Helena Area Labor Report

2021

HELENA WINS
HELENA
Area Chamber of Commerce

Montana Department of
LABOR & INDUSTRY

Helena Area Labor Report

July 2021

STATE OF MONTANA
Greg Gianforte, Governor

MONTANA DEPARTMENT OF LABOR & INDUSTRY
Laurie Esau, Commissioner

PRIMARY AUTHORS
Emily Trautman, Senior Economist
Amy Watson, Senior Economist

CONTRIBUTORS
Barbara Wagner, Chief Economist
Robert C. Marvin, Layout & Photography

CREATED BY
Research & Analysis Bureau
P. O. Box 1728
Helena, MT 59624-1728
(406) 444-4100
www.lmi.mt.gov

This report was commissioned by Helena WINS in conjunction with AJAY MT, MBAC, Reach Higher Montana, and the Montana Youth Apprenticeship Partnership, and written by the Montana Department of Labor & Industry, with the goal of providing local information on the Helena area labor market. The coalition of community partners intends for the Helena community to use this information to understand the local labor market, address challenges that workers face in the community, and provide ideas for workforce training needs.

Helena Area Labor Report:

Executive Summary

Centrally located with an abundance of recreation and cultural opportunities, Helena and the surrounding area has earned its reputation as a great place to live. High wage jobs, stable employment growth, investment in public schools, and relatively affordable housing contribute to the attractiveness of the area. Helena has grown steadily over the last several years, primarily from in-migration as people discover all that the area has to offer. Families, college students, and people with post-secondary degrees are the largest categories of in-migration, drawn to the area by a strong education system, a growing technology sector, and a high share of jobs requiring a college degree.

The decade of expansion that followed the 2009 recession brought consistent long-term growth in population, employment, wages, and standard of living to the Helena area. However, steady job growth and an aging population drove down the unemployment rate, making it more difficult for businesses to find qualified workers in Helena and throughout Montana. Through the start of 2020, Lewis & Clark County's unemployment rate was lower than the Montana and U.S. average, suggesting the Helena area had more severe workforce shortages than elsewhere.

In 2020, the Helena economy weathered significant disruptions to the labor market. The COVID-19 recession led to substantial and sudden job-losses as businesses closed to help prevent the spread of the virus. However, the recovery has been strong in Helena. Employment reached pre-pandemic levels in March of 2021, outpacing the rest of the state and the nation. Attention now focuses on increasing worker supply and engaging more people in the labor force, as unemployment rates reach pre-pandemic lows and businesses report difficulty finding workers.

This report provides in-depth analysis of the Helena area economy, which includes Lewis & Clark, Broadwater and Jefferson Counties. The analysis focuses on long-term trends in the area's workforce, while also detailing the impacts of the COVID-19 pandemic on the Helena area labor market. The report also projects the Helena area's long-run workforce needs and compares them to local supply to determine whether there are workforce gaps that could hinder the area's economic growth. Highlights include:

Stable Economic Growth

- The Helena area has experienced steady population and employment growth over the five years prior to the 2020 recession. Lewis & Clark County's population grew by 1.1% each year (**Figure 1.1**). Total employment grew by 0.7% each year (**Figure 1.6**).
- Buoyed by a stable base of government employment, the Helena area weathered the COVID recession better than the rest of the state. Helena area employment dropped by 6-7% at the trough of the recession, which is less than half the national drop. Employment in Helena reached pre-recession levels in March 2021, a month before the rest of the state (**Figure 1.7**).

- Population growth in the Helena area is primarily driven by in-migration. Montanans make up the highest share of in-migration to Lewis & Clark County. Over 45% of people moving to Lewis & Clark County moved from elsewhere in Montana (**Figure 3.11**).
- Affordable housing helps drive in-migration, despite rapid price increases over the last year. Lewis & Clark County's housing prices increased 11% for the year ending 2021Q1, compared with 10% across the U.S. Lewis & Clark County continues to have more affordable housing than the Montana average, but less affordable housing than the U.S. average (**Figure 3.16**).
- Opportunities for remote work is another important factor for in-migrants. Remote work surged in 2020 due to health concerns and stay-at-home orders. One estimate suggests 45% of Lewis & Clark County's jobs have the potential to be remote (**Figure 3.7**).
- Labor force growth in the Helena area lags slightly behind population growth, averaging 0.5% annual growth over the five years prior to the 2020 recession (**Figure 1.2**). A population aging into retirement is countering the labor force gains from in-migration (**Figure 1.3**).
- Sixty-six percent of Lewis & Clark County's population is in the labor force, higher than the statewide average (**Figure 3.1**). Retirements are the most common reason for not participating in the labor force. Illnesses or disabilities, in school, and taking care of family are other common reasons for not participating (**Figure 3.2**).
- A shortage of affordable child care in the Helena area prevents many Montana families from fully engaging in the labor force. Licensed child care capacity meets only 45% of estimated demand in Lewis & Clark County, 51% of demand in Jefferson County, and less than a third of demand in Broadwater County (**Figure 3.5**).
- The Helena area labor market is unique due to its larger concentration of high-wage jobs, and the presence of a more educated workforce compared to the rest of the state. Average wages in Lewis & Clark County were $51,130 in 2020, ranking 8th highest among Montana counties (**Figure 1.14**). Nearly 35% of jobs in the Helena area require a bachelor's or graduate degree, compared to 21% to 26% in other urban counties of the state (**Figure 1.22**). Lewis & Clark County workers with a college degree earn higher wages than similarly educated people working elsewhere in the state (**Figure 1.23**).
- The high-tech industry has become a bright spot of the Helena area labor market. By one definition, Lewis & Clark County has the second highest share of high-tech industry jobs after Gallatin County. These jobs make up 6% of the private sector, and they pay higher than average annual wages at $78,600 on average (page 16).

Growing Workforce Needs

- Total employment in Helena is projected to grow by 1.4% annually through 2029, resulting in growth of over 600 jobs per year. Most of Helena's job growth is concentrated in government, healthcare, and accommodation and food service industries (**Figure 2.1**).
- There are projected to be over 5,100 annual job openings in the Helena area from the combination of new jobs, exits, and transfers. Thirty-seven percent of these job openings require some postsecondary education, with 26% requiring a bachelor's degree (**Figure 2.3**).
- Office and administrative support occupations are projected to have the most job openings in the Helena area over the next ten years, followed by food preparation and serving occupations. Employer turnover is the primary driver of job openings in these occupations (**Figure 2.2**).
- All top occupations in the Helena region requiring some college education, but less than a bachelor's degree are undersupplied. These occupations include licensed practical nurses, computer user support specialists, paralegals, bookkeepers, teaching assistants, and medical records specialists, and certified nursing assistants (**Figure 2.5**).
- Project managers, software developers, elementary school teachers, substitute teachers, substance abuse, behavior disorder, and mental health counselors are all undersupplied occupations in the Helena area that require a bachelor's degree. (**Figure 2.6**).
- Lawyers, physical therapists, marriage and family therapists, and school psychologists are all undersupplied occupations in the Helena area that require a graduate degree (**Figure 2.7**).
- Construction equipment operators, plumbers, medical and health services managers, and claims adjusters are undersupplied apprenticeable occupations making more than $50,000 per year in Helena (**Figure 2.8**).

As vaccination rates increase, businesses reopen, and people venture out of their homes for work, food, and entertainment, the Helena area economy is once again showing signs its pre-pandemic days. Increases in consumer spending, driven by stimulus payments and rapid wage growth, has generated strong demand for workers. However, workers remain reluctant or unable to fully engage in the workforce due to inconsistent school and child care availability and COVID-19 health concerns. These forces have created a tight labor market reminiscent of the area's pre-pandemic economy. The expiration of expanded unemployment insurance may motivate some people to return to full-time work. Additional efforts to engage Montana parents struggling with inconsistent child care and engage more vulnerable Montanans nervous about contracting COVID-19 in the labor market will help ensure the Helena area economy can continue to grow.

Contents

Introduction

Tucked within a beautiful mountainous landscape, the Helena area provides a unique oasis in the vast and diverse Big Sky country. Known for its flourishing art and theatre scene, rich history as the capital city, and abundance of public land for hiking, biking, fishing, and hunting – the Helena area has proved to be a great place to live, work, and play. Helena is centrally located among the state's urban areas, making it a hub for economic activity in Montana. Glacier and Yellowstone National Park are within a day's drive of Helena, which draws tourists to the capital city every year.

This report provides an in-depth analysis of the Helena area economy. The analysis emphasizes long-term economic trends in the area, while also highlighting some of the unique challenges brought about by the COVID-19 pandemic in the last year. The Helena area is defined as Lewis & Clark, Broadwater, and Jefferson Counties for the purposes of this report, recognizing that the City of Helena's economy is intricately connected to the economy in the surrounding communities.

The Helena area economy has flourished over the last ten years. Supported by a stable government sector, the economy has experienced steady growth during the long decade of expansion following the 2009 recession. Steady employment and wage growth have drawn an increasing number of prime working age adults to the Helena area, many of whom bring families with them. High quality schools and access to healthcare are some key factors making the quiet, sometimes sleepy, Helena area a great place to raise children. A growing high-tech sector combined with a high share of jobs requiring postsecondary education also contributes to in-migration of highly educated people. The influx of new residents has helped support the housing market, which has grown steadily over the long-term and accelerated in the last year. Despite a rapid increase in home prices in 2020, the Helena area remains one of the more affordable housing markets in the state.

The COVID-19 pandemic brought a sudden end to the long period of economic expansion. However, the Helena economy fared better than most areas of the state and was able to recover quickly. While the pandemic will likely have lasting impacts on the Helena economy, the area is also beginning to show signs of the pre-pandemic economy. Employment has reached pre-pandemic levels, and the low unemployment rate suggests tight labor markets have returned to the area. Efforts to grow the labor force and equip workers with the tools they need to re-enter the workforce after the pandemic will help ensure the Helena area economy continues to grow.

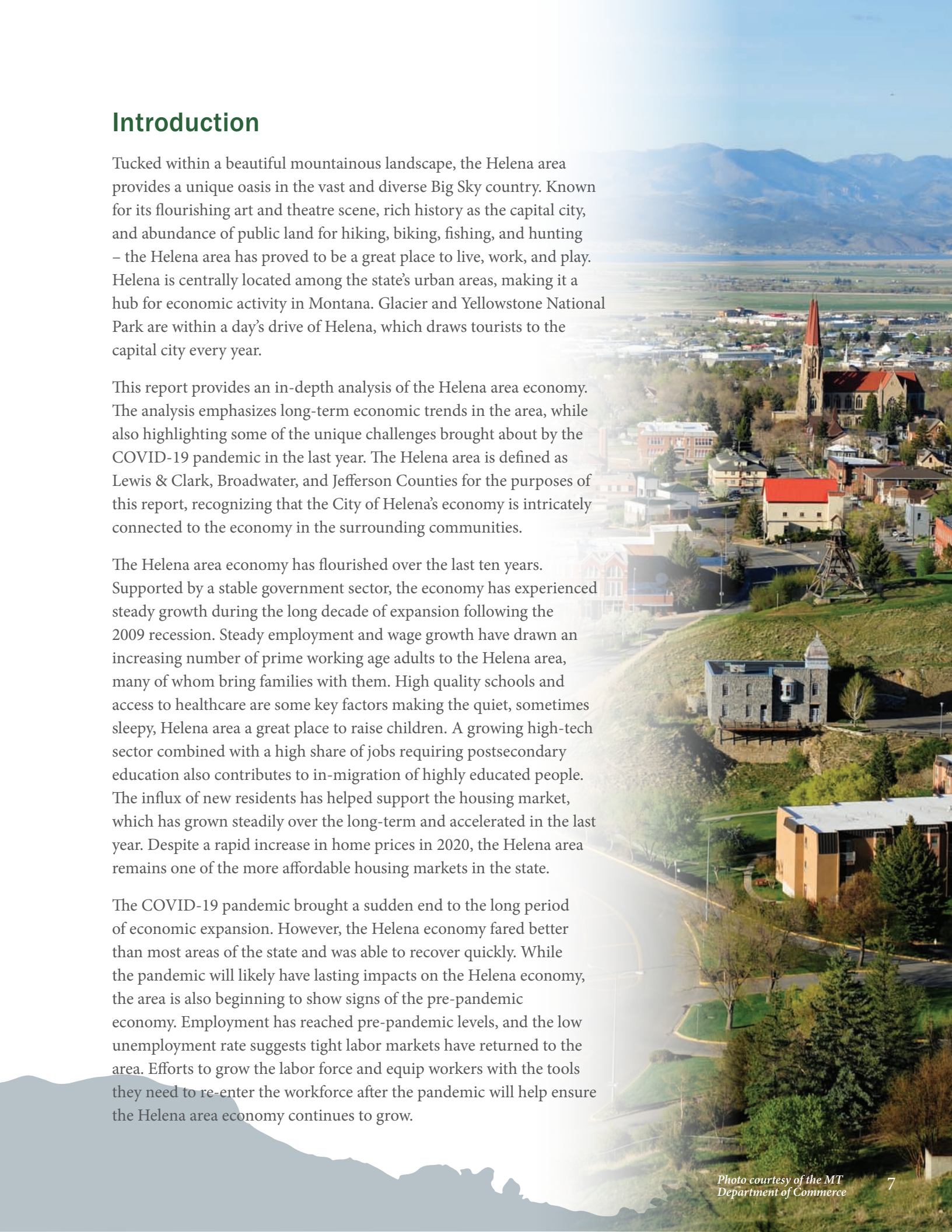


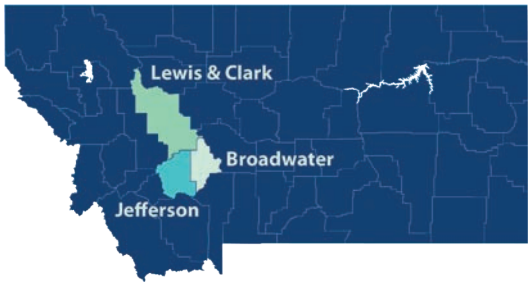
Photo courtesy of the MT Department of Commerce

Section One:
Helena's Labor Market – A General Overview

Helena Area Labor Report

The Helena area has prospered over the last ten years.

Like the rest of the state, the area posted steady growth in population, employment, and other macroeconomic indicators during the long decade of growth after the 2009 recession. The COVID-19 pandemic put a dramatic end to this long expansion, but the Helena area fared better than most and stabilized quickly. Both the long-term growth and the pandemic have contributed to tighter labor markets in 2021. Long-term challenges include growing the labor force, reducing any workforce barriers, and increasing workforce training.



Counties included in the Helena area report include Lewis & Clark, Jefferson, and Broadwater Counties.

The last year has been tumultuous for the Helena area economy. The COVID-19 pandemic caused rapid changes to the economy and the workplace, with widespread unemployment in the spring of 2020 as businesses were shut-down and people confined to their homes. Low-wage workers and women were disproportionately impacted by these job losses. After a short but severe recession, the economy rebounded and started regaining lost jobs by June. The Helena area's labor force and employment returned to pre-pandemic levels in March 2021, making the economic recovery faster than the Montana average and faster than the U.S. average throughout the COVID-19 recession.

Now in the summer of 2021, Helena's economy is showing signs of returning to normal. Vaccinations are available, businesses are open, consumers are spending, and jobs are growing. Long-term trends are returning, with job gains and increased demand for workers. Yet some effects of the pandemic linger, with school and child care closures exacerbating the existing workforce shortages, and concerns about contracting or spreading COVID-19 causing hesitation among some to return to the labor force.

DEFINITIONS

THE LABOR FORCE refers to everyone working or looking for work. Retirees, stay-at-home caretakers, and others who are not working or actively seeking work are considered out of the labor force.

TOTAL EMPLOYMENT refers to all individuals who are working for pay or profit, including the self-employed.

PAYROLL EMPLOYMENT only includes non-farm wage and salary workers, and does not include agricultural workers, independent contractors, some railroad workers, and the self-employed.

UNEMPLOYED people must be actively seeking work to be counted as unemployed. Retirees, stay-at-home caretakers, students, children, and other people who are not actively seeking work are considered out of the labor force rather than unemployed.

1.1 Population Growth

Population growth is an important driver of economic growth, deepening the consumer base and increasing demand for many locally produced goods and services. With a steady and growing economy and plenty of amenities, population growth has been faster in the Helena area than the statewide average of 0.9% over the last five years. From 2014 to 2019, population growth was

2.0% in Broadwater County (120 people),

1.2% in Jefferson County (140 people),

1.1% in Lewis & Clark County (740 people), and

1.7% in the City of Helena (550 people).

The fast growth in Broadwater County is related to the fast growth in the Gallatin Valley. Broadwater County was the second fastest growing county over the five-year period – Gallatin County was first. **Figure 1.1** shows total population and growth for Lewis & Clark, Jefferson, and Broadwater Counties and for the cities within those counties.

FIGURE 1.1

2019 Population and 2014-2019 Average Annual Growth

Montana Location	2019 Population	Share of MT Population	2014-2019 Average Annual Growth	
			# of People	Percent Change
Lewis & Clark County	69,432	6.5%	746	1.1%
Helena	33,124	3.1%	548	1.7%
East Helena	2,103	0.2%	12	0.6%
Jefferson County	12,221	1.1%	144	1.2%
Boulder	1,276	0.1%	15	1.2%
Whitehall	1,150	0.1%	13	1.2%
Broadwater County	6,237	0.6%	117	2.0%
Townsend	2,152	0.2%	40	2.0%
Montana	1,068,778	100.0%	9,382	0.9%

Source: U.S. Census Bureau. Annual Estimates of the Resident Population. April 1, 2010 to July 1, 2019.

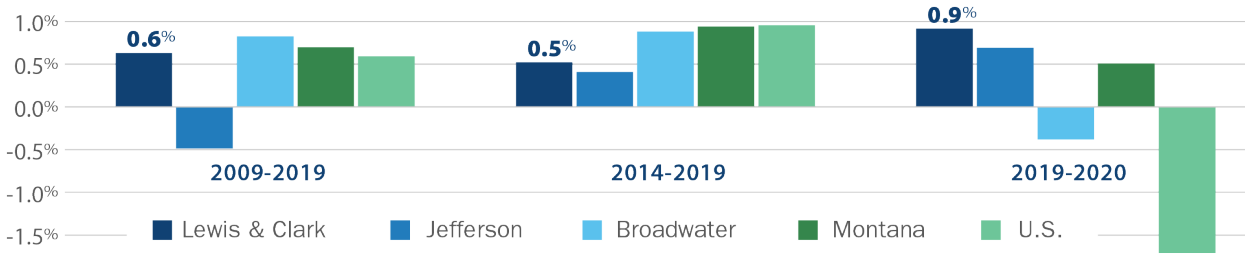
Population growth in the Helena area is primarily driven by in-migration, with over 80% of Lewis & Clark's population growth coming from people moving to the area. The other 20% is due to natural increases (births compared with deaths). In comparison, 76% of population growth in Montana is due to in-migration. In Jefferson and Broadwater Counties, natural population growth has declined (with more deaths than births). These areas would have experienced a declining population without in-migration.

1.2 Labor Force Growth

The Helena area's steady population growth helps to grow the local labor force. In 2020, there were nearly 45,000 people in the Helena area's labor force. Despite having faster population growth, the Helena area labor force has grown slower than the Montana average for the five years from 2014 to 2019 (at 0.5% average across the three counties compared to the statewide average of 0.9%). **Figure 1.2** illustrates labor force growth for the three counties compared to the state and the nation. Lewis & Clark County's population grew by about 750 people per year, but its labor force only grew by 180 people per year.

FIGURE 1.2

Average Annual Labor Force Growth

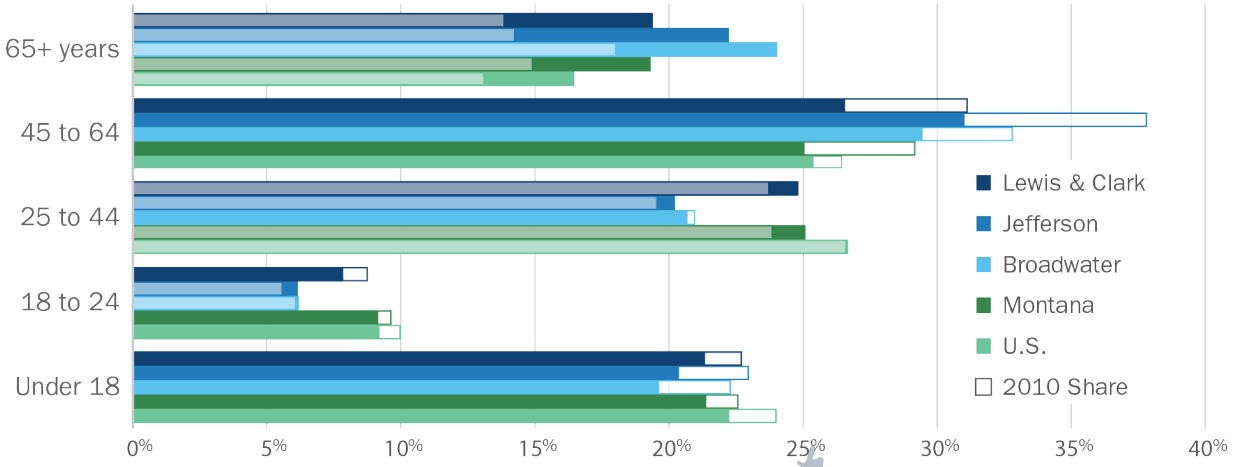


Source: Local Area Unemployment Statistics. Available at lmi.mt.gov

Slower labor force growth is caused by the same demographic issues as experienced by other states and countries – a workforce that is shrinking as the large baby boomer population retires without enough younger workers to replace them. **Figure 1.3** compares age demographics of the Helena area in 2019. The Helena area tends to have an older population than the nation, with Jefferson and Broadwater Counties having more of their population above 45 compared to Lewis & Clark and the state (which have similar age distributions).[1]

FIGURE 1.3

Share of Population by Age (2010 compared with 2019)



Source: U.S. Census Bureau. Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2019.

1 *Median ages are 41.4 in Lewis & Clark County, 47.6 in Jefferson County, 48.2 in Broadwater County, 40.1 in Montana, and 38.4 in the U.S.*

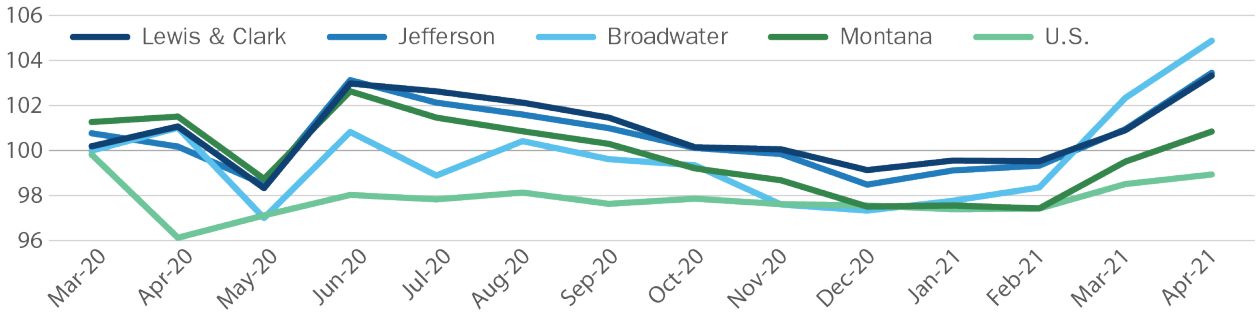
Figure 1.3 also illustrates the difference in the population age distribution between 2010 and 2019. Across all three counties, the share of the population aged 65 and older increased from 14.2% in 2010 to 20.1% in 2019, a shift greater than both Montana and the U.S. average.[2] Those aged 65 and older have much lower labor force participation rates than those aged 45-65, meaning that many workers aged out of the labor force over the last ten years, countering the labor force gains from in-migration. Labor force participation is 74.7% for those aged 45-65 in the Helena area, compared to 16.8% for those 65 and older. Slow labor force growth is expected to continue as the youngest baby boomers turn 65 in 2029.

The labor force includes people who are employed or looking for work, and it represents the available worker supply for the local economy. A growing labor force is an important ingredient for economic growth. Without available workers, businesses cannot expand and grow.

The labor force fluctuated rapidly during 2020 (**Figure 1.4**). March business closures and stay-at-home orders led to a steep decline in the labor force in both the Helena area and Montana. Despite a temporary rebound in June with hopes of returning to work, the labor force posted a steady decline for the rest of 2020. Pandemic-related reasons for leaving the labor force include discouraged workers unable to return to work or find new employment, caring for children as daycares and schools shut-down, and health concerns.[3] The Helena area's labor force is improving in 2021, with all three counties returning to their pre-recession levels in March 2021. The Helena area's labor force outperformed Montana and the U.S. during the pandemic recession.

FIGURE 1.4

Labor Force Indexed to the Pre-Recession Peak (Mar 2019-Feb 2020)



Source: Local Area Unemployment Statistics. Available at lmi.mt.gov

2 *Lewis & Clark County's population aged 65 and older increased from 13.8% in 2010 to 19.4% in 2019, from 14% to 22% in Jefferson County, and from 18% to 24% in Broadwater County.*

3 *Ip, Greg. "The Job Market is Tighter Than You Think." The Wall Street Journal. 21 Apr 2021. https://www.wsj.com/articles/the-job-market-is-tighter-than-you-think-11619006400.*

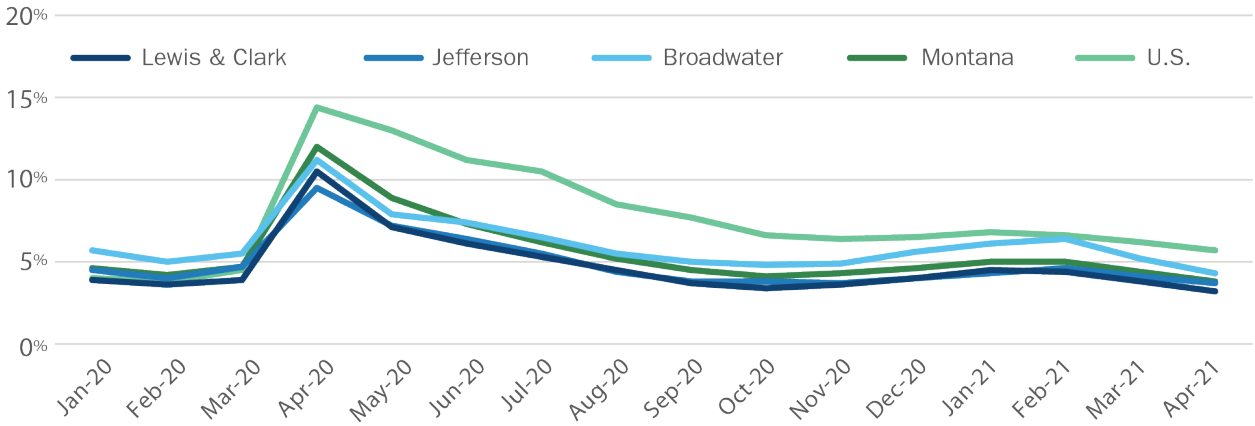
1.3 Unemployment Rates

Through March 2020, the Helena area had low unemployment rates, one indicator of the tight labor market. Lewis & Clark County's 2019 unemployment rate was 3.1%. Rates this low suggest there's relatively few workers available to fill job openings. Lewis & Clark County's unemployment rate was also lower than the Montana average of 3.6%, suggesting the labor market had more severe worker shortages than the across the state. Jefferson and Broadwater Counties had slightly higher unemployment rates, at 3.4% and 4.1% respectively.

Lewis & Clark County's unemployment rate hit 10.5% in April 2020, which was the highest rate recorded in available data.[4] At this peak Lewis & Clark County's unemployment rate was lower than the Montana and U.S. average, at 12.0% and 14.4% respectively. The rate has fallen significantly since then, with some expected seasonal increases this past winter. Low unemployment rates suggest the Helena area is returning to the long-term trend of tight labor markets. **Figure 1.5** shows short-term unemployment rates for the Helena area, Montana, and the U.S.

FIGURE 1.5

Monthly Unemployment Rates



Source: Local Area Unemployment Statistics. Not seasonally adjusted. Available at lmi.mt.gov

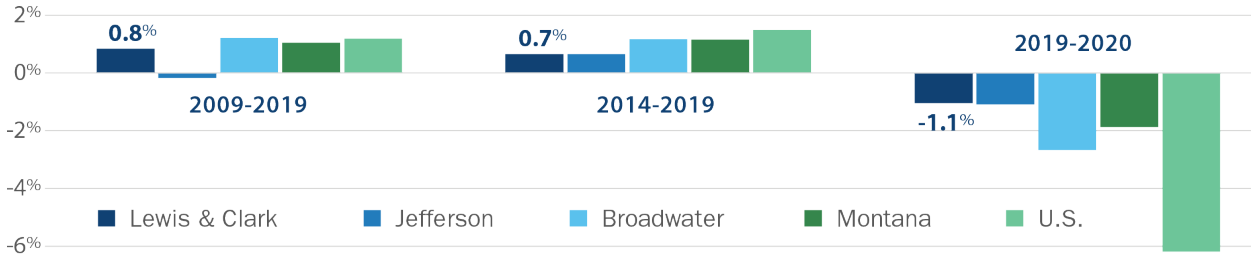
4 *Lewis & Clark County's second highest unemployment rate recorded was 7.6% in February 1992. County rates are not seasonally adjusted.*

1.4 Total Employment Growth

The Helena area tends to have slow but steady employment growth. Total employment, the number of people working in payroll or self-employed jobs, has grown slower in the Helena area than the Montana and U.S. average over the five years ending in 2019. Total employment grew 0.7% in Lewis & Clark County between 2014 and 2019, compared with 1.2% across Montana. Jefferson County's growth was similar to Lewis & Clark's at 0.7%, but Broadwater's employment growth patterns are more similar to the state due to the influence of the more volatile Bozeman economy. Lewis & Clark performed better than the Montana and U.S. average during the COVID-19 recession, losing about 1.1% employment on average in 2020, compared with 1.9% across Montana. **Figure 1.6** shows average annual employment growth for the Helena area, Montana, and U.S for the ten-year, five-year, and one-year timeframes. The Helena area's total employment was 42,600 in 2020.

FIGURE 1.6

Average Annual Total Employment Growth

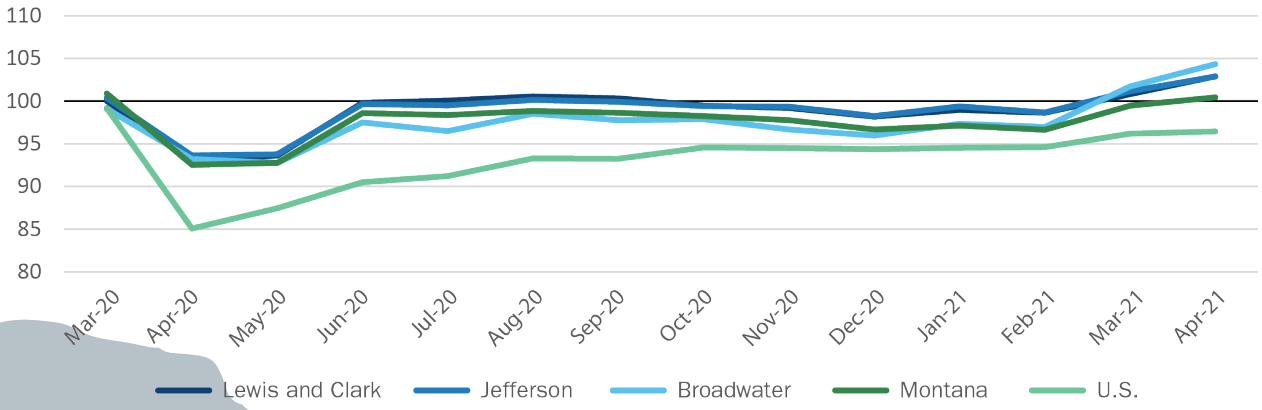


Source: Local Area Unemployment Statistics. Available at lmi.mt.gov

Both the Helena area and the state outperformed the nation in 2020. At the onset of the coronavirus recession in April 2020, employment fell 6-7% in the Helena area – less than half the drop experienced nationally. About 2,400 workers in Lewis & Clark County found themselves suddenly out of work in April, but most had returned to work by June. The Helena area's employment regained its pre-recession peaks by March 2021. Montana regained its pre-recession employment levels in April 2020. **Figure 1.7** shows total employment levels indexed to the pre-recession peak.

FIGURE 1.7

Total Employment Indexed to the Pre-Recession Peak (Mar 2019-Feb 2020)

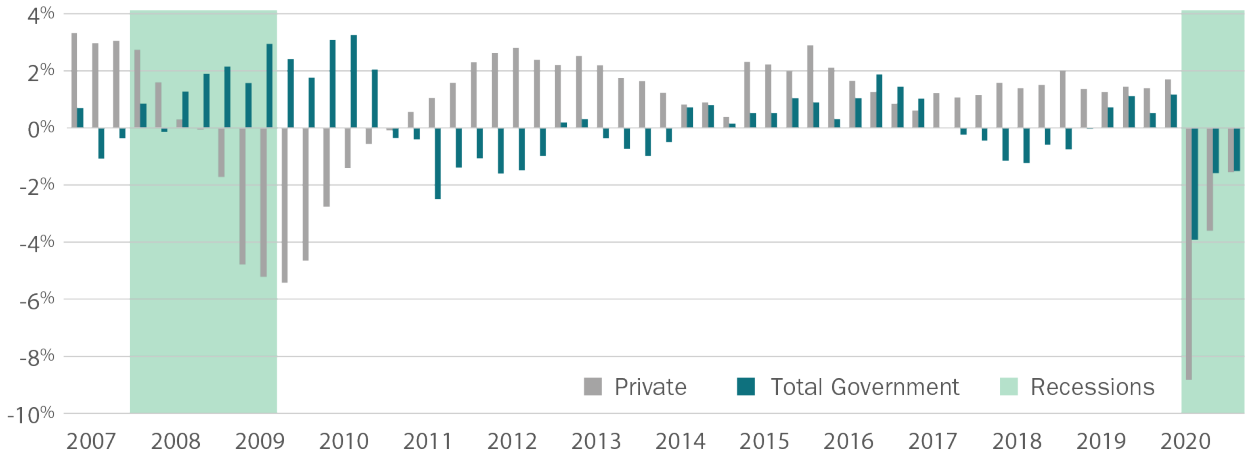


Source: Local Area Unemployment Statistics. Available at lmi.mt.gov

The prevalence of government employment in the Helena area explains the greater stability of employment growth rates. Government makes up 30% of Lewis & Clark County's jobs, compared with 18% across the state. Government employment is less volatile than the private sector and is counter-cyclical.[5] During economic downturns, demand rises for government services such as unemployment insurance, Medicaid, and SNAP benefits. As the economy recovers and demand for government programs slows, and/or as tax revenues decline from lost income, government job growth tends to slow. **Figure 1.8** shows Montana's private sector payroll jobs growth compared with total government job growth 2007 to 2020 to demonstrate this cycle.

FIGURE 1.8

Montana Job Growth: Private vs. Total Government



Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov

1.5 Payroll Job Growth

Payroll jobs are a subset of total employment that only includes jobs where workers earn a wage or salary. Payroll job statistics also count jobs – not employed workers. Despite these nuances, payroll job growth trends for Lewis & Clark County are similar to trends in total employment -- slower but steadier growth than the state (**Figure 1.10**). Lewis & Clark County's average annual job growth was 0.4% between 2014 and 2019, and -2.1% in 2020. However, Broadwater and Jefferson show a different pattern for payroll job growth, with greater losses than the state average during the pandemic. There were just over 39,000 payroll jobs in the Helena area in 2020.

5 Pome, Edwin and Nicholas Saxon. "Effects of Economic Downturn on Private and Public Employment." U.S. Census Bureau. 17 Oct. 2019. https://www.census.gov/library/stories/2019/10/effects-of-economic-downturn-private-and-public-employment.html

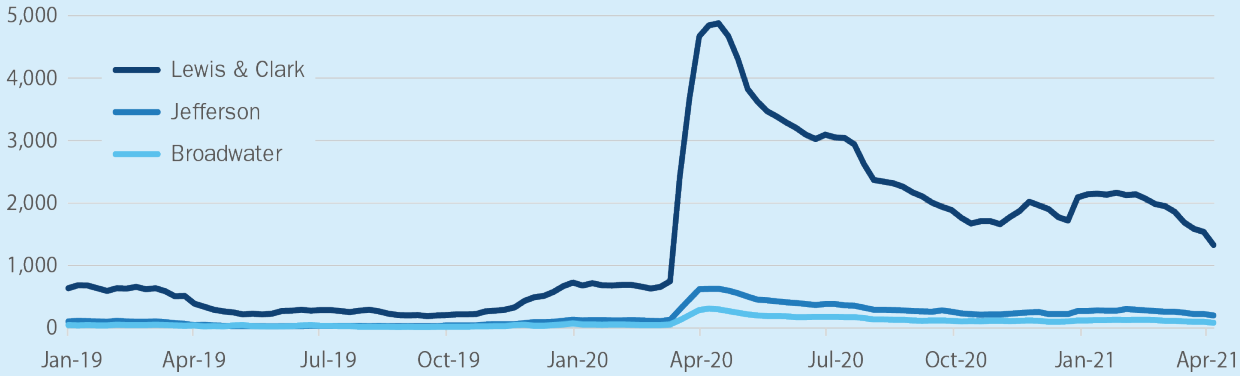
HOW MANY WORKERS WERE IMPACTED BY COVID-19?

Total employment data suggests 2,950 people in the Helena area lost their jobs in April 2020. However, nearly 5,800 Helena area workers filed an unemployment insurance (UI) claim during the peak week of claims (April 18, 2020). UI claims are higher than total employment because part-time workers can file a UI claim but are also considered employed. This difference shows that a larger number of people were impacted by COVID-19 than indicated by employment losses. UI claims also show that low income workers and women were disproportionately impacted by job losses.

Figure 1.9 shows unemployment claims for the Helena area. As of spring 2021, UI claims have fallen significantly from the peak in April 2020. However, there were still about 1,450 more people filing claims in the Helena area in March 2021 compared before the pandemic recession. Total employment levels indicate a return to normal in March 2021.

FIGURE 1.9

Number of People Filing Unemployment Insurance Claims

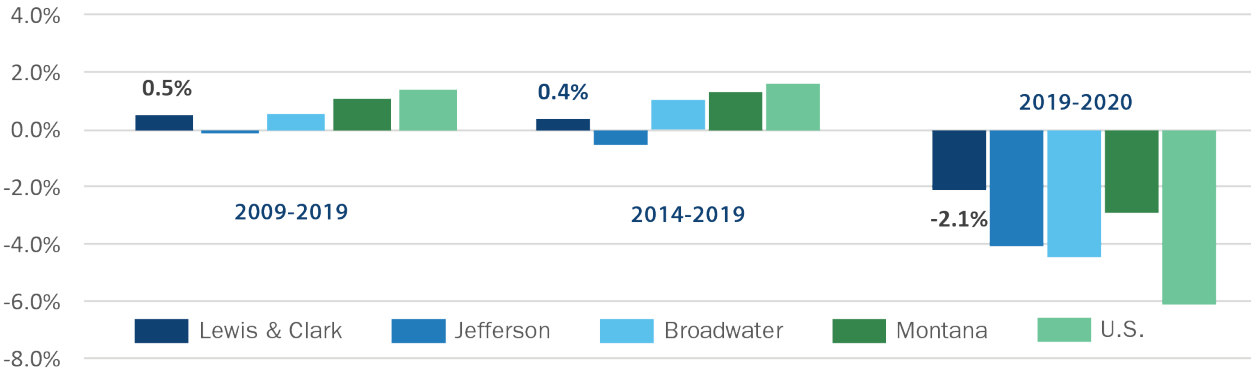


Source: MT DLI Analysis of Unemployment Insurance Claims

Federal law expanded UI in 2020 to include workers who normally are not eligible for unemployment benefits, but who were unable to work due to COVID-19 related reasons. This expansion included self-employed workers, independent contractors, and those with limited work history. Eligible claimants also included workers with reduced hours, potentially from child care and school shut-downs, health issues, or businesses operating at reduced capacity.

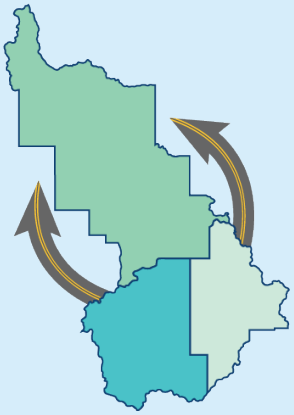
FIGURE 1.10

Average Annual Payroll Job Growth



Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov

JEFFERSON AND BROADWATER COUNTIES: COMMUTE RATES AND THE COVID-19 RECESSION



Lewis & Clark County jobs support a significant number of Jefferson County residents. Forty percent of Jefferson residents work in Lewis & Clark, while only 25% live and work in Jefferson County. These high commute rates helped mitigate the economic loss to Jefferson residents during 2020. Despite Jefferson County losing a higher share of its jobs than Lewis & Clark and Montana in 2020, its labor force and total employment outperformed Montana and continued to grow at a similar rate as Lewis & Clark. Jefferson County residents are considered employed and in the labor force even when they work or are seeking work in Lewis & Clark County.

Broadwater County has a lower commute rate than Jefferson, with about 25% of its residents commuting to Lewis & Clark. One-third remain in Broadwater to work. Broadwater County had higher labor force, total employment, and payroll job loss throughout the COVID-19 pandemic.

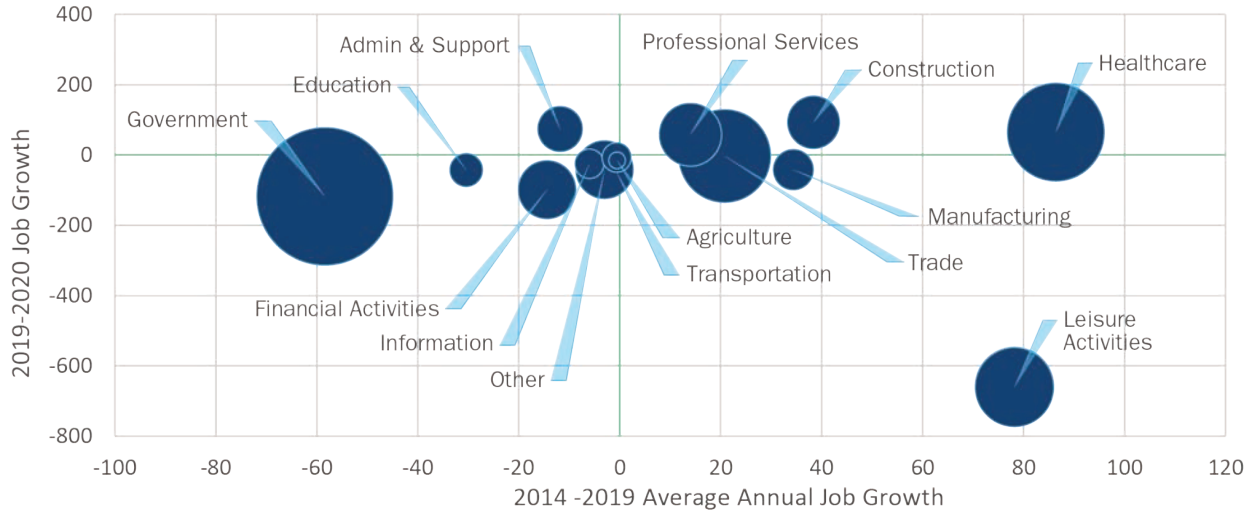
The Helena area's 2020 loss in payroll jobs was greater than the loss of total employment. Payroll jobs exclude self-employed workers, so it's possible that self-employed workers returned to work faster than people in payroll jobs, or that displaced payroll workers started businesses during the pandemic. Different methods of data collection and what the data represents is another explanation for the difference. Total employment estimates the number of people working based on where they live. Payroll jobs are a count of jobs by job location.

1.5.1 Payroll Jobs by Industry (Lewis & Clark County)

Lewis & Clark County's largest private industries are healthcare, trade (retail and wholesale), and leisure activities.[6] These industries made up 38% of all jobs in 2020. Government made up another 29% of jobs. **Figure 1.11** shows jobs by industry in Lewis & Clark, with bubble size indicating industry size. The long-term (2014 to 2019) average annual job growth is on the horizontal axis, with the industries adding the most jobs on the far right. The horizontal axis indicates recent job change (2019 to 2020).

FIGURE 1.11

Lewis & Clark County Average Annual Change in Number of Jobs by Industry



Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov. Size of the bubble indicates number of jobs in the industry

Over the five years ending in 2019, healthcare and leisure activities added the most jobs in Lewis & Clark County. These industries also added the most jobs across Montana. Also following state and national trends, the trade industry grew relatively slowly as people move away from brick-and-mortar towards online shopping. Government lost jobs, consistent with its counter cyclical nature.

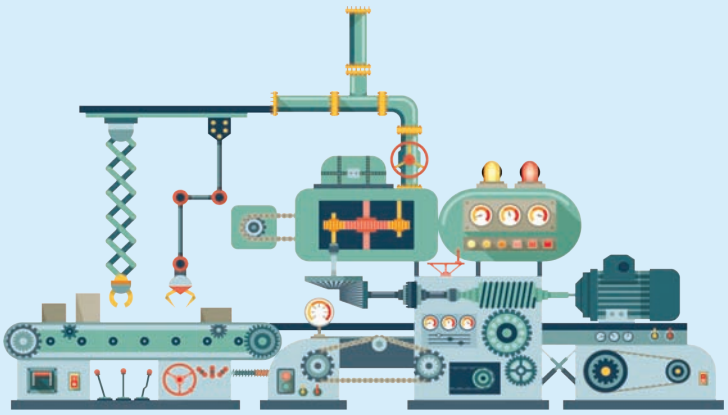
Manufacturing and construction had the fastest job growth in Lewis & Clark County from 2014 to 2019, growing at a rate of 4.0% and 2.9% respectively. Despite the rapid growth, construction jobs are still below their 2007 pre-recession peak.[7] Manufacturing is growing faster in Lewis & Clark County than across the state. These two industries are relatively small. Manufacturing makes up 2.6% of Lewis & Clark's jobs. Construction makes up 4.0% of payroll jobs.

The pandemic had large impacts on the leisure activities industry, including hotels and restaurants, with a 33% loss in this industry in Lewis & Clark County. However, leisure activities is a smaller share of the economy in Lewis & Clark than in Montana (at 11.4% of payroll jobs compared with 14.3% statewide), which is one reason Lewis & Clark outperformed the state during the pandemic. The leisure activities industry in the county was still about 490 jobs below its pre-recession peak in the fourth quarter of 2020.

6 *Industries are grouped by the North American Industrial Classification System (NAICS). Establishments are categorized by NAICS code based on the primary function of the business. Therefore, there's a wide range of occupations within each industry. For example, the healthcare industry includes traditional medical occupations in addition to support staff such as managers, information technology, cooks, cleaners, and administrative support.*

7 *The number of Lewis & Clark County construction jobs between 2019Q4 and 2020Q3 is about 89% the level from 2006Q4 to 2007Q3. The number of Montana construction jobs is about 96% of its 2006Q4 to 2007Q3 level.*

WHAT ARE HIGH-TECH BUSINESSES?



High-tech businesses are centered around new and rapidly changing technology and are often characterized by the high share of STEM jobs. High-tech businesses fall into several NAICS categories shown in **Figure 1.11**, which makes it difficult to know exactly how many high-tech jobs are in the Helena area. While there is not one standardized method for defining the high-tech industry, the Bureau of Labor Statistics provided a definition in their 2005 Monthly Labor Review written by Daniel E Hecker. The industries that met the definition had a high proportion of scientists, engineers, and technicians. Montana's Bureau of Business and Economic Research annual report "A Profile of High-Tech Industries" also used this definition for a statewide analysis. For consistency, this paper adopts that definition. Industries include:

NAICS industries considered to be High-Tech Industries

NAICS	Description
3254	Pharmaceutical and medicine manufacturing
3341	Computer and peripheral equipment manufacturing
3342	Communications equipment manufacturing
3344	Semiconductor and other electronic component manufacturing
3345	Navigational, measuring, electromedical, and control instruments manufacturing
3364	Aerospace product and parts manufacturing
5112	Software publishers
5161	Internet publishing and broadcasting
5179	Other telecommunications
5181	Internet service providers and web search portals
5182	Data processing, hosting, and related services
5413	Architectural, engineering, and related services
5415	Computer systems design and related services
5417	Scientific research and development services.

Source: MT BBER and Hecker 2005 BLS Monthly Labor Review

Per this definition, there are nearly 1,500 jobs within the high-tech industry in Lewis & Clark County. These jobs are growing faster than average, at an average annual rate of 1.7% from 2014 to 2019. High-tech industries create high-paying jobs, with average annual wages of $78,600. Jobs in Lewis & Clark County's high-tech industry make up 6% of all private industry jobs. This share is higher than the Montana average (4%) and similar to the U.S. average (6%). Of the urban counties of the state, Lewis & Clark County has the second highest share of high-tech industry jobs after Gallatin County.

Home to the state capital, Lewis & Clark County has a higher than average share of government jobs than the Montana average, at 29% compared with 18%. Sixty percent of these jobs are in state government, 19% in federal government, and the remainder in local government and schools. Government lost 460 jobs in the second quarter of 2020—a 4% loss but better than the average. Government jobs tend to grow slowly and steadily, not declining much during recessions or gaining jobs quickly during expansions. By the fourth quarter of 2020, government jobs regained their pre-recession levels.

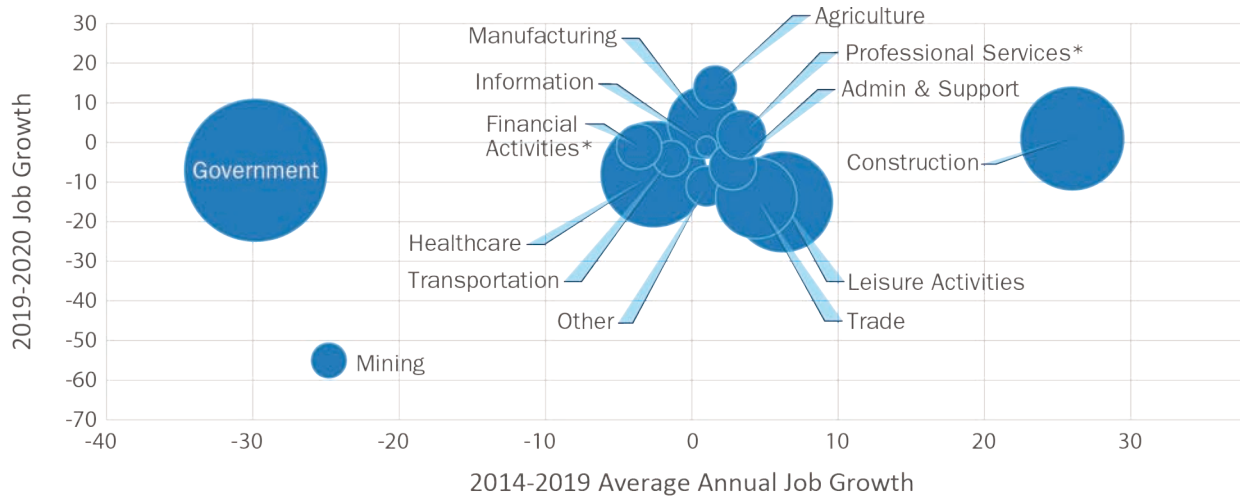
Construction and professional services were the only two industries in Lewis & Clark County posting job growth throughout 2020. Steady population growth, increased housing demand, and being deemed essential work allowed the construction industry to continue growing throughout the pandemic. The professional services industry includes businesses such as accounting, legal, engineering, computer services, and research firms. This industry was able to shift more easily to remote work rather than shutting down operations. Lewis & Clark has a higher than average share of jobs in the professional services industry and has a high-growth, newly developing tech sector.

1.5.2 Payroll Jobs by Industry (Jefferson and Broadwater Counties)

Healthcare, construction, and leisure activities are Jefferson County's largest private industries, making up 40% of jobs in 2020. Government jobs make up 26% of total payroll jobs, with most of these jobs in local government and schools. Construction added the most jobs and was the fastest growing industry from 2014 to 2019, growing at an annual average rate of 11.7% -- significantly faster than the Montana average of 3.7%. Leisure activities added the second most jobs, consistent with long-term trends across Montana. Government lost jobs, consistent with Lewis & Clark. However, the healthcare industry lost jobs over the last several years. Healthcare job growth is usually stable, growing over the long-term in Lewis & Clark and Montana. **Figure 1.12** shows five-year and one-year industry job growth for Jefferson County, where the size of the bubble indicates the size of the industry.

FIGURE 1.12

Jefferson County Average Annual Change in Number of Jobs by Industry

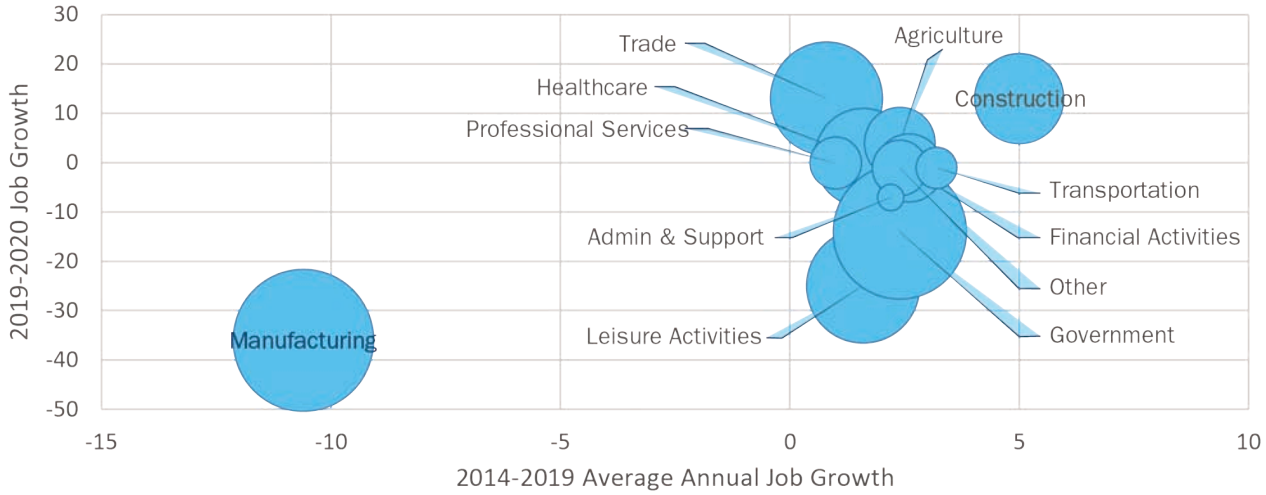


Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov. Size of the bubble indicates number of jobs in the industry. Real estate, management of companies, utilities, and education are nondisclosable.

Manufacturing, leisure activities, and trade are Broadwater County's three largest industries, and together make up about 45% of all jobs in 2020. Total government makes up just 18% of jobs, similar to the Montana average. All industries in Broadwater grew between 2014 and 2019 except for manufacturing. Manufacturing lost jobs over the long-term and short-term. Construction, transportation, and financial activities added the most jobs over the long-term. All three of these industries grew faster than the Montana average.

FIGURE 1.13

Broadwater County Average Annual Change in Number of Jobs by Industry



Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov. Size of the bubble indicates number of jobs in the industry. Mining, utilities, information, management of companies, & education are nondisclosable.

During 2020, Jefferson and Broadwater Counties had large second quarter job losses in leisure activities and government, similar to Lewis & Clark. Jefferson County also had significant job losses in mining, and Broadwater had significant job losses in manufacturing. Job loss in these industries started prior to 2020, and therefore weren't directly related to the COVID-19 recession. However, these losses added to the economic hardship during the recession.

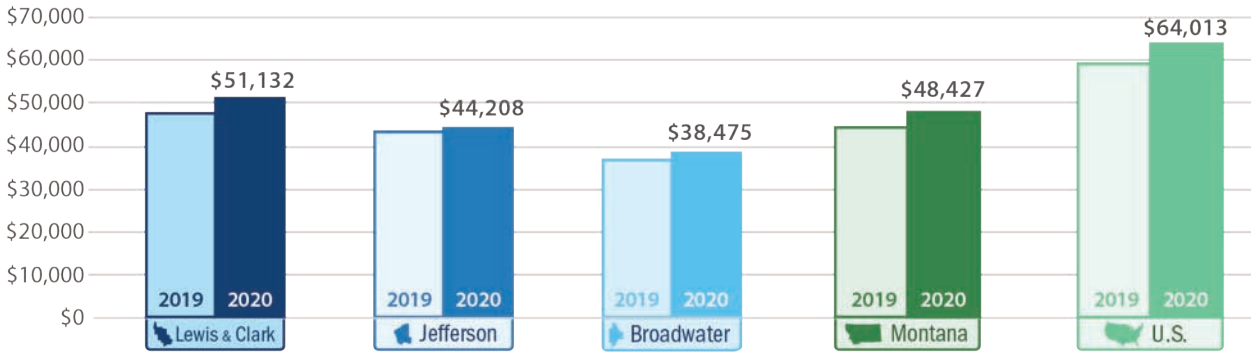
1.6 Average Annual Wages

Wage growth in Montana has been strong in the recent past, although wages remain below the U.S. average. In the Helena area, Lewis & Clark County's average annual wage was $51,130 in 2020, higher than the state average, 8th highest out of all Montana counties, and the 2nd highest among urban counties (Yellowstone ranks first).[8] Jefferson had the 14th highest wage in the state at $44,208, while Broadwater County's wage of $38,475 was the 37th highest. **Figure 1.14** shows average annual wages for the Helena area, Montana, and the U.S.

8 *For this report urban counties are the nine Montana counties with more than 30,000 people. Includes Yellowstone, Missoula, Gallatin, Flathead, Cascade, Lewis & Clark, Ravalli, Silver Bow, and Lake Counties.*

FIGURE 1.14

Average Annual Wages

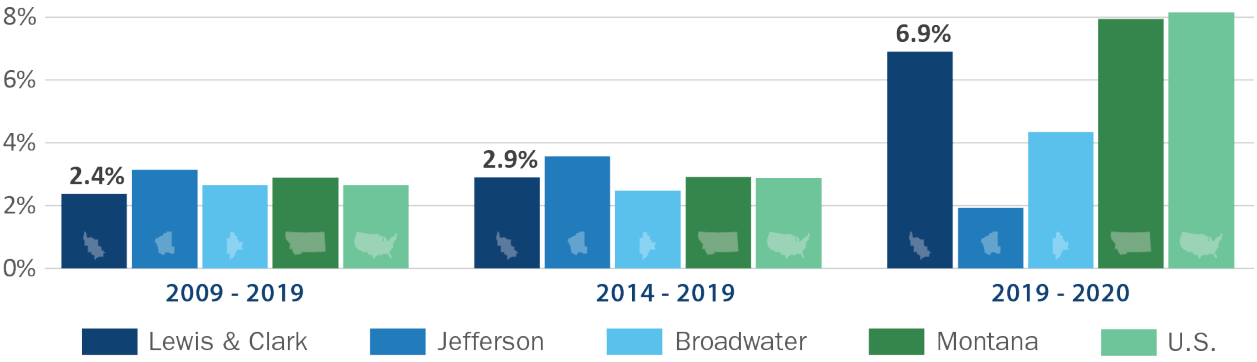


Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov

Prior to the 2020 recession, Lewis & Clark County's wages were growing at the same average annual rate as the Montana and U.S. average, at 2.9% from 2014 to 2019. Tight labor markets result in steady wage growth because businesses must compete for workers. General industry growth, human capital increases, and productivity growth also contribute to growing wages. **Figure 1.15** shows long-term and short-term average annual wage growth for the Helena area, Montana, and the U.S.

FIGURE 1.15

Average Annual Wage Growth



Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov

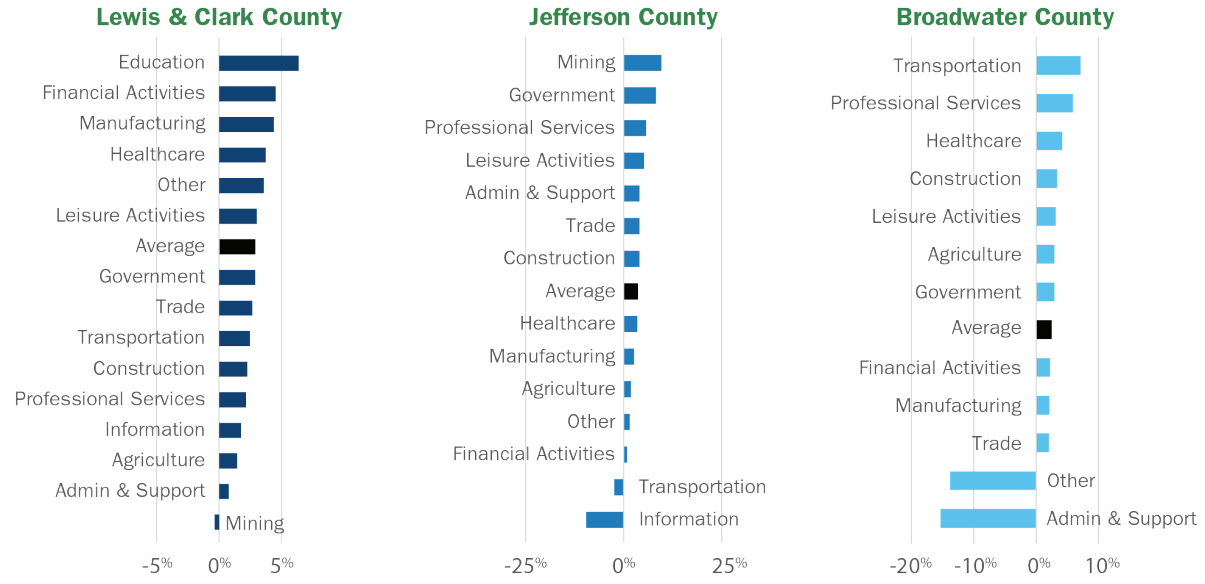
In 2020, Lewis & Clark County's wages increased by 6.9%. Fast average annual wage growth occurred for two reasons. First, workers who retained their jobs had very strong wage gains. Total wages continued to grow throughout 2020 despite job losses, suggesting retained workers had wage gains large enough to offset job losses. Second, low-wage workers disproportionately lost their jobs, leaving a higher share of high-wage earners and increasing the average annual wage.[9] Broadwater also posted strong wage growth over 4.0% in 2020. Jefferson's wage growth slowed in 2020, primarily from job losses in the high-wage mining industry.

9 *Bradley, Christopher. "A Tale of Two Recessions: An Analysis of the Impacts on High and Low Wage Jobs." Montana Economy at a Glance. March 2021. https://lmi.mt.gov/_docs/Publications/EAG-Articles/0221-2Recessions.pdf*

Tight labor markets affected wages across all industries prior to 2020. However, some industries wages increased faster than others, indicating growing competitiveness. **Figure 1.16** shows 2014 to 2019 average annual wage growth by industry.

FIGURE 1.16

Average Annual Wage Growth by Industry



Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov

Over the five years, leisure activities had faster than average wage increases throughout the Helena area. This industry pays the lowest average wages. As the competition for workers increased across all industries, workers moved into the highest paying jobs possible. This makes the lowest paying industries react by increasing wages or adding benefits. Instead of increasing wages, some businesses choose to invest in labor-saving technology or other automation.

Lewis & Clark County's financial activities, manufacturing, and healthcare industries had faster than average wage growth over the long-term. Financial activities and healthcare wages grew quickly across Montana, indicating a general trend. However, manufacturing wages grew slowly across Montana. A shift to higher-tech manufacturing may explain this wage increase. Lewis & Clark County has a relatively high share of jobs within high tech industries, with manufacturing making up a portion of this work. Average wages for high tech jobs is $78,600, significantly higher than average.

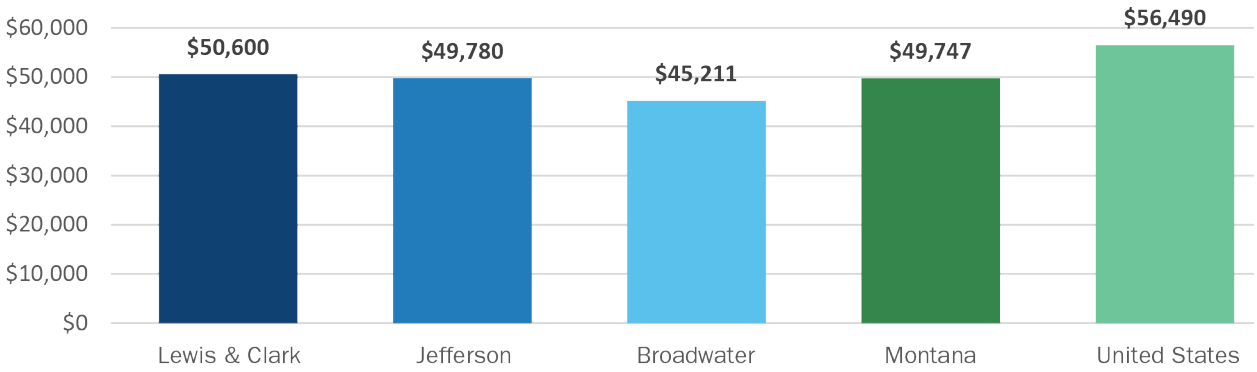
Construction and professional services had slower than average wage growth in Lewis & Clark County prior to the 2020 recession. However, that does not mean these industries avoided the tight labor market and worker shortage. Instead, these industries pay higher than average wages so that a one percent increase translates to a higher dollar amount than in a lower-wage industry making it more expensive to raise wages. Jobs in professional services also tend to be more specialized so that hiring workers to fill these jobs may be difficult depending on the skills and educational attainment of available workers. State government is a monopsony employer for many professional jobs in the Helena area, and therefore dictates the wage rates for these workers. Slower government wage growth translates into slower overall wage growth since these employers do not have wage competition.

1.7 Personal Income

Wages are just one portion of people's overall income. Other sources of income include: proprietors' (business owner) income; income from investments and property ownership (dividends, interest, and rents); and transfers from the government (social security or unemployment insurance benefits). **Figure 1.17** shows per capita income, which includes income from all income sources and then divided by the number of people. Per capita personal income in Lewis & Clark, Jefferson, and Montana was about $50,000 in 2019, compared with $56,500 across the U.S. Per capita income was just over $45,000 in Broadwater County.

FIGURE 1.17

Per Capita Personal Income (2019)

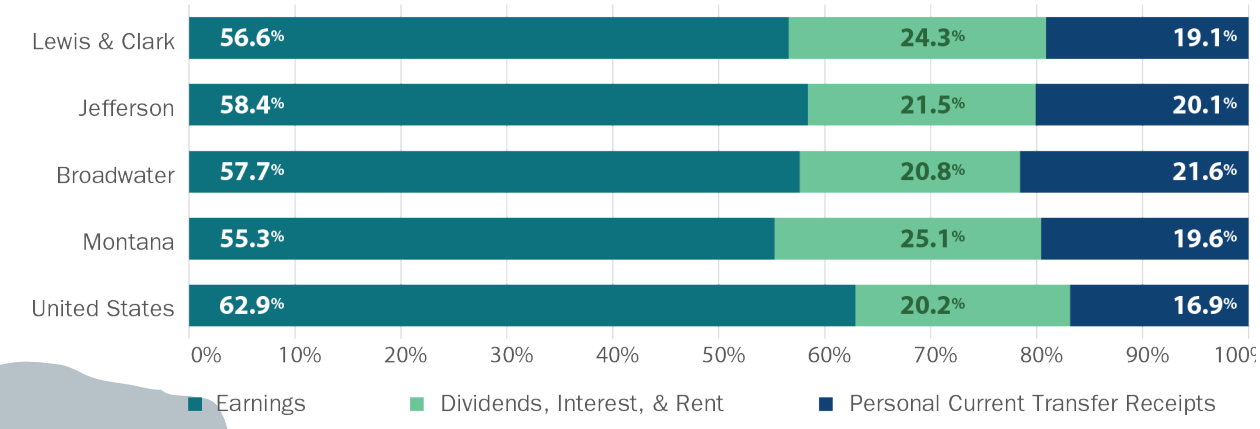


Source: Bureau of Economic Analysis

The Helena area's per capita income is similar to the Montana average, despite higher wages within Lewis & Clark County. Lewis & Clark County has less proprietor and investment income than the rest of the state, which is expected with a large portion of the economy in government. In contrast, the Helena area has a higher share of investment income and government transfers than the U.S. average. These shares are also higher across Montana, indicating a general statewide trend. Figure 1.18 shows the share of personal income by type.

FIG 1.18

Components of Personal Income (2019)

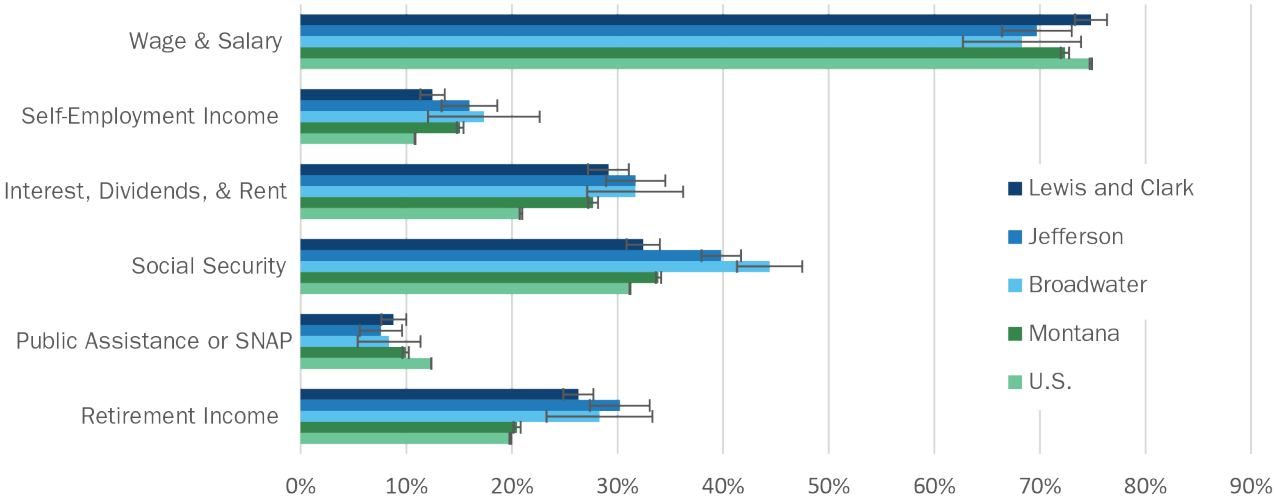


Source: Bureau of Economic Analysis

Figure 1.19 shows the number of households receiving certain types of income. Households in Lewis & Clark are more likely to earn wages and less likely to have self-employment income than the Montana average. This trend reiterates that proprietor income is less prevalent in the Helena area than across Montana.

FIGURE 1.19

Share of Households with Income Sources



Source: U.S. Census Bureau. 2015-2019 American Community Survey, 5-Year Estimates. Error bars represent the 90% confidence interval.

Figure 1.19 also shows Jefferson and Broadwater Counties have a high share of households receiving social security and retirement income due to its older than average population. The Helena area also has relatively low share of households receiving public assistance or SNAP benefits. These shares suggest the Helena area's high share of government transfer income is related to retirements rather than public assistance.

1.8 Factors Influencing Wages

Because wages make up a significant share of income, it's important to understand what factors influence wages. Lewis & Clark County's wages are higher than the Montana average, which helps businesses recruit workers from across the state. Industry mix and a high share of jobs requiring postsecondary education explains most of the difference between the Helena area and Montana wages. Wages in the Helena area are lower than the U.S. average, which makes it difficult to recruit workers from outside Montana. Number of hours worked, firm age, and firm size explain part of the difference.

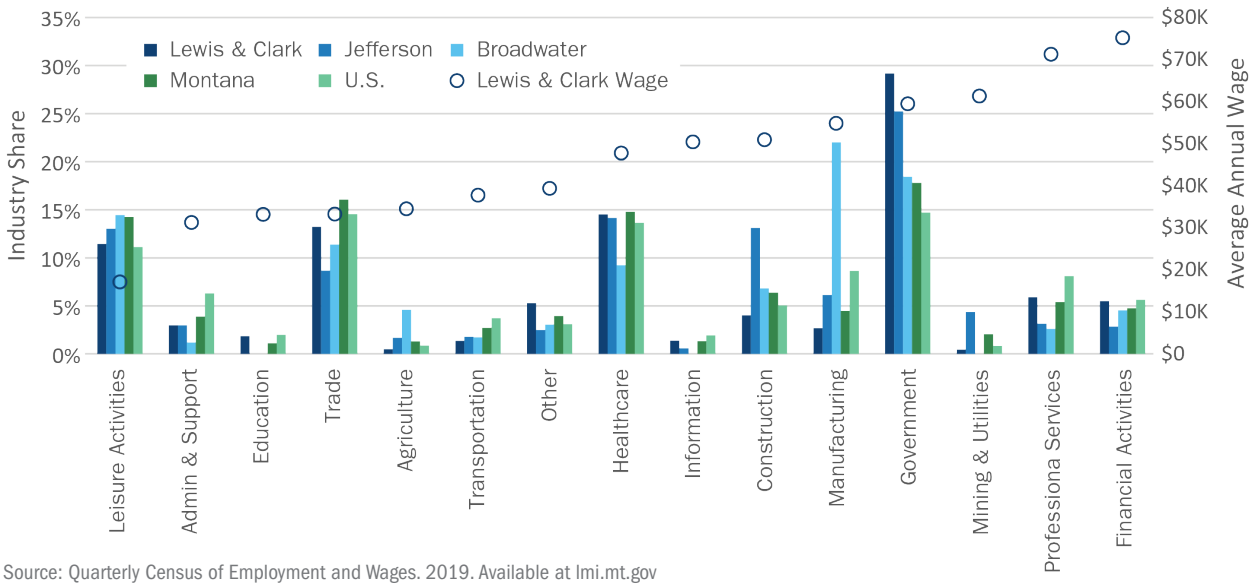
1.8.1 High Share of Higher-Wage Industries Positively Influences Wages

Lewis & Clark County has a greater share of jobs in high-wage industries compared with the Montana average. **Figure 1.20** shows the share of jobs by industry for the Helena area, Montana, and the U.S., compared with the average annual wage in Lewis & Clark County. A high share of higher-wage industries positively influences wages. Financial activities and professional services are the highest paid industries in Lewis & Clark County, and make up a higher share of the county's jobs (11.4%) than the state's jobs

(10.1%). Government jobs also pay above average and makes up a higher share of jobs in all three counties compared to the U.S. and Montana. In contrast, the Helena area has a lower share of jobs in the lower-wage industries of leisure activities and trade.[10]

FIGURE 1.20

Industry Mix Influences Average Wages

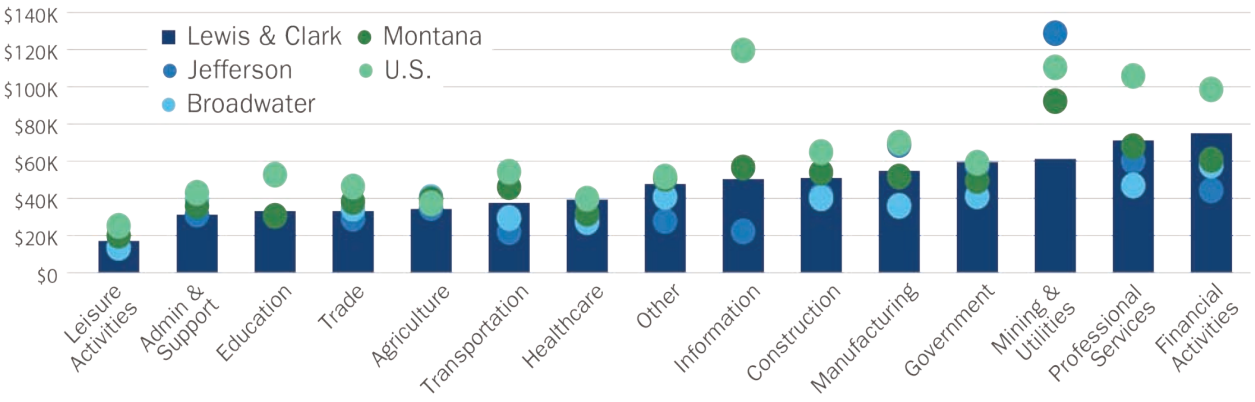


Source: Quarterly Census of Employment and Wages. 2019. Available at lmi.mt.gov

Despite Lewis & Clark County having a higher share of high-wage jobs, it still has lower wages than the U.S. average for nearly every industry. For example, Lewis & Clark County's financial activities industry pays about $23,000 less than the U.S. average. The professional services industry pays about $35,000 less than the U.S. average. Lower than average wages in these industries may make it difficult to recruit workers from outside Montana. The increased availability of remote work jobs offered by out-of-state firms also raised potential worker supply concerns for local businesses.

FIGURE 1.21

Wages by Industry



Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov

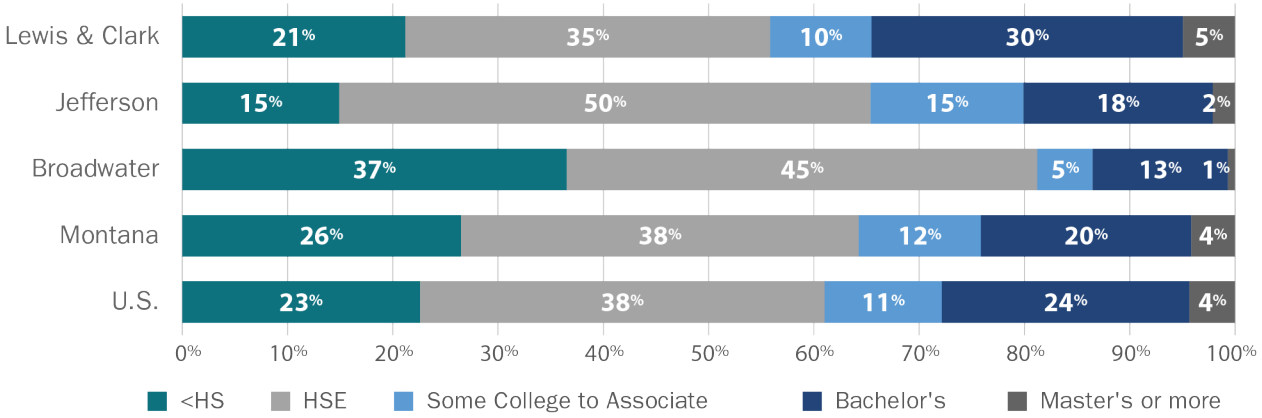
10 *Analysis is by NAICS industry. By ownership, 30% of Lewis & Clark workers work in government, 11% work in a private nonprofit business, 50% are employees at a private business, and the rest of self-employed. Lewis & Clark County has a higher share of government and nonprofit workers than the Montana and U.S. average. Government and nonprofit workers have higher average earnings than private sector employees. Source: U.S. Census Bureau. 2015-2019 American Community Survey 5-Year Estimates.*

1.8.2 High Share of Jobs Requiring Postsecondary Education

Lewis & Clark County has a high share of jobs requiring postsecondary education. Nearly 35% of Lewis & Clark County jobs require a bachelor's degree or higher, compared with 24% across the Montana.[11] This trend is unique to the area. The share of jobs requiring a bachelor's degree in Montana's other urban counties ranges from 21% to 26%. Government has a high share of jobs requiring a bachelor's degree or higher, contributing to this trend. **Figure 1.22** shows the share of jobs by minimum educational requirement. **Figure 1.20** shows Broadwater County has a high share of manufacturing jobs, which typically require credentialling less than a bachelor's degree, contributing to the high share of jobs requiring a high school diploma or less.

FIGURE 1.22

Number of Jobs by Minimum Education Required



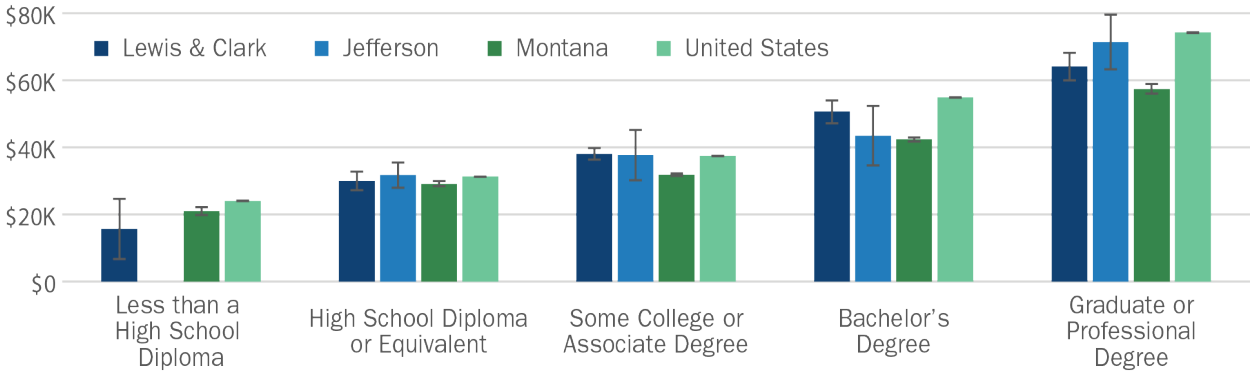
Source: Occupational Employment and Wage Statistics and BLS Education Assingments. HSE = High school diploma or equivalent.

Average earnings tend to increase with higher levels of education, as shown in **Figure 1.23**. Lewis & Clark County's average earnings for workers with a bachelor's degree is $50,600, compared with $30,000 for those with a high school diploma or equivalent. In addition, Lewis & Clark County workers with postsecondary education earn higher average wages than similarly educated people across Montana. Montana's average earnings for a worker with a bachelor's degree is only $42,400. There are two possible explanations for this difference. One is that these jobs may simply pay better in Lewis & Clark County than across Montana. The second explanation is that workers may be more likely to find a job using their degree in Lewis & Clark County.

11 *MT DLI analysis using 2020 Occupational Employment Statistics and education requirements from the Bureau of Labor Statistics. Education is the typical education needed for entry into an occupation. More information available at https://www.bls.gov/emp/documentation/education/tech.htm*

FIGURE 1.23

Median Earnings by Educational Attainment



Source: U.S. Census Bureau. 2015-2019 American Community Survey 5-Year Estimates. Error bars represent 90% confidence intervals. Broadwater County excluded due to large margin of errors.

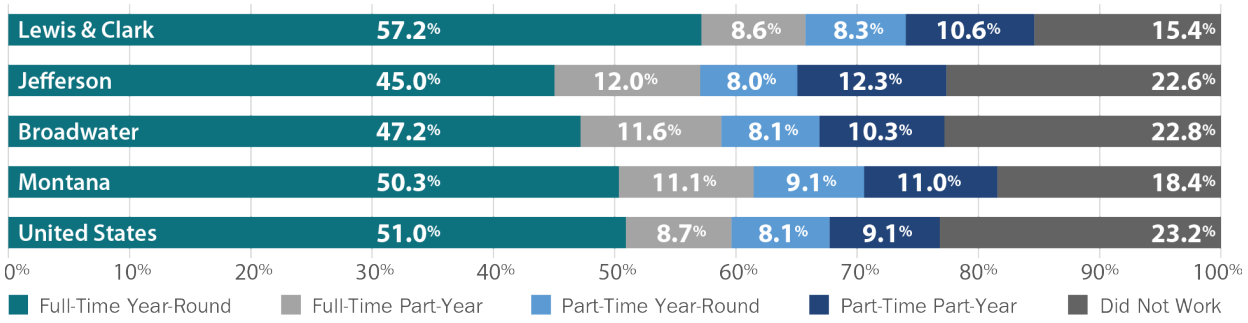
1.8.3 Part-Time and Part-Year Workers Affect Average Annual Wages

Workers in Lewis & Clark County work an average of 37.7 hours each week, lower than the U.S. average of 38.8 hours. This difference partially explains lower annual wages in the Helena area compared to the U.S. Average annual wages do not take the number of hours worked into consideration.

Fewer hours worked is due to the high share of part-time and part-year workers. Nearly 28% of Lewis & Clark County's workforce works part-time, part-year, or both, compared with about 26% across the U.S. These part-time, part-year workers reduce average hours worked, even though Lewis & Clark County has a high share of full-time workers. Nearly 30% of Jefferson and Broadwater Counties' workers work part-time, part-year, or both.

FIGURE 1.24

Work Status in the Past Year



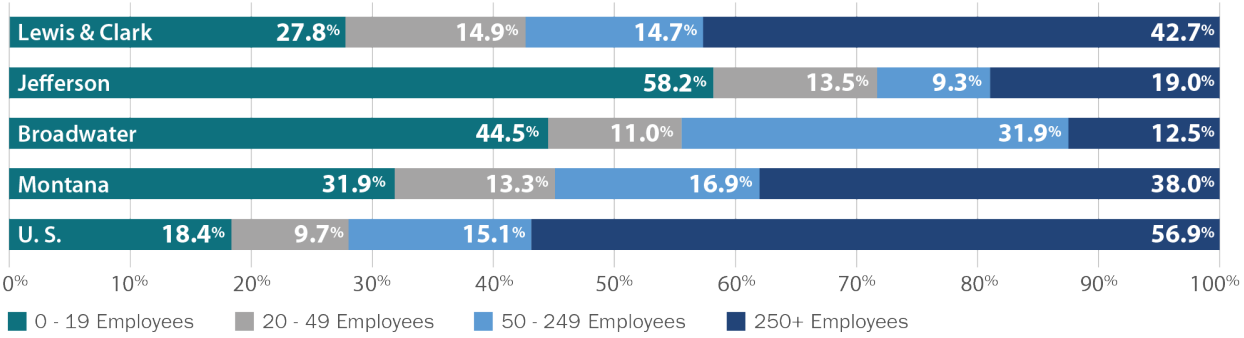
Source: U.S. Census Bureau. 2015-2019 American Community Survey 5-Year Estimates.

1.8.4 Smaller Businesses Pay Lower Wages

Lewis & Clark County has a higher share of its private workforce working in small firms, as shown in **Figure 1.25**. Workers in small firms tend to earn less than workers in large firms. In Lewis & Clark, firms with less than 20 workers paid an average of $3,000 per month. Firms with greater than 250 employees paid an average of $4,700 per month. Only 43% of Lewis & Clark County's workers are at firms with greater than 250 employees, compared with 57% across the U.S. This difference is greater in Jefferson and Broadwater Counties, with only 19% and 12.5% of its workforce in large firms. Larger firms are also more likely to offer health insurance, retirement, and other benefits.[12]

FIGURE 1.25

Share of Employment by Size of Firm

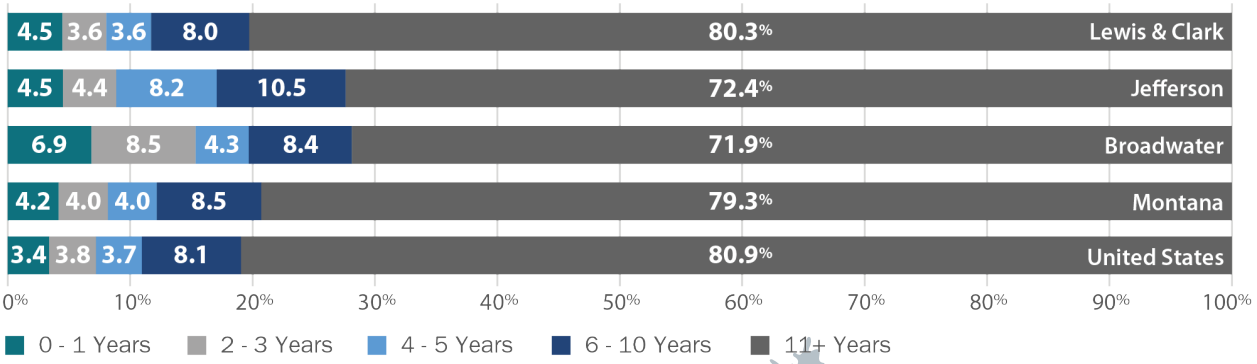


Source: Source: U.S. Census Bureau. Quarterly Workforce Indicators for the year 2019Q2-2020Q1. Excludes public employment.

Lewis & Clark County has a higher share of its workers in start-ups than the U.S. average. Start-ups pay lower than more established firms. About 4.5% of Lewis & Clark County's workers are employed by firms less than one year old, compared with 3.4% across the U.S. Young firms in Lewis & Clark County pay about $2,700 per month on average. Firms that have been around for at least eleven years pay an average of $4,060 per month. **Figure 1.26** shows the share of workers by age of firm. Jefferson and Broadwater have significantly lower shares of workers in the oldest, most established firms. About 72% of the workforce work for firms greater than 11 years old.

FIGURE 1.26

Share of Employment by Age of Firm



Source: U.S. Census Bureau. Quarterly Workforce Indicators for the year 2019Q2-2020Q1. Excludes public employment.

12 *97% of U.S. establishments with more than 50 employees offer health insurance. Source: U.S. Department of Health and Human Services. Medical Expenditure Panel Survey. 2019. 53% of private industry workers in establishments with less than 100 workers are offered retirement benefits, compared with 83% in establishments with more than 100 workers. Source: BLS. National Compensation Survey. March 2020.*

In 2020, the Helena economy weathered significant disruptions to the labor market. The COVID-19 recession led to substantial and sudden job losses, as businesses closed to help prevent the spread of the virus. The recovery has been strong in Helena, with employment reaching pre-pandemic levels in March of 2021. Employment is projected to continue to grow across every industry in the Helena area. Worker demand has returned.

Attention now focuses on increasing worker supply and engaging more people in the labor force, as unemployment rates reach pre-pandemic lows and businesses report difficulty finding workers. Workforce development efforts not only need to focus on growing the labor force, but also on ensuring that the workforce is trained in the right fields needed by Montana's employers. An analysis of workforce demand by industry, occupation, and education level reveals significant gaps between local supply and demand for graduates from colleges and registered apprenticeship programs. Workforce development efforts may focus on these gaps in order to facilitate economic growth in the Helena area.

2.1 Projected Industry Employment Growth

Total employment in Helena is projected to grow by 1.4% annually through 2029, resulting in growth of over 600 jobs per year. With robust projected employment growth, Helena area employment is estimated to surpass pre-pandemic levels in 2021. Most of Helena's job growth is concentrated in government, healthcare, and accommodation and food service industries. **Figure 2.1** shows the breakdown of projected employment growth by industry through 2029.

As the state's capital, Helena has a high concentration of government employees. Government employment reached 8,860 on average in 2020, making it the largest employing industry in the Helena area.[13] The number of government employees fell slightly over the last year in response to the pandemic. However, modest growth is projected moving forward. Government employment is projected to grow by 0.8% through 2029, resulting in an average over 74 jobs added per year.

Healthcare experienced minimal employment losses during the COVID recession and remains one of the Helena areas largest employing industries. The healthcare industry employs a variety of occupations including traditional medical occupations as well as healthcare support such as cooks, janitors, information technology, and other administrative support occupations. Healthcare employment is projected to grow by 1.5% through 2029, resulting in about 100 new jobs per year.

13 *Government employment does not include public school employees for the purposes of industry projections. Public school employees are a part of the educational services industry instead of local government.*

The accommodation and food industry experienced the largest drop in employment in 2020. Public health precautions aimed at limiting the spread of the virus prevented many restaurants from operating at full capacity, and reduced business and personal travel. However, as more of the state is vaccinated and public health restrictions are lifted, employment in accommodation and food services is expected to rebound – growing by 2.5% annually through 2029.

FIGURE 2.1

Helena Area Projected Employment Growth by Industry

Industry	2020	2029	Projected Employment Growth Rate	Projected Annual Job Change
Total Employment	41,360	47,000	1.4%	627
Health Care & Social Assistance	6,500	7,400	1.5%	100
Accommodation & Food Service	3,170	3,960	2.5%	88
Government	8,860	9,530	0.8%	74
Other Services	2,010	2,500	2.4%	54
Retail Trade	4,290	4,760	1.2%	52
Administrative & Support	1,250	1,580	2.6%	37
Professional Services	2,400	2,720	1.4%	35
Construction	2,000	2,190	1.0%	21
Educational Services	4,640	4,770	0.3%	15
Manufacturing	1,380	1,460	0.7%	9
Finance & Insurance	1,740	1,810	0.4%	8
Mining	510	580	1.4%	8
Arts, Entertainment, & Recreation	780	850	0.9%	7
Transportation	720	770	0.8%	6
Real Estate	350	410	1.6%	6
Wholesale Trade	730	760	0.4%	3
Information	520	550	0.6%	3
Agriculture	270	280	0.4%	1

Source: MTDLI Helena Area Employment Projection 2019-2029 by Industry. 2020 annual QCEW data by county used to estimate projected Southwest region employment in the Helena area, which includes Lewis & Clark, Jefferson and Broadwater counties. Estimated 2020 and projected 2029 employment rounded to nearest ten.

2.2 Occupational Demand

Industry projections estimate over 600 new jobs per year in the Helena area. However, new jobs only account for about 6% of projected job openings per year. Another 2,700 job openings are estimated to be created from people exiting the labor force, possibly due to retiring, attending school full-time, or staying home to care for family. An additional 2,000 job openings are projected in the region due to people transitioning into a new career. There are projected to be over 5,100 annual job openings in the area from the combination of new jobs, exits, and transfers. **Figure 2.2** shows the ten-year annual expected total openings in the Helena area due to new jobs, exits, and transfers by large occupational group.

Worker turnover, retirements, and new jobs are estimated to generate over **5,000 job openings per year** in the Helena area through 2029.

FIGURE 2.2

Helena Area Workforce Demand by Large Occupational Group

Source: MTDLI Helena Occupational Employment Projections 2019-2029.

Office and administrative support occupations are projected to have the most job openings over the next ten years. Employee turnover is the primary driver of office and administrative job openings. Many of these occupations are considered entry-level jobs with higher turnover rates – such as bookkeepers, office clerks, and customer service representatives. The Helena area has a higher concentration of office and administrative support occupations compared to the state, due in-part to the prevalence of these jobs within government.

Food preparation and serving occupations have the next largest number of job openings, which includes occupations such as fast-food workers, cooks, and waiters and waitresses. Sales occupations follow closely behind as the third largest occupational group. Cashiers and retail salespersons are the most common sales occupations. The high number of expected openings in food preparation and sales occupations is partially because they are some of the largest employing occupations, and partially due to high turnover. **Figure 2.3** shows the top ten occupations in the Helena area with the most projected job openings through 2029, along with the education requirements and wages for each occupation.

FIGURE 2.3

Top 10 Occupations with the Most Job Openings in Helena, 2019-2029

Occupation	Minimum Education	Annual Openings				Helena Average Wage
		Total Openings	Transfers	Exits	Growth	
Fast Food and Counter Workers	<HS	245	119	124	3	$22,243
Cashiers	<HS	184	93	93	-1	$23,738
Retail Salespersons	<HS	130	71	53	5	$31,205
Office Clerks, General	HS	124	63	63	-2	$35,638
Farmworkers and Laborers	<HS	106	71	28	7	$39,100
Janitors and Cleaners	<HS	102	48	48	7	$29,156
Home Health & Personal Care Aides	HS	90	34	41	16	$28,941
Project Management & Business Operations Specialists	Bachelor's	87	52	27	8	$63,120
Customer Service Representatives	HS	76	46	30	1	$37,096
Substitute Teachers, Short-Term	Bachelor's	75	33	41	1	$22,979

Source: MTDLI Helena Occupational Projections, 2019-2029. Average wage comes from Occupational Employment Statistics for Lewis & Clark, Jefferson, and Broadwater counties.

Most of the jobs shown in **Figure 2.3** are entry-level, low-wage jobs that require short-term on-the-job training only. Project management and business operations specialists, and substitute teachers are the only jobs that require some education past high school. Both occupations are more in-demand in Helena than the rest of the state. Project management and business operations specialists are unique because they are the only top occupation making more than $40,000 in the Helena area. Workforce development efforts tend to focus on occupations with higher required education levels because of the time it takes to train workers for those jobs.

2.3 Job Demand by Education Level

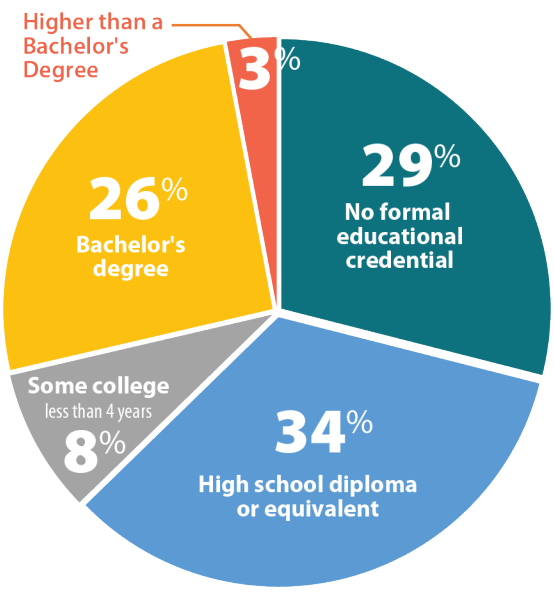
Most of the job openings in the state do not require a postsecondary degree. In the Helena area, 63% of projected job openings require a high school diploma or less. Thirty-seven percent of openings require some postsecondary education, with 26% requiring a bachelor's degree. Even though most job openings don't require a postsecondary degree, job openings in the Helena area do require higher levels of education compared to the rest of the state. **Figure 2.4** shows projected job openings by education level.

WHAT IS IN EACH INDUSTRY?

Super Sector	Code	Industry	Establishments primarily engaged in	Examples
Agriculture	11	Agriculture	Raising crops or animals, harvesting timber, and harvesting animals from natural habitats.	Farms, ranches, greenhouses, orchards, hatcheries, and lodging operations.
Mining & Utilities	21	Mining	Extracting mineral solids, liquids and gases.	Oil and gas, coal and mineral mining, and associated support activities.
Construction	22	Utilities	Provision of power, natural gas, water supply, and sewage removal.	Utility companies, sewage removal.
	23	Construction	Construction of buildings, highways, or engineering projects.	Contractors, plumbing and electrical companies, highway construction.
Manufacturing	31-33	Manufacturing	Transformation of materials into new products.	Food manufacturing, breweries, wood product manufacturers.
Trade & Transportation	42	Wholesale Trade	Arranging the sale of nonconsumer goods and raw materials used in production.	Manufacturers' sales representatives, merchant wholesalers.
	44-45	Retail Trade	Selling mechandise to the general public.	Automotive dealers, office supply stores, gas stations, grocery stores, clothing stores.
	48-49	Transportation	Transportation of passengers and cargo, sightseing, warehousing and storage for goods.	Trucking, air, rail, and water transport, postal and delivery service.
Information	51	Information	Producing, distributing, or transmitting information and entertainment.	Newspapers, TV, and radio, telecom and internet providers.
Financial Activities	52	Finance	Facilitating financial transactions.	Banks, investing, credit unions, insurance agencies.
	53	Real Estate	Renting or leasing-related services.	Rentals of apartments, real estate, autos, or machinery goods
Business Services	54	Professional & Tech. Services	Performing professional, scientific, and technical activities for others, typically to other businesses.	Legal, accounting, payroll, engineering, computer programming, advertising, R&D.
	55	Management of Companies	Manage the strategic role of the company or enterprise. Facilitate mergers.	Managing offices, holding companies.
	56	Admin. & Waste	Perform support activities for other businesses. Temp. employment firms.	Recycling, janitorial, temporary employment firms, collection agencies, security services.
Healthcare & Education	61	Educational Services	Provide instruction and training. They may be private for-profit, non-profit, or public.	Schools, colleges, universities, and training centers. Private testing centers.
	62	Healthcare & Social Assistance	Deliver healthcare and social assistance from trained professionals.	Hospitals, elderly care facilities, child care, mental health and family services.
Leisure Activities	71	Arts, Recreation & Entertainment	Cultural, entertainment and recreational services.	Casinos, museums, theatre, amusement parks, sports and recreational facilities.
	72	Accommodations & Food Servide	Provide lodging, meals, snacks, and beverages for immediate consumption.	Restaurants, bars, hotels, caterers, RV parks.
Other Services	81	Other Services	Any other services not already classified.	Auto and machinery repair, religious and nonprofit organizations, dry-cleaning.
Public Administration	92	Public Administration	Federal, state, local, or quasi-government agencies. Excludes education and public works construction classified above.	Local and state governments, police and fire protection.

FIGURE 2.4

Helena Area Workforce Demand by Education Level



Source: MTDLI Helena Employment Projections, 2019-2029

The labor supply needed to fill these job openings can come from a variety of different sources. Turnover in the existing workforce generates labor supply as individuals search for new jobs. New labor force entrants, such as graduates from Montana's secondary and postsecondary education system and individuals moving to the Helena area, also help fill job openings.

The analysis that follows compares the workforce supply and demand by occupation in Helena, for jobs requiring some postsecondary education. The estimated occupational demand is defined as a range, where the upper bound is the total number of projected job openings, and lower bound is the sum of openings projected due to labor force exits and growth in Helena. The supply for each occupation is equal to the average number of graduates from workforce training programs in Helena estimated to work in the occupation. Each occupation is categorized as oversupplied, meets demand, or undersupplied by comparing the projected job openings to the number of graduates from workforce training programs in Helena.

The workforce training programs included as a part of labor supply are Helena College, Carroll College, and Montana registered apprenticeship programs.[14] While high school graduates are not explicitly included in labor supply, those that go on to obtain a postsecondary degree in the Helena area are included. Most (53%) Helena area high school graduates enroll in the Montana University System. Fourteen percent of Helena area high school graduates enroll in Helena College, another 19% enroll in Montana State University, and 8% enroll in the University of Montana.[15]

SUPPLY AND DEMAND ANALYSIS CATEGORIES

Undersuppiled – An occupation is undersupplied if the number of college and apprenticeship graduates is less than the lower bound of demand, which is the sum of job openings due to labor force exits and growth openings, shown below.

Meets Demand – An occupation meets demand if the supply of workers from colleges and apprenticeship programs in Helena falls within the demand range shown below.

Oversupplied – An occupation is oversupplied if the number of college and apprenticeship graduates is greater than the upper bound of demand, which is the sum of job openings due to growth, labor force exits, and turnover (job-to-job) shown below.

14 *Other workforce training programs in the Helena area, such as secondary education, CTE programs, and other industry-recognized credentials are not included due to a lack of available data.*

15 *OPI Growth and Enhancement of Montana Students (GEMS) database.*

2.3.1 Job Demand Requiring Some College less than a Bachelor's Degree

Occupations requiring some college education, but less than a bachelor's degree make up 8% of the total projected openings in Helena. **Figure 2.5** shows the jobs with the most projected openings within this educational category. A comparison of projected supply and demand is conducted for each occupation.[16] All of the top occupations in Helena requiring some college education, but less than a bachelor's degree are undersupplied.

FIGURE 2.5

Top 10 Occupations Requiring Postsecondary Education less than Bachelor, 2019-29

Occupation	Education Level	Annual Openings		Helena Area College Grads	GAP	Helena Average Wage
		Total Openings	Exits & Growth			
Bookkeeping, Accounting, & Auditing Clerks	SCND	74	43	2	Under	$40,815
Teaching Assistants	SCND	48	26	4	Under	$28,853
Heavy & Tractor-Trailer Truck Drivers	PSND	41	18	6	Under	$41,077
Nursing Assistants	PSND	28	16	3	Under	$33,178
Automotive Service Technicians & Mechanics	PSND	20	7	0	NP	$41,205
Computer User Support Specialists	SCND	17	6	2	Under	$49,765
LPN & LVN	PSND	16	9	0	NP	$49,436
Psychiatric Technicians	PSND	12	6	0	NP	$31,548
Medical Records Specialists & Health Technologists	PSND	12	6	1	Under	$49,410
Paralegals & Legal Assistants	Associate	11	4	1	Under	$51,040

Source: MTDLI Helena Occupational Employment Projections, 2019-2029. IPEDS 2017- 2019. Helena area grads calculated as annual average number of graduates over last three academic years from Carroll College and Helena College estimated to work in each occupation. Under=undersupplied. NP=no program. SC,ND = Some College, No Degree. PSND = Postsecondary Non-Degree Award.

All top occupations in the Helena region requiring some college education, but less than a bachelor's degree are **undersupplied**.

Most of the occupations in **Figure 2.5** earn between $40,000 and $50,000 in the Helena area, which is slightly below average for Lewis & Clark County. Paralegals have the highest average wage, followed by computer user support specialists and licensed practical nurses (LPNs). Workforce development efforts may focus on increasing the number of individuals trained to work in these in-demand, higher-wage, undersupplied occupations. Despite the significant number of job openings for LPNs in the Helena area, there aren't any programs at either local college graduating students who become LPNs. Licensed practical nursing is an apprenticeable occupation, which provides another avenue for workforce training. However, there have not been any LPN apprenticeship completers in the Helena area over the last three years.

Workforce development efforts may also prioritize increasing the supply of heavy tractor-trailer truck drivers and automotive service technicians in Helena. These two high-demand, undersupplied occupations require some postsecondary education and earn wages over $40,000.[17] Truck drivers and

16 *Apprenticeship completers are not considered a part of labor supply for the occupations in Figure 2.5 because there have not been any completers in the Helena area over the last three years for these occupations.*

17 *The supply of heavy tractor-trailer truck drivers may be higher than reported in Figure 2.5 because Commercial Divers Licenses are not issued through the university system or the MTDLI.*

automotive service technicians can be trained through the higher education system or through a registered apprenticeship program. There haven't been any apprenticeship completers in Helena in either occupation over the last three years.

Teaching assistants have the second highest number of job openings among occupations requiring some postsecondary education, yet they are the lowest earning occupation in **Figure 2.5**. With an average wage of $28,000, low-wages and high turnover rates are the primary drivers of teaching assistant job openings in Helena. Nursing assistants (CNAs) also earn less than $40,000 per year. The number of projected CNA job openings significantly outstrips local college supply.[18] In addition to colleges, CNAs are also trained through the state's apprenticeship program. From 2018 to 2020, there have been an average of 35 people per year to complete a Nursing Assistant Certification through Montana's registered apprenticeship program.[19] However, none of these apprenticeship completers graduated in the Helena area, and therefore are not considered a part of local workforce supply. Low wages for teaching assistants and nursing assistants will be an obstacle for workforce development efforts in these occupations.

18 There may also be a supply of CNAs from Helena secondary schools, but they are not included in this analysis due to data availability.

19 Registered Apprenticeship Data Report, Oct 2020. MTDLI.

HOW MANY GRADUATES ARE THERE TO FILL JOB OPENINGS?

Helena college graduates are defined as graduates from either Carroll College or Helena College. The average number of graduates over the last three academic years ending in 2019 are divvied out into potential careers based on their degree and field of study.

Some degree programs, like registered nursing, are very closely correlated with a specific occupation. However, many programs prepare graduates to work in a variety of different careers. Graduates are distributed into occupations based on the probability they will enter a certain career given their degree and program of study. For example, an estimated 33% of accounting graduates work as accountants or auditors. Therefore, the number of graduates available to fill accounting and auditing job openings in Helena is equal to a third of the number accounting graduates from Carroll College and Helena College. The other two-thirds of accounting graduates in Helena pursue other careers, such as financial managers or budget analysts.

In some cases, graduates from Helena's colleges are considered available to fill jobs that do not require a postsecondary education. There are individuals who graduate from Carroll College or Helena College, but end up in jobs that do not require a college degree. For example, an estimated 3% of business graduates in Montana work as retail salespersons. Therefore, 3% of business graduates from Helena colleges are considered available to fill retail salespersons job openings even though the job doesn't require a college degree.

2.3.2 Job Demand Requiring at least a Bachelor's Degree

The Helena area has a higher concentration of job openings requiring a bachelor's degree than the state average. An estimated 26% of the projected job openings in Helena require a bachelor's degree. **Figure 2.6** shows the top ten occupations with the most job openings. Project managers, substitute teachers, and substance abuse and mental health counselors top the list. Most of the top occupations requiring a bachelor's degree earn wages above the Helena area average, with two notable exceptions – substitute teachers and substance abuse and mental health counselors.

FIGURE 2.6

Top 10 Occupations Requiring a Bachelor's Degree, 2019-2029

Occupation	Annual Openings		Helena College Grads	GAP	Helena Average Wage
	Total Openings	Exits & Growth			
Project Management & Business Operations Specialists	87	35	4	Under	$63,120
Substitute Teachers	75	42	1	Under	$22,979
Substance abuse, behavioral disorder, & mental health counselors	57	29	2	Under	$35,502
General/Operations Managers	56	20	2	Under	$109,167
Registered Nurses	53	33	47	Meets	$76,551
Personal Service, Entertain & Rec Mngrs	49	24	0	NP	$87,978
Elementary School Teachers	43	21	13	Under	$52,351
Accountants & Auditors	41	17	18	Meets	$63,819
Software Developers	31	14	7	Under	$89,309
Management Analysts	29	15	4	Under	$65,094

Source: MTDLI Helena Occupational Employment Projections, 2019-2029. IPEDS 2017- 2019. Helena grads calculated as annual average graduates over last three academic years from Carroll College and Helena College working in each occupation. Under=undersupplied. NP=No program. Meets=meets demand.

Along with the number of projected job openings, **Figure 2.6** shows the average number of college graduates from Helena estimated to go into each occupation every year. Registered nurses and accountants are the two high-demand occupations where local graduate supply meets demand. An average of 47 registered nursing (RN) students and 18 accounting students are estimated to graduate each year, which is enough to fill the projected openings created by labor force exits and job growth.

The other eight occupations shown in **Figure 2.6** are undersupplied by Helena colleges. Substitute teachers are the most significantly undersupplied, followed by substance abuse and mental health counselors. These two occupations also reported the lowest average wages of $23,000 and $35,500, respectively. Substitute teachers often work limited hours and have inconsistent work schedules, which leads to low wages. Wages in for substance abuse and mental health counselors are often limited by reimbursement rates, making it difficult for employers to raise wages in order to attract more workers.

Three percent of the estimated job openings in Helena require a graduate degree, which is slightly higher than the statewide average. **Figure 2.7** shows the top ten occupations with the most projected job openings that require a graduate degree. Lawyers top the list with an estimated 31 openings per year through 2029. Physical therapists are next on the list with 15 total openings, followed by nurse practitioners with eight annual openings. Both lawyers and physical therapist are undersupplied by Helena's colleges. However, the number of nurse practitioner graduates is estimated to meet demand.

FIGURE 2.7

Top 10 Occupations Requiring More than a Bachelor's Degree, 2019-2029

Occupation	Education Level	Annual Openings		Helena College Grads	GAP	Helena Average Wage
		Total Openings	Exits & Growth			
Lawyers	PhD or Prof	31	18	8	Under	$82,287
Physical Therapists	PhD or Prof	15	10	9	Under	$80,138
Nurse Practitioners	Master's	8	5	5	Meets	$126,894
Instructional Coordinators	Master's	7	3	1	Under	$54,701
Physicians	PhD or Prof	6	4	8	Over	$276,842
Rehab Counselors	Master's	5	2	2	Meets	$34,636
Ed Administrators, K-12	Master's	4	1	3	Meets	$90,914
Clinical, Counseling, & School Psychologists	PhD or Prof	4	2	0	NP	$76,313
Ed, Guidance, and Career Counselors	Master's	4	1	3	Meets	$40,447
Marriage and Family Therapists	Master's	4	2	1	Under	$46,057

Source: MTDLI Helena Occupational Employment Projections, 2019-2029. IPEDS 2017- 2019. Helena grads calculated as annual average number of graduates over last three academic years from Carroll College and Helena College estimated to work in each occupation. Under=undersupplied. Over=oversupplied. NP=No program. Meets=meets demand.

Another high-demand healthcare occupation in **Figure 2.7** is physicians. There are total of six projected openings for physicians in Helena per year through 2029. Based on the employment patterns of graduates from Helena's colleges, there are enough estimated physicians locally to fill projected demand. However, graduates from Carroll College or Helena College are not trained to work as physicians right after graduating. The supply of Helena graduates trained to work as physicians are Helena area graduates who attended an out-of-state medical school after graduation and are estimated to return to the area for work.

Several top occupations in **Figure 2.7** are in the education field. Instructional coordinators, education administrators for K-12 schools, school psychologists, and education, guidance and career counselors all make the list of occupations requiring a graduate degree with the most job openings in Helena. The local supply of career counselors and education administrators is sufficient to meet estimated demand. However, the instructional coordinators are undersupplied and graduates from Helena colleges are not becoming school psychologists. Both occupations make above the Helena average wage, which can help encourage more people to enter the profession.

2.3.3 Job Demand for Apprenticeable Occupations

Registered apprenticeships provide another avenue for workforce training beyond a traditional college education. This on-the-job training method has grown rapidly in Montana, with over 100 apprenticeable occupations in the state. The number of traditional apprenticeships, such as the programs to train plumbers and electricians, have grown steadily while new apprenticeship programs in healthcare and information technology have been created in response to employer demand. **Figure 2.8** shows the appreciable occupations with the most projected job openings in Helena.

FIGURE 2.8

Apprenticeable Occupations with Most Projected Job Openings, 2019-2029

Occupation	Education Level	Annual Openings		Supply		GAP	Helena Avg Wage
		Total Openings	Exits & Growth	Helena Grads	Helena Avg Apprentices		
Bookkeeping, Accounting, & Auditing Clerks	SC, ND	74	43	2	0	Under	$40,815
Child care Workers	HS	63	35	3	<1	Under	$23,526
Construction Laborers	<HS	61	26	1	1	Under	$37,681
Registered Nurses	Bachelor's	53	33	47	0	Meets	$76,551
Plumbers, Pipefitters, & Steamfitters	HS D	47	18	0	6	Under	$62,710
Cooks, Restaurant	<HS	43	20	5	0	Under	$26,062
Heavy & Tractor-Trailer Truck Drivers	PSND	41	18	6	0	Under	$41,077
Carpenters	HS	34	14	2	6	Under	$41,321
Maintenance Workers	HS	29	13	11	0	Under	$40,560
Construction Equipment Operators	HS	28	10	0	3	Under	$52,569
Electricians	HS	28	11	0	28	Meets	$64,285
Automotive Service Technicians	PSND	20	7	0	<1	Under	$41,205
Medical & Health Services Managers	Bachelor's	18	10	7	0	Under	$114,950
Claims Adjusters, Examiners, & Investigators	HS	16	5	2	0	Under	$61,844
LPNs & LVP	PSND	16	9	0	0	Under	$49,436

Source: MTDLI Helena Occupational Employment Projections, 2019-2029. IPEDS 2017- 2019. Helena grads calculated as annual average number of graduates over last three academic years from Carroll College and Helena College estimated to work in each occupation. Helena Avg Apprentices is calculated as average number of apprentice completers in Helena from 2018 to 2020. ND = No degree. PSND = Postsecondary Non-Degree Award.

Figure 2.8 shows the average number of apprentices that have completed programs in each occupation in Helena. Over half of all apprenticeship completers in Helena are electricians. An average of 28 electricians complete their apprenticeship program in Helena every year, which is enough to meet estimated demand. However, many of the apprentices who are trained in Helena ultimately work in other communities.[20] Plumbers and carpenters are the next largest apprenticeships in Helena, with six graduates in each program per year. However, the number of plumbers and carpenters from registered apprenticeship programs in Helena does not meet estimated demand. Except for electricians and registered nurses, all other high-demand apprenticeable occupations in Helena are undersupplied.

One notable undersupplied occupation is child care workers. In Montana, licensed child care capacity meets only about 47% of estimated demand. Child care capacity in Lewis & Clark county is consistent with the statewide average, meeting only 45% of estimated demand.[21] One barrier to increasing child care capacity in the state is a lack of child care workers. Recruiting more child care workers is made more challenging by low wages. The average wage for child care workers in Helena is $23,536, which is the lowest among all high-demand apprenticeable occupations in Helena.

---

20 Apprenticeships are based on employer location. The Montana Electrical JATC is location in Helena, and therefore many electrical apprentices graduate from Helena even though they live and work elsewhere.

21 Watson, Amy. "Out of the Office: How a lack of affordable child care has impacted Montana businesses," November 2020. MTDLI. https://lmi.mt.gov/_docs/Publications/EAG-Articles/1120-ChildCare3.pdf

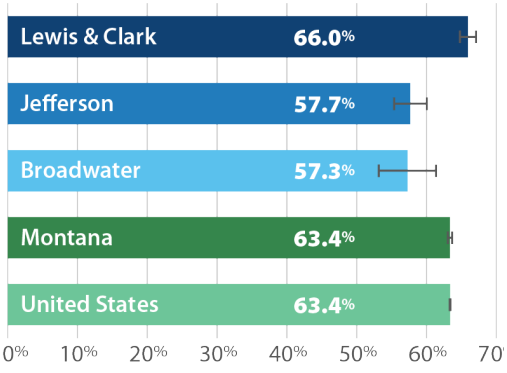
The last year has been shaped by economic change. As the Helena area labor market continues to recover from the 2020 recession, long-term trends of tight labor markets are returning. Short-term events add to the workforce shortage as workers dropped out of the labor force for COVID-19 related reasons. To mitigate this issue, employers are: recruiting local workers not currently participating in the labor force; recruiting workers from outside the local area, whether that be in-person or remote work; reducing turnover within their business; or turning to automation when feasible. This section explores these issues and any local constraints affecting the workforce.

3.1 Labor Force Participation Rates

Increased labor force participation rates help alleviate workforce shortages. Lewis & Clark County has higher rates of labor force participation than the statewide average, with 66% of the civilian population over 16 either working or actively seeking work. **Figure 3.1** shows the labor force participation rate of the Helena area compared to the state and national average. Both Jefferson and Broadwater counties have below average labor force participation rates, due in larger part to an older population who are more likely to be retired.

FIGURE 3.1

Labor Force Participation Rates



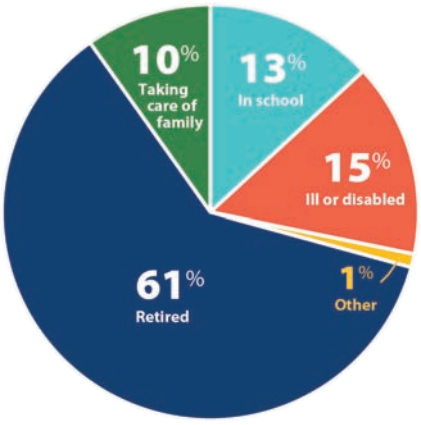
Source: U.S. Census Bureau. 2015-2019 American Community Survey. Error bars represent the 90% confidence interval.

An individual must be working or actively seeking work to be considered a part of the labor force. Retirement, attending school, and family responsibilities are some of the most common reasons a person may not be seeking work. **Figure 3.2** shows the reasons Montanans cite for not participating in the labor force in 2020.

Approximately 61% of Montanans out of the labor force are retired. Retirement is the most common reason an individual is not seeking work. The coronavirus pandemic accelerated retirements nationally, as many people over 65 looked for ways to reduce their exposure to the virus.[22] Lewis & Clark, Jefferson, and Broadwater counties have a larger share of their population over 65, and therefore accelerated retirements in the Helena area has a larger impact on the labor force participation rate in the short-term

FIGURE 3.2

Reasons Cited for Not Being in the MT Labor Force



Source: MTDLI using 2020 CPS data through IPUMS

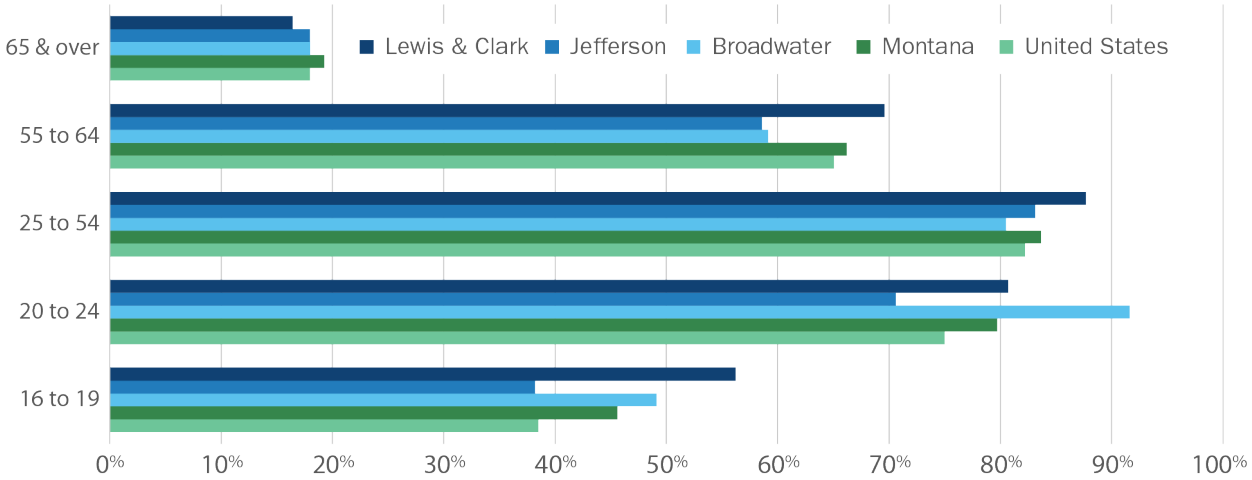
22 *Omeokwe, Amara. "Pandemic Accelerates Retirements, Threatening Economic Growth." The Wall Street Journal. 28 Mar. 2021. https://www.wsj.com/articles/pandemic-accelerates-retirements-threatening-economic-growth-11616940000*

compared to the nation. The rate of retirement is expected to slow in the long-run as vaccination rates increase and public health guidelines are relaxed.

In the long-term, demographic shifts are expected to be the primary driver of retirements in the Helena area. Labor force participation rates among those 55 to 64 are higher in Lewis & Clark County compared to the rest of the state. Nearly 70% of those between 55 and 64 are in the labor force in Lewis & Clark County. Labor force participation rates drop dramatically once a person reaches 65 years old. Lewis & Clark's labor force participation rates of those over 65 years old is only 16.4%, which is less than the statewide average. **Figure 3.3** shows the labor force participation rates by age in the Helena area compared to the state and the rest of the nation.

FIGURE 3.3

Labor Force Participation Rate by Age



Source: U.S. Census Bureau. 2015-2019 American Community Survey 5-Year Estimates.

Approximately 13% of Montanans who are out of the labor force are in school. Labor force participation rates for those between 16 and 19 years old are the second lowest among age groups in the Helena due to school attendance. However, Lewis & Clark County does have significantly higher labor force participation rates among those between 16 and 19 compared to the rest of the state, with 56% participating in the labor force. Apprenticeship opportunities can help boost labor force participation rates for those in school by allowing them to incorporate work into their curriculum and "earn while they learn." While traditional apprenticeships for electricians and plumbers are the most common, the number of apprenticeship opportunities in healthcare and other industries has been growing over the last few years.[23]

Those who are ill or disabled make up another 15% of people out of the labor force. The percentage of Montanans out of the labor force due to an illness or disability increased slightly in 2020, potentially due to the coronavirus. An estimated 12,700 people in Montana reported not working because they were sick or caring for someone who was sick with coronavirus symptoms in April 2021. Another 26,000 people reported they weren't working due to a disability or illness unrelated to the coronavirus.[24]

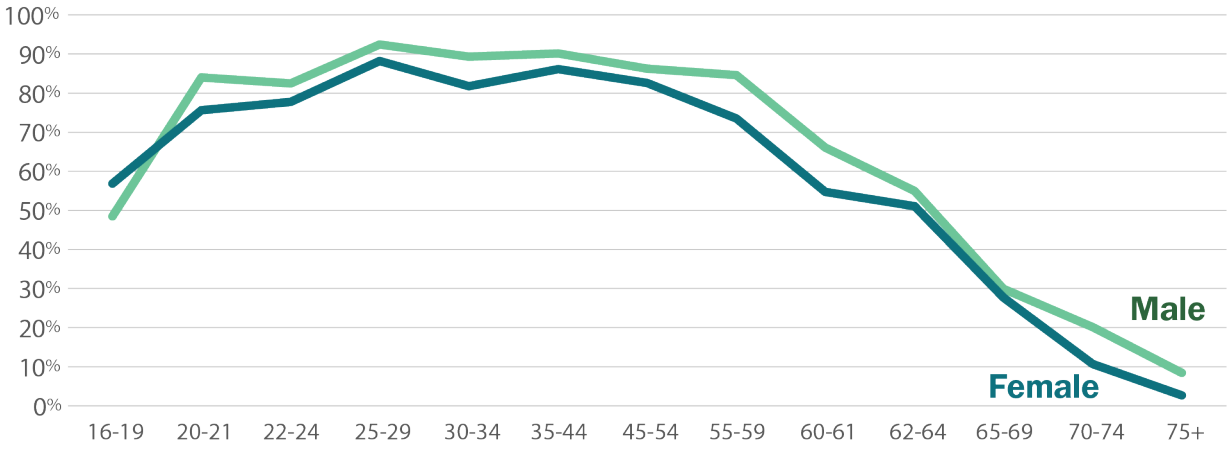
23 *Registered Apprenticeship Data Report, Oct 2020. MTDLI. https://lmi.mt.gov/_docs/Publications/LMI-Pubs/Special-Reports-and-Studies/Apprenticeship-Data-Report-2020.pdf*

24 *Census Household Pulse Survey, week 28 April 14th- 26th 2021 for Montana.*

Another 10% of Montanans are not in the labor force due to family responsibilities, which includes caring for children, elderly adults, and those with illnesses or disabilities. Family responsibilities disproportionately impact female labor force participation rates, with mothers reporting more time spent caring for children and fewer work hours compared to fathers.[25] An average of 61% of women in the Helena area are working or actively seeking work, compared to 67% of men. **Figure 3.4** shows the labor force participation rates of men and women in the Helena area by age.

FIGURE 3.4

Helena Labor Force Participation Rates by Age and Sex



Source: U.S. Census Bureau. 2015-2019 ACS 5-Year Estimates. Helena area includes Lewis & Clark, Broadwater, and Jefferson Counties.

Female labor force participation rates fall below male labor force participation regardless of age. The largest gaps between male and female participation rates in Helena occur among those 30 to 34, and 55 to 62 years old. Child and eldercare responsibilities are primary reasons women may exit the labor force at higher rates than men at these age groups. In the U.S. approximately 16% of the population over 15 years old provides unpaid eldercare. Women between the ages of 55 and 64 are most likely to be providing unpaid eldercare, which could contribute to decreased labor force participation rates among this population.[26]

The average age of mothers at first birth is approximately 25 years old in the Helena area. Married women wait longer to have children than unmarried women and are more likely to exit the labor force after the birth of their first child. The average age at first birth is close to 30 years old for first-time college educated married mothers in Helena.[27] The decrease in labor force participation rate of women aged 30 to 34 corresponds to when women in Helena may exit the labor force to care for small children.

In a survey of Montana business conducted by the MTDLI and the Federal Reserve Bank of Minneapolis in the first quarter of 2020, 63% of businesses in Helena and the surrounding Southwest region report a lack of child care in their community. A third of all business in the Southwest region reported a lack of child care impacting their ability to recruit and retain a qualified workforce, with increased impact

25 *American Time Use Survey, 2019.*

26 *American Time Use Survey. Unpaid Eldercare in the United States--2017-2018 Summary.*

27 *NY Times analysis of National Center for Health Statistics, 2016. https://www.nytimes.com/interactive/2018/08/04/upshot/up-birth-age-gap.html*

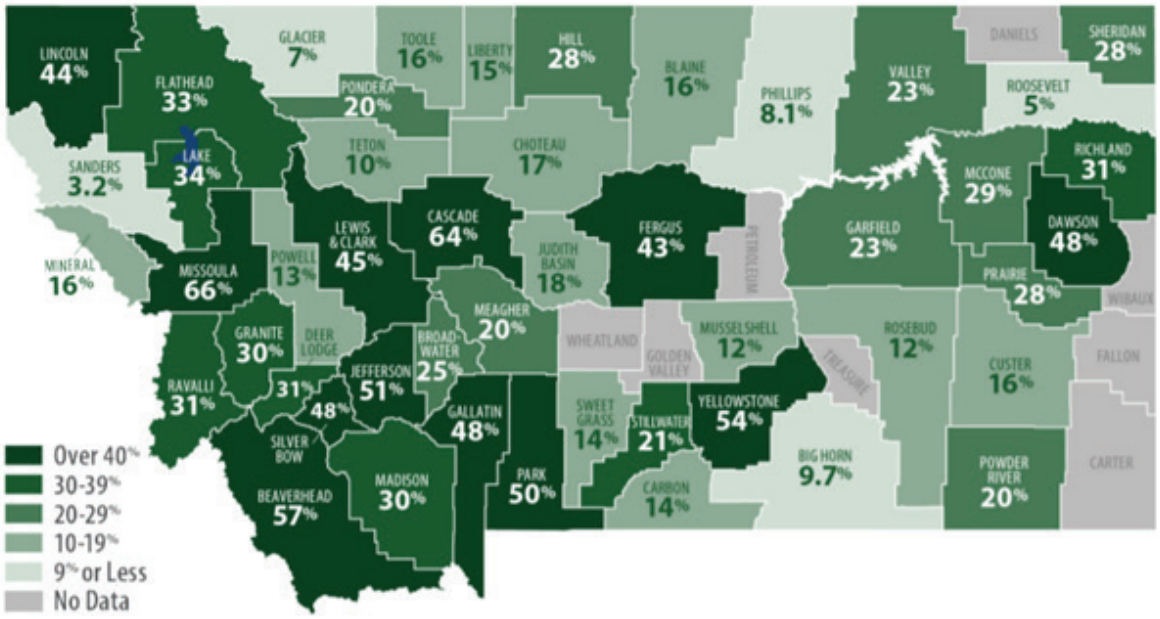
for businesses employing a primarily female workforce.[28] Many businesses are offering flexible work arrangements to overcome workforce shortages. Seventy-seven percent of businesses in the Southwest reported offering flexible scheduling, remote work, or advanced scheduling to help employees balance their work and family responsibilities.

3.2 Child Care Access and Affordability

An estimated 6% of the state's labor force relies on some form of child care arrangement to remain in the workforce. Despite this reliance on child care, licensed child care capacity in Lewis & Clark County meets only 45% of estimated demand, which is slightly below the statewide average of 47%. Jefferson County child care capacity meets just over half of estimated demand. However, Broadwater County is one of 35 counties in the state that is considered a child care desert, with capacity meeting less than a third of estimated demand. **Figure 3.5** shows the percent of child care demand met by licensed capacity in each county as of July 2020.

FIGURE 3.5

Licensed Child Care Capacity as a Percent of Estimated Demand by County



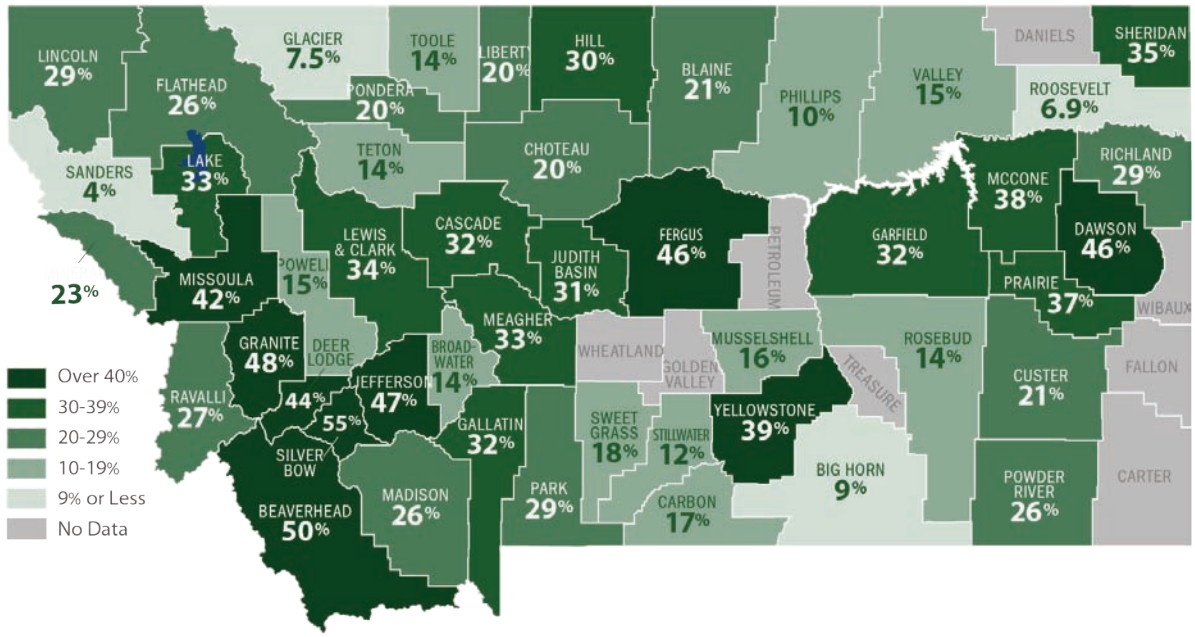
Source: DPHHS child care licensing data as of 07/20. Montana Department of Commerce, CEIC population data. 2019 ACS 1-Year Estimates

Infant care, for children under the age of two, is the most significantly undersupplied form of care. Infant capacity in Lewis & Clark County meets 34% of estimated demand, which is on par with the statewide average. Jefferson County infant capacity meets nearly half of estimated demand, which is well above average in Montana. However, Broadwater is significantly undersupplied, meeting only 14% of estimated demand for infant care. **Figure 3.6** shows infant capacity in each county as a percentage of demand. Infant care capacity is significantly undersupplied in Montana, making it difficult for parents of children under the age of two to engage in the workforce.

28 *Watson, Amy. Impacts of Child Care on the Montana Workforce, November 2020. MTLDI. https://lmi.mt.gov/_docs/Publications/LMI-Pubs/Special-Reports-and-Studies/Child careReport2020.pdf*

FIGURE 3.6

Licensed Infant Care Capacity as a Percent of Estimated Demand by County



Source: DPHHS child care licensing data as of 07/20. Montana Department of Commerce, CEIC population data. 2019 ACS 1-Year Estimates. Infants defined as children under 3 years old.

The state's child care shortage has significant workforce impacts in Montana, with 62% of parents reporting they missed work in 2019 due to a lack of child care.[29] The global pandemic exacerbated the already-existing child care shortage. In April 2020, 43% of licensed child care providers closed as an immediate response to the pandemic.[30] Since then, many child care providers have found new and innovative ways to open while also adhering to important public health guidelines. However, parents of school-aged children have also needed to adjust work schedules and find alternative care due to limited after-school activities and the need to monitor children learning at home. In September, the number of parents reporting reduced work hours increased by nearly 60%. While this reduction in hours was temporary for many parents, about 20% of all parents continued to work reduced hours through the rest of the year – translating to an average of 55,000 parents, or roughly 10% of the state's labor force.[31]

According to the 2019 Montana Early Childhood needs assessment, cost of care and lack of infant and toddler capacity are the biggest barriers to accessing child care in the state.[32] Annual expenses for families paying for child care averages $7,900. Infant care is the most expensive form of care, with increased staff-to-child ratios primarily driving the costs. The average cost of full-time daycare for an infant in center-based care is $12,750 per year in Montana.[33] A survey of Montana parents conducted by the University of Montana BBER in 2020 found 57% of households with children under five years old had difficulty finding

29 *"Lost Possibilities" University of Montana BBER, September 2020.*

30 *Montana Department of Health and Human Services, child care licensing database*

31 *Current Population Survey, December 2020 IPUMS.*

32 *Montana's Early Childhood System: A Comprehensive Needs Assessment. September 2019. MT DPHHS, Early Childhood Services Bureau. https://dphhs.mt.gov/assets/ecfsd/childcare/PDGB-5system/MTEarlyChildhoodNeedsAssessment.pd*

33 *"Lost Possibilities" University of Montana BBER, September 2020.*

affordable child care.[34] To help offset the cost of child care, 15% of Montana businesses offered Dependent Care Assistance Plans (DCAP).[35] These employer benefits can help businesses overcome workforce shortages by encouraging labor force participation, specifically among parents with young children.

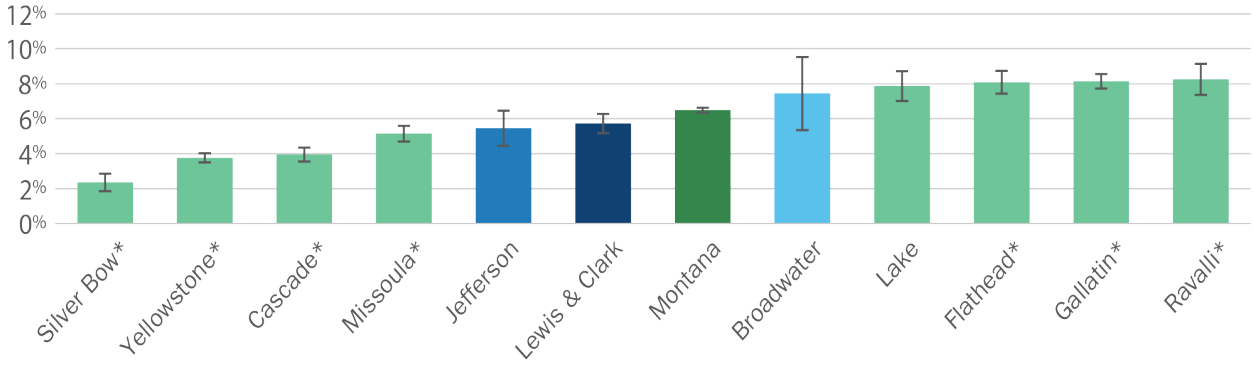
Paid parental leave policies help alleviate the burden of finding affordable infant care in Montana. An estimated 13% of Montana businesses and 10% of businesses in the Southwest region offered paid parental leave beyond vacation, sick, or PTO leave that is specifically available for parents at the birth or adoption of a child. On average, mothers received seven weeks of paid parental leave compared to only four weeks for fathers. Twenty percent of businesses with a paid parental leave policy only had paid leave available to mothers. Approximately 58% of Montana employers with paid parental leave policies stated the policy improved their ability to recruit and retain a qualified workforce.

3.3 Remote Work

When local unemployment rates are low and businesses struggle to find qualified workers, employers may want to consider hiring remotely. Remote work expands employers' hiring pool to include applicants in areas where unemployment rates may be higher, and it includes a wider range of skillsets. Remote hiring and work-from-home options also help recruit local workers as it allows for job flexibility. Between 2014 and 2019, 5.7% of Lewis & Clark County's workers worked from home. This share is similar to the Montana average, and higher than Silver Bow, Yellowstone, Cascade, and Missoula Counties.

FIGURE 3.7

Percent of Workers who Work from Home (2015-2019)



Source: U.S. Census Bureau. 2015-2019 American Community Survey 5-Year Estimates. * is statistically significant difference from Lewis & Clark County at the 90% confidence level.

The COVID-19 pandemic changed the share of remote work drastically as industries adjusted to social distancing. One estimate suggests 30% of Montana's workforce was remote during April and May 2020.[36] Another suggests 36% of Montana's jobs could be remote based on typical work activities of

34 *"Lost Possibilities" University of Montana BBER, September 2020.*

35 *Watson, Amy. Impacts of Child Care on the Montana Workforce, November 2020. MTLDI.*

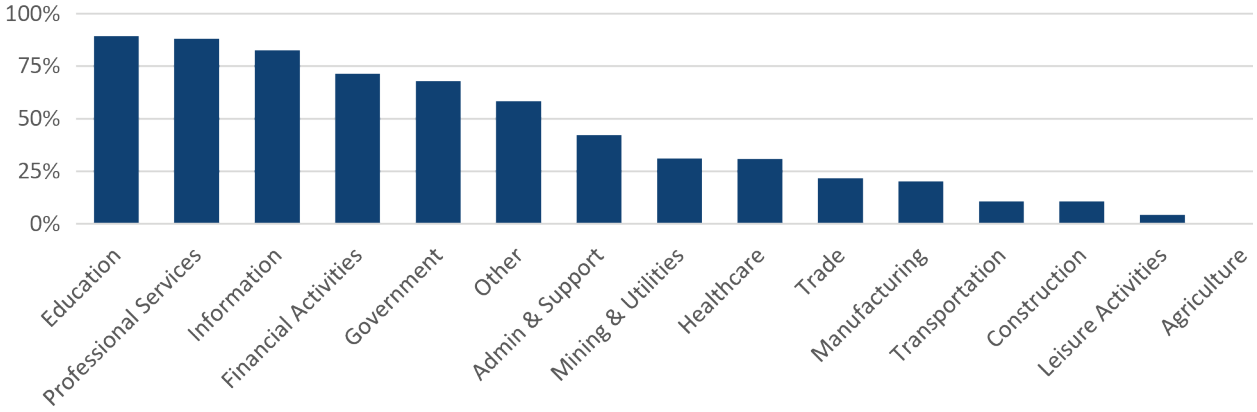
36 *Brynjolfsson, E., et al (2020). COVID-19 and Remote Work: An Early Look at US Data. National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w27344/w27344.pdf*

the job.[37] About 45% of all Lewis & Clark County's jobs have the potential to be remote using the same methodology. The ability to work from home is correlated with higher income and higher levels of education, explaining why Lewis & Clark has a higher share of jobs that could be remote.

Remote work is more feasible in some industries than others. Over two-thirds of the jobs in education, professional services, information, financial activities, and the government have the potential to telework. These industries provide little customer-facing services or can provide their customer service through phone, email, video conferencing, and other forms of technology. Only 4% of jobs in the leisure activities industry can be done remote, as this industry requires in-person contact. **Figure 3.8** shows Lewis & Clark County's share of jobs with the potential to telework.

FIGURE 3.8

Share of Jobs with potential to Telework (Lewis & Clark County)



Source: OES 2019 data matched to Dingel and Neimann (2020) occupations that can telework.

3.4 Turnover Rates

Reducing turnover to retain existing employees helps minimize the number of new workers businesses need to recruit and hire. However, reducing turnover may be difficult in the Helena area as turnover rates are similar to the Montana average, and only slightly higher than the U.S. average. Quarterly turnover rates in the Helena area and Montana are 11% compared with 10% across the U.S. From a worker perspective, turnover is positive because it leads to wage gains.

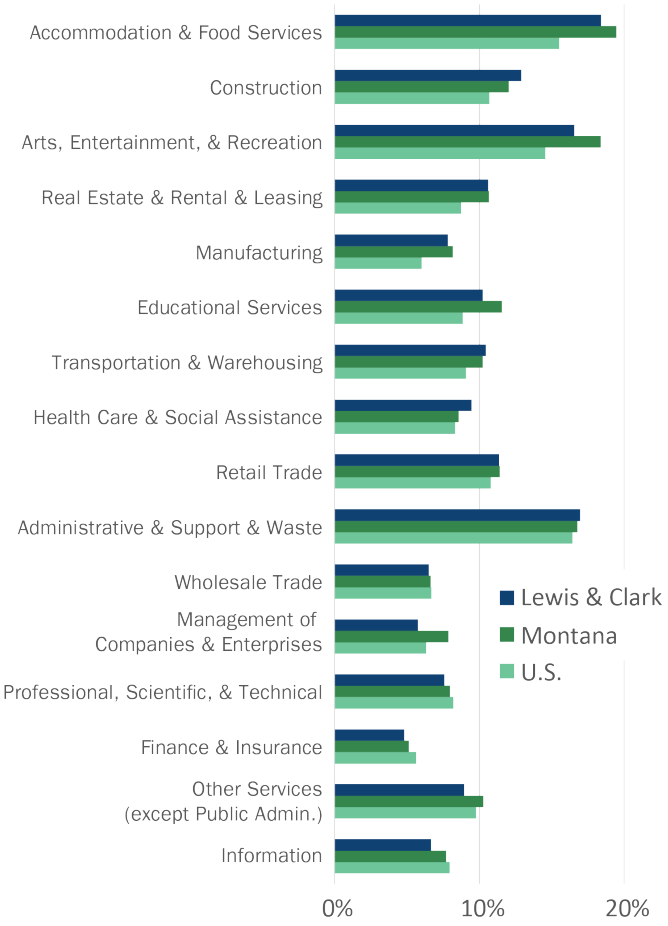
Turnover rates vary by industry, as shown in **Figure 3.9**. Some Lewis & Clark industries have higher turnover rates than the Montana and U.S. averages. Employers in these industries may have a better chance at reducing turnover. For example, the leisure activities industry (including accommodation and food services, and arts, entertainment, and recreation) has higher turnover rates in Lewis & Clark County than the U.S. average. It's also the industry with the highest rates of turnover, and the lowest wages. Construction, real estate, manufacturing, private education, transportation, and healthcare also have higher rates of turnover in Lewis & Clark than the U.S. average.[38]

37 *Holom, Nicholas. "Telework and Non-Telework Occupations." Montana Economy at a Glance. Dec. 2020. https://lmi.mt.gov/_docs/Publications/EAG-Articles/1220-TeleworkCOVID.pdf. Estimate uses methodology and data provided by Dingel, Jonathan I. and Brent Neiman. "How Many Jobs Can be Done at Home?" National Bureau of Economic Research. Apr. 2020. Methodology uses O*NET's Work Context questionnaire and General Work Activities questionnaire to determine which occupations have the potential to be done at home.*

38 *Discussion excludes Jefferson and Broadwater counties due to data limitations.*

FIGURE 3.9

Job Turnover Rates by Industry



Source: U.S. Census Bureau. Quarterly Workforce Indicators. Data for 2019.

3.5 Migration Patterns

Population growth is one way to grow the labor force. Understanding the long-term trends of in-migrants can help employers recruit from this population. Long-term trends include original location of in-migrants and their demographics. Due to data availability, this section focuses on Lewis & Clark County's migration patterns.

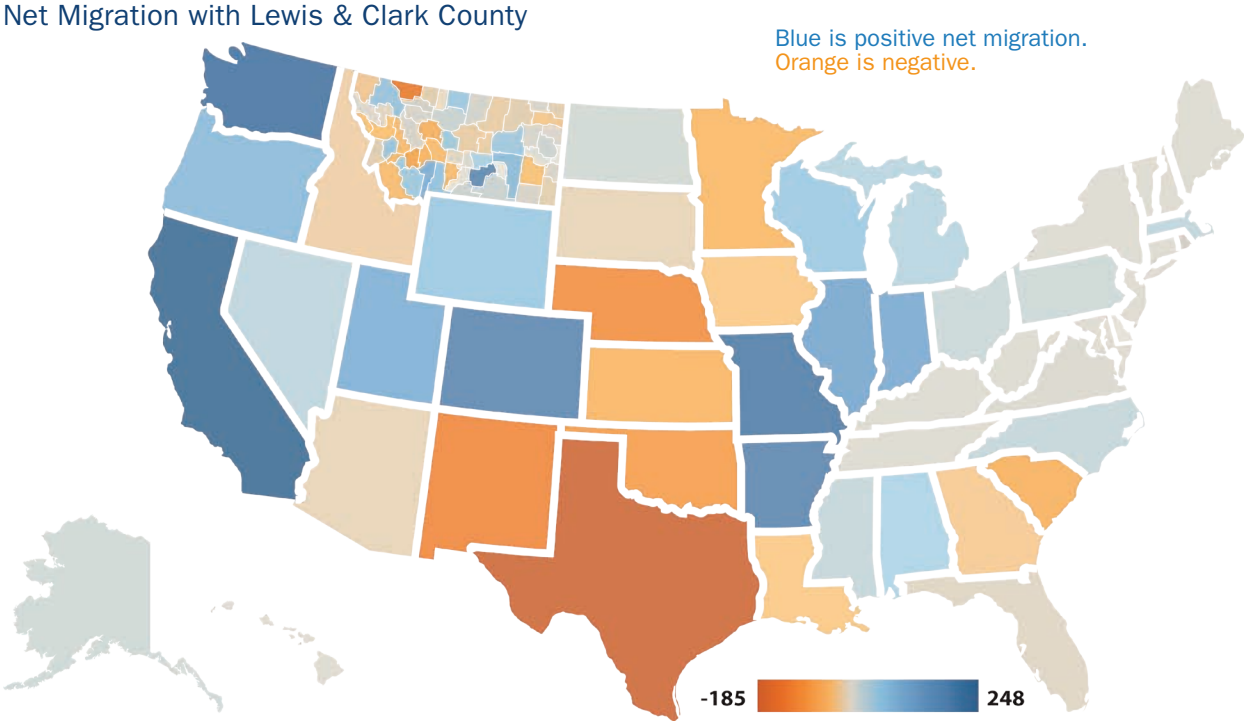
3.5.1 Migration Patterns by Location

Montana residents make up the highest share of people moving to and from Lewis & Clark County, making up 45.2% of in-migration and 54.7% of out-migration. Jefferson County makes up the highest share of in- and out-migration to and from Lewis & Clark due to its proximity. Missoula, Gallatin, Yellowstone, and Cascade Counties have the next highest rates of in- and out-migration. These counties are some of the most populated areas of the state. Higher wages than the Montana average, high skill jobs, postsecondary education, and access to outdoor recreation and other amenities contribute to in-migration from Montana.

Figure 3.10 shows Lewis & Clark's net migration (in-migration minus out-migration) by state and by Montana county. **Figure 3.11** lists the places with the most in- and out-migration to and from Lewis & Clark County.

FIGURE 3.10

Net Migration with Lewis & Clark County



Source: U.S. Census Bureau. 2014-2018 American Community Survey 5-Year Estimates

The Western states and the east portion of Midwest have the highest levels of net migration with Lewis & Clark County. More people are moving from these areas to Lewis & Clark than moving away. Washington and California make up the highest shares of non-Montana in-migration to Lewis & Clark County. However, these shares are relatively low. Of average in-migration, about 600 people move from Washington and California combined compared with 2,300 from elsewhere in Montana. In-migration from Washington and California are a general trend across Montana. These two states make up the highest number of people moving to Montana.

The west portion of the South and the west portion of the Midwest have the most negative net migration with Lewis & Clark County, meaning Lewis & Clark County loses more people to these states than it gains. Texas, Florida, and Arizona make up the highest shares of non-Montana out-migration from Lewis & Clark County. These are also low shares compared with Montana out-migration. Of average out-migration, about 560 people move to one of these three states compared with the 2,300 who move elsewhere in Montana. Moving to Arizona and Florida are common destinations for retirees, which the Helena area has a high share. All three states are common places for U.S. residents to relocate as they are the within the top ten fastest growing states over the last five years.

FIGURE 3.11

Migration to and from Lewis & Clark County

State	In-Migration		State	Out-Migration	
	Number	Percent		Number	Percent
Montana	2321	45.2%	Montana	2,288	54.7%
Washington	329	6.4%	Texas	229	5.5%
California	289	5.6%	Florida	179	4.3%
Missouri	201	3.9%	Arizona	151	3.6%
Arkansas	199	3.9%	Minnesota	123	2.9%

Montana County	In-Migration		Montana County	Out-Migration	
	Number	Percent		Number	Percent
Jefferson	337	6.6%	Jefferson	398	9.5%
Missoula	300	5.8%	Missoula	331	7.9%
Gallatin	298	5.8%	Cascade	229	5.5%
Yellowstone	292	5.7%	Gallatin	215	5.1%
Cascade	184	3.6%	Yellowstone	132	3.2%

Out-of-State County	In-Migration		Out-of-State County	Out-Migration	
	Number	Percent		Number	Percent
Pulaski Co, MO	201	3.9%	Brevard Co, FL	118	2.8%
Marion Co, IN	161	3.1%	Maricopa Co, AZ	107	2.6%
Crawford Co, AR	147	2.9%	Williamson Co, TX	84	2.0%
San Juan Co, UT	143	2.8%	Kootenai Co, ID	83	2.0%
Spokane Co, WA	103	2.0%	Lincoln Co, NE	82	2.0%

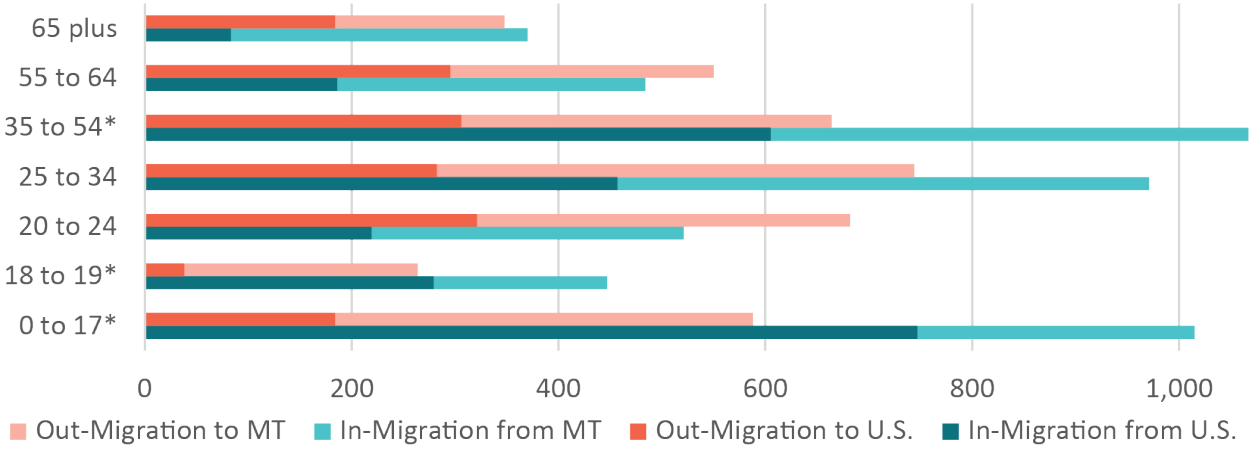
Source: U.S. Census Bureau. 2014-2018 ACS 5-Year Estimates

3.5.2 Migration by Age

In-migration to Lewis & Clark County is highest for people ages 25 to 54 and ages 0 to 17, as shown in **Figure 3.12**. People ages 25 to 54 are in their prime working years and have high rates of labor force participation, which contributes to the local economy. In-migration is also high for people under age 18, indicating families with children are moving to the area. Employers looking to recruit workers through migration may need to embrace family friendly work policies such as flexible scheduling or remote work, paid parental leave, and child care assistance.

FIGURE 3.12

Lewis & Clark County Migration by Age



Source: U.S. Census Bureau. 2015-2019 ACS 5-Year Estimates.* is statistically significant difference between in- and out-migration by age.

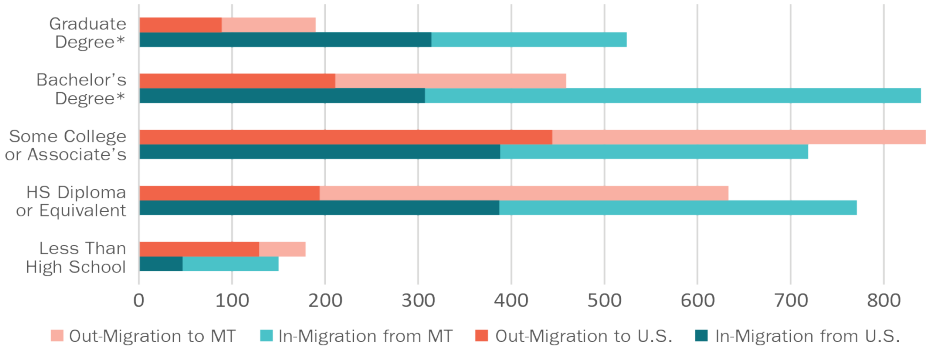
Lewis & Clark County has net positive migration from people ages 18 to 19, and a net loss from people ages 20 to 24. This migration is likely from students moving to Helena for Carroll College, and leaving once they graduate. Internships and apprenticeships may help retain this population.

3.5.3 Migration by Education

Of all educational attainment levels, bachelor's degree earners have the highest levels of in-migration to Lewis & Clark County, as shown in **Figure 3.13**. Graduate degree earners also have high levels of in-migration. These two groups make up 45% of total in-migration of adults over age 25. Lewis & Clark County's high share of jobs requiring postsecondary education is likely attracting these highly educated people to the local area.

FIGURE 3.13

Lewis & Clark County Migration by Education



Source: U.S. Census Bureau. 2015-2019 ACS 5-Year Estimates. * is statistically significant difference between in- and out-migration by education level.

Lewis & Clark County is losing more people with some college experience, a certification, or an associate degree than any other educational attainment level. Thirty-seven percent of out-migration is from this group. People with a high school diploma or equivalent make up the second highest share of out-migration, at 27% of total out-migration. Employers finding it difficult to recruit workers with a bachelor's degree may need to expand their search to include workers with less postsecondary experience. Offering on-the-job training or apprenticeship may help retain this population.

3.6 Benefits and Limitations to Living in the Helena Area

The types and number of jobs available, wages paid, housing costs, and local amenities are factors workers take into consideration when deciding where to reside and work. Ensuring the benefits outweigh the costs helps retain the existing workforce and recruit workers through in-migration. Wages and benefits are the most important factor for remote hires living outside of the Helena area. This section compares Lewis & Clark County to other areas in Montana because of the high share of migration within the state. Comparisons focus on the eight other urban counties with populations over 30,000 people (Yellowstone, Missoula, Gallatin, Flathead, Cascade, Ravalli, Silver Bow, and Lake). Comparisons are also made to statewide averages to show general trends across the U.S.

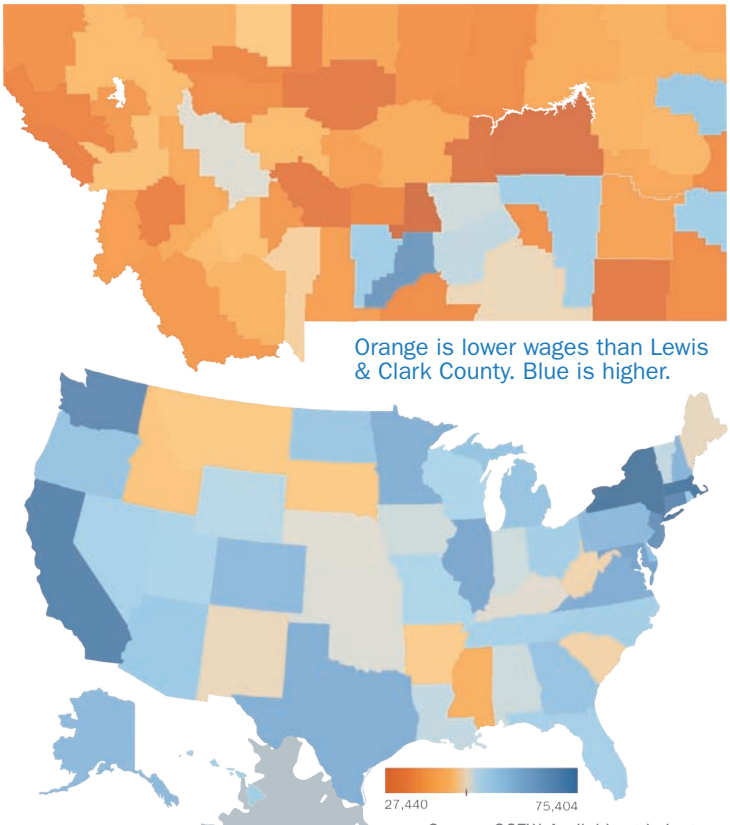
3.6.1 Wages Compared to Elsewhere

Competitive wages are important for retaining existing employees or recruiting workers both in-person and remotely. Lewis & Clark County has the eighth highest wage in the state, making it competitive across Montana. However, the local wage is relatively low nationally, with only ten states having lower wages than Lewis & Clark County's average annual wage. These include the surrounding states of Idaho and South Dakota. **Figure 3.14** shows average annual wages by Montana county and by state. Orange areas have lower average wages than Lewis & Clark County. Blue areas have higher average wages.

Part of the reason Lewis & Clark's average annual wages are higher than most Montana counties is because of its high share of jobs in high wages industries (see section 1.8.1). Lewis & Clark's wages broken out by industry are similar to Montana's other urban counties. **Figure 3.15** shows average annual wages by industry for the Helena area and Montana's five largest counties. Lewis & Clark County's wages in the healthcare, transportation, trade, and administration and support industries are lower than the average wages in the five urban areas listed. Construction wages are lower than all counties except for Flathead County. Leisure activities wages are lower than all counties except for Cascade County. Lewis & Clark County's wages in financial activities and government are higher than the other five urban counties.

FIGURE 3.14

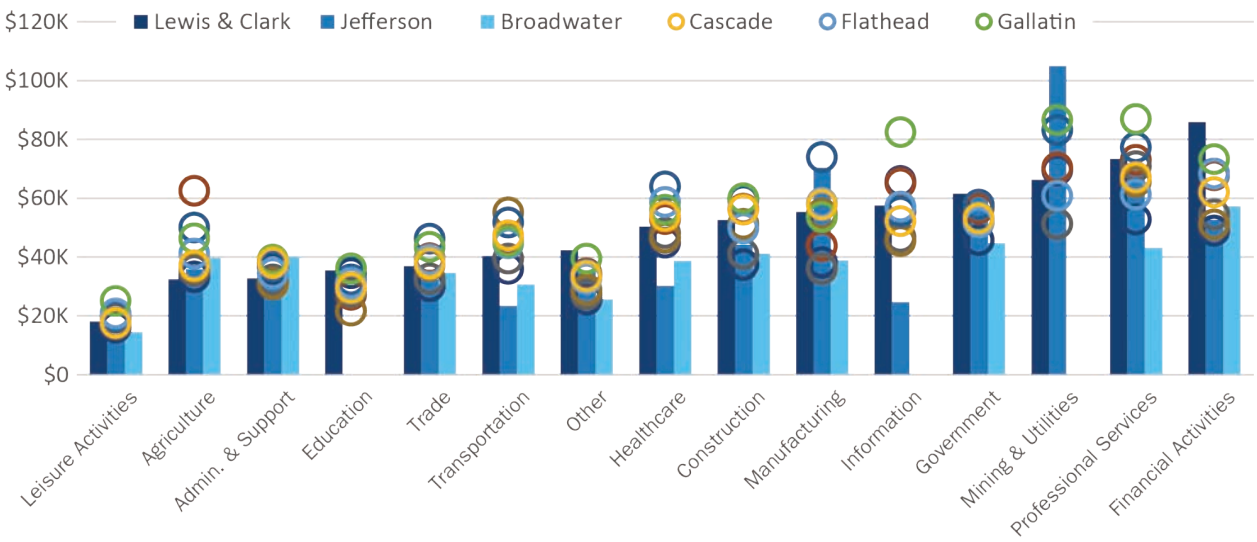
Annual Average Wages 2019



Source: QCEW. Available at lmi.mt.gov

FIGURE 3.15

Average Wages by Industry (2020)



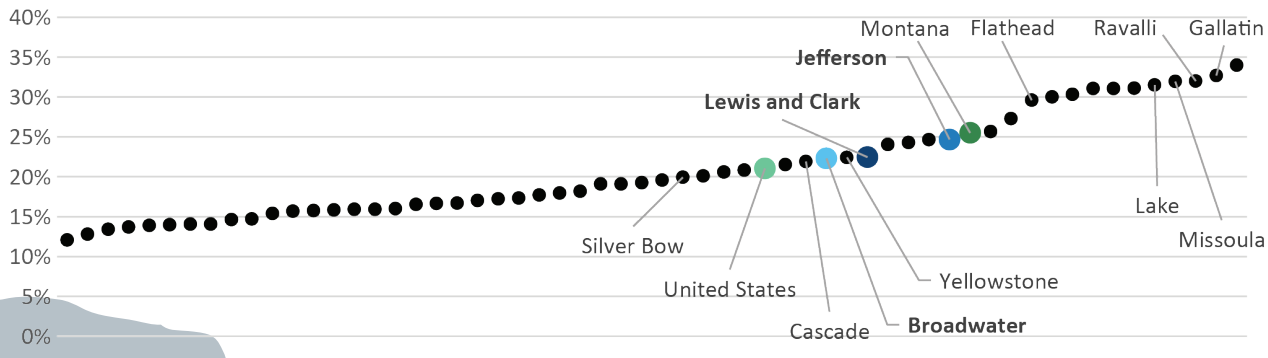
Source: Quarterly Census of Employment and Wages. Available at lmi.mt.gov

3.6.2 Home Values and Gross Rents

Cost of living is a major factor in deciding where to live. Housing costs are one of the largest components of cost of living. Housing affordability is dependent on prices and incomes. When taking both into consideration, Lewis & Clark County's housing market is more affordable than the Montana average, but less affordable than the U.S. average. Over the long-term, Lewis & Clark County's median home values have been slightly above the Montana median, at $243,000 compared with $230,600. Lewis & Clark's median household income was also higher than the Montana median, at $65,790 compared with $54,970. Overall, Lewis & Clark had the fourth highest median household income in Montana, and the twelfth highest home value. These home value prices and median household income reflect values between 2015 to 2019, showing people's ability to buy homes over the last several years. **Figure 3.16** shows estimated mortgage to household income ratios. Broadwater County is also more affordable than the Montana average, while Jefferson is similar to Montana average.

FIGURE 3.16

Estimated Mortgage to Household Income Ratio

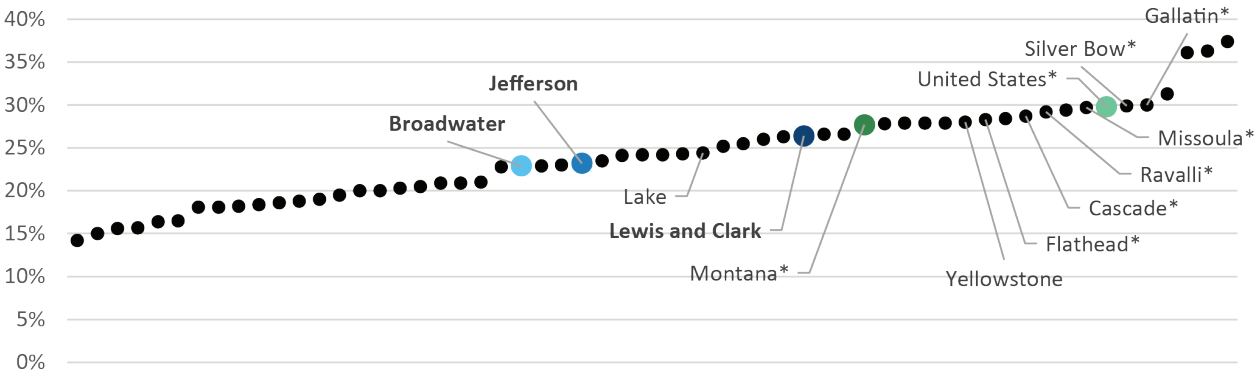


Source: U.S. Census Bureau. 2015-2019 American Community Survey 5-year Estimates. Estimated mortgage based on ACS home value, 4.5% interest for 30 years with no down payment, and excludes taxes and insurance. Emphasis is on the order of the ratios.

Rent in Lewis & Clark, Jefferson, and Broadwater Counties is also more affordable than the Montana average. Between 2015 and 2019, Lewis & Clark County and Montana had similar median gross rents, at $830 and $810 respectively. Because Lewis & Clark County's median household income is higher than average, gross rent as a share of household income is lower in Lewis & Clark County than the Montana average, at 26.4% compared with 27.7% respectively. Rent prices affect a significant share of residents, with 31% of Lewis & Clark County housing units being rentals. **Figure 3.17** shows gross rent per household income for all Montana counties.

FIGURE 3.17

Gross Rent Per Household Income



Source: U.S. Census Bureau. 2015-2019 American Community Survey 5-Estimates. *indicates statistically significant difference from Lewis & Clark County at the 90% confidence level.

Rising prices for both owned and rented housing has garnered significant attention in recent years, but particularly during the pandemic as national housing shortages and historically low interest rates drove up prices.[39] Lewis & Clark County's housing values appreciated at a similar rate to the Montana average since 2015, as shown in **Figure 3.18**. Lewis & Clark's housing values increased a total of 27% from 2015 to 2020, compared with 28% across Montana.[40] During the pandemic, home prices increased even faster, with Lewis & Clark and Montana's housing prices increasing 11% for the year ending 2021Q1.[41] Accelerated home value growth is a national trend, with U.S. home values increasing an average of 10% for the year ending 2021Q1. However, Lewis & Clark's home values grew slower than the U.S. average prior to the pandemic, and faster than the U.S. average during the pandemic making the price changes more pronounced in the local area. The pattern was opposite in Jefferson and Broadwater Counties with a faster pace of increase from 2015-2020, but slower than the U.S. average in the short-term.

---

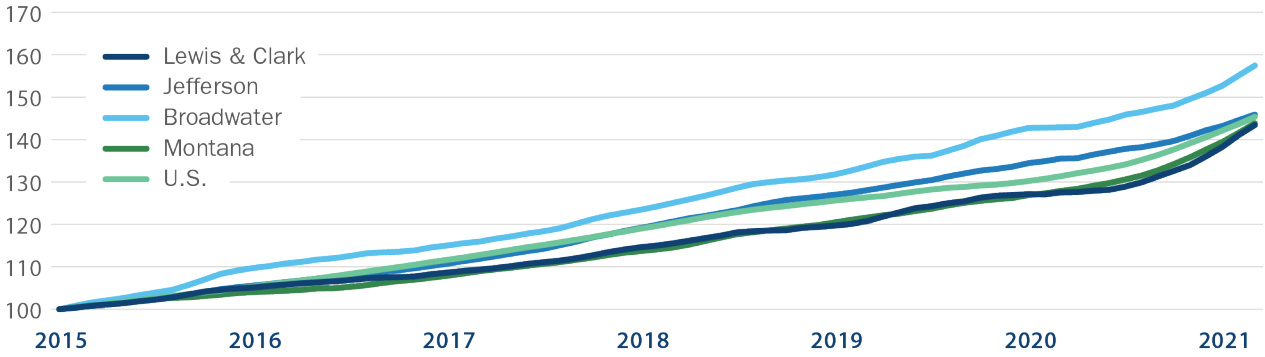
39 Freddie Mac. "The Housing Supply Shortage: State of States." Available at http://www.freddiemac.com/research/insight/20200227-the-housing-supply-shortage.page? Data suggests Montana is one of 29 states with a housing deficit, although Montana's deficit is smaller than most of the other 29 states.

40 Zillow Research Data. ZHVI – includes single-family and condo/co-ops. Annual data is calculated using the average of the 12-month values provided.

41 Data for in state and out-of-state buyers is unavailable, and 2020 population growth is not yet released. Therefore, it is unknown at this point if population growth and out-of-state buyers are driving home price growth. However, accelerated prices across the U.S. suggest national events such as low interest rates are affecting home value growth in the local area.

FIGURE 3.18

Median Home Value indexed to January 2015



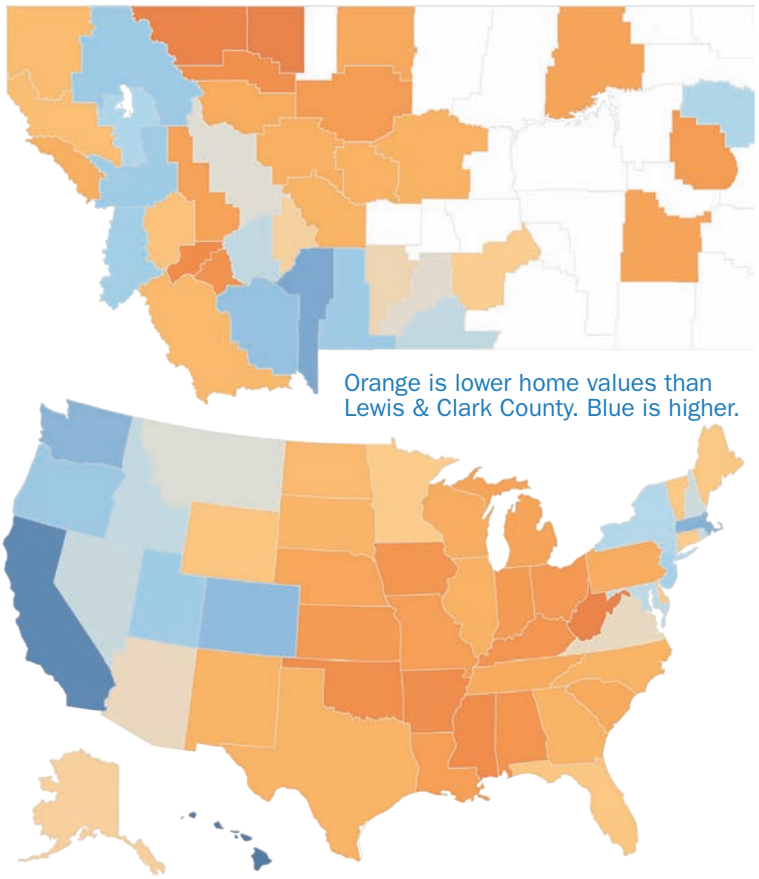
Source: U.S. Census Bureau. 2015-2019 American Community Survey 5-Estimates. *indicates statistically significant difference from Lewis & Clark County at the 90% confidence level.

Lewis & Clark County's typical home value was nearly $309,600 for the year ending March 2021. Of Montana's most urban counties, five have higher housing prices than Lewis & Clark County. These counties are Gallatin, Flathead, Missoula, Ravalli, and Lake. Home values in Gallatin, Flathead, and Missoula Counties are appreciating faster than Lewis & Clark County (both since 2015 and in the last year), suggesting Lewis & Clark County will continue to be more affordable than some of the other urban areas of the state. Jefferson County tends to be more expensive than Lewis & Clark County (typical price of $330,600), while Broadwater County is less expensive ($286,300). **Figure 3.19** shows the typical home values for the year ending March 2021, where blue represent areas that are more expensive than Lewis & Clark County, and orange represents less expensive areas.

Figure 3.19 also shows typical home values across the U.S. Home values in Lewis & Clark County are lower than typical prices in the West. Lower home values may contribute to the positive net migration from this part of the U.S. Similarly, home values in Lewis & Clark County are higher than typical prices in the South and Midwest, possibly contributing to the out-migration to this part of the U.S.

FIGURE 3.19

Typical Home Values compared with Lewis & Clark County



Source: Zillow Research Data. ZHVI - includes single-family and cond-co-ops. Home values for the year April 2020 to March 2021.

Conclusion

The Helena area provides unique recreational, cultural, and employment opportunities to its growing number of residents. An abundance of public lands for hiking, biking, skiing, hunting, and fishing attract many tourists and permanent residence to the area every year. Investment in public school, affordable housing, high-wage jobs, short commute times, and opportunities for remote work have convinced many Montana families to call Helena home.[42] Steady population growth has generated labor force and employment growth, resulting in a thriving local economy.

The resiliency of the Helena area labor market was on display as the economy weathered the COVID-19 pandemic in 2020. The stable government sector helped mitigate employment losses in the Helena area. Helena area employment fell by only 6-7% at the peak of the COVID recession, which is less than the losses sustained nationally. By March 2021 employment in the Helena area had reached pre-pandemic levels, a month before the rest of the state.

The Helena area labor market is unique due to its large concentration of high-wage jobs, and the presence of a more highly educated workforce compared to the rest of the state. Many high-tech businesses have been drawn to the Helena area to take advantage of the qualified workforce. The Helena area now has the second highest concentration of high-tech jobs in the state. These jobs make up 6% of the private sector, and they pay higher than average annual wages at $78,6000 on average.

Stable employment growth is projected to continue in the Helena area over the next decade. Total employment in the area is projected to grow by 1.4% annually, adding over 600 new jobs every year to the local economy. Most of Helena's job growth is concentrated in government, healthcare, and accommodation and food service industries. Retirements and employee turnover will create additional job openings. In total, there are projected to be over 5,100 annual job openings in the Helena area. Thirty-seven percent of these job openings will require some postsecondary education, with 26% requiring a bachelor's degree.

Like much of the state, the Helena area is once again facing low unemployment and a lack of available workers. Efforts to engage more Montanans into the labor force is essential for continued economic growth. Safe work environments and increased vaccinations can help engage vulnerable Montanans, and family-friendly work policies may help parents struggling with inconsistent child care and school schedules. Aligning workforce training programs with the needs of local businesses will ensure the workforce has the skills needed for the Helena area. These efforts to increase the labor force and align workforce training will help the Helena area economy continue to thrive.

---

42 Lewis & Clark County workers take only 16.8 minutes on average to travel to work. Helena area had a similar share of people working from home as the U.S. average in the years leading up to the pandemic. U.S. Census Bureau. 2015-2019 American Community Survey 5-Year Estimates.

Appendix

A.1 Helena Employment Projections Methodology

Helena area employment projections are generated from the statewide employment projections produced by the Research & Analysis Bureau of the Montana Department of Labor & Industry for the 2019-2029 timeframe. The projections are based on historic employment data from January 1990 to December 2019. The primary data source for the Montana industry employment projections is the Quarterly Census of Employment and Wages (QCEW), which is published jointly by the Bureau of Labor Statistics and the Montana Department of Labor & Industry. The QCEW covers payroll employment in Montana and is considered the most accurate data source because it is an actual count of employment from the wage records reported to Unemployment Insurance. The QCEW data is aggregated into the North American Industrial Classification System (NAICS) industries.

All industries include only private employment except for the healthcare and education industries, which includes both public and private employment. Therefore, the government industry includes all public employment except for workers in the healthcare and education industries. The treatment of public healthcare and education employment is consistent with national recommendations from the Employment and Training Administration of the U.S. Department of Labor.

Industry employment projections for the Helena are defined as a subset of the statewide projections based on the industry composition in Helena. QCEW data provides industry employment in Lewis & Clark, Jefferson and Broadwater counties. The statewide employment projections by industry multiplied by the percent of that industry's employment located in the Helena area to generate a Helena industry employment projection.

Once finalized, the industry employment is disaggregated into occupations using a third data source, the Occupational Employment Statistics (OES). The OES is a survey-based employment estimate that categorizes employment by occupation. The OES provides staffing patterns for each industry, which are used to disaggregate the industry projections into each occupation. However, this process is complicated by change factors, which adjust the staffing patterns for expected changes in occupational mix in the upcoming ten years. The change factors are calculated at the national level by the Bureau of Labor Statistics with some occupations edited at the state level to adapt to Montana's economic conditions.

Helena occupational employment projections are generated from the statewide projections using the OES staffing patterns for Lewis & Clark, Jefferson, and Broadwater counties. The OES staffing patterns for the Helena area are compared with the statewide staffing pattern to determine each occupation's concentration in the Helena area. For example, if approximately 20% of the state's registered nurses are in the Helena area, then a fifth of the projected statewide job openings for registered nurses are estimated to occur in Helena. Using the staffing patterns for the Helena area to general occupational employment projections allows the data to reflect the specific mix of job opportunities available in the area.

A.2 Helena College Graduate Supply Methodology

The number of Helena college graduates estimated to work in each occupation is calculated using data from Carroll College and Helena College reported to the Integrated Postsecondary Education System (IPEDS). The IPEDS data reports the total number of graduates by degree and field of study for each academic year. The total number of graduates by degree and field of study from Carroll College and Helena College are averaged over the last three academic years, from 2016-17 to 2018-19, to estimate Helena college graduate supply.

Once an estimate of Helena college graduates is finalized by field of study and degree, graduates are distributed into occupations according to the likelihood that they will pursue a given career based on their degree. The American Community Survey (ACS) conducted by the U.S. Census Bureau collects data on the type of degree held by people employed in Montana. The 2015-2019 ACS micro data was used to create a crosswalk between field of degree and occupation in Montana. Some degree programs match to a specific occupation. However, many programs prepare students to work in a variety of careers. Likewise, many occupations employ individuals holding a variety of different degrees.

The number of Helena graduates estimated to work in an occupation (i) is calculated as the sum of graduates from all programs (j) that are employed in the occupation, multiplied by the probability (p) that a graduate from program (j) will pursue employment in occupation (i) given their field of study.

Estimate of Helena college graduate supply by occupation:

$$\sum_{j=1}^{n} Grads_j \times p_{j,i} = Occ_i$$

Occ_i = Annual number of Helena graduates employed in occupation (i).

$p_{j,i}$ = probability of student from program (j) pursing employment in occupation (i).

$Grads_j$ = Average number of graduates in program (j) from Carroll and Helena College over the last three academic years.

n = number of programs (j) with graduates from Carroll or Helena College.

For example, the ACS data reports that among early childhood education graduates, 12% work as child care workers and another 10% work as home health and personal care aides. Therefore, the total number of early childhood education graduates is multiplied by 12% to get the number of child care workers supplied by the early childhood education program. This process is repeated for every program at Helena College and Carroll College with graduates employed as child care workers. The number of child care workers from each program is then summed to generate the total number of child care workers supplied by all programs at Helena and Carroll College.

Distributing the number of graduates by program into occupation based on their actual occupational employment outcomes reported in the ACS allows for a more accurate representation of the number of graduates available to fill job openings. For example, not all registered nursing graduates become registered nurses. Many go on to become nurse practitioners, physicians, or work in a field outside of healthcare. The ACS data adjusts for the varying career decisions of students after graduation.

A.3 Migration by Montana County

Migration to/from Lewis & Clark County from/to Montana Counties

County	In-Migration	Out-Migration	Net Migration	Total Migration
Jefferson County	337	398	-61	735
Missoula County	300	331	-31	631
Gallatin County	298	215	83	513
Yellowstone County	292	132	160	424
Cascade County	184	229	-45	413
Silver Bow County	114	74	40	188
Flathead County	107	61	46	168
Ravalli County	71	78	-7	149
Rosebud County	64	3	61	67
Lake County	59	63	-4	122
Madison County	56	24	32	80
Park County	54	6	48	60
Broadwater County	47	91	-44	138
Hill County	43	8	35	51
Granite County	41	0	41	41
Judith Basin County	32	0	32	32
Garfield County	26	0	26	26
Pondera County	25	23	2	48
Powell County	21	54	-33	75
Musselshell County	21	1	20	22
Beaverhead County	20	50	-30	70
Valley County	19	26	-7	45
Meagher County	13	43	-30	56
Dawson County	10	4	6	14
Toole County	9	16	-7	25
Teton County	8	8	0	16
Sweet Grass County	7	39	-32	46
Carbon County	7	0	7	7
Chouteau County	7	0	7	7
Lincoln County	6	22	-16	28
Big Horn County	6	0	6	6
Fergus County	5	16	-11	21
Deer Lodge County	4	41	-37	45
Roosevelt County	4	22	-18	26
Custer County	2	27	-25	29
Blaine County	2	0	2	2
Glacier County	0	114	-114	114
Mineral County	0	28	-28	28
Petroleum County	0	11	-11	11
Phillips County	0	10	-10	10
Sheridan County	0	7	-7	7
Carter County	0	7	-7	7
Liberty County	0	4	-4	4
Wheatland County	0	2	-2	2

Source: U.S. Census Bureau. 2014-2018 American Community Survey 5-Year Estimates. Note that this data has relatively high margin of errors. Emphasis should be placed on the relative size of migration rather than the exact number.

Montana Department of
LABOR & INDUSTRY

Research and Analysis Bureau
P. O. Box 1728
Helena, MT 59624-1728
Phone: (406) 444-4100
www.lmi.mt.gov

This public document is intended for online distribution. Printed copies will be made avaiable upon request. Zero copies of this public document were produced at an estimated cost of $0.00 per copy, for a total of $0.00, which includes $0.00 for printing and $0.00 for distribution.