

Jobs of Tomorrow

Montana Job Projections 2018 to 2028

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Montana's labor market is growing and evolving. New job creation and turnover is creating thousands of job openings each year, while changes in demand and technology has led to some occupations growing faster than others. To help workers, businesses, educational institutions, and workforce training centers prepare for the future of the labor market, the Montana Department of Labor & Industry produces employment and labor force projections each year. Individuals can use this information to identify in-demand jobs when deciding on a career change. Educational and workforce training centers can use this information to strategically plan training programs. Businesses use these projections to understand the future demand for the types of workers that they employ. This Economy at a Glance provides a summary of the 2018 to 2028 projections.¹

Statewide and Regional Employment Projections

Montana's economic growth has been steady over the last several years, but employment growth has slowed due to tight labor markets and a lack of available workers. Because employment counts the number of people working, not the number of vacant jobs, employment growth is expected to slow in the future due to a lack of available workers to fill open positions. Total employment grew by 0.9% in 2018, a slowdown from the average annual rate from 2013 to 2018 of 1.0%.² Job

projections anticipate that tight labor markets will continue to affect employment growth over the next 10 years. Total employment growth is projected to grow at an average annual rate of 0.8% through 2020, which includes the temporary hiring of workers for the 2020 United States Census. Total employment is projected to slow to 0.7% average annual growth from 2020 to 2028.

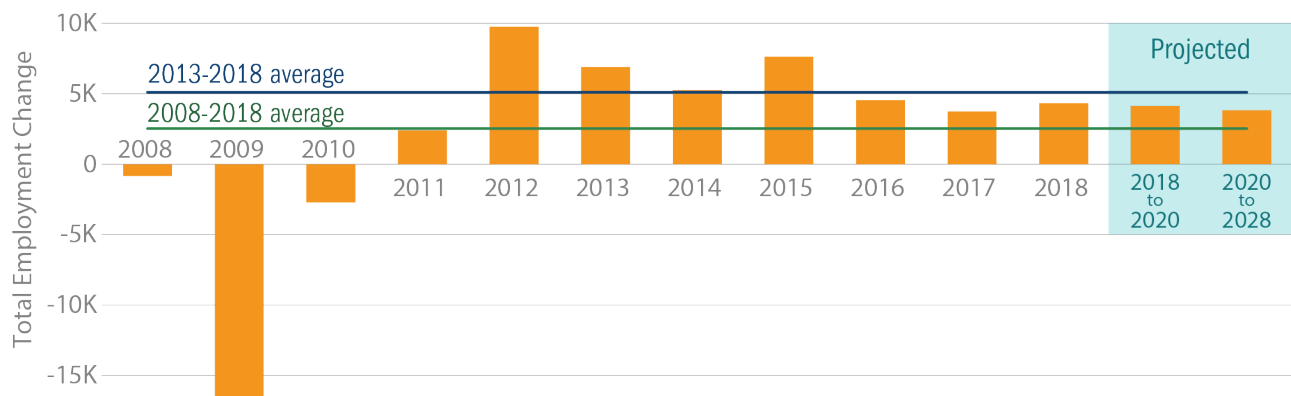
Figure 1 shows historical job growth from 2008 to 2018 and projected growth through 2028.³ As

¹ Statewide and regional employment projections are estimated each year by industry and occupation and are calculated over two and ten years. Labor force projections are estimated at the state level only.

² Total employment is from the Local Area Unemployment Statistics, and includes payroll jobs, self-employed, and agricultural workers.

³ Montana's projections follow the same methodology as the U.S. Department of Labor's guidelines with the goal being a source of long-term decision making rather than predicting fluctuations in the business cycle. Because of this goal, projections are published as a linear average over the two-year and ten-year period.

FIGURE 1:
Over-the-year Employment Change
Historical and Projected, 2008-2028



Source: Historical data from LAUS. Projected data from the MT DLI Employment Projections.

shown on the graph, average annual job growth from 2008 to 2018 was about 2,500 jobs, and the average annual job growth from 2013 to 2018 was about 5,100 jobs. Employment projections, at 3,890, fall between those two averages.

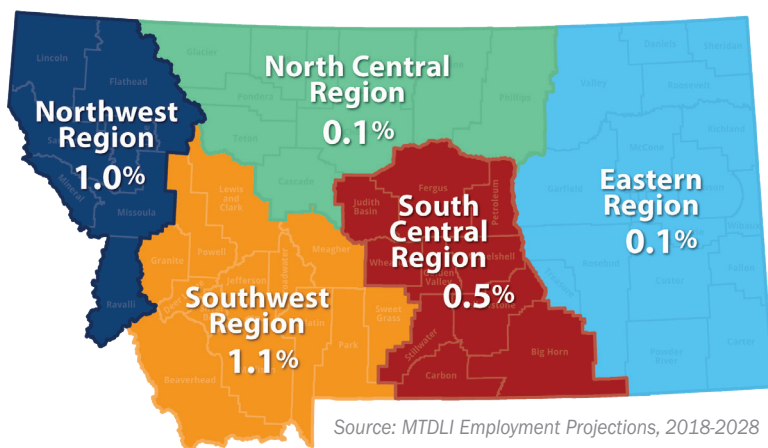
Job growth is expected in all regions as shown on the map in **Figure 2**. The Southwest Region, including Bozeman, Helena, and Butte, is projected to grow the fastest at an average annual rate of 1.1%. The Northwest Region, including Missoula and Kalispell, is expected to grow second fastest at an average annual rate of 1.0%. Economic growth has been strong in these regions as they both benefit from job gains associated with high population density and the presence of large educational institutions. Both regions posted strong job gains in construction, professional services, and other consumer-based industries. Projections anticipate strong job growth in these industries will continue.

The South Central Region, which includes Billings, is projected to grow at 0.5% over the next 10 years. Because this region serves as a retail and commerce center for Montana's energy development areas, it is affected by fluctuations in the mining industry.

Over the last few years, declines in the mining industry have negatively impacted growth in the South Central Region. Looking forward, the closure of Colstrip Units 1 & 2, and the overall decline in coal demand, is expected to have an impact on the South Central Region due to anticipated losses in labor income and small declines in population in the regional area. Less income circulating in the area particularly impacts the retail trade and leisure activities industries.

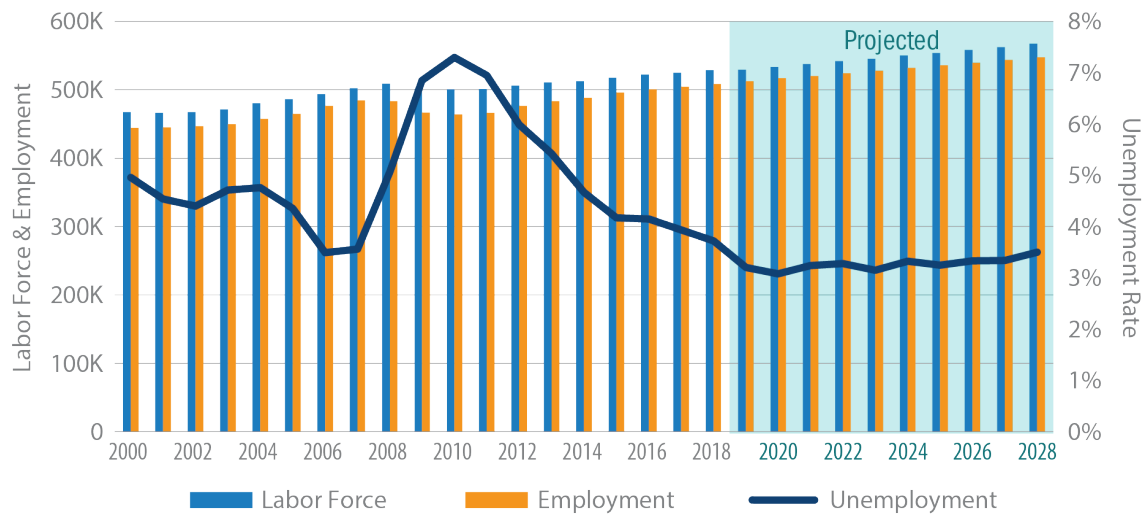
The North Central and Eastern Regions have experienced slower growth than the rest of the state, and are projected to continue to experience slow growth. Both regions are projected to grow at an annual rate of 0.1%. Economic losses in the

FIGURE 2:
Projected Employment Growth by Region



Source: MTDLI Employment Projections, 2018-2028

FIGURE 3:
Labor Force, Employment, and Unemployment Rate
Historical and Projected



Source: Historical data from LAUS. Projected from the MTDLI Labor Force Projections.

agricultural industry have negatively impacted both regions. Generally, losses in any industry contribute to lower spending and economic activity. Fluctuations in the mining industry also impact these regions, particularly the Eastern region. The closure of Colstrip Units 1 & 2 will directly impact the Eastern Region.

Statewide Labor Force Projections

Montana's labor force is projected to grow annually by 0.7%, or 3,900 workers, over the next 10 years. Typically, strong economic growth and tight labor markets lead to strong labor force growth as increased wages and other workplace improvements incentivize nonworkers to join the labor force. However, the growth in the labor force is projected to be slow through 2025 due to an aging population without enough young people to replace retiring workers. As retirements among the baby boomer population begin to taper off in 2025, labor force growth will begin to outpace employment growth. Projected employment and labor force levels suggest that the unemployment

rate should start to increase back to normal levels by 2028.⁴ **Figure 3** shows the actual and projected labor force, employment, and unemployment rate.

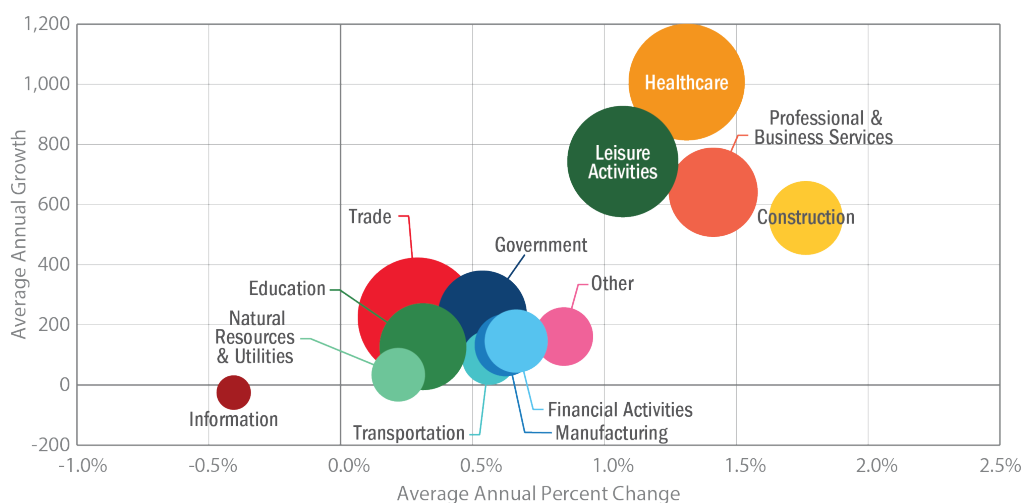
Industry Projections

Average job growth is projected to be about 0.7% over the next 10 years, varying across industries. **Figure 4** shows the projected average annual job growth by industry. The horizontal axis shows the projected annual percent change, and the vertical axis indicates the annual projected numerical job growth. Industries in the top right corner are growing the fastest and adding the most jobs. The size of the bubble indicates the number of jobs in the industry.

Healthcare is projected to add the most jobs over the next 10 years, averaging about 1,000 new jobs per year. Historically, job growth in healthcare has been strong and consistent, but it slowed significantly in 2018. While job growth averaged about 1,180 from 2013 to 2018, the industry only added about 240 jobs in 2018. A large share of this slowdown is from a nearly 350 job loss in the

⁴ Normal unemployment rates (generally between 4-5%) indicate a healthy balance of workers able to easily find good-paying jobs, and businesses able to find workers with matching skills and experience to do the job.

FIGURE 4:
2018-2028 Projected Annual Job Growth by Industry



Source: MT DLI 2018-2028 Industry Projections. Size of the bubble indicates number of jobs in the industry.

nursing and residential care subindustry. Despite the slowdown, job projections are optimistic that this industry will continue to grow close to its historical trend as the large baby boomer population continues to age and demand more healthcare services.

Averaging a projected growth of about 740 jobs per year, leisure activities is projected to add the second highest number of jobs over the next 10 years. Leisure activities include businesses related to hotels, restaurants, and recreational activities. Job growth in this industry has slowed in recent years, which is likely related to tight labor markets. Tight labor markets often impact low wage industries more significantly than high wage industries as workers move up to the highest wage job available that matches their skillset. Average wages in this industry are \$19,150 compared with \$43,410 across all jobs. The retail trade industry is likely slowing for similar reasons, paying lower than average wages at \$29,960. Retail trade is also competing with the growing presence of online shopping. Because of these constraints, the retail trade industry is projected to continue to grow at a slow rate of 0.3%.

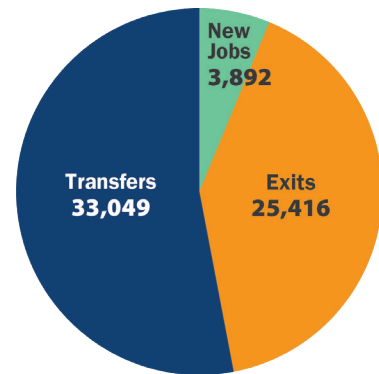
Professional services is projected to add 640 jobs per year through 2028, the third highest of all industries. This industry consists of workers providing accounting, legal, consulting, research, and other professional services. Workers in these fields typically require a significant amount of training. There's a growing emphasis on high-tech businesses in Montana, and high-tech businesses are primarily found in the professional services industry. High-tech businesses are also in the manufacturing and the information industries.

Averaging 550 jobs per year, the construction industry is projected to grow the fastest, adding the fourth highest number of jobs per year over the next 10 years. This industry had strong recent job growth, adding an average of 1,030 jobs from 2013 to 2018, and 1,365 jobs over the last year. Most job growth in the construction industry is in Missoula, Flathead, Gallatin, and Yellowstone counties, all adding over 200 jobs in 2018. However, construction jobs are still below their prerecession peak, which is a reminder of the volatile nature of this industry and the reason for the slow projected growth relative to recent trends.

Occupations Demand

Industry projections estimate nearly 3,900 new jobs per year, which means Montana needs workers to fill these future vacancies. However, new jobs only account for about 6% of total projected job openings each year. Another 25,400 annual job openings are from people exiting the labor force, possibly due to retiring, attending school full-time, or staying home to care for family. An additional 33,000 annual job openings are projected due to workers transitioning to a new career field.⁵ There are projected to be over 62,000 annual job openings from the combination of new jobs, exits, and transfers, as shown in **Figure 5**.

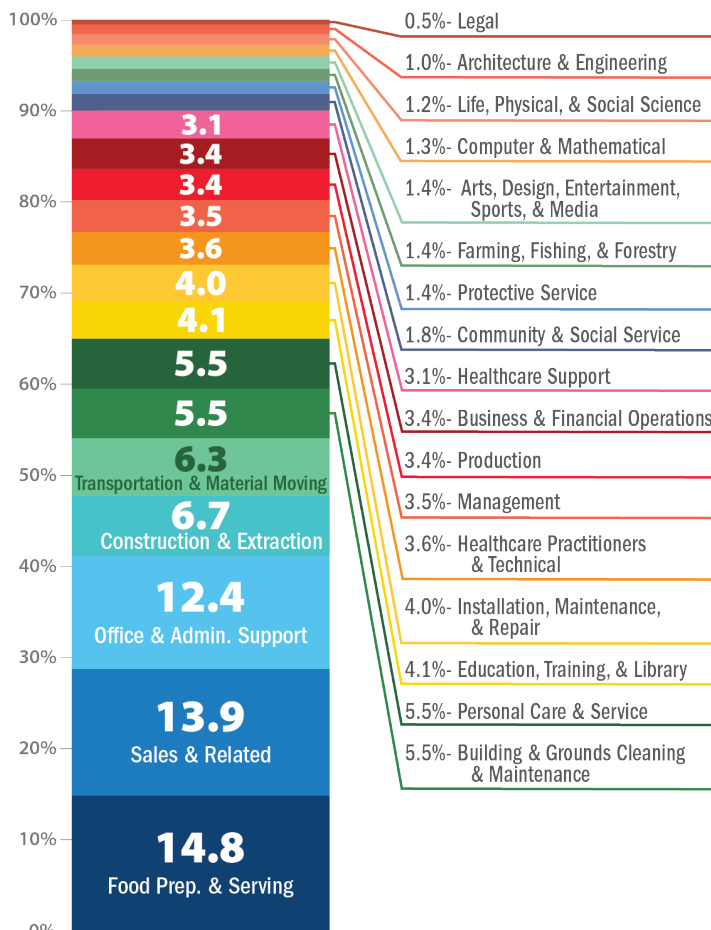
FIGURE 5:
Total Job Openings by Type



Source: MTDLI Occupational Projections, 2018-2028

Figure 6 shows the percent of job openings by major occupational group. Food preparation and serving related occupations are the occupational group with the most openings at 14.8%. Sales and related occupation are second with 13.9% of total openings. The reason these occupations have so many openings is because they are large occupations, and tend to have high turnover. Some of the most

FIGURE 6:
Projected Job Openings by Large Occupational Group



Source: MTDLI Occupational Projections, 2018-2028

in-demand occupations do not require significant training and can usually be trained on-the-job. The most in-demand occupations at the detailed level include cashiers, retail salespersons, food preparation and serving workers, and waiters and waitresses.

Employment projections can help Montana prepare the workforce with long-term career planning. There are many different pathways that can train or educate people into the workforce including two-year and four-year postsecondary programs, certifications or other nondegree awards, apprenticeship, and other forms of on-the-job training. To help provide an idea of in-demand jobs that typically require longer training requirements, **Figure 7** shows the occupations with the most projected job

⁵ The U.S. Department of Labor methodology estimates job transfers as people moving from one major occupational group to a different major occupational group. The methodology focuses on the changes from one major occupational group to another to focus on long-term career changes that create job openings for new workers. The methodology does not count job openings when workers change jobs at the detailed occupational level as that typically doesn't lead to opportunities for new workers. Instead, job changes at the detail level represent a fixed pool of workers shifting positions. For more information on methodology see <https://www.bls.gov/opub/mlr/2018/article/occupational-separations-a-new-method-for-projecting-workforce-needs.htm>

FIGURE 7:**Occupations with the Most Job Openings that require Postsecondary Education or an Apprenticeship
2018-2028**

Occupation	Minimum Education	Apprenticeable	Annual Openings				2018 MT Average Annual Wages
			New Jobs	Exits	Transfers	Total	
1. Bookkeeping, Accounting, and Auditing Clerks	SC ND	Yes	4	521	404	929	\$36,310
2. Nursing Assistants	PS ND	Yes	70	426	354	850	\$29,110
3. Construction Laborers	<HS	Yes	83	237	448	767	\$37,330
4. Registered Nurses	Bachelor's		164	332	252	749	\$67,450
5. Heavy and Tractor-Trailer Truck Drivers	PS ND		35	284	421	740	\$46,100
6. Carpenters	HSE	Yes	60	236	381	677	\$42,480
7. Childcare Workers	HSE	Yes	6	342	260	608	\$22,380
8. Substitute Teachers	Bachelor's		22	311	239	572	\$22,680
9. Maintenance and Repair Workers, General	HSE	Yes	51	198	271	521	\$37,720
10. General and Operations Managers	Bachelor's		47	106	305	458	\$98,990

Source: Montana Department of Labor and Industry Employment Projections, 2018-2028.

Notes: Apprenticeable indicates that the occupation has an apprenticeship program in Montana. SC ND = some college no degree; PS ND = postsecondary nondegree award; HSE = high school diploma or equivalent.

openings that typically require postsecondary education or are apprenticeable in Montana.⁶

Nursing assistants and registered nurses signify the large number of job openings in health-related fields. Nursing assistant positions usually require a postsecondary nondegree award or an apprenticeship, while registered nurses typically need a bachelor's degree. Construction laborers and carpenters represent the high demand in the construction industry, and can be trained through Montana's Registered Apprenticeship program. In several cases, the pathway into a career can be met by postsecondary education or apprenticeship. In some parts of the state, apprenticeship and postsecondary education are teaming up so that an apprentice receives on-the-job training from the apprenticeship program, and classroom experience through a postsecondary institution. Examples of occupations that can train through postsecondary education or apprenticeship, shown in **Figure 7**, include bookkeeping, accounting, and auditing clerks and nursing assistants.

Conclusion

There are many factors that affect workforce planning, but information on projected job growth and job openings play a necessary role. While this EAG only summarized the basics of the 2018-2028 projections, there is much more information and data to explore. For further information on Montana's employment projections, visit <http://lmi.mt.gov/Projections>. This tool allows people to easily see the top in-demand jobs throughout the state and by region. It also allows users to filter job projections by careers in STEM, jobs that are apprenticeable in Montana or the U.S., careers by education requirements, jobs that are high wage or fast growing, and more. While projections are an important resource for workforce planning, it is not the only tool that can help with career planning. For further information on individual career planning, check out the Montana Career Lab at <http://lmi.mt.gov/Career>.

⁶ Montana employers have sponsored registered apprenticeship programs in over 80 different occupations. However, there are over 1,000 different occupations that are apprenticeable according to the U.S. Department of Labor. Businesses can work with Montana's Registered Apprenticeship Program to create new programs.