



Montana Outlook

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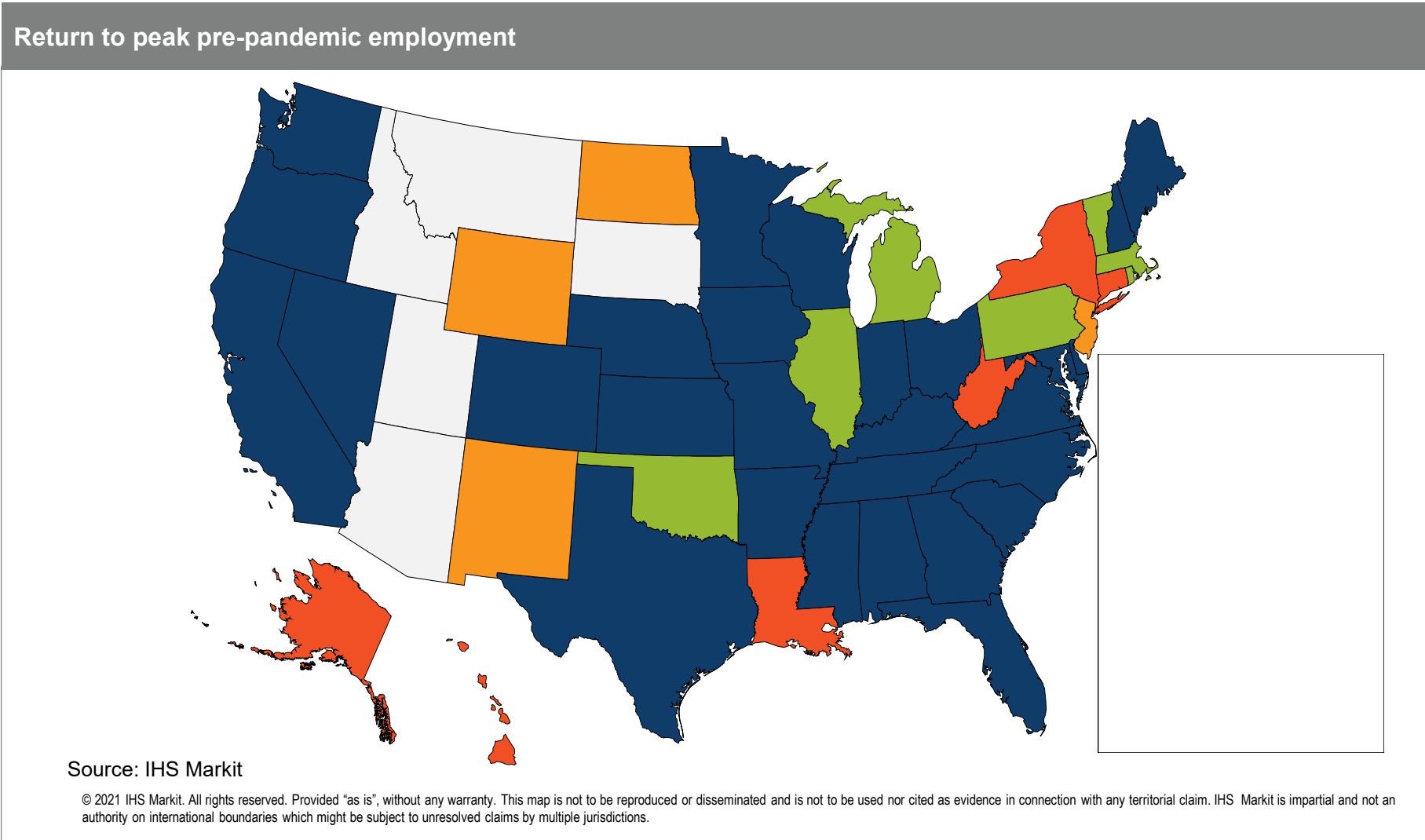
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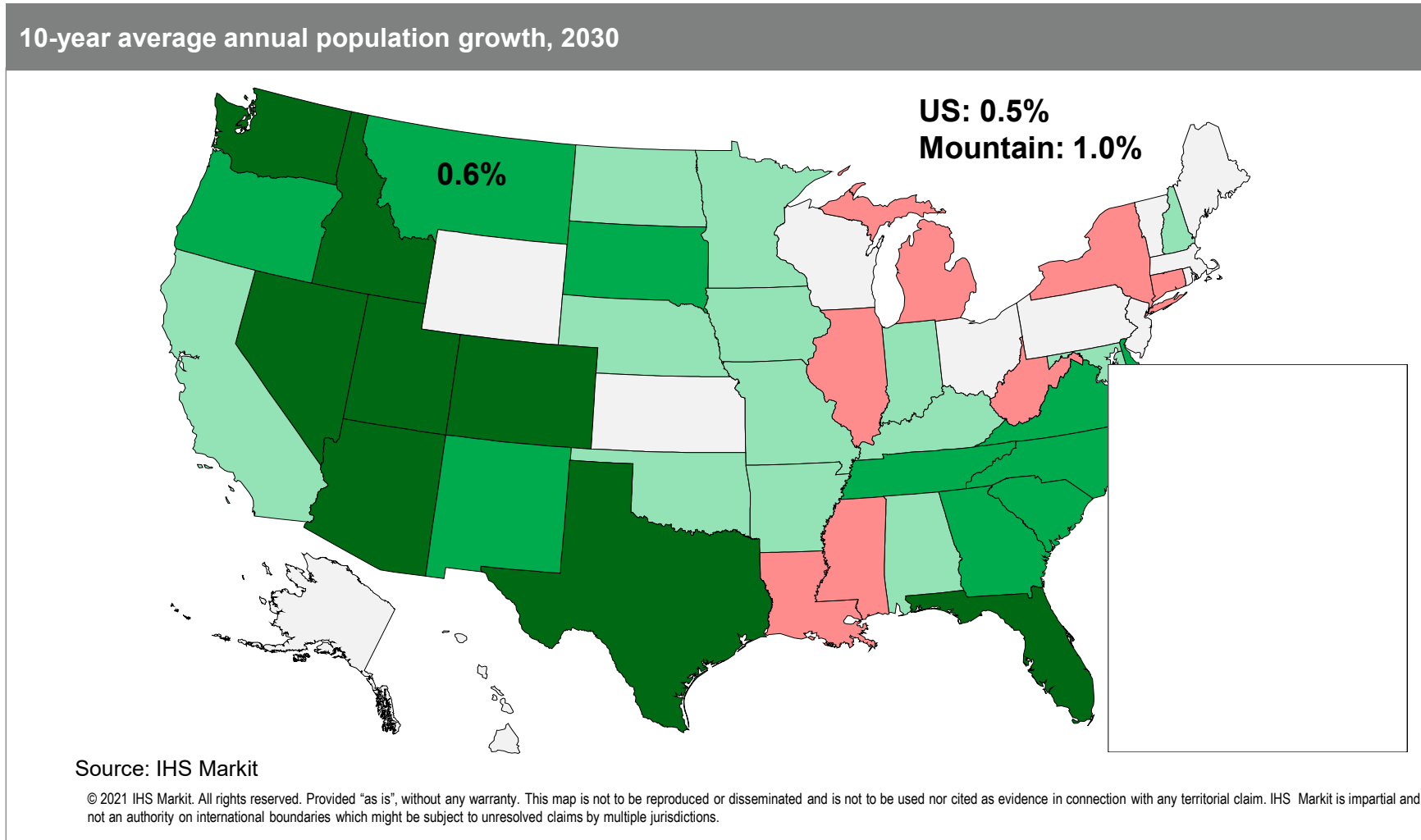
US 10-year outlook: slow and steady

- Real GDP growth will average 2.2-2.3% annually through 2031 once conditions normalize following the recovery from the pandemic
 - > This represents a deceleration compared to the trend over the past 30 years (2.5%)
- Unfavorable demographic trends will limit population growth. It will average 0.5% through 2031, well below the 0.9% 30-year average
 - > The age distribution of the population continues to skew older which will put upward pressure on deaths
 - > Declining fertility rates is putting downward pressure on births
 - > International migration slowed significantly in recent years and faces a protracted recovery
- Employment will average annual gains of 1.2% through 2031. Lackluster population growth will limit expansion in the labor force
- Productivity will average 1.9% over the next 10 years, a touch below the 2.0% average over the past 30 years
 - > This will outpace growth over the 2010's (1.2% annually), but is well below the 2000's (2.6%)

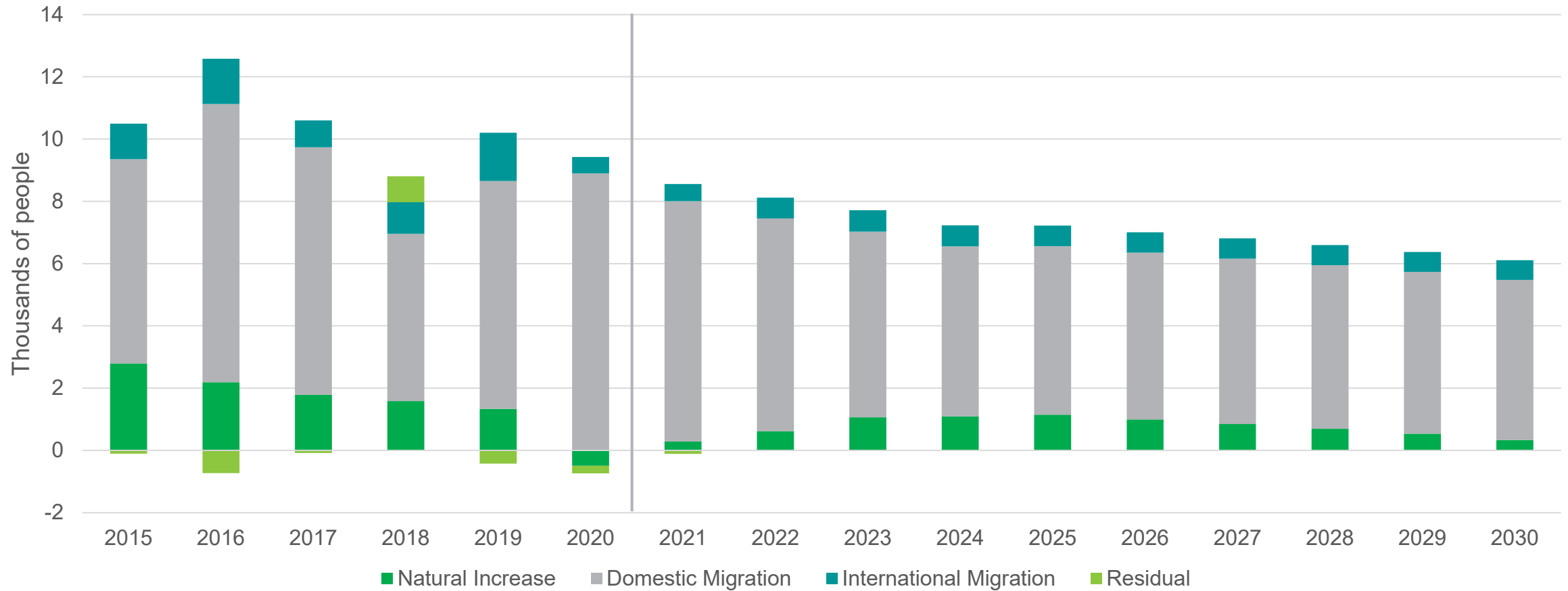
Montana nears peak pre-pandemic employment



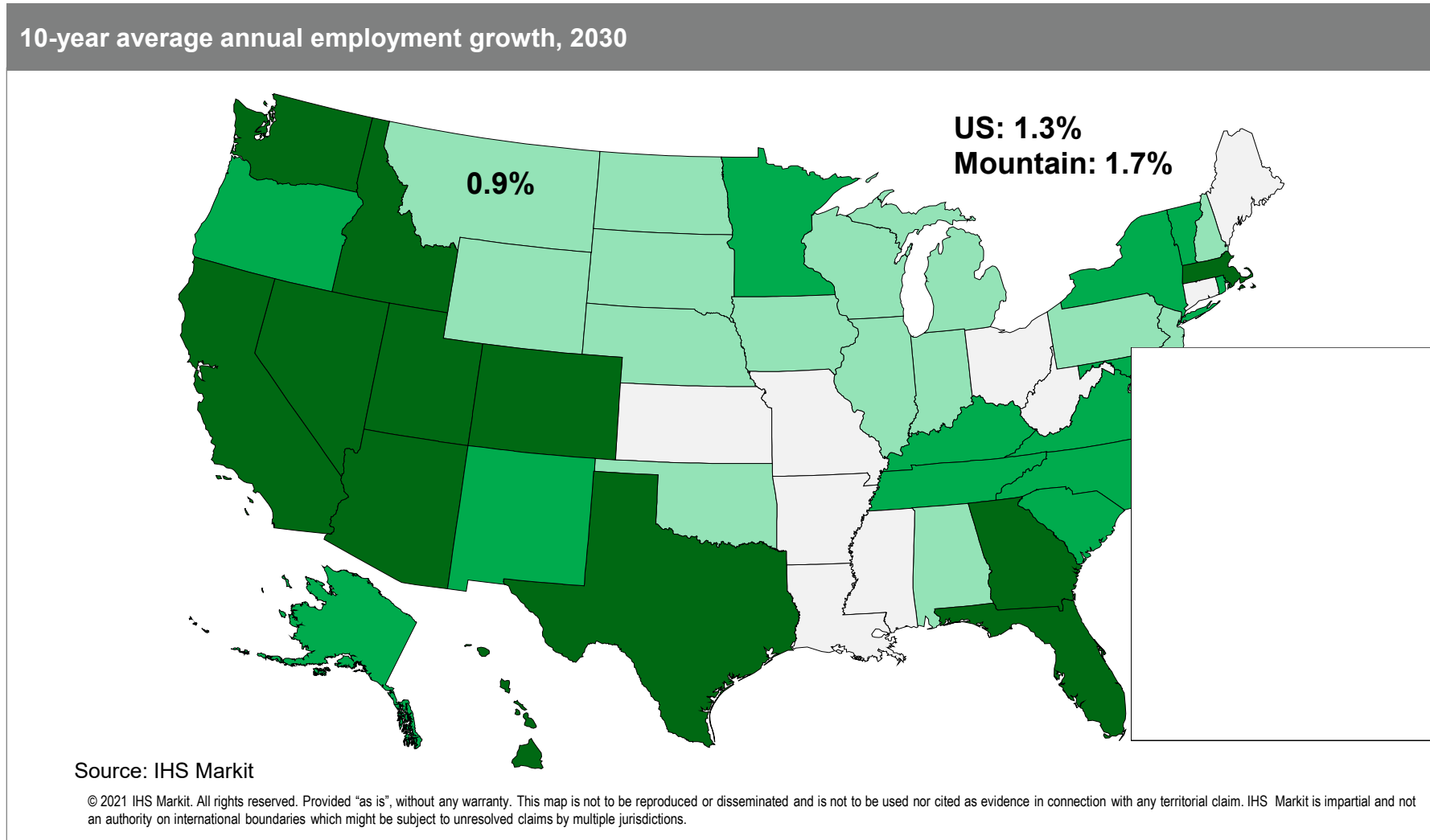
Population growth in Montana forecast to slightly outpace the US average



Montana's long term population growth will be driven by domestic migration

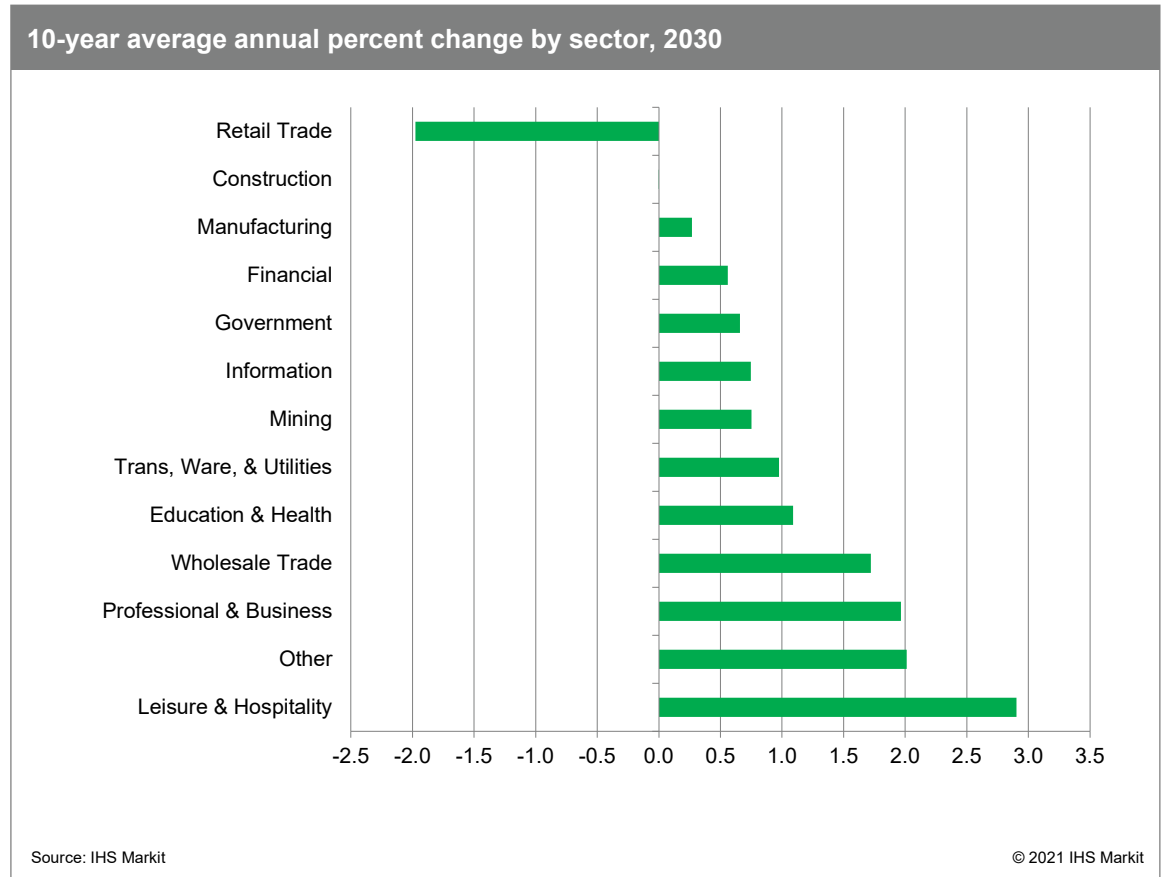


Montana employment growth will fall short of Mountain and national averages

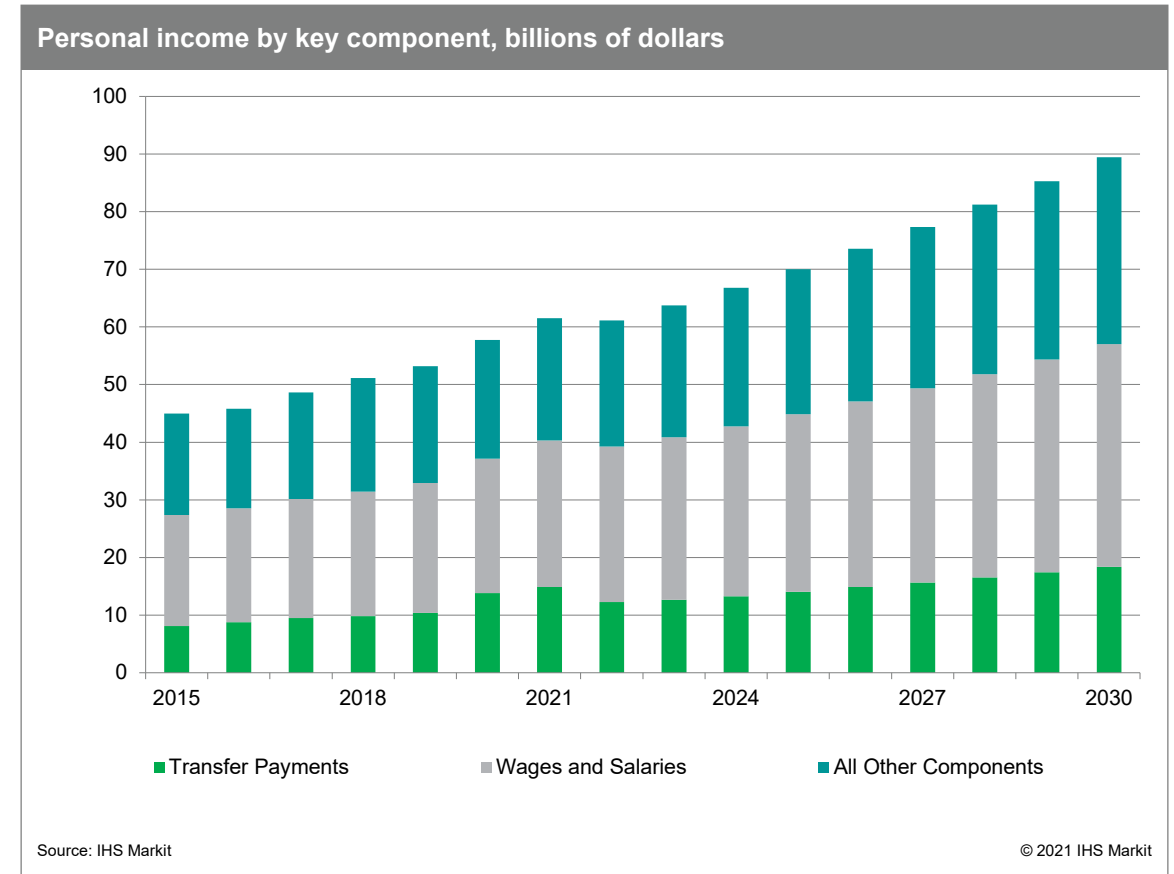
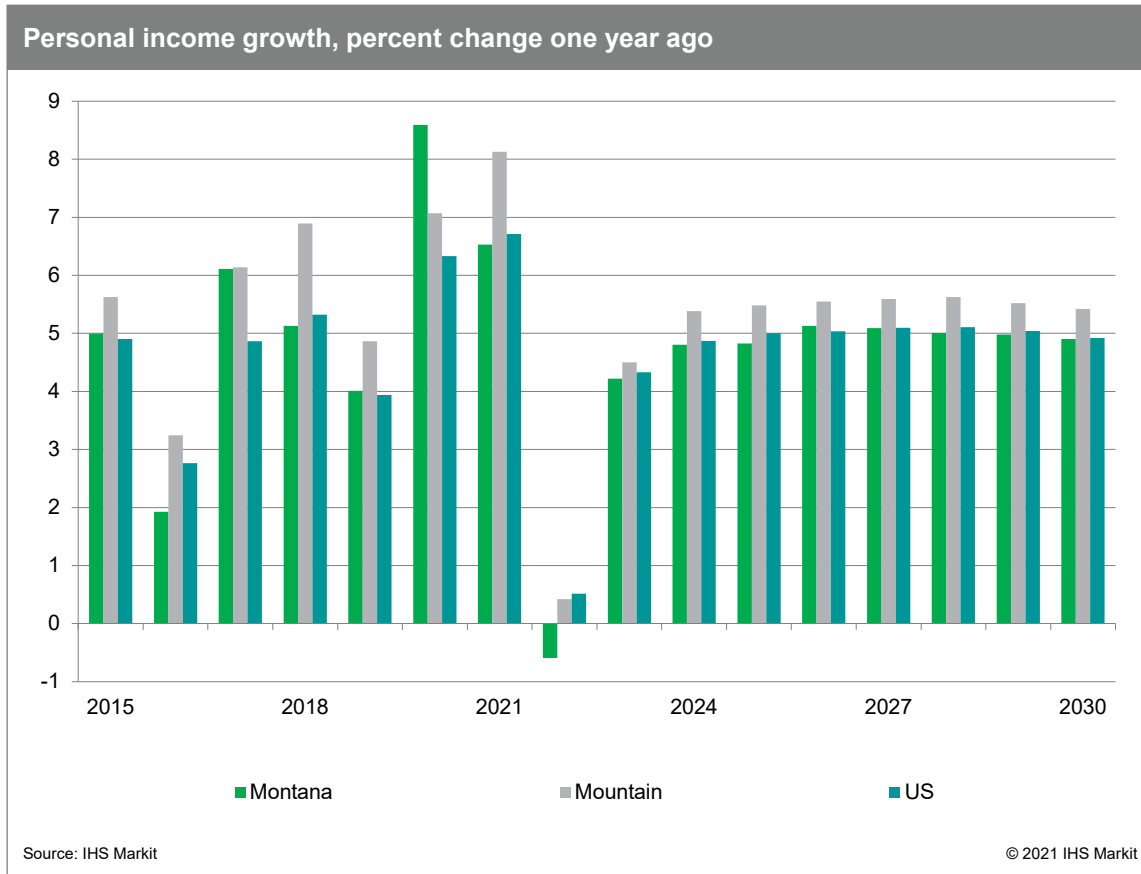


Service sectors are expected to be engines of long-term employment growth

- Leisure & hospitality services will expand at the fastest rate as the sector recovers quickly between 2021 and 2024 following pandemic losses. Though growth will moderate over the long term.
- Professional & business services and education & health services will contribute to growth over the next 10 years.
- The rising popularity of e-commerce and spread of automation are expected to cause long-term losses in retail trade.
 - > Wholesale trade is expected to expand to meet increasing demand for distribution and shipping.

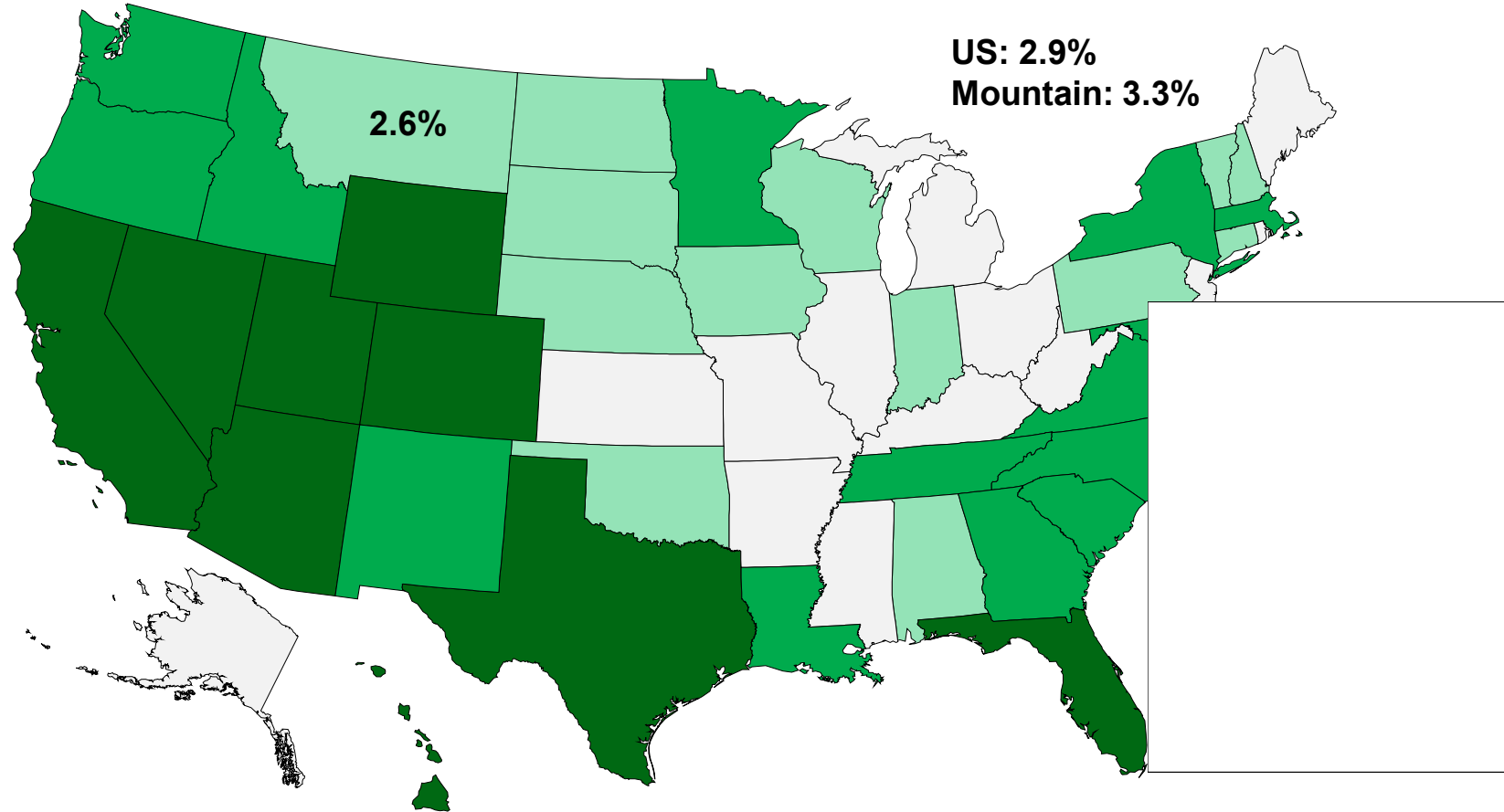


Income growth to slow as fiscal stimulus recedes, normalizes over the long term



Real gross state product forecast to sit below the national rate over the long run

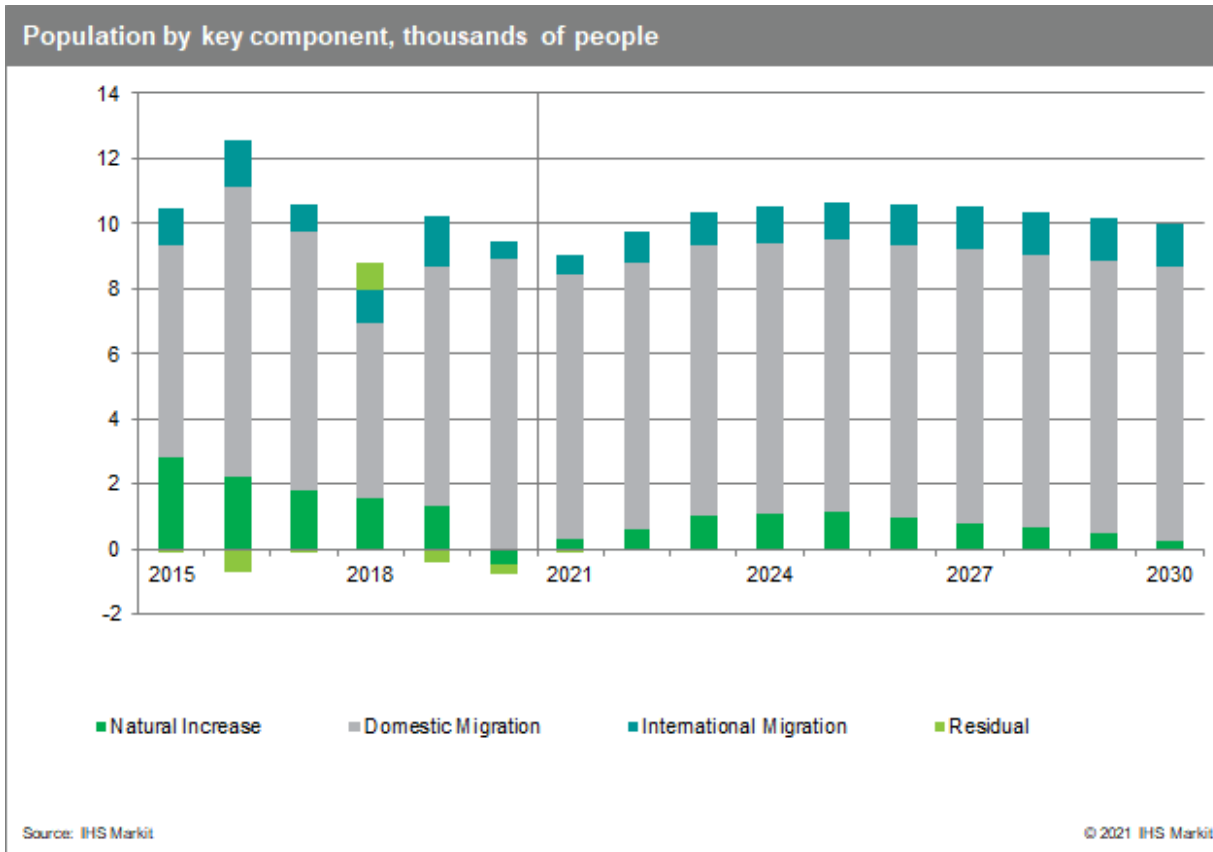
10-year average annual real gross state product growth, 2030



Source: IHS Markit

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Scenario: Migration pushes Montana population growth toward Mountain average



Montana scenario

10-year annual average (%)

Concept	Baseline	Optimistic
Population	0.6	0.9
Employment	0.9	1.3
Labor force	0.8	1.1
Real gross state product	2.6	2.9
Personal income	4.5	4.8
Personal consumption	5.4	5.7

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