Economy is Booming:
Montana Quarterly Real GDP

2021Q3 GDP was 1.5% higher than pre-recession

Source: Bureau of Economic Analysis.
Fewer Unemployed than Ever Before

13,670 people unemployed in Dec. 2021

Source: LAUS & CES, MTDLI.
More Workers Employed in Dec 2021 than Ever Before

Labor Force – 2,300 people more than before

Employment: 8,900 more people employed than before pandemic

Source: LAUS & CES, MTDLI.
So...What's the Problem?

More openings than hires suggest worker shortages

Job Openings and Hires

Montana Department of Labor & Industry

lmi.mt.gov/Home/Job-Tracking
Strong Wage Growth
Average Wage over Last 4 Quarters & Growth

Source: Total Wages from QCEW, MTDLI.
Openings Partially due to Worker Churn (which is good for economy)

Re-adjustment of workers promotes increased productivity and higher wages
Labor Market Tightness Causes

Demand for Workers

1. Positive economic shock & rapid growth

2. High turnover rates as workers seek out better jobs

3. High worker absenteeism increases worker needs
   (~ 14k out due to COVID in early Jan)

4. Reduced productivity as workers moved back into the office
Labor Force Participation Rates

Montana
US

Still down about 1%
Labor Force Participation by Age:
All but young workers recovered

- 25 to 54 years
- 55 to 64 years
- Under 25

Montanans Not in the Labor Force by Reason

Source: IPUMS CPS Data Montana 12-Month Moving Average. Includes people 15 and up.
Labor Force Participation Rates of Montana Men vs. Montana Women

Source: IPUMS CPS Data Montana 12-Month Moving Average. Includes people 15 and up.
## Labor Market Tightness Causes

### Demand for Workers
1. Positive economic shock & rapid growth
2. High turnover rates as workers seek out better jobs
3. High worker absenteeism increases worker needs (~ 14k out due to COVID in early Jan)
4. Reduced productivity as workers moved back into the office

### Supply of Workers
1. Aging workforce driving reduced participation
2. Illness & COVID results in fewer work hours available
3. Childcare issues
4. Concerns about COVID (1.5k in Jan)
5. Young & men lagging response to higher wages
Where to Find More Workers?

- Increase ...
  - Work hours of existing workers (still lower than pre-recession)
  - Multiple job-holding
  - Productivity
  - In-migration (comes with some housing/growth issues)
  - Childcare

- Tap into disabled workers and caretakers

- Embrace remote work

Everyone out has a reason for being out – accommodate it!

In 2024, retirements slow & labor force growth accelerates*

*working on an update including post-pandemic period
Where are the Workers?

Typically, people who are not in the labor force are retired, caring for family, in school, or have illness/disability that prevents them from working. Labor force participation varies by age group, as do the primary reasons that Montanans choose not to work. Explore Montanans’s labor force participation and main activities for those not working by age group using the filter below.

Main Activity for Those Not Looking for Work (Not in Labor Force)

- Illness/Disability 29.9%
- Caring for Family
- Retired 55.5%
- Other 5.7%