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 November 2023.

*2023 population is projected
Employment Growth in Montana and US

Job gains moderate in 2023 and projections remain positive.

Employment Growth Across Industries

60% of job gains

Construction jobs grew by **8.3%** in 2022, ranking 2nd highest among states.

MTDLI projects over **1,000** construction job openings per year through 2032, the most of any industry in the state.

Unemployment Rate Hits Record Low

The less unemployment the better.... right?

It depends. Very tight labor markets make it difficult for businesses to find the workers they need to continue to grow.

Source: BLS Local Area Unemployment Statistics, through November 2023.
Tight Labor Markets Persist in Montana

Characterized by more job openings than unemployed persons

2009 Recession: 3 People Per Job Opening
Pre-Pandemic: 1.4 Job Openings Per Person

Source: JOLTS and LAUS, January 2000 to November 2023. Unemployment level is rounded to the nearest thousand.
Reasons for Tight Labor Market

Demand for Workers
- Record-high number of job openings

Supply of Workers
- Aging population driving reduced participation
- Reduced hours from childcare issues

All Montanans fall into three groups based on their work status:

**EMPLOYED**
Employed persons are actively working for pay or profit.

**UNEMPLOYED**
Unemployed persons are actively seeking work.

**NOT IN THE LABOR FORCE**
Those not working or seeking work, including:
- retired people
- children
- students
- family caretakers

Together, the **EMPLOYED** and the **UNEMPLOYED** form the **LABOR FORCE**, which includes all Montanans who are either working or looking for work.
Labor Force Participation Rate Declines

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

Labor Force Participation by Age

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

Reasons Montanans are not in the Labor Force

Aging Population and Increased Retirements Drive Long-run LFPR Decline


- Retired: 206,000
- School: 44,000
- Illness/Disability: 41,000
- Caring for Family: 33,000
- Other: 14,000

Montana Department of LABOR & INDUSTRY
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

Statewide population increased 4.8% from 2020 to 2023 due to in-migration.

Montana Housing Market

Montana ranks 11th among states for fastest home price appreciation since 2020. The typical home value in Montana averaged $443,000 in the third quarter of 2023, up 56% from the beginning of 2020.

Annual Percent Change in House Prices

Home Price Growth Concentration in West

Percent Change in Typical Home Values (2020Q1 to 2023Q4*)

Source: Zillow Research Data. ZVHI for All Homes. *2023 Q4 data shown through November 2023.
Per Capita Personal Income

Reaches record-high in 2022 – ranking Montana 29th highest among states.

Source: US Bureau of Economic Analysis
Steady Economic Growth in Montana

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

Source: Bureau of Economic Analysis. *Data for 2023 shown as average through 3rd quarter.
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 lmi.mt.gov/publications

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