

Montana Economic Update

Regional Economic Conditions Conference
Federal Reserve Bank of Minneapolis
January 9, 2026

Jeffrey A. Michael, Director
Bureau of Business and Economic Research
University of Montana

The Montana Economy in ~~2024~~ 2025

1. NAR ranks Montana as the “least affordable” state.
 - 2025: incremental progress
2. Population growth lowest in two decades, 0.52%.
 - 2025: waiting on Census, but BEA estimates 0.3% growth.
3. Job growth strong through summer 2024, stalled late.
 - 2025: jobs and labor force appear flat.
4. Tech continues to lead earnings growth.
 - 2025: same
5. 2024: Bad year for resources: mining, wood and crops.
 - 2025: mostly the same, higher prices for copper and cattle



New Developments In 2025

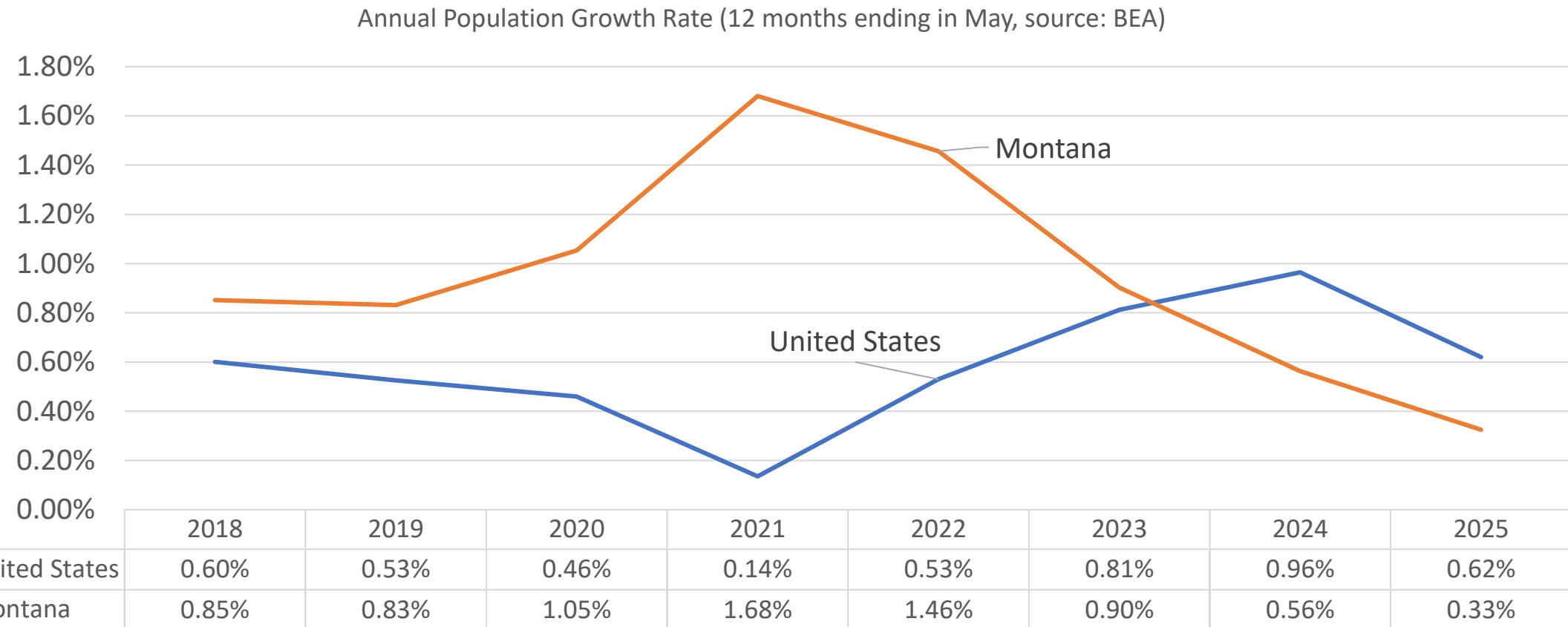
- Legislative Year
 - Major Property Tax Reform: The “Second Home Tax” & Tiered, Progressive Rates
 - Income Tax Cut
 - Expanded “Right To Try”: Experimental Medicine Investment
- Federal Government RIFs
- Optimism About Policy in Mining and Energy Sectors
- Tariffs
- Data Center Announcements

Montana Is Poorly Positioned For High Tariffs

- Relatively Small Manufacturing Sector
 - Most Positively Impacted Industry
- Large Concentration In Construction
 - Most Negatively Impacted Industry
- Consumption Patterns Skewed Towards Tariff Impacted Goods

Montanans Spend More On Vehicles, But Do Not Make Them!

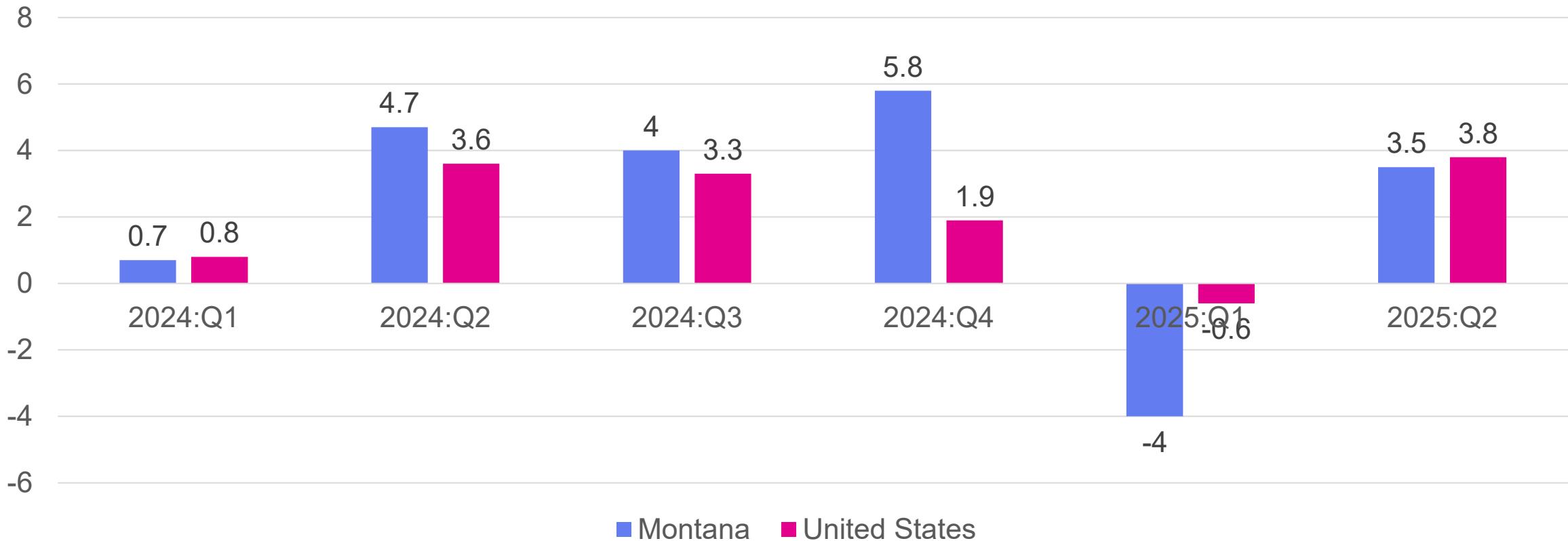
Montana and US Population Growth



In 2024, Montana Population Growth Was The Lowest Since 2002. 2025 Is Likely To Be Even Slower

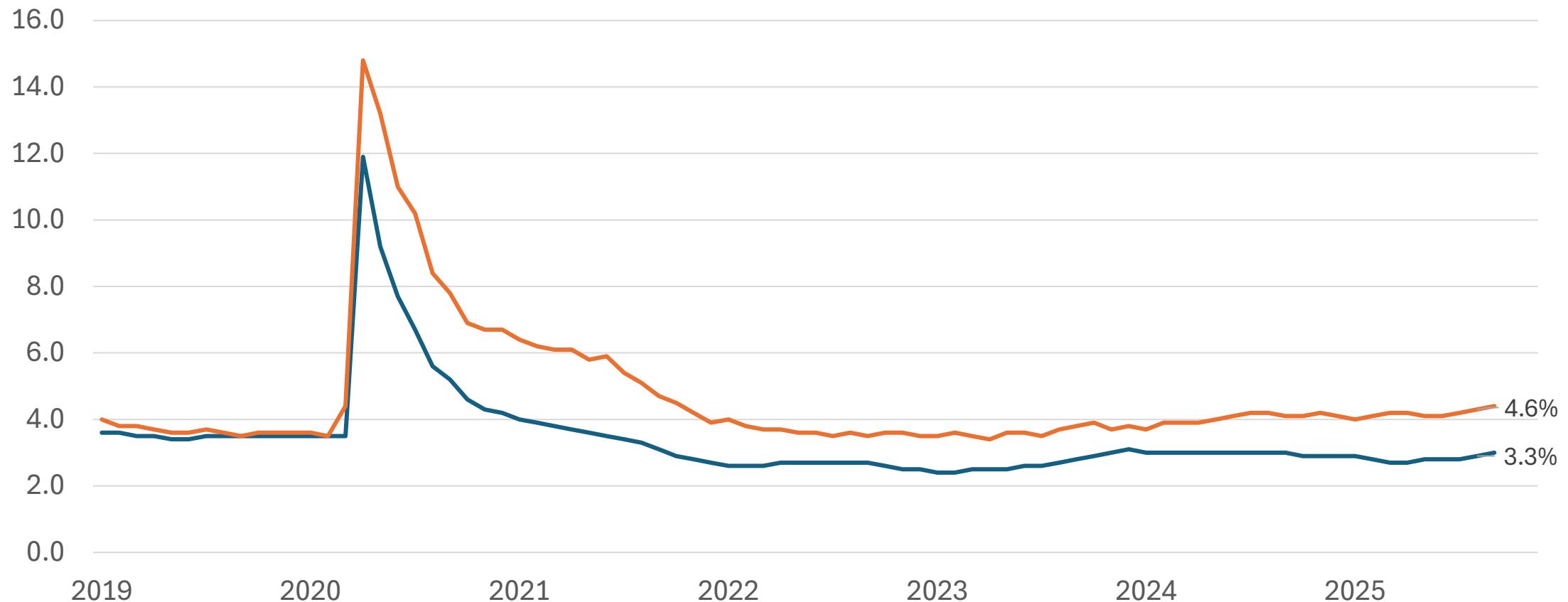
Montana vs. U.S. GDP Growth

(% change annual rate, source: BEA)

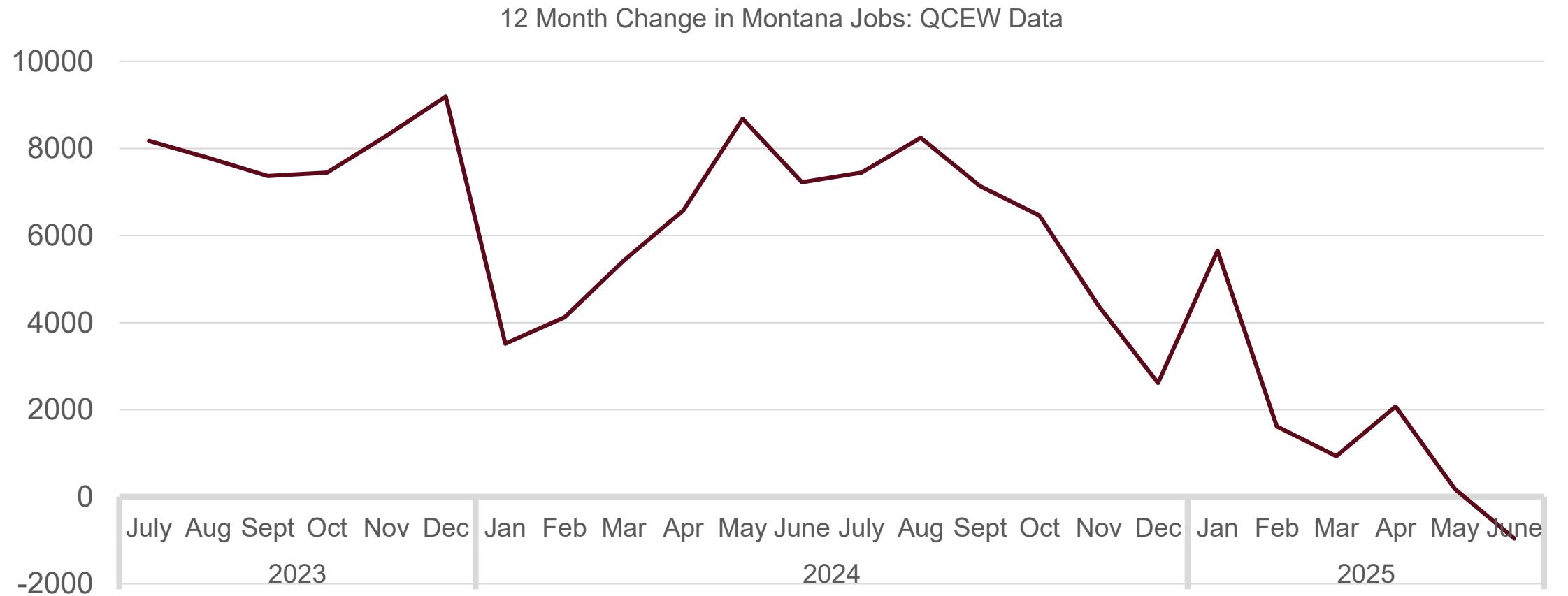


Unemployment Rate (%)

through August 2025

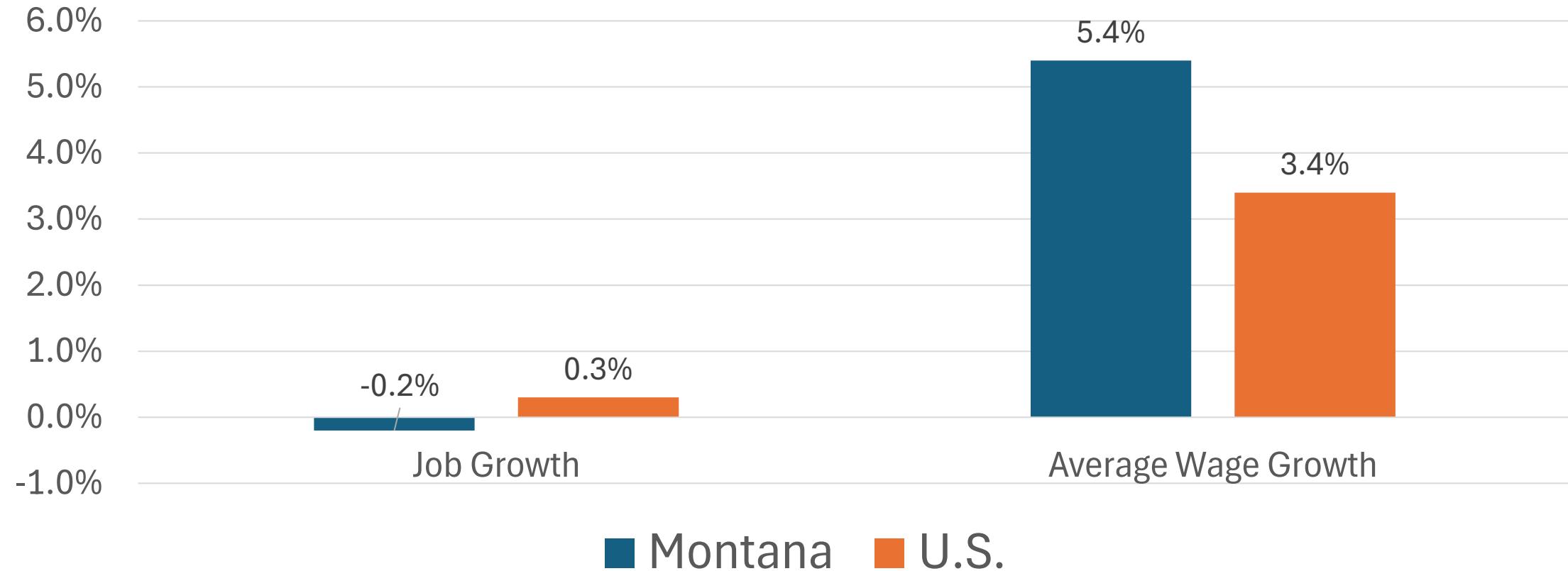


Job Growth Has Been Declining, Negative in June



MT Avg Wage Growth is #1 in the US, But Jobs Declined

June 2024 – June 2025 (BLS QCEW Data)

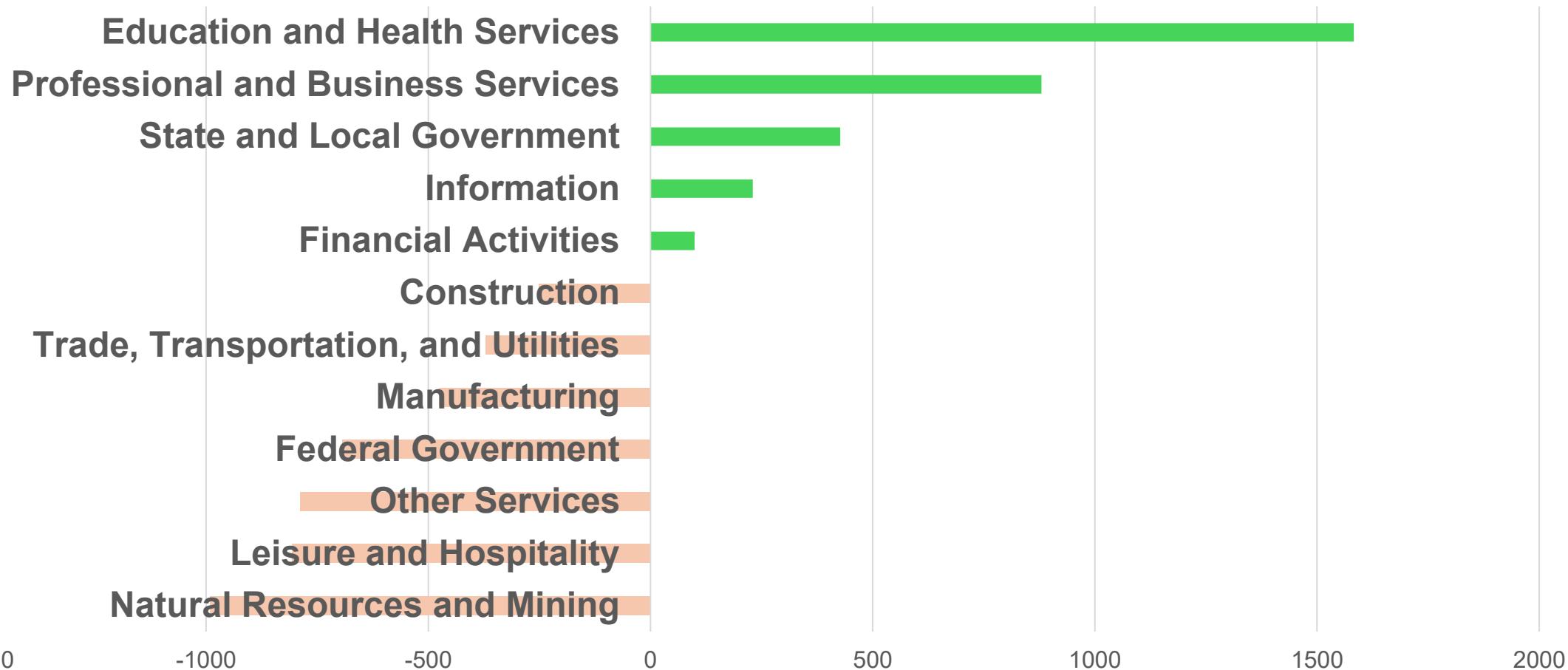


BUREAU OF BUSINESS AND
ECONOMIC RESEARCH
UNIVERSITY OF MONTANA

50 YEARS MONTANA ECONOMIC
OUTLOOK SEMINAR

Montana Job Growth By Major Industry

June 2024 – June 2025 (BLS QCEW)



Personal Income, 2025Q2. (growth over a year)

Fastest Growing Sectors (%)

Arts, entertainment, and recreation	12.4%
Management of companies and enterprises	11.5%
Professional, scientific, and technical services	11.1%

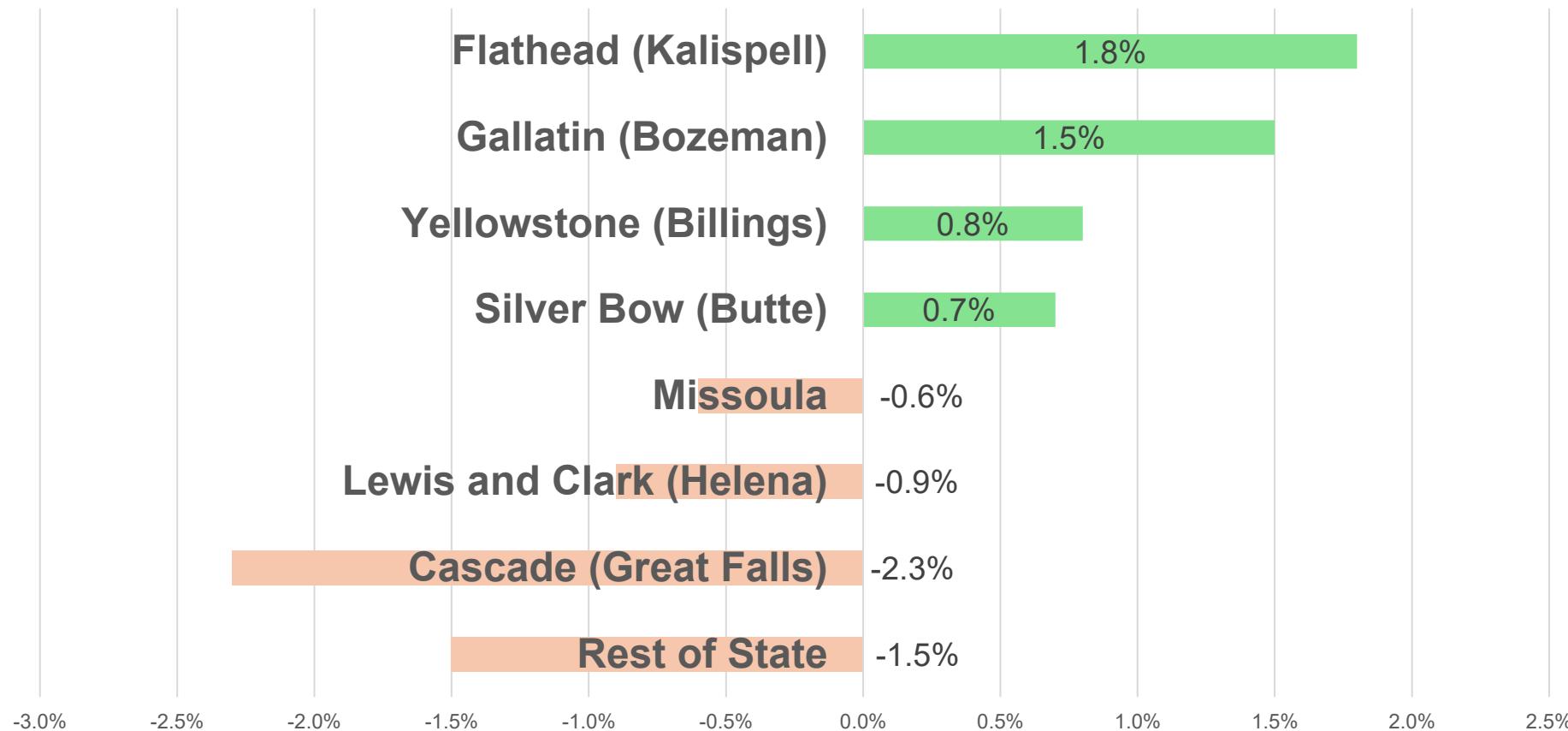
Fastest Growing Sectors (Millions \$)

Professional, scientific, and technical services	\$444
Health care and social assistance	\$395
Construction	\$221
Finance and insurance	\$211

Earnings Decrease in Forestry (-2.5%) and Mining (-7.7%)

Job Growth By County

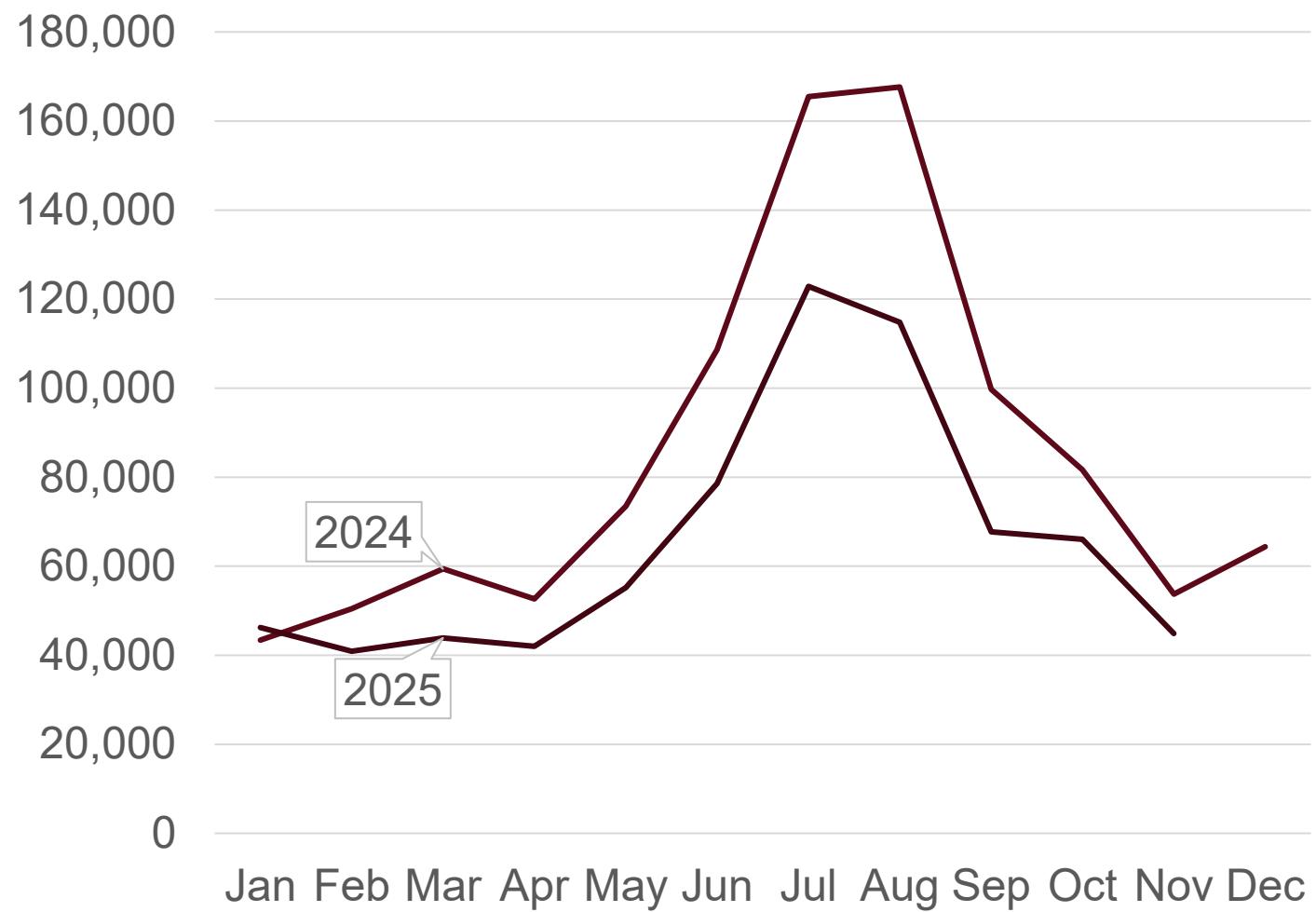
June 2024 – June 2025 (Source: BLS QCEW)



Tourism

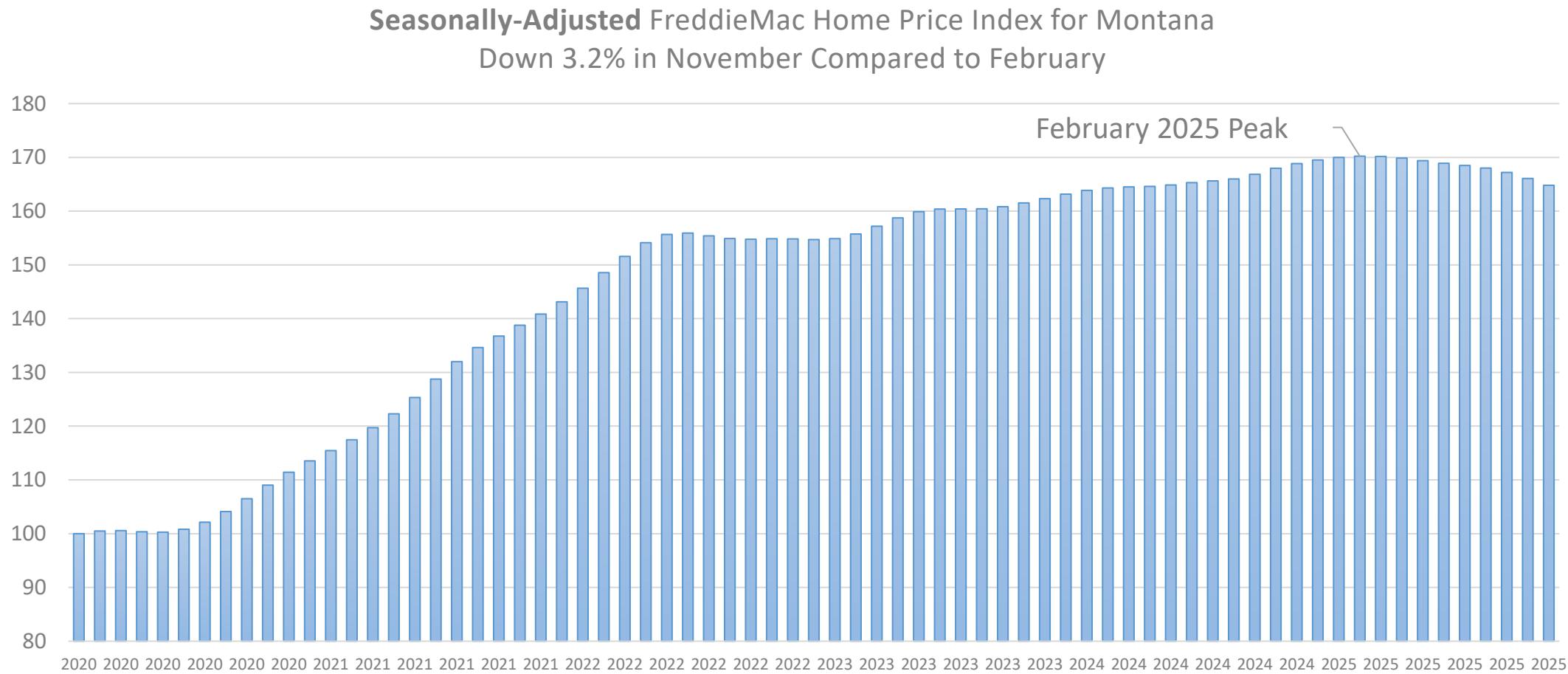
- Visitation is steady despite large decrease in Canadians.
- Yellowstone and Glacier NP visits up 1-2% compared to 2024 (through August)
- Montana Airport Traffic Up 6% Compared to 2024 (through October)

Canadian Border Crossings Into Montana
(passenger vehicle individuals)



Home Prices May Have Peaked

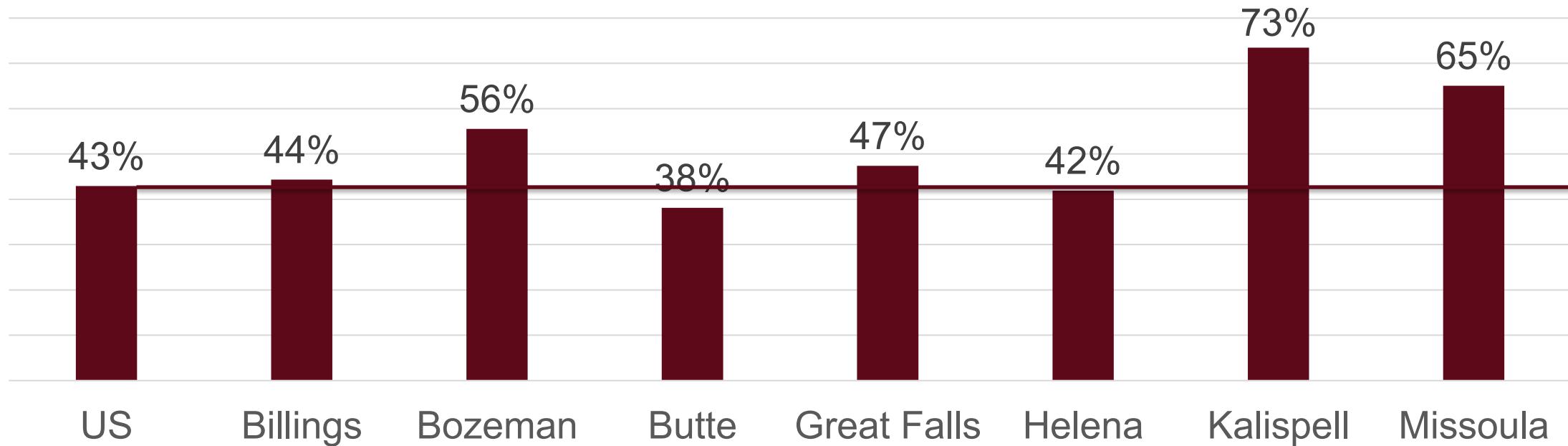
For-sale inventory is still below pre-Covid levels.



Home Ownership Affordability: Sept '25

Share of Median Household Income Required To Purchase Median Priced Home (10% down payment)

Source: Atlanta Fed



Bozeman, Missoula, Kalispell are down 6 to 10 percentage points from their 2023 peak.

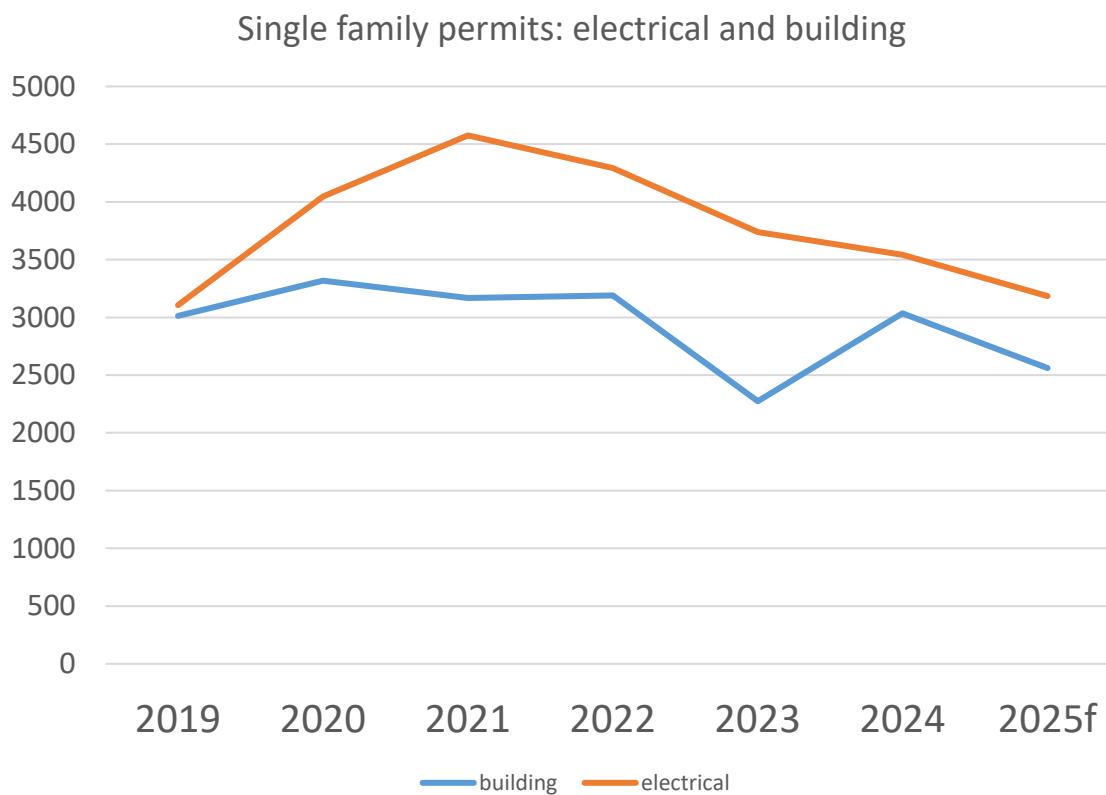


BUREAU OF BUSINESS AND
ECONOMIC RESEARCH
UNIVERSITY OF MONTANA

50 YEARS MONTANA ECONOMIC
OUTLOOK SEMINAR

New Housing Production in Montana

**Single family permits trending down.
Back to pre-Covid level.**



Multi-family permits have fallen back from 2021-22 surge, still above pre-Covid.

No graph: Multi-family data is unreliable due to inconsistent reporting, and electrical permits do not report units.

Montana Outlook for 2026

- Pattern of Very Slow Job and Population Growth With Above Average Income Growth Should Continue
- Watching the Real Estate Market
 - Home prices and rents show recent declines
 - Will second-home tax reduce demand/construction?
- Incremental Progress on Affordability
 - Incomes growing faster than housing costs
 - Property tax cuts on median-priced homes
- Late 2026 Could See Big Projects Drive Faster Growth In Affected Regions
 - Data Centers, Mining Turnaround, Tech/Bioscience expansion