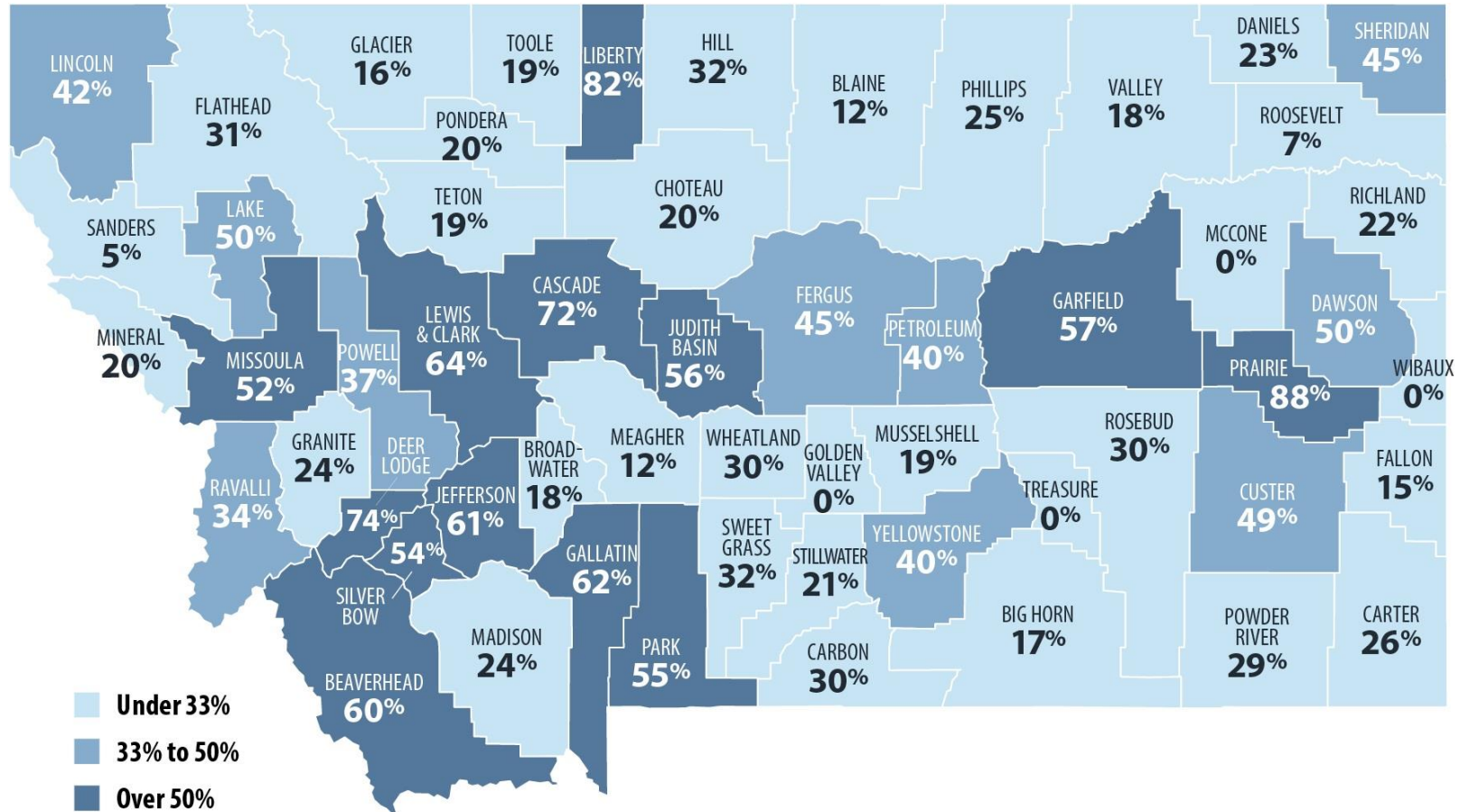
Aging Population and Increased Retirements Drive Long-run LFPR Decline



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

Childcare Availability Limits Workforce Participation

Licensed capacity meets only 44% of estimated demand in 2023



Source: Produced by the MTDLI. Childcare Capacity Data Provided by MT DPHHS as of 12/2023. Demand is equal to the number of children under age six living in the working parent households.

Solutions for Tight Labor Market

REDUCE WORKER DEMAND

- Labor-saving technological advancements
- Increased productivity

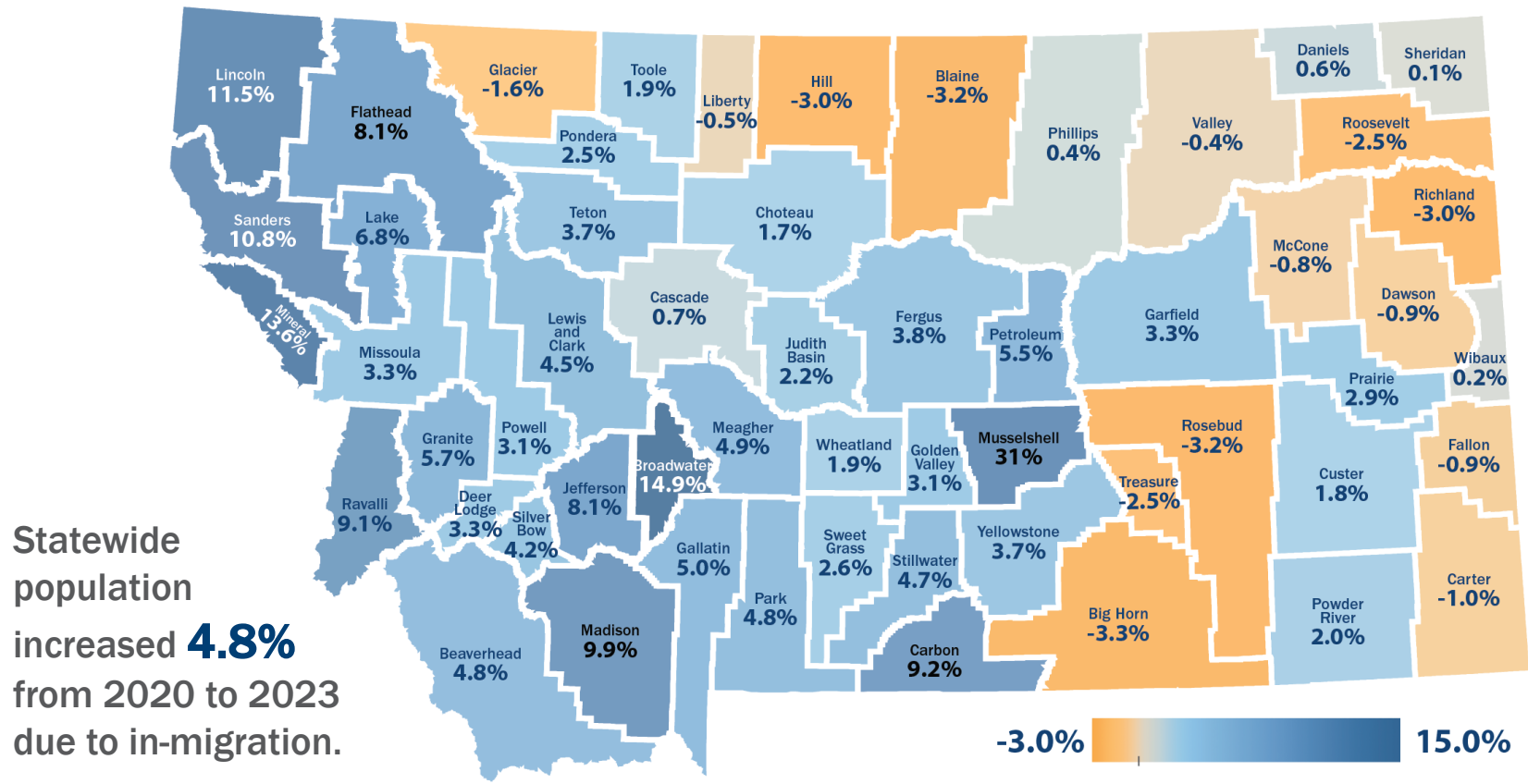
INCREASE WORKER SUPPLY

- Increase labor force participation rate
- In-migration



In-Migration Spikes Post-Pandemic

Montana ranks 4th in the nation for highest rate of in-migration since 2020

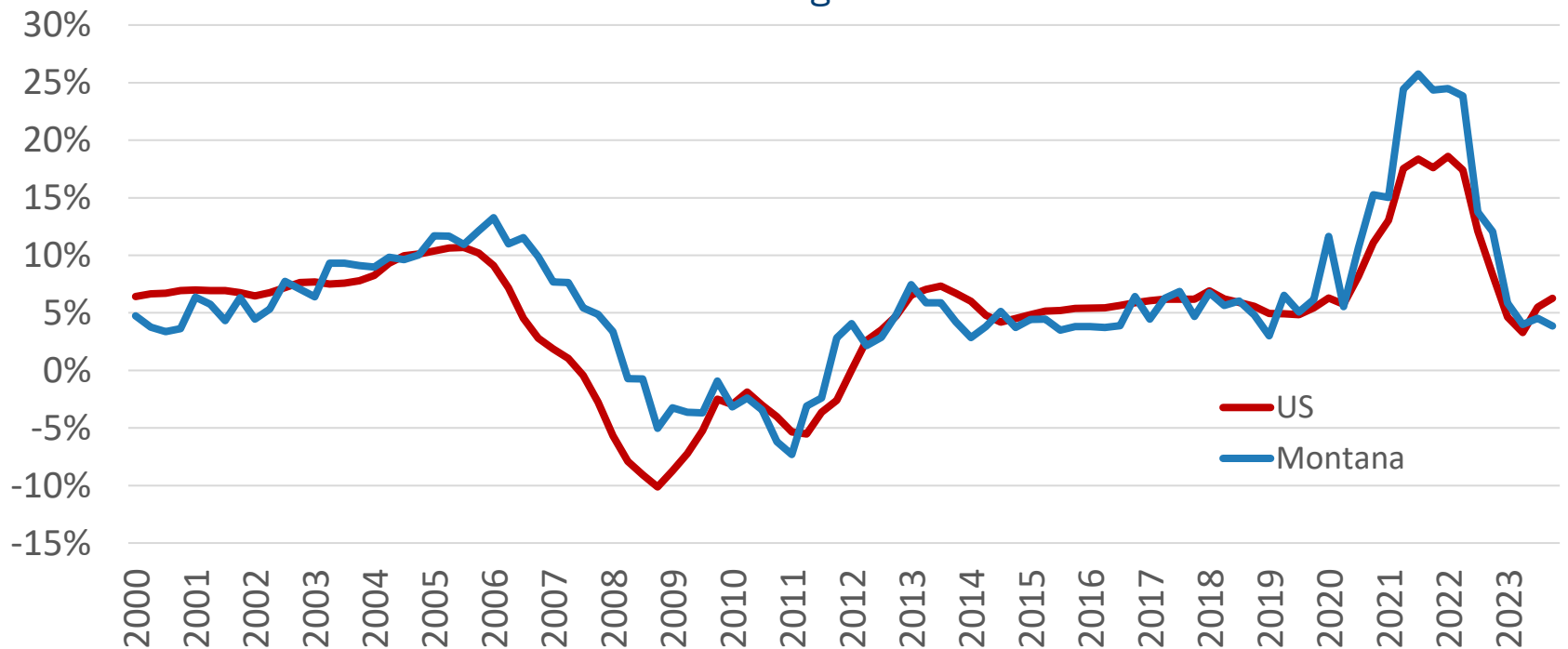


Source: US Census Bureau, Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Changes for Counties: April 1, 2020 to July 1, 2022. State statistics through July 1, 2023.

Montana Housing Market

Montana ranks **8th** 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.

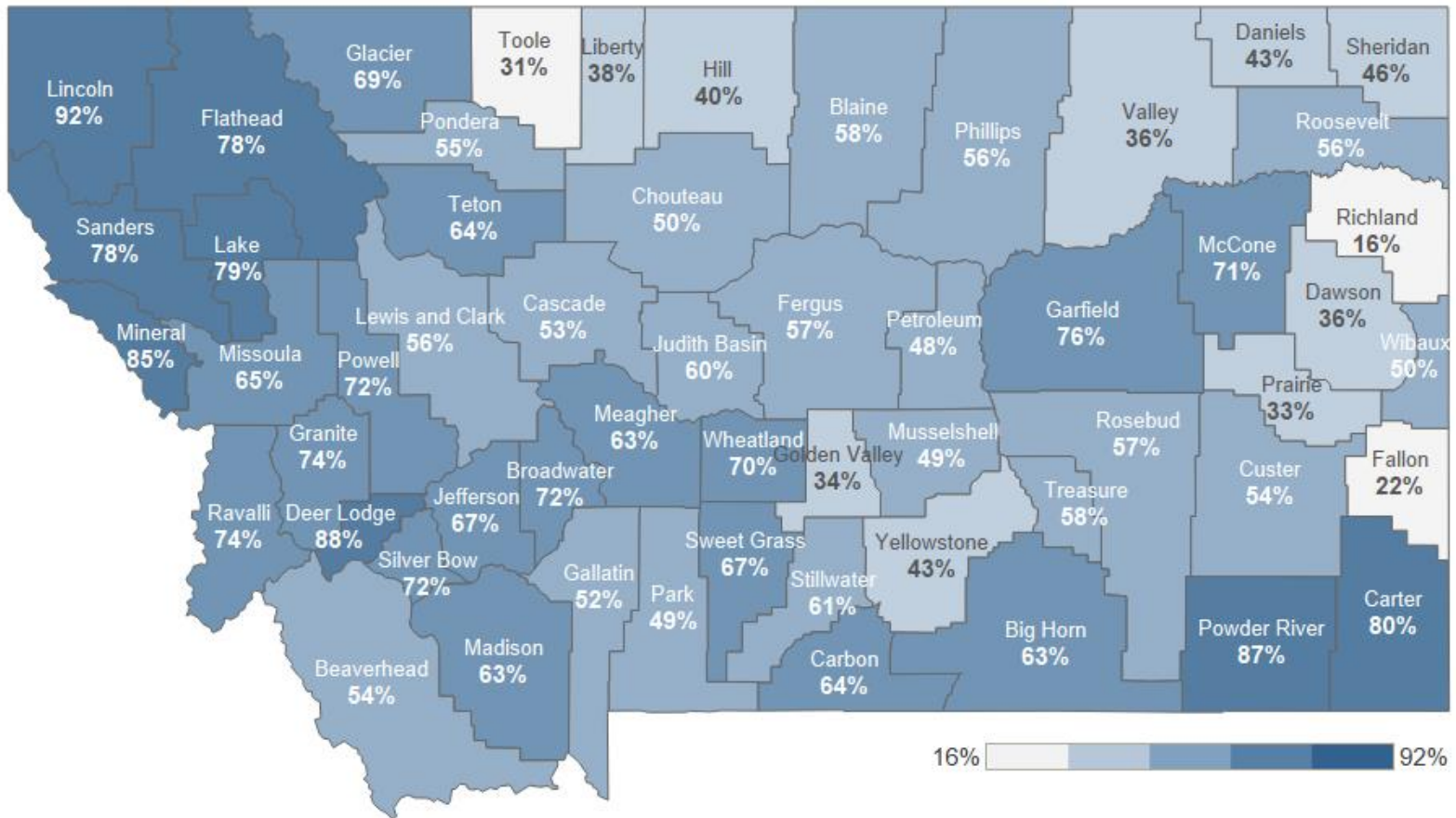
Annual Percent Change in House Prices



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.

Home Price Growth Concentration in West

Percent Change in Typical Home Values (2020Q1 to 2024Q1)



Source: Zillow Research Data. ZVHI for All Homes.

Per Capita Personal Income

Reaches record-high in 2023– ranking Montana 28th highest among states.



Source: US Bureau of Economic Analysis

Looking forward to 2024 and beyond...

Continued Economic Growth supported by

- Strong labor market
- Healthy household balance sheets
- Continued business growth and innovation

Addressing Headwinds to Economic Growth

- Inflation moderating
- Productivity enhancements and continued population growth





2023 Labor Day Report available at Imi.mt.gov/publications

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