

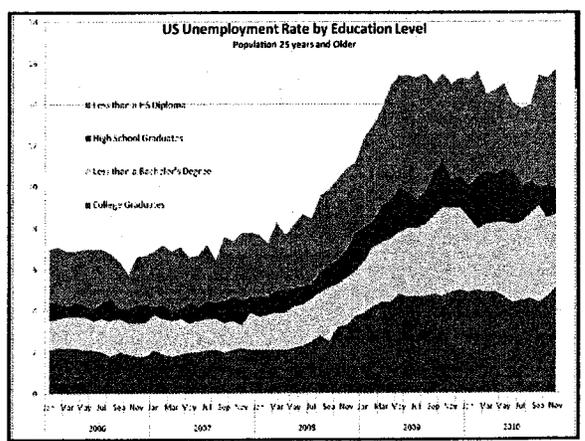
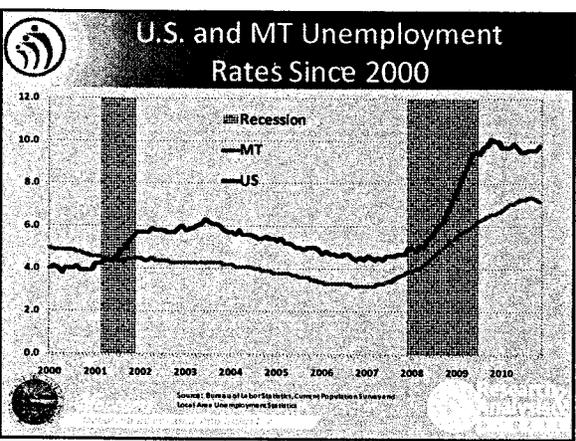
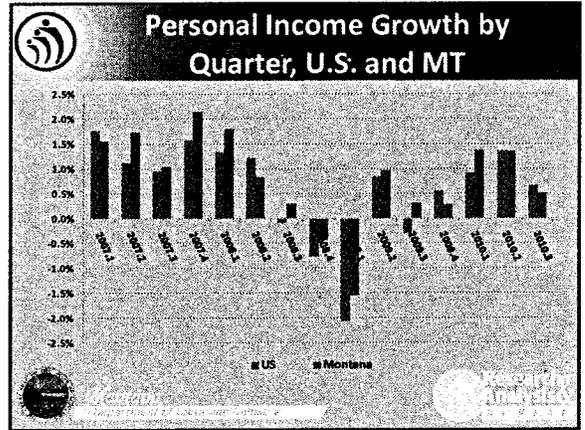
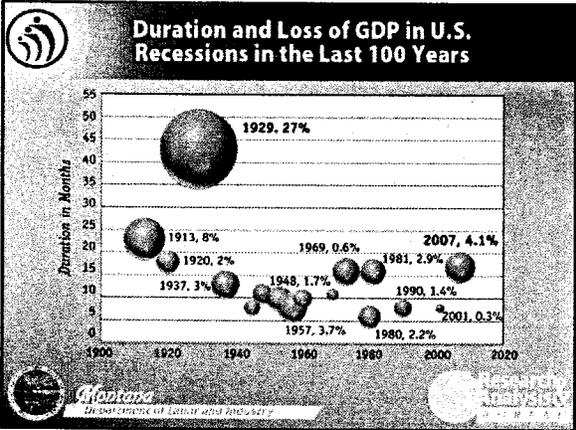
## The Montana Economy and Unemployment Insurance Benefits

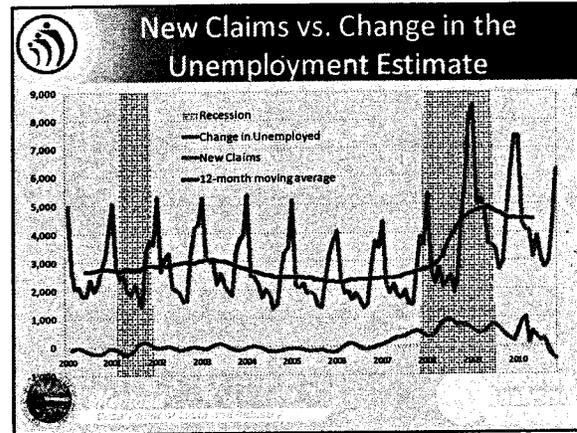
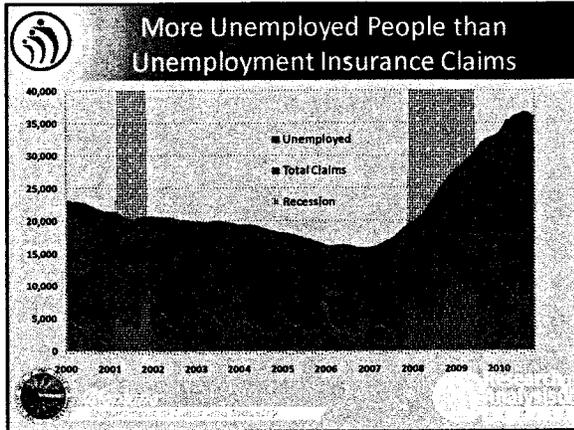
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House Business and Labor Committee,  
 2011 Session  
 January 17, 2011

## Today's Topics

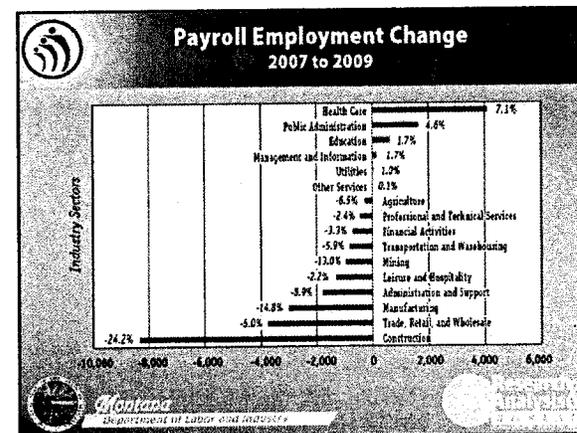
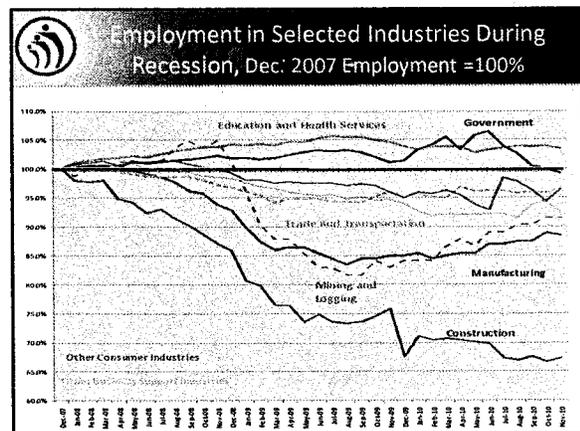
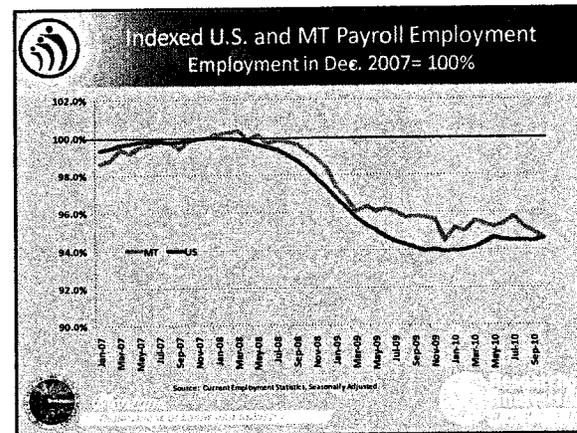
1. Montana's economy in recession
  - How unemployed people differ from unemployment claims
2. Montana's economy in recovery
3. Future challenge: efficient job matching

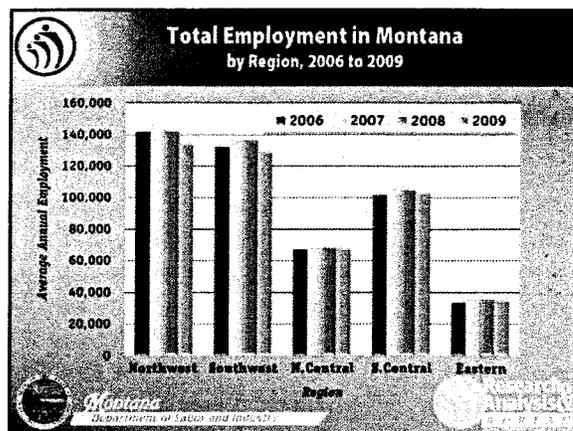
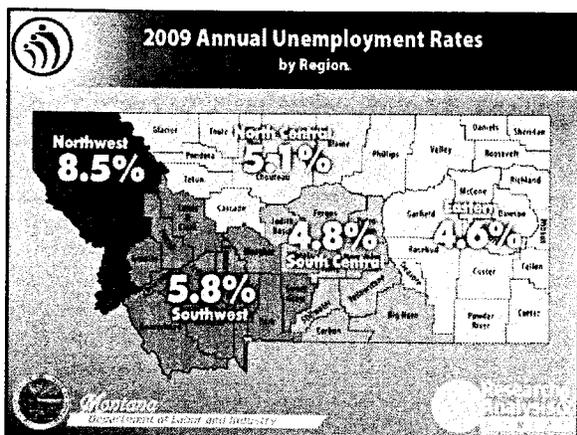




### Unemployed People is Different than Unemployment Insurance Claims

- Only about 1/3 of unemployed persons receive unemployment insurance benefits
  - Self-employed
  - Many do not qualify for benefits
- Reductions in the number of unemployed Montanans may not reduce the number of claims
  - Churning in the labor force
  - Some workers have frequent unemployment claims even during periods of low unemployment



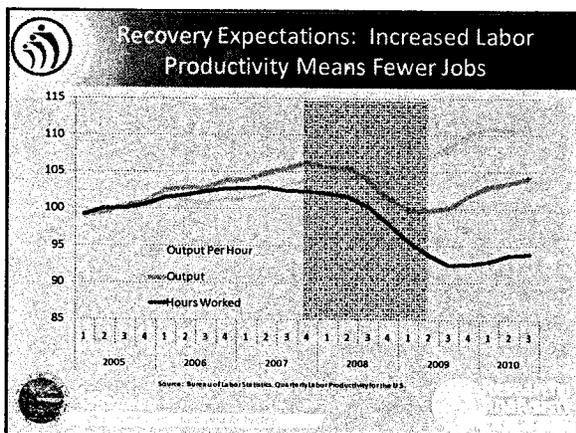


### Take Away Points- Montana's Economy in Recession

- Huge job losses in Construction, Retail, and Manufacturing
- Most industries had job growth in 2010 – Government and Construction did not
- Northeast Montana was the worst hit during the recession

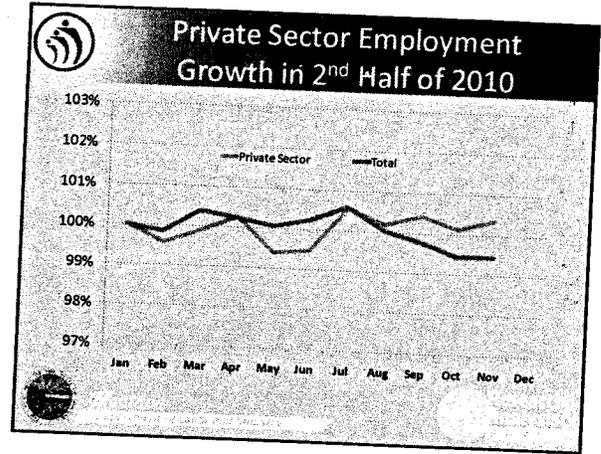
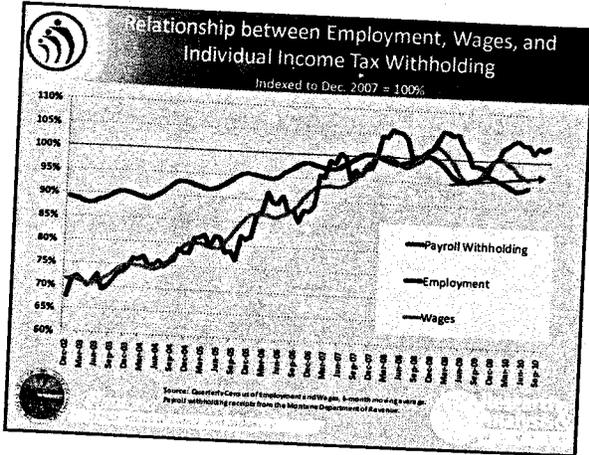
### Recovery Expectations: Employment Loss and Duration, U.S. vs. MT during the Last Three Recessions

Year	Official Duration of Recession in Months	US		MT	
		Percent Loss of Employment, Peak to Trough	Months until Employment Recovered	Percent Loss of Employment, Peak to Trough	Months until Employment Recovered
1990	8	1.5%	32	1.0%	4
2001	8	2.0%	48	0.5%	10
2007	18	6.1%	35 and counting	5.6%	31 and counting



### Recovery Expectations: Private Job Growth Has Been Slow due to Low Consumer Spending and Uncertainty

- Businesses have cash to hire more employees – Moody's estimates \$1-2 trillion in cash reserves
- Conflicting economic and political news creates uncertainty
- Recession may have long-term impacts on consumer spending – Consumer expenditures represent about 70% of GDP



- ### Take Away Points- Recovery Expectations
- Recovery has occurred in
    - Personal income
    - Wages
    - Slow private job growth
  - Government job losses has increased unemployment rates throughout 2010
  - Post-recession economy will be higher-skill jobs
    - Health Care, High-tech Manufacturing, Professional Services are growing
    - Construction and Wood Products Manufacturing are not expected to return to pre-recession levels for some time.

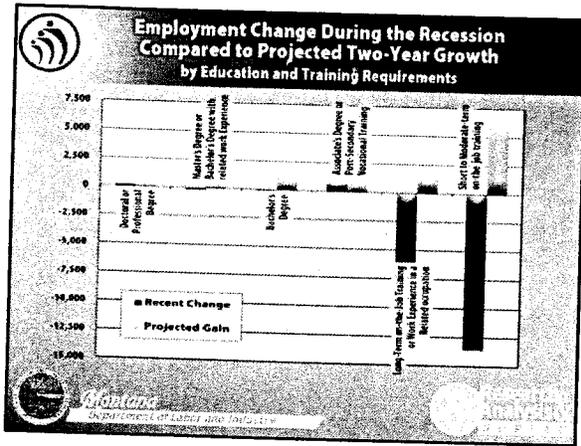


### Occupations with the Largest Losses Statewide

Occupation	Estimated Recession Losses	Projected Statewide Job Growth, 2011	Years to Rehire
Carpenters	-2,010	108	18.6
Retail Salespersons	-1,400	250	5.6
Construction Laborers	-1,070	75	14.4
Cashiers	-850	126	6.8
Bookkeeping, Accounting, and Auditing Clerks	-700	182	3.8
Truck Drivers, Heavy and Tractor-Trailer	-620	113	5.5
Electricians	-515	37	14.0
Operating Engineers and Other Construction Equipment Operators	-450	37	12.2
Plumbers, Pipefitters, and Steamfitters	-445	22	20
General and Operations Managers	-435	31	14.3

### Ten Growing Occupations with Unmet Demand for Workers

Occupation	Projected Annual Growth
Registered Nurses	98
Accountants and Auditors	72
Landscaping and Groundskeeping Workers	72
Sales Representatives, Wholesale and Manufacturing	70
Office Clerks, General	66
Cooks, Restaurant	63
Maintenance and Repair Workers, General	61
Nursing Aides, Orderlies, and Attendants	53
Personal and Home Care Aides	52
Lawyers	47



### Efficient Job Matching

#### Duration of Employment for Newly Hired Workers in Montana

Quarter	2006	2007	2008	2009
1	30.3%	31.8%	31.1%	31.0%
2	22.6	22.8	23.1	34.4
3	10.5	10.5	10.7	18.6
4	6.7	6.6	6.8	9.6
5	4.7	4.5	5.0	6.3

High turnover for newly hired workers wastes resources of businesses and workers, plus increases state costs through increased unemployment claims. Research to explore the causes of and solutions to low retention rates is underway.

Montana Department of Labor & Industry

## QUESTIONS?

PRESENTATION, MONTHLY UPDATES, DATA, AND OTHER ECONOMIC RESEARCH AT

<http://www.ourfactyourfuture.org/>

Montana Department of Labor & Industry