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A SocioEconomic Profile

Montana

Produced by the
Economic Profile System (EPS)
March 3, 2009

About The Economic Profile System (EPS)

This profile was produced using the 2008 version of the Economic Profile System (EPS), last updated in July 2008. EPS is designed to allow users to produce detailed socioeconomic profiles automatically and efficiently at a variety of geographic scales using the spreadsheet program Microsoft Excel.

Profiles contain tables and figures that illustrate long-term trends in population; employment and personal income by industry; average earnings; business development; retirement and other non-labor income; commuting patterns; agriculture; and earnings by industry.

Databases used for EPS profiles are from: Bureau of the Census including County Business Patterns; Bureau of Labor Statistics; and the Regional Economic Information System (REIS) of the Bureau of Economic Analysis, U.S. Department of Commerce.

EPS was developed in partnership with the Bureau of Land Management by Ray Rasker, Jeff van den Noort, Ben Alexander and Patty Gude when they were employees of the Sonoran Institute, and continues to be refined and improved by these authors under the auspices of their new organization, Headwaters Economics.

EPS and Acrobat files (.pdf) of completed profiles for the West are available for free download at www.headwaterseconomics.org.

For technical questions about EPS, contact Jeff van den Noort at jeff@headwaterseconomics.org.

HEADWATERS ECONOMICS

www.headwaterseconomics.org

Headwaters Economics is a high-tech nonprofit organization that offers a unique blend of research skills and on-the-ground experience based on over 20 years of work with communities, landowners, public land managers and elected officials. Our mission is to improve community development and land management decisions in the West.

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

www.blm.gov

The Bureau of Land Management (BLM), an agency within the U.S. Department of the Interior, administers 262 million surface acres of America's public lands, located primarily in 12 Western States. The BLM sustains the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

Table of Contents

Read This First

There are two related systems for producing socioeconomic profiles: this one, the Economic Profile System (EPS) and the Economic Profile System Community (EPSC). For best results, use both profile systems. Below is a table highlighting how the two systems complement each other.

	EPS	EPSC
Geographic level of detail	Nation Region (metro, non-metro, total) State (metro, non-metro, total) County	Nation, Region, Division, States, Counties, County Subdivisions, Places (Towns), Indian Reservations, Congressional Districts
Databases used	Bureau of the Census (Census) County Business Patterns (CBP) Bureau of Labor Statistics (BLS) Bureau of Economic Analysis (BEA), Regional Economic Information System (REIS)	Bureau of the Census, Decennial Census of Population and Housing, 1990, 2000. (1990 to 2000 comparisons at the county level only)
Time series used	Continuous data from 1970 to the most recent data available.	2000. At the county level only 1990 to 2000 comparisons can be made to show changes in age and household income distribution.
Advantages	Long-term trend analysis including trends in employment and personal income by sector, the number of businesses establishments by type and size, and non-labor sources of income such as retirement and age-related income. Wages by Industry. Counties are compared to states and nation. Key indicators of performance are benchmarked against the US medians.	Age distribution, race, housing costs, housing affordability, education rates, poverty. Finer geographic detail.
Disadvantages	For some counties employment and personal income data may be suppressed for some industries and for some years. EPS includes a system for estimating these data gaps.	Census data is never suppressed, but it is less useful than REIS data used in EPS to see long-term trends by industry; it is only available only for 2000 with limited comparisons to 1990.

Important notes:

1) Total employment figures from the Regional Economic Information System (used in most of EPS) and the other sources can differ for the following reasons:
   - Census employment figures are reported by place of residence, while BEA REIS and the other sources are by place of work.
   - BEA REIS counts all jobs, regardless of whether part-time or whether a person has several jobs. For example, if a person has three part-time jobs, they count it as three jobs.
   - In some areas seasonality may play a role: the census is taken in the spring, a shoulder season for many “resort” areas, while BEA REIS data is an annual average.
   - BEA REIS includes sole proprietors and government employment while County Business Patterns and BLS Wages do not.
   - Earnings from BEA REIS on pages 14 and 25 include the value of benefits while the wages on page 32 from the BLS do not.
2) Tables and charts may be copied from Excel into any other program, like Word or PowerPoint: highlight the selection, choose copy from the edit menu, then open Word or PowerPoint and insert by choosing "Paste Special" in the Edit Menu. We recommend that you paste charts as a picture.
3) This profile also shows business cycles, represented as vertical bars on selected charts.
4) EPS is updated every year with the latest figures.
5) All income figures in this profile (except for the graph on the top of page 5) are adjusted for inflation reported in 2006 dollars.

Demographics, Employment and Income

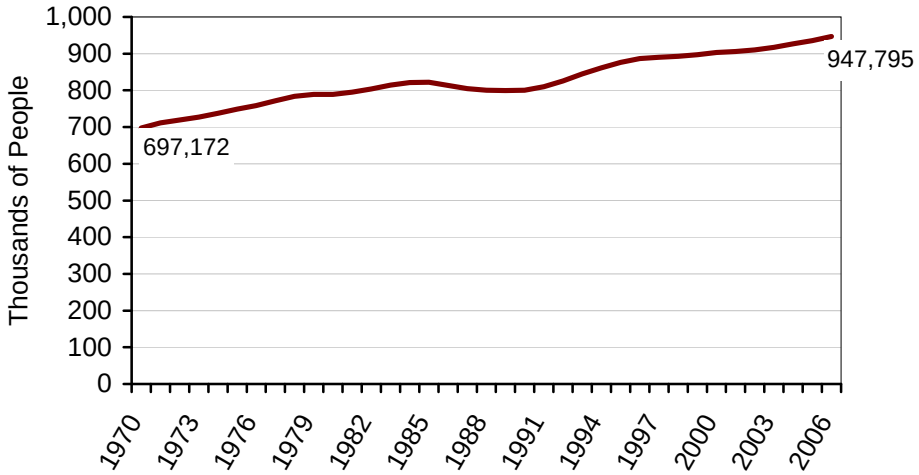
The following pages (2-25) contain long-term trends in demographics, employment and income. No disclosure restrictions occur in this section.

In this section you will learn about:

1. Changes in population, age distribution, household income distribution and housing affordability.
2. Comparisons of the county to the state and the nation.
3. Employment and income by type: proprietors versus wage and salary.
4. Personal income by type: labor versus non-labor income.
5. The role of transfer payments.
6. How well does this area recover from recessions?
7. Trends in government employment.
8. Earnings per job versus per capita income.
9. Growth in firms by size and industry type.
10. Unemployment rates.
11. Cross-county flow of dollars via commuting.
12. Trends in agricultural businesses.

Population

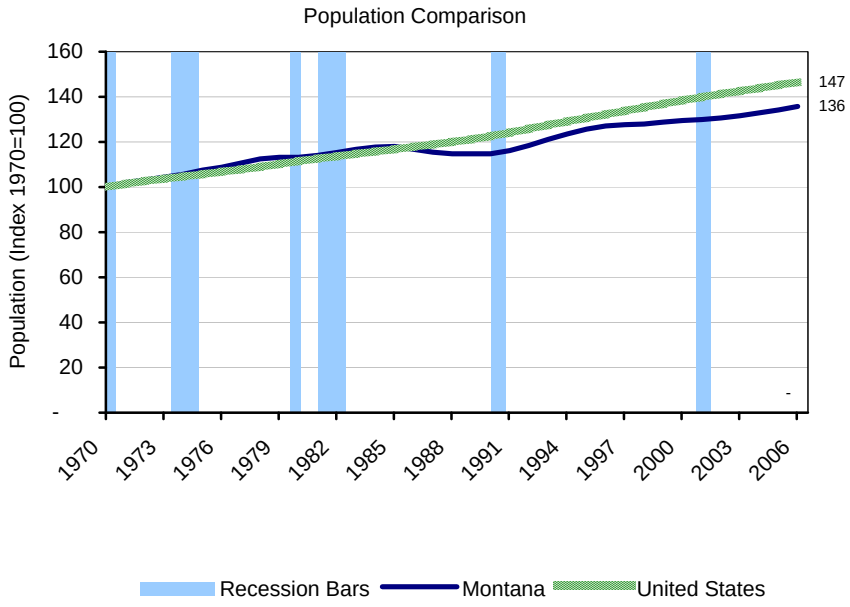
- From 1970 to 2006 population grew by 249,623 people, a 36% increase in population.
- At an annual rate, this represents an increase of 0.9%.



The vertical shaded bars on the figure below represent the last five recession periods: November 1973 to March 1975; January 1980 to July 1980; July 1981 to November 1982; July 1990 to March 1991; March 2001 to November 2001. More information about recessions is available on the next page.

Population Growth Compared to the Nation

- Over the last 36 years population growth in Montana has been slower than the nation.
- Population growth is not generally impacted by national recessions.
- Data is indexed by dividing by the value in 1970 times 100. A value of 100 indicates that it has not changed since 1970.



Source: BEA REIS 2006 Table CA30

How well do we recover from recessions?

An important indicator of economic performance is the ability to recover quickly from recessions.

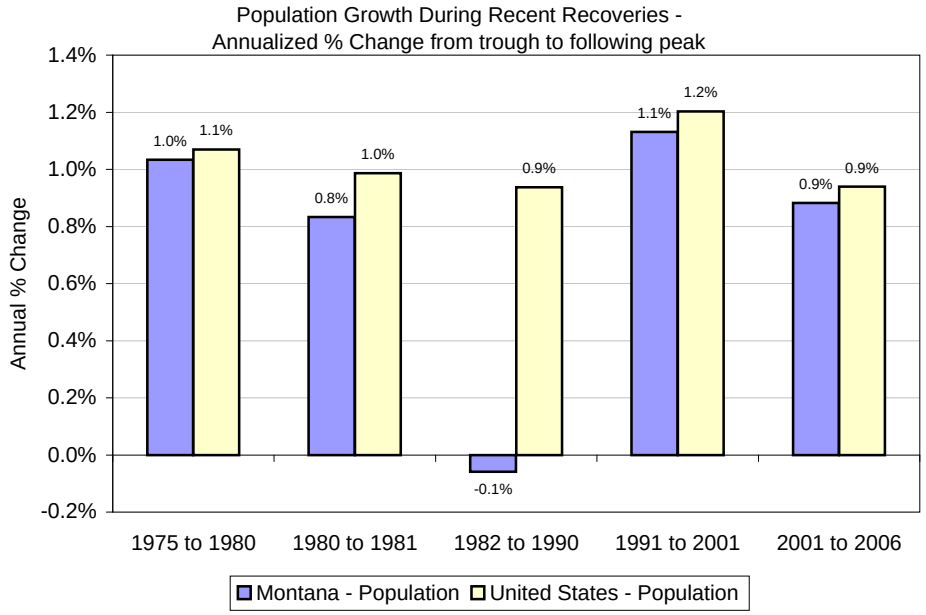
A recession is defined by the National Bureau of Economic Research as "a significant decline in activity spread across the economy, lasting more than a few months, visible in industrial production, employment, real income, and wholesale-retail sales."

The graph below shows how well we have recovered from the last five recessions. The recovery periods are from the end of one recession (the trough) to the beginning of the next recession (the peak).

This type of graph is repeated throughout the profile to show how the area recovers from recessions compared to the state and the nation.

See www.nber.org/cycles.html for more information about business cycles.

- In the latest recovery (2001 to 2006), population growth in the United States (up 0.9%) has outpaced Montana.
- Similarly, in the last recovery (1991 to 2001), the United States (up 1.2%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 0.9%) grew the fastest.



Source: BEA REIS 2006 Table CA30

Age and Gender

(From EPSC)

- The population has gotten older since 1990. The median age in 2000 is 37.5 years, up from 33.8 years in 1990.
- The largest age category is 40 to 44 years old (75,361 people or 8.4% of the total).
- Total Population in 2000 was 902,195 people, up 13% from 799,065 in 1990.
- The age group that has grown the fastest, as a share of total, is 45 to 49 years , up 28,265 people. Their share of total rose by 2.5%

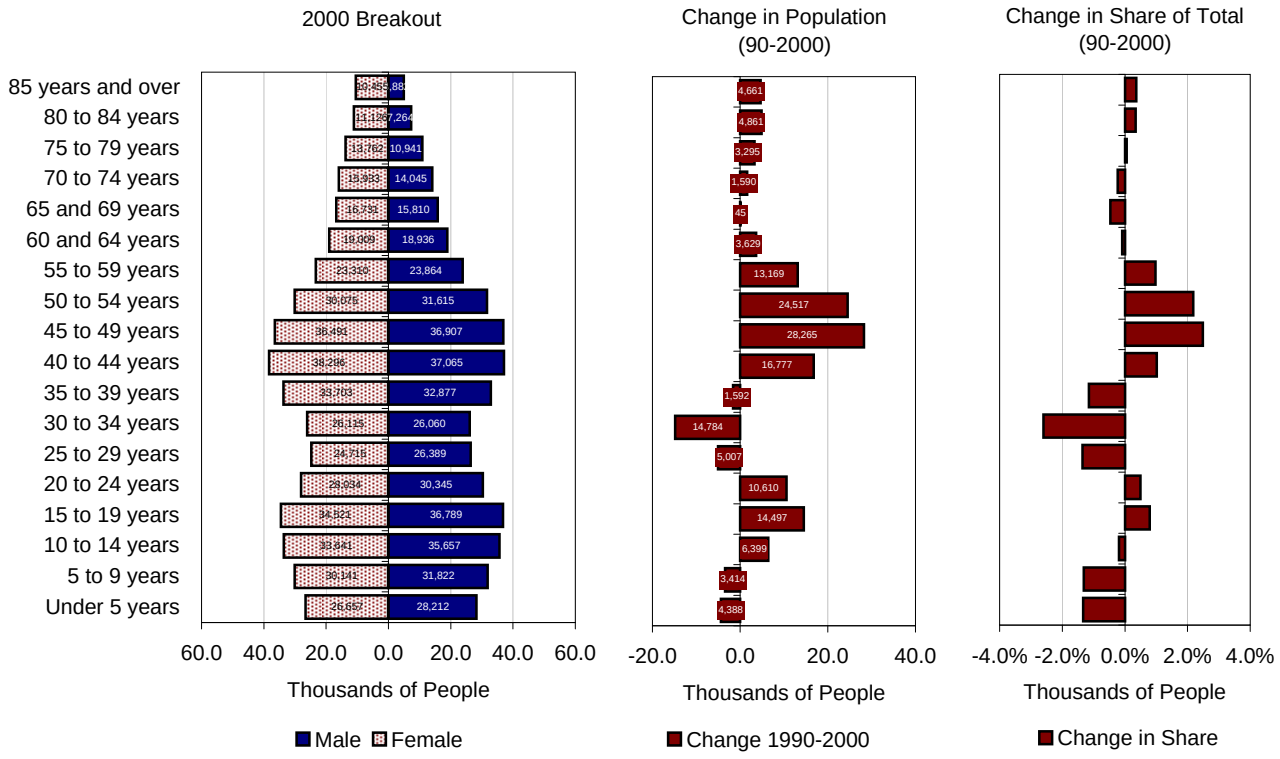
Population by Age and Sex

	Total Number	Under 20 years Number	Under 20 years Share	40 - 54 (Baby Boom in 2000) Number	40 - 54 (Baby Boom in 2000) Share	65 years and over Number	65 years and over Share	Median Age	Density (Pop. per sq. mi.)
Total Population									
2000	902,195	257,440	29%	210,449	23%	120,949	13%	37.5	6.2
1990	799,065	244,346	31%	140,890	18%	106,497	13%	33.8	5.5
10 Yr. Change	103,130	13,094	-2%	69,559	6%	14,452	0%	3.7	0.7
10 Yr. % Change	13%	5%		49%		14%		11%	13%
2000 Sex Breakout									
Male	449,480	132,480	29%	105,587	23%	52,942	12%	36.6	
Female	452,715	124,960	28%	104,862	23%	68,007	15%	38.5	
Male/Female Split	50% / 50%	51% / 49%		50% / 50%		44% / 56%			

2000 Table SF1 - P12 & 1990 SF1 Table P05 & P12

In the graphs below, changes in population by age are shown two ways. The "Change in Population" graph illustrates how each age bracket has changed in the last 10 years. The "Change in Share" graph illustrates how each category has changed as a share of total. Note that an age bracket can have an increase in population while declining as a share of total. The "Change in Share" graph usually demonstrates how the baby boom has caused a demographic shift in the population (growth in the 40-60 age brackets).

Note: In aggregated profiles, medians are interpolated.



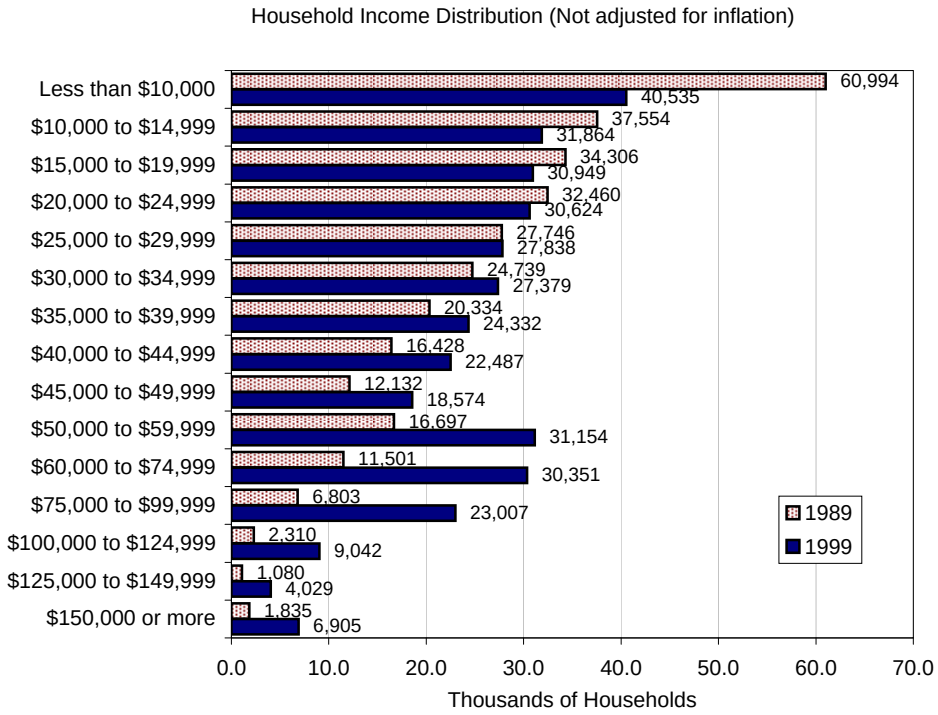
Source: Census 2000 and Census 1990

Income Distribution & Housing

(From EPSC)

Income Distribution - Households

- In 1999, for every household that made over $100K, there were 8.1 households that made under $30K. 10 years earlier, for every household that made over $100K, there were 36.9 households that made under $30K.
- Please note that the income distribution is not adjusted for inflation so some of the changes are due to inflation.



Housing Affordability - Owner Occupied

- The housing affordability index is 144, which suggests that the median family can afford the median house. *
- Housing has become less affordable in the last decade, from 147 in 1990 to 144 in 2000.

Owner Occupied Housing Affordability	1990	2000
Specified owner-occupied housing units: Median value (Adjusted for	$ 74,440	$ 99,500
% of median income necessary to buy the median house	17%	17%
Income required to qualify for the median house	$ 25,106	$ 28,116
Housing Affordability Index: (100 or above means that the median family can afford the median house.)*	147	144

Universe: Specified owner-occupied housing units — SF3 - H76

Income in:	1989	1999
Per capita income		$ 17,151
Median household income (Adj. for Inflation in 2000 $)	$ 30,287	$ 33,024
Median family income (Adj.for Inflation in 2000 $)	$ 36,949	$ 40,487

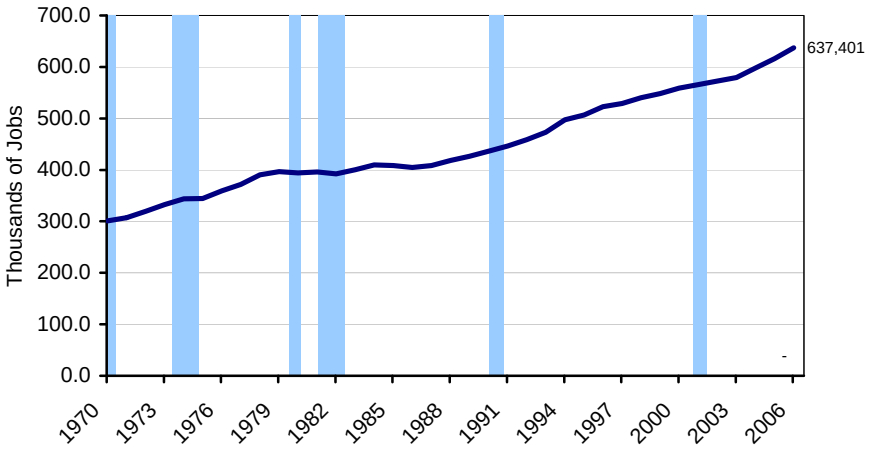
Universe: Total population, Households, Families — SF3 - P82,P53,P77

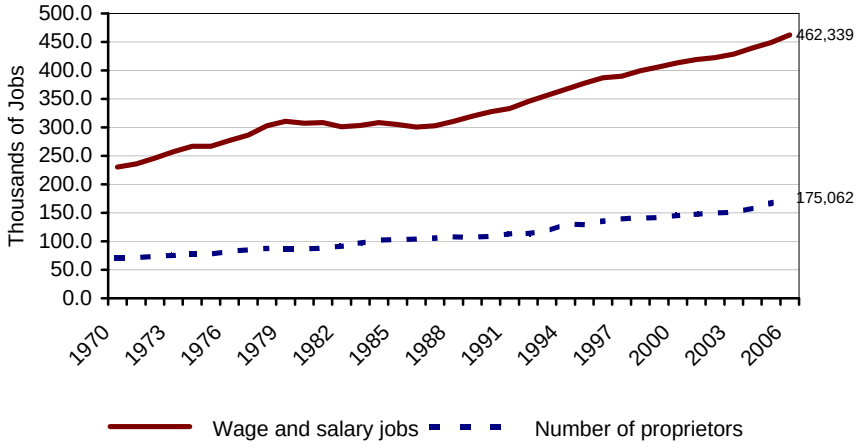
* Note: The housing affordability figures assume a 20% down payment and that no more than 25% of a family's income goes to paying the mortgage. It is based on an interest rate of 10.01% in 1990 and 8.03% in 2000. Use this statistic as a comparative, rather than absolute, measure.

Source: Census 2000 and Census 1990

Long term trend

- From 1970 to 2006, 336,350 new jobs were created.
- From 1970 to 2006, the majority of job growth, 69% of new jobs, was in wage and salary employment (people who work for someone else).
- Wage and salary employment (people who work for someone else) contributed 69% of new employment from 1970 to 2006, and 65% of new employment since 1995.
- In 1970, proprietors represented 23.5% of total employment; by 2006, they represented 27.5%.





Wages and Salaries vs. Proprietors
Changes from 1970 to 2006

	1970	% of Total	1995	2006	% of Total	New Employment (70-06)	% of New Employment	New Employment (95-06)	% of New Employment
Total full-time and part-time employment	301,051		506,891	637,401		336,350		130,510	100.0%
Wage and salary jobs	230,207	76.5%	377,740	462,339	72.5%	232,132	69.0%	84,599	64.8%
Number of proprietors	70,844	23.5%	129,151	175,062	27.5%	104,218	31.0%	45,911	35.2%
Number of nonfarm proprietors 5/	44,716	14.9%	105,079	149,186	23.4%	104,470	31.1%	44,107	33.8%
Number of farm proprietors	26,128	8.7%	24,072	25,876	4.1%	-252	NA	1,804	1.4%

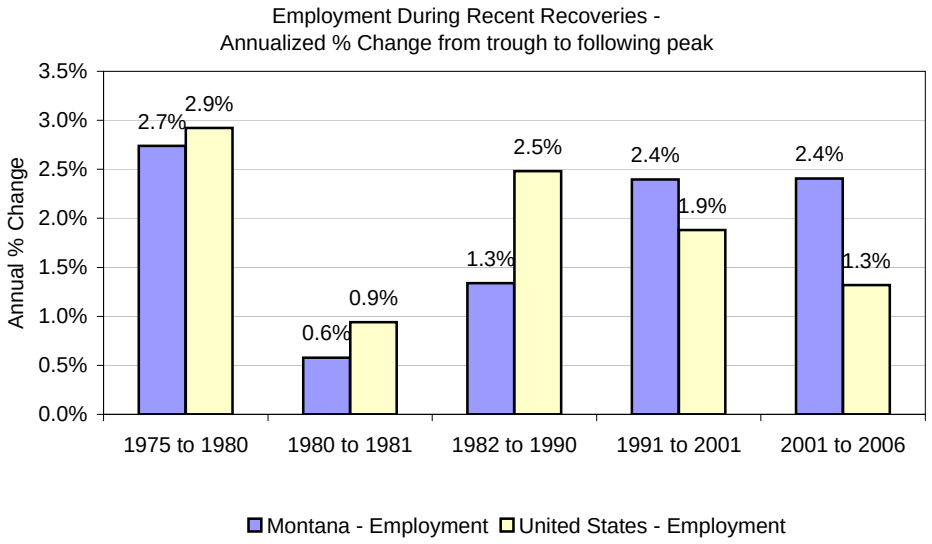
Proprietors include sole proprietorships, partnerships, and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

Wage and salary employment refers to employees.

Source: BEA REIS 2006 Table CA30

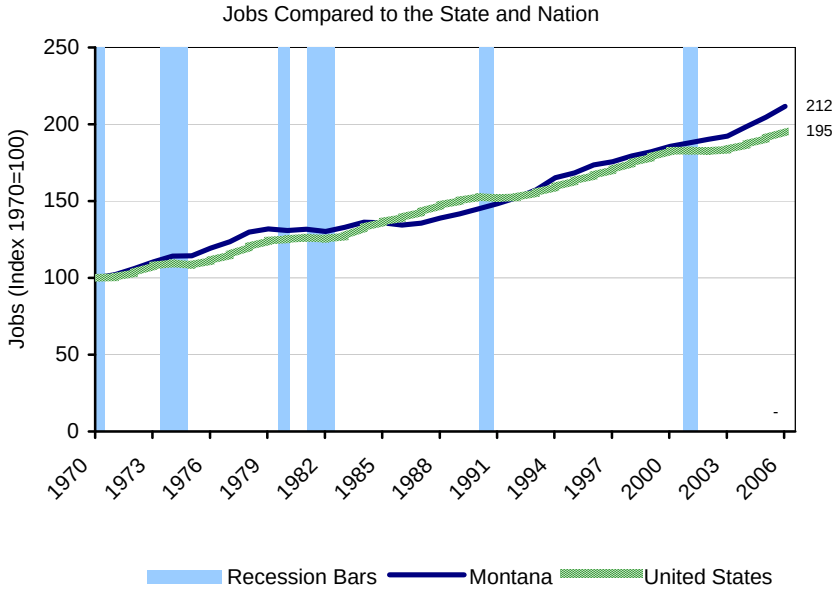
How well do we recover from recessions?

- In the latest recovery (2001 to 2006), employment growth in Montana (up 2.4%) has outpaced the United States.
- Similarly, in the last recovery (1991 to 2001), Montana (up 2.4%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 2.5%) grew the fastest.



Job Growth Compared to the Nation

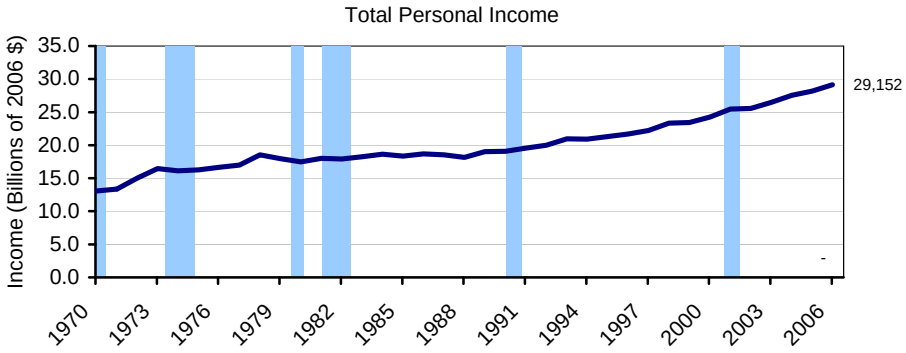
- Over the last 36 years job growth in Montana has been faster than the nation.
- Some areas can experience employment gains even during recessions. If so, check to see how much is due to migration and population changes.



Source: BEA REIS 2006 Table CA30

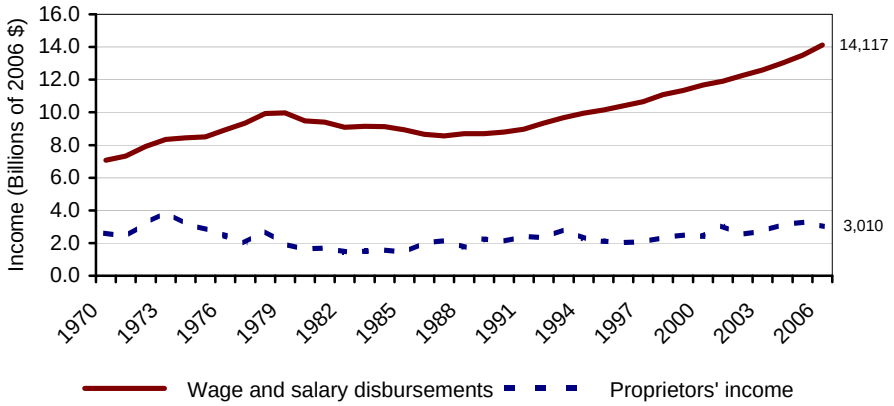
Long term trend

- From 1970 to 2006, personal income added $16,071 million in real terms.
- The annualized growth rate was 2.3%.



Importance of Proprietors

- In the last 36 years, wage and salary disbursements grew at an annual rate of 1.9%, outpacing proprietors' income which was roughly unchanged.
- 4.7% of new labor income from 1970 to 2006 was from proprietors' income.



Wages and Salaries vs. Proprietors

All income in millions of 2006 dollars	1970	1970 % of Labor	1995	1995 % of Labor	2006	2006 % of Labor	New Income 70-06	% of New Income
Labor Sources	9,800	100%	12,912	100%	18,356	100%	8,556	100.0%
Wage and salary disbursements	7,069	72%	10,135	78%	14,117	77%	7,049	82.4%
Proprietors' income	2,604	27%	2,111	16%	3,010	16%	406	4.7%
Nonfarm proprietors' income	1,375	14%	1,871	14%	3,012	16%	1,637	19.1%
Farm proprietors' income	1,229	13%	240	2%	(2)	0%	(1,231)	NA

Wage and salary is monetary remuneration of employees, including employee contributions to certain deferred compensation programs, such as 401(K) plans.

Proprietors' income includes income from sole proprietorships, partnerships and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

Source: BEA REIS 2006 Table CA05N and CA30

Definitions:

"Proprietors" refers to employment and income from sole proprietorships, partnerships, and tax-exempt cooperatives.
"Wage and salary" refers to employees; people who work for someone else.

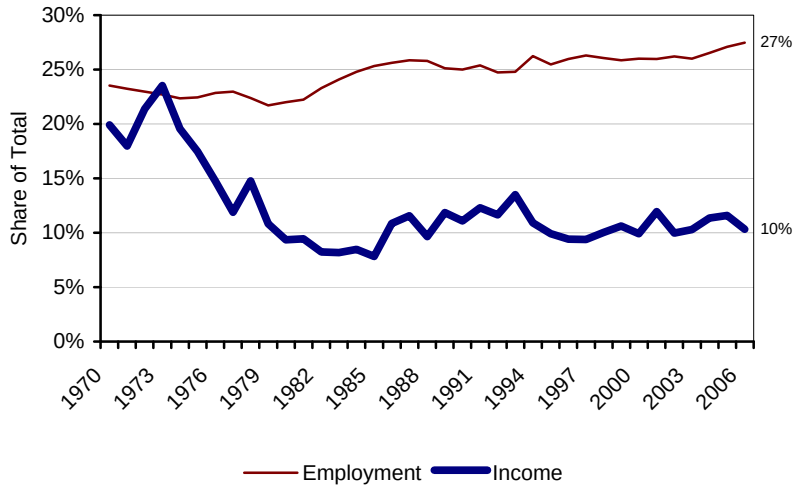
Are proprietors an important indicator of economic health?

Growth of proprietor employment and income can be a healthy sign that opportunities for entrepreneurship exist. Another way to gauge the health of small business growth is to look at changes in businesses by type and size of establishment (pages 16-18).

Growth of proprietors can also mean that a rising number of people in the community want to (or need to) have side jobs in addition to their wage and salary jobs. When this is the case, earnings from second jobs can pull down average wages. To see if this is a sign of stress, look for other potential stress indictors in this profile: unemployment rates over time and changes in earnings per job.

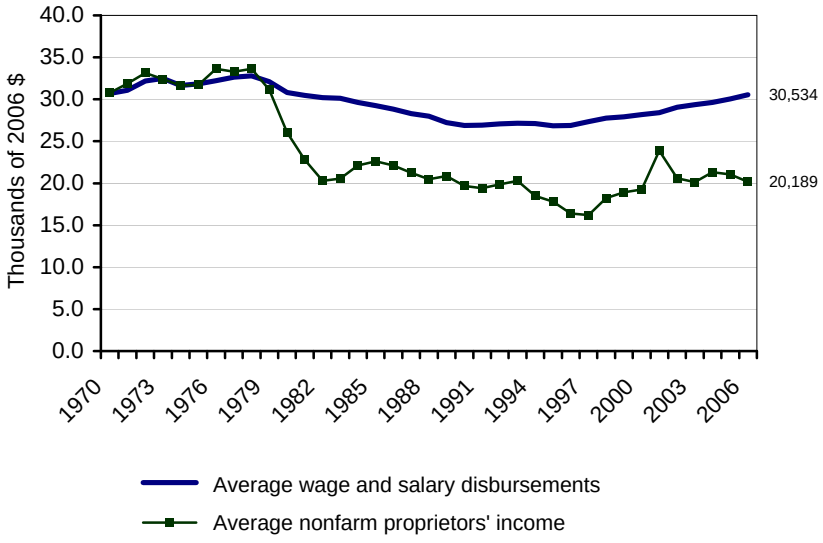
Proprietors' Share of Total (Income vs. Employment)

- In 2005, proprietors' share of total employment (27%) was higher than proprietors' share of total income (10%) .
- From 1970 to 2006, proprietors' income share of total fell by 48.1%, while proprietors' employment share of total grew by 16.7%.



How are Proprietors Doing?

- From 1970 to 2006, average wage and salary disbursements fell at an annualized rate of 0.0% (adjusted for inflation), declining slower than average nonfarm proprietors' income which fell by 1.2%.
- In 2005, average wage and salary disbursements were $30,534 (adjusted for inflation), more than average nonfarm proprietors' income ($20,189).
- In 1970, it was the other way around. Average nonfarm proprietors' income was $30,760 (adjusted for inflation), the same as average wage and salary disbursements.
- If these shares vary widely, it suggests that proprietors and wage earners have different earnings.



Source: BEA REIS 2006 Table CA30

Non-labor Income

The term "Non-Labor Income" is also referred to by some economists as "Non-Earnings Income". It consists of:

- Dividends, Interest and Rent (collectively often referred to as money earned from investments).
- Transfer Payments (payments from governments to individuals such as Medicare, Social Security, unemployment compensation, disability insurance payments and welfare). See the next page for a breakout of transfer payments.

- In the last 36 years, non-labor sources grew at an annual rate of 3.4%, outpacing labor sources which grew at a 1.8% rate.
- 37.0% of total personal income in 2006 was from non-labor sources.
- 46.8% of new income from 1970 to 2005 was from non-labor sources.

Non-labor income under estimates retirement income because it does not include pensions (401Ks).

Labor vs. Non-Labor

All income in millions of 2006 dollars	1970	1970 % of Total	1995	1995 % of Total	2006	2006 % of Total	New Income 70-06	% of New Income	% Chg Ann. Rate 70-06	% Chg Ann. Rate 95-06
Total Personal Income	13,081	100%	21,276	100%	29,152	100%	16,071	100.0%	2.3%	2.9%
Labor Sources	9,800	75%	12,912	61%	18,356	63%	8,556	53.2%	1.8%	3.2%
Non-Labor Sources	3,281	25%	8,364	39%	10,796	37%	7,515	46.8%	3.4%	2.3%
Dividends, interest, and rent	2,029	16%	4,767	22%	5,979	21%	3,950	24.6%	3.0%	2.1%
Personal current transfer receipts	1,252	10%	3,597	17%	4,817	17%	3,564	22.2%	3.8%	2.7%

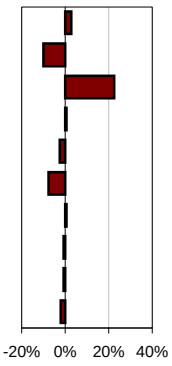
Percentages do not add to 100 because of adjustments made by BEA, such as residence, social security, and others.

Source: BEA REIS 2006 Table CA30

Components of Transfer Payments

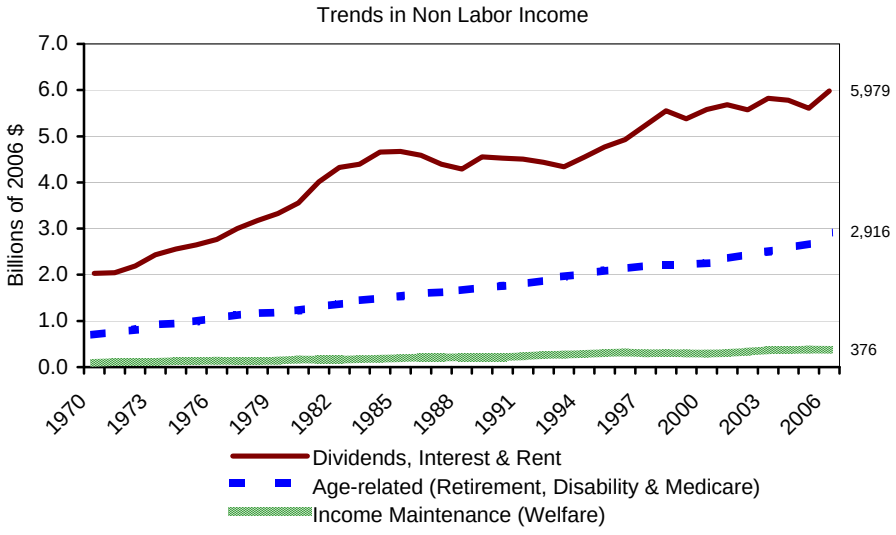
All figures in millions of 2006 dollars	1970	% of Total TP	2006	% of Total TP	New Payments 1970 to 2006	% of New Pay-ments
Total transfer payments	1,252.4		4,816.8		3,564.4	
Government payments to individuals	1,166.9	93%	4,621.4	96%	3,454.5	96.9%
Retirement & disab. insurance benefit payments	673.3	54%	2,109.7	44%	1,436.5	40.3%
Medical payments	188.0	15%	1,806.2	37%	1,618.1	45.4%
Income maintenance benefit payments ("welfare")	90.2	7%	376.0	8%	285.8	8.0%
Unemployment insurance benefit payments	49.6	4%	68.8	1%	19.2	0.5%
Veterans benefit payments	145.8	12%	195.4	4%	49.6	1.4%
Federal educ. & trng. asst. pay. (excl. vets)	7.7	0.6%	56.0	1.2%	48.3	1.4%
Other payments to individuals	12.4	1.0%	9.3	0.2%	(3.1)	NA
Payments to nonprofit institutions *	47.6	4%	149.9	3%	102.3	2.9%
Business payments to individuals	37.9	3%	45.6	1%	7.7	0.2%
Age-related (Retirement, Disability & Medicare)	696.8	56%	2,916.4	61%	2,219.6	62.3%

Change in Share of Total (1970 - 2005)



Trends in Non-Labor Income by Type

- The largest components of Non-Labor Income are from Dividends, Interest & Rent (i.e., money earned from past investments).
- In 2006 welfare represented 7.8% of transfer payments, and 1.3% of total personal income. This is up slightly from 1970 and up slightly from 1980.



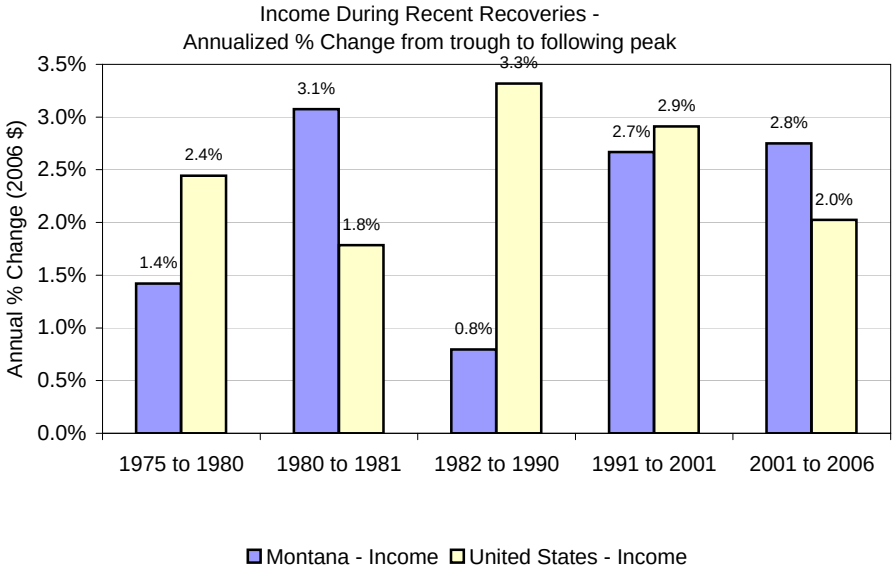
Components of Transfer Payments

- In 2006, 61% of Transfer Payments were from age-related sources (retirement, disability, insurance payments, and Medicare), while 7.8% was from welfare.

Source: BEA REIS 2006 Table CA35

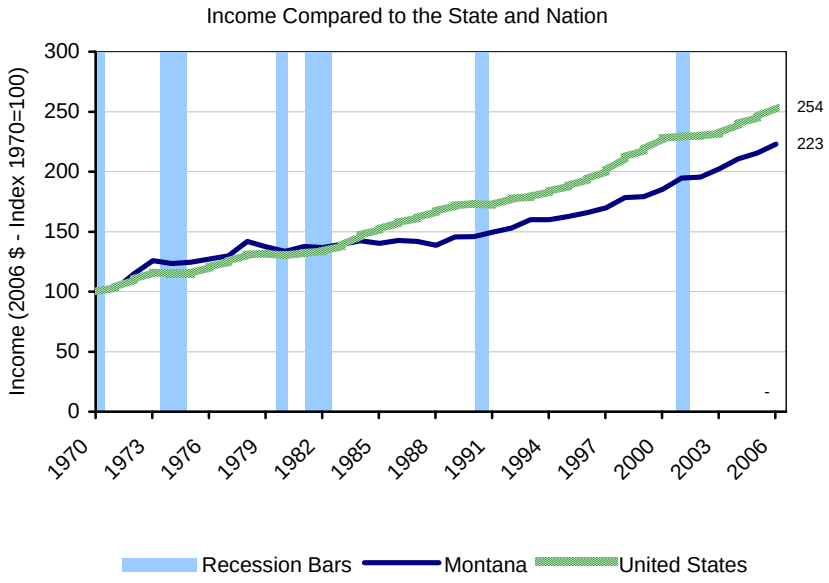
How well do we recover from recessions?

- In the latest recovery (2001 to 2006), income growth in Montana (up 2.8%) has outpaced the United States.
- Alternatively, in the last recovery (1991 to 2001), the United States (up 2.9%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 3.3%) grew the fastest.



Income Growth Compared to the Nation

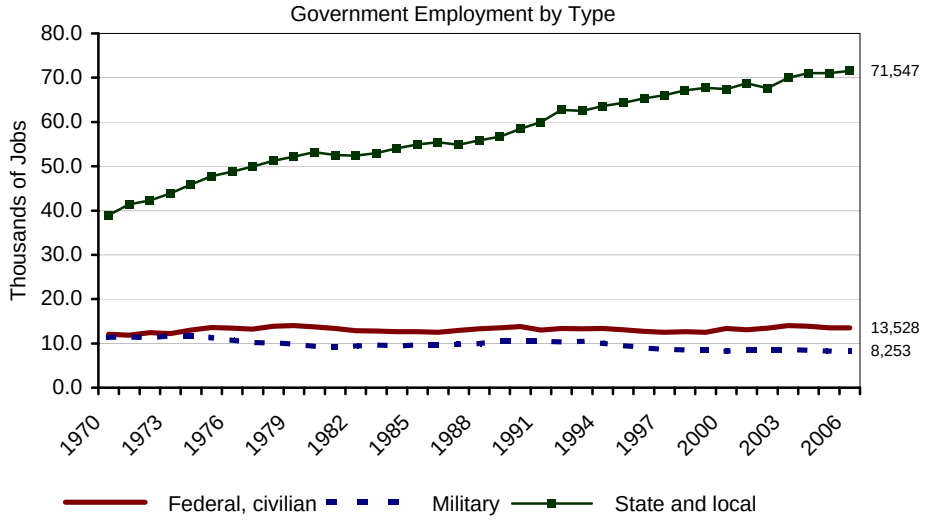
- Over the last 36 years income growth in Montana has been slower than the nation.
- Some areas can experience income gains even during the recessions. If so, check to see how much of the change is due to changes in earnings per job, employment, migration and population changes.



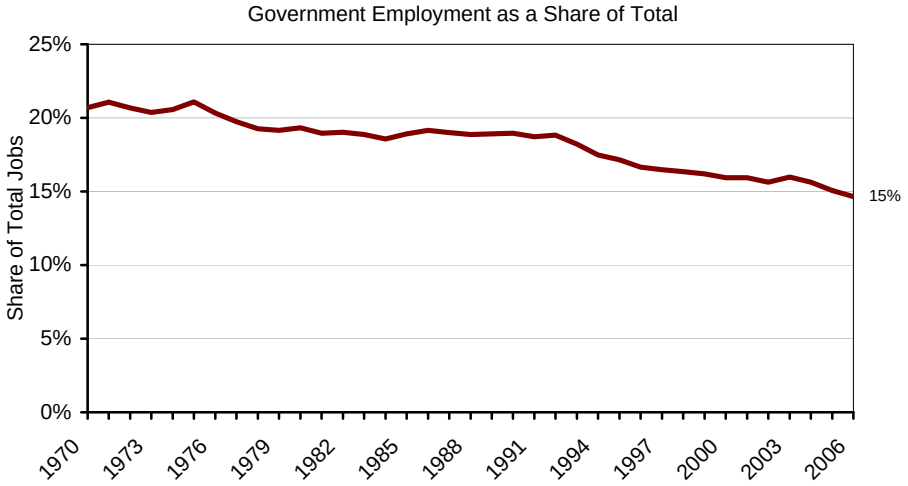
Source: BEA REIS 2006 Table CA30

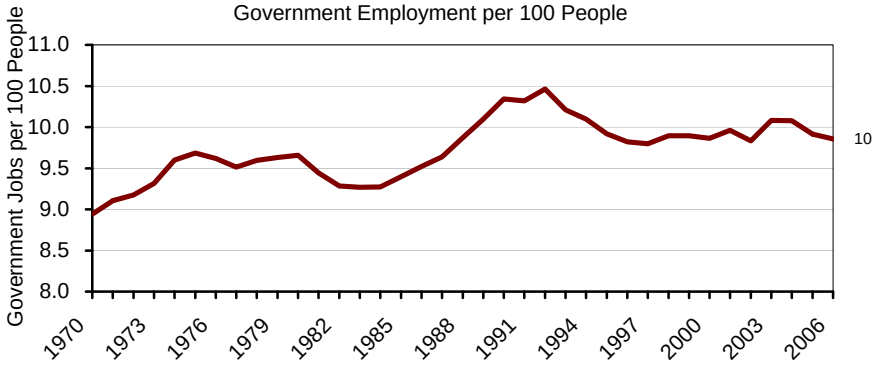
Government Employment

- The majority of the growth in government employment has been in state and local government (32,607 Jobs).



- Is the size of government getting bigger? One way to answer this is to look at whether government employment has grown. If so, what type of government employment, and how does it compare to population growth?



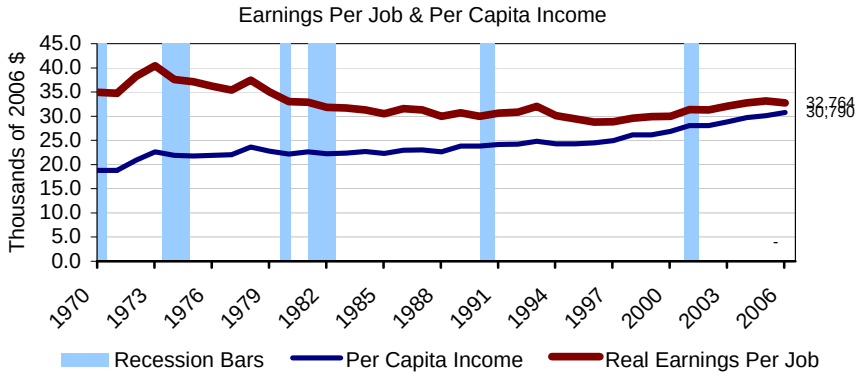


Source: BEA REIS 2006 Table CA25 and CA25N

Earnings Per Job

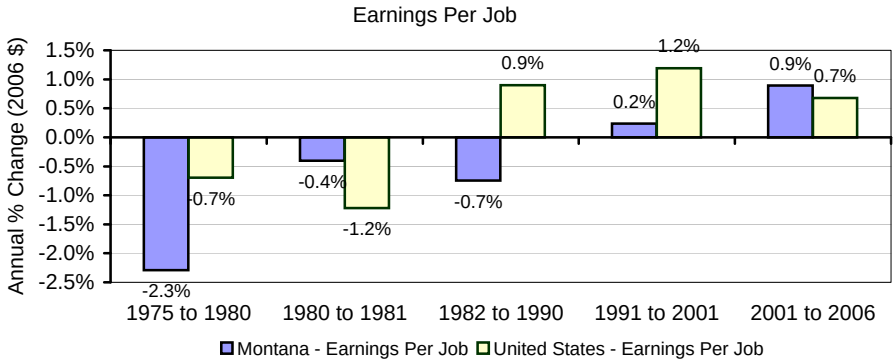
$$\text{Average Earnings per Job} = \frac{\text{Total Wages Earned}}{\text{Total \# of Workers}}$$

- Average earnings per job, adjusted for inflation, have fallen from $34,947 in 1970 to $32,764 in 2006.
- In 2006, Average earnings per job in Montana ($32,764) were the same as the state ($32,764) and lower than the nation ($47,286).



How well do we recover from recessions?

- In the latest recovery (2001 to 2006), earnings per job growth in Montana (up 0.9%) have outpaced the United States.
- Alternatively, in the last recovery (1991 to 2001), the United States (up 1.2%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 0.9%) grew the fastest.



Reasons why earnings per job may change over time:

1) Average earnings per job statistics include full and part-time employment. In some counties only a portion of the eligible workforce works full-time, driving down wage statistics. Run an EPSC profile to see the percentage of people working full-time.
2) Communities with an increase in tourism may see a decline in earnings due to a rise in seasonal (part-time) workers.
3) Communities that have established themselves as regional retail trade centers may see a decline in wages due to the low wages paid in retail trade.
4) Structural changes may have resulted in the loss of relatively high-wage occupations. Look at the long-term trends in employment, by industry, and compare to the nation and other counties. Are the changes local, or part of nation-wide trends?
5) More women have entered the workforce, and because of relatively lower pay, or because of fewer hours worked (depending on the region both may occur), earnings may decline over time. For a comparison of male versus female income run an EPSC profile.
6) Earnings will decline if job growth is primarily from low-wage services industries. Look at the breakdown of different industrial sectors to see the type of service industries that are growing. Does the community have what it takes (education, airports, amenities, etc.) to attract the high-wage service industries (engineering, finance, etc.)?
7) People may be choosing to live in some communities for quality of life reasons. In some areas the increase in population can outpace the rate of job creation, thereby flooding the labor market and causing a downturn in wages. Look at the growth rates of population relative to growth in jobs and personal income.

Source: BEA REIS 2006 Table CA30

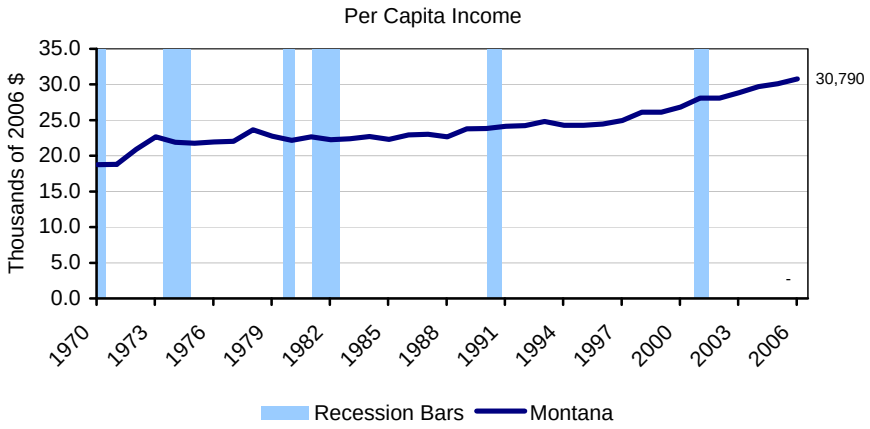
Per Capita Income

$$PCI = \frac{\text{Total Personal Income}}{\text{Population}}$$

Per capita income is often used as a measure of economic performance, but it should be combined with changes in earnings per job for a realistic picture of economic health:

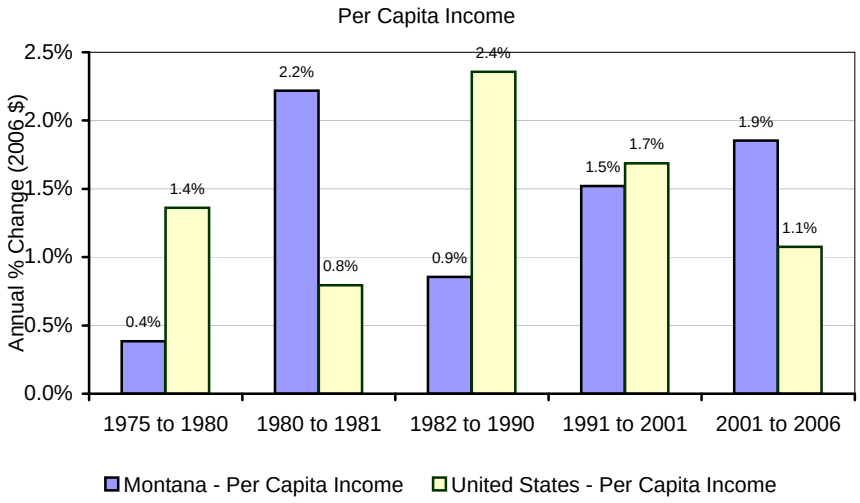
Since total personal income includes income from 401(k) plans as well as other non-labor income sources like transfer payments, dividends, and rent, it is possible for per capita income to rise, even if the average wage per job declines over time. In other words, non-labor sources of income can cause per capita income to rise, even if people are earning less per job.

- Per capita income, adjusted for inflation, has risen from $18,762 in 1970 to $30,790 in 2006.
- In 2006, per capita income in Montana ($30,790) was the same as the state ($30,790) and lower than the nation ($36,714).



How well do we recover from recessions?

- In the latest recovery (2001 to 2006), per capita income growth in Montana (up 1.9%) has outpaced the United States.
- Alternatively, in the last recovery (1991 to 2001), the United States (up 1.7%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 2.4%) grew the fastest.



Source: BEA REIS 2006 Table CA30

Firms by Industry (SIC)

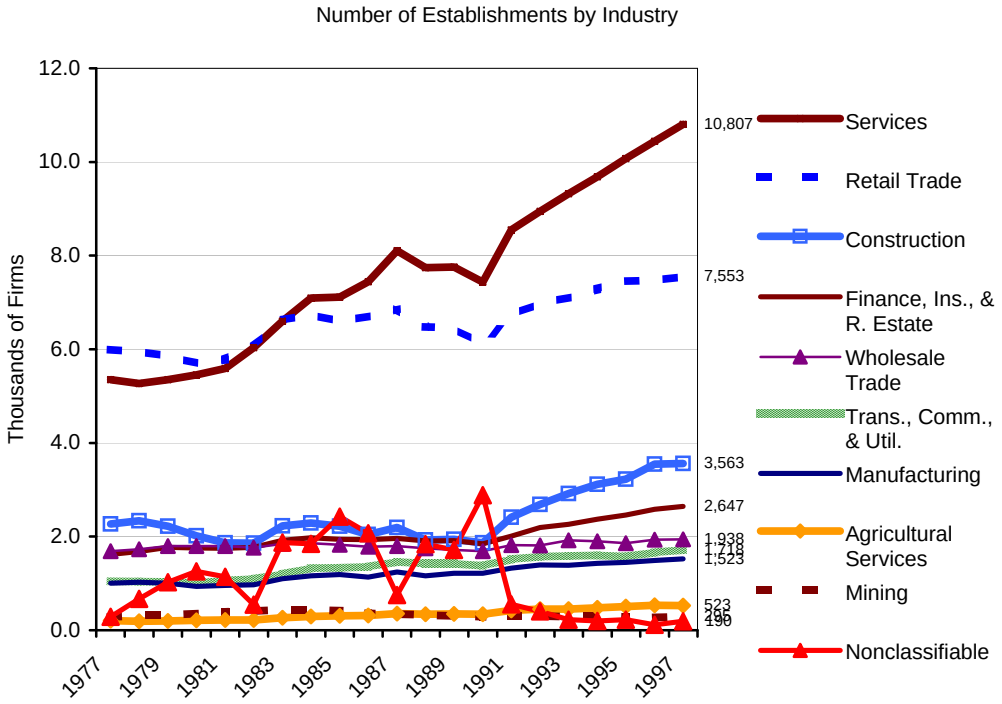
The advantage of this data source is that it never has disclosure restrictions. This source also releases data for hundreds of sectors (available on demand). The data on this page are from the US Census County Business Patterns, which unlike the REIS data, does NOT include proprietors, government, household services or railroad workers. If available, we encourage you to look at employment and income data from BEA REIS starting on page 26 as well.

Growth

- The employment category whose share of total gained the most was services, which went from 27.1% in 1977 to 35.1% in 1997.

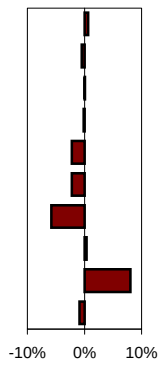
Decline

- The category whose share of total shrank the most was retail trade, which went from 30.4% in 1977 to 24.6% in 1997.



Firms by Industry

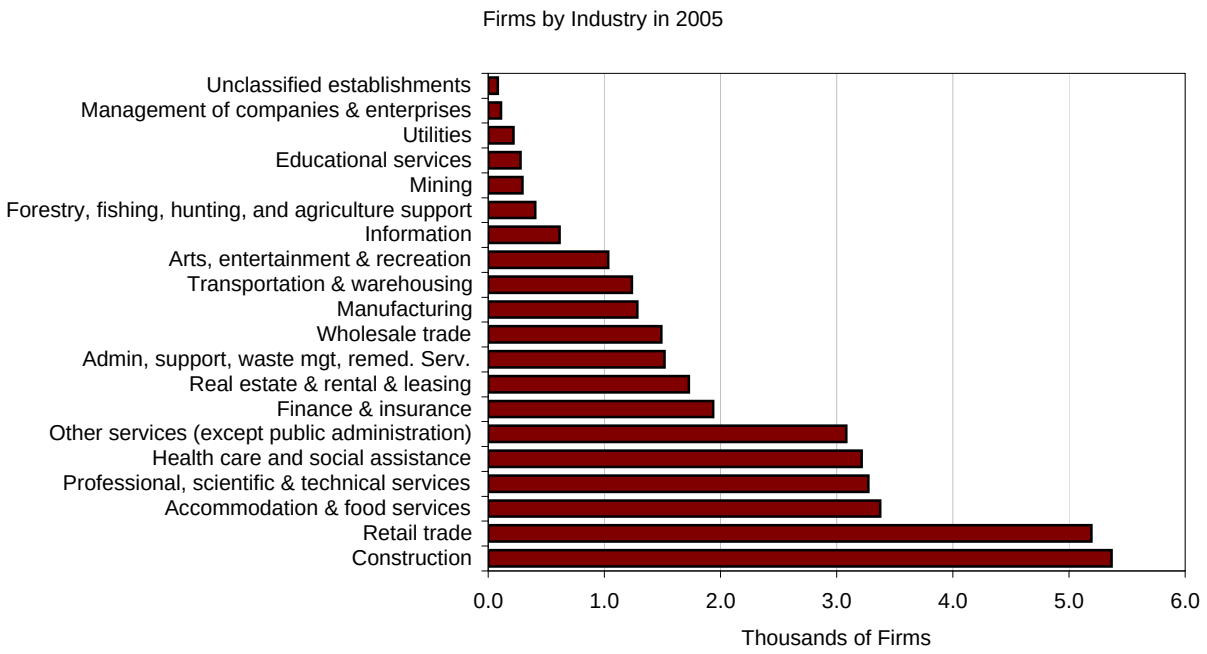
	1977	Shr. of Total	1987	Shr. of Total	1997	Shr. of Total	New Firms 77-97	New Firms Shr of Tot	Change in Share of Total
Total	19742		25080		30757		11015		
Agricultural Services	205	1.0%	355	1.4%	523	1.7%	318	2.9%	
Mining	279	1.4%	345	1.4%	295	1.0%	16	0.1%	
Construction	2269	11.5%	2197	8.8%	3563	11.6%	1294	11.7%	
Manufacturing	1003	5.1%	1245	5.0%	1523	5.0%	520	4.7%	
Trans., Comm., & Util.	1044	5.3%	1459	5.8%	1718	5.6%	252	2.3%	
Wholesale Trade	1686	8.5%	1797	7.2%	1938	6.3%	252	2.3%	
Retail Trade	5994	30.4%	6859	27.3%	7553	24.6%	1559	14.2%	
Finance, Ins., & R. Estate	1622	8.2%	1962	7.8%	2647	8.6%	1025	9.3%	
Services	5350	27.1%	8107	32.3%	10807	35.1%	5457	49.5%	
Nonclassifiable	290	1.5%	754	3.0%	190	0.6%	-100	NA	



Data ends in 1997 because the CBP switched to a different classification system (NAICS) in 1997.

Source: Census County Business Patterns

Firms by Industry in 2005 (NAICS)



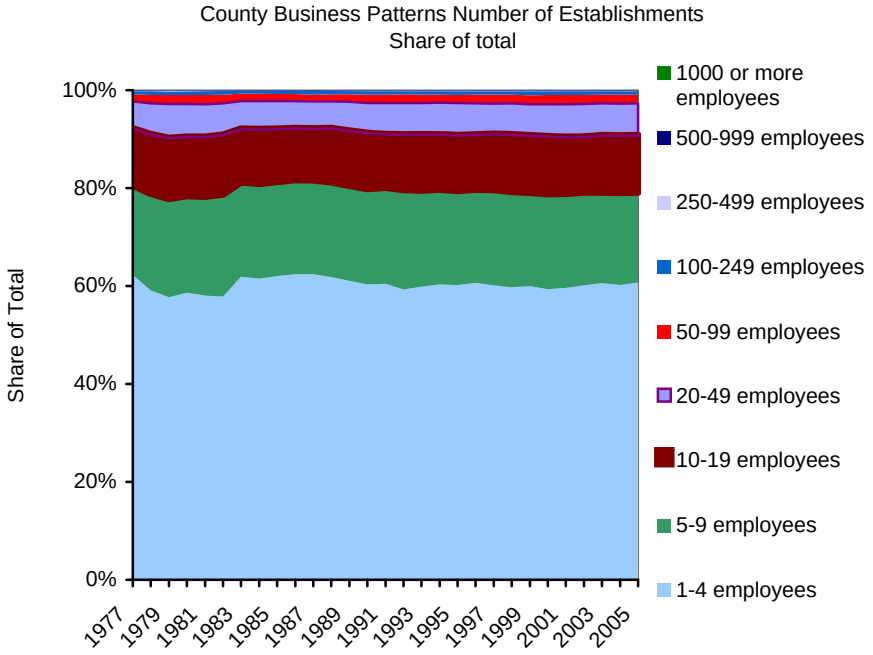
Firms by size and industry in 2005

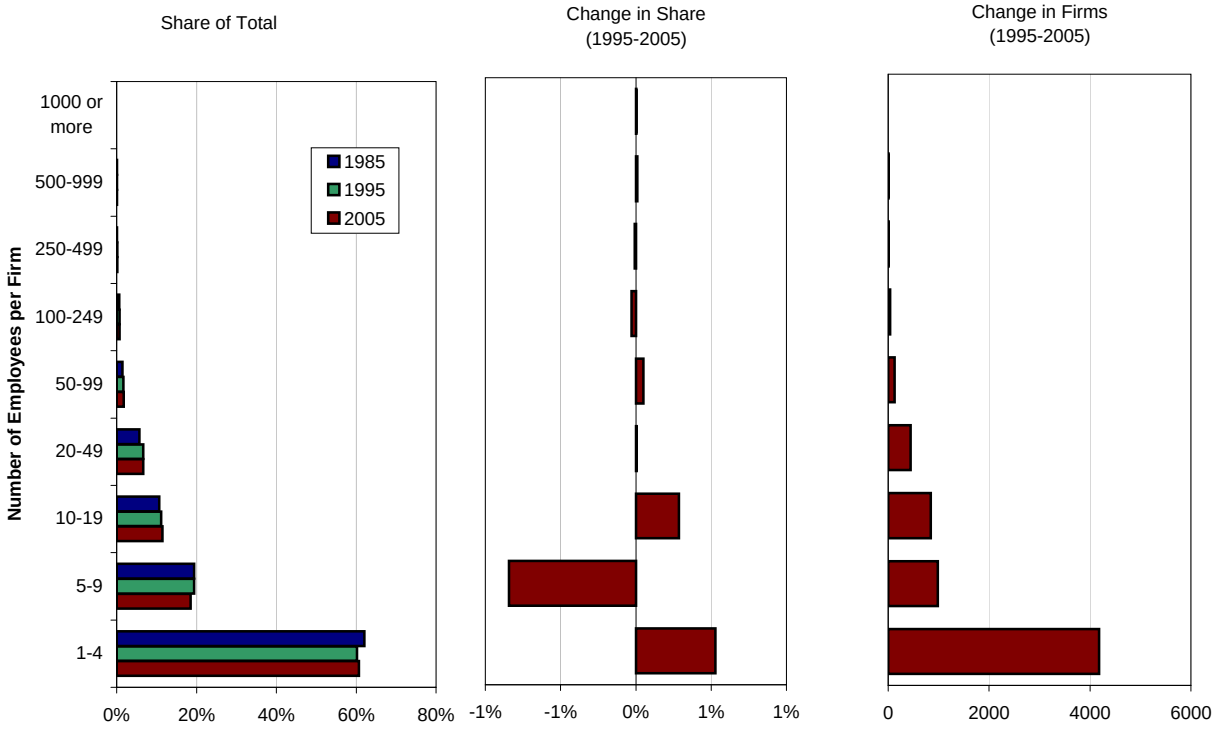
		Number of Employees per Firm								
	Total	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000 or more
Forestry, fishing, hunting, and ag. support	405	308	62	25	8	0	2	0	0	0
Mining	294	166	42	47	22	6	7	3	1	0
Utilities	217	146	19	18	24	6	2	2	0	0
Construction	5367	4,045	774	357	139	40	11	1	0	0
Manufacturing	1283	681	239	160	116	53	25	7	2	0
Wholesale trade	1491	770	329	233	118	30	10	1	0	0
Retail trade	5192	2,494	1,277	797	438	128	50	5	3	0
Transportation & warehousing	1237	795	173	147	85	27	8	2	0	0
Information	613	323	113	88	58	15	13	3	0	0
Finance & insurance	1937	1,215	364	195	126	21	13	2	1	0
Real estate & rental & leasing	1727	1,435	173	88	20	7	4	0	0	0
Professional, scientific & technical services	3274	2,390	502	236	114	19	9	2	1	1
Management of companies & enterprises	110	50	13	17	22	4	3	0	1	0
Admin, support, waste mgt, remed. Serv.	1519	1,043	228	129	75	25	14	4	1	0
Educational services	278	146	51	38	22	13	3	4	1	0
Health care and social assistance	3216	1,631	738	434	227	109	51	13	7	6
Arts, entertainment & recreation	1034	584	213	123	81	23	8	2	0	0
Accommodation & food services	3375	1,307	665	712	586	84	20	0	1	0
Other services (except public administration)	3083	2,094	641	245	94	6	3	0	0	0
Unclassified establishments	84	74	7	2	1	0	0	0	0	0
Total	35736	21,697	6,623	4,091	2,376	616	256	51	19	7

Source: Census County Business Patterns

Firms by Size

- The size category that grew the most was 1-4 employees.
- As a share of total, the size category that gained the most was 1-4 employees.
- In 2004, 91% of firms had fewer than 20 employees.

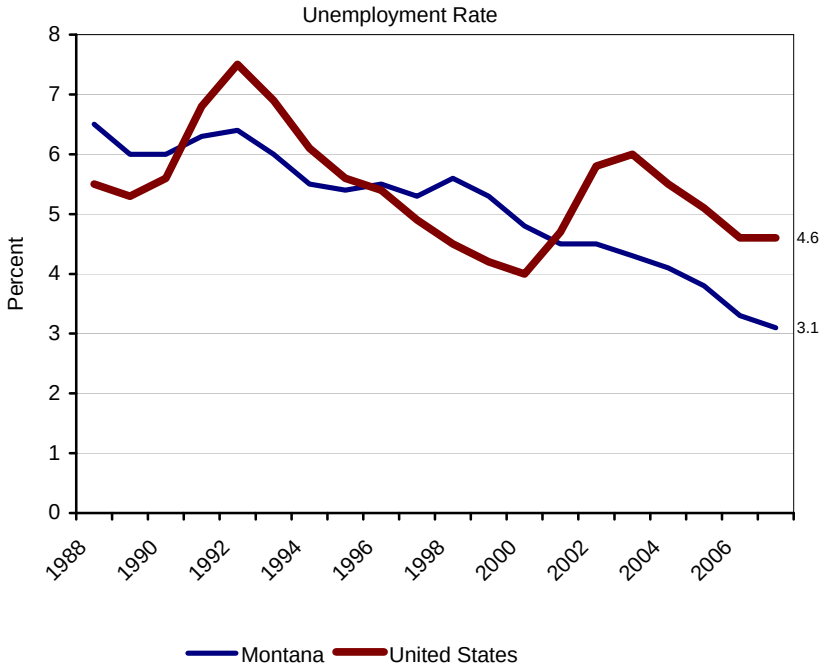




Source: Census County Business Patterns

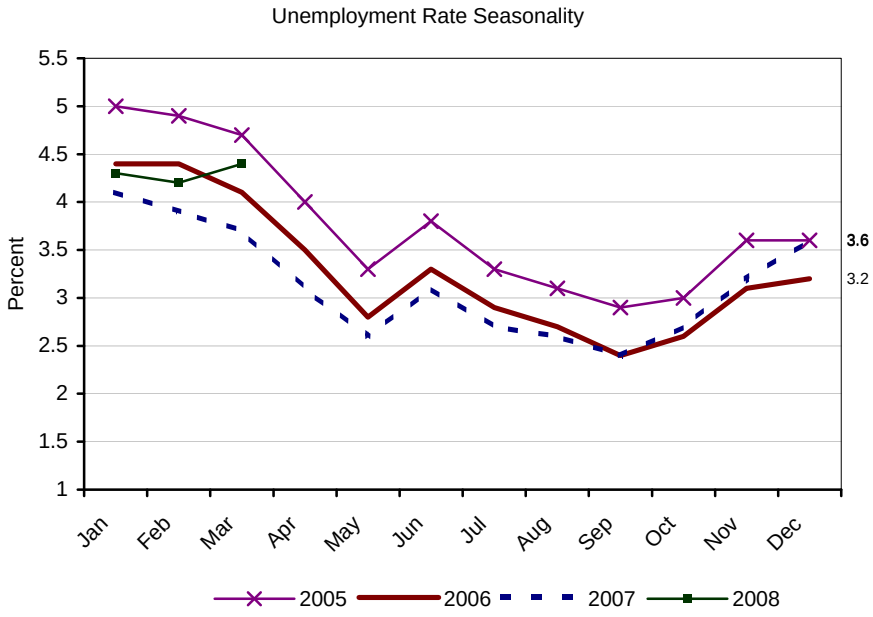
Annual Average Unemployment Rate Compared to the Nation

- In 2007, the unemployment rate was 3.1%, compared to 4.6% in the nation.
- Since 1990, the unemployment rate varied from from a low of 3.3% in 2006 to a high of 6.4% in 1992



Unemployment Rate Seasonality

- This graph illustrates the seasonal variation in the unemployment rate over the last three years. In 2007, the unemployment rate varied from from a low of 2.4% in September 2007 to a high of 4.1% in January 2007



Source: Bureau of Labor Statistics

Commuting

This page is blank because the system does not contain commuting data for this geography.

Agriculture (Business Income)

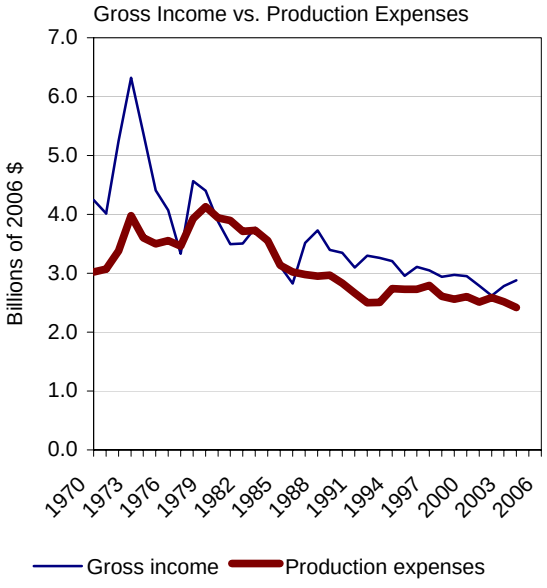
Farm income figures presented on this page reflect income from farming *enterprises* (income of the business). The term "farm" includes farming and ranching, but not agricultural services such as soil preparation services and veterinary services. In contrast, farm income figures presented in the next section reflect personal income earned by *individuals* (income of individuals, both proprietors and wage and salary employees) who work in farming and ranching.

Farm income of businesses differs from individual farm income because it also includes government payments, rent, the value of inventory change and production expenses. In some areas, net farm income can be negative when production expenses exceed gross income.

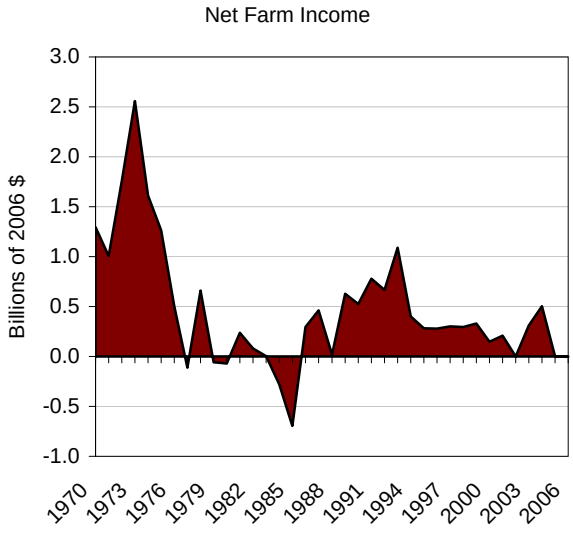
Gross Income, Expenses, and Net Income from Farming and Ranching

All figures in thousands of 2006 dollars	1970	% of Gross Income	1995	% of Gross Income	2006	% of Gross Income	70-04 Change in Share
Gross Income (Cash + Other)	4,243,296		2,955,263		2,960,354		
Cash Receipts from Marketings	3,716,906	88%	2,567,688	87%	2,437,395	82.3%	-5%
Livestock & Products	2,343,138	55%	1,143,563	39%	1,327,651	44.8%	-10%
Crops	1,373,769	32%	1,424,125	48%	1,109,744	37.5%	5%
Other Income	526,389	12%	387,575	13%	522,959	17.7%	5%
Government Payments	443,525	10%	251,086	8%	275,301	9.3%	-1%
Imputed Rent & Rent Received	82,864	2%	136,489	5%	247,658	8.4%	6%
Production Expenses	3,019,422		2,726,629		2,788,325		
Realized Net Income (Income - Expenses)	1,223,873		228,633		172,029		
Value of Inventory Change	70,996	2%	52,301	2%	(174,346)	NA	NA
Total Net Income (Inc. corporate farms)	1,294,870		280,934		(2,317)		

Gross Income vs. Production Expenses



Net Farm Income



Source: BEA REIS 2006 CD Table CA45

Relative Performance Comparisons

In the following pages (23 - 25) you will learn about:

1. The degree of economic specialization of the county relative to the nation.

2. The year-to-year stability of personal income growth, comparing the county to the state and the nation.

3. The stability of personal income over time, comparing labor versus non-labor income.

4. If this is a county profile, numerous performance characteristics of the county (population growth, employment growth, employment stability, etc.) are used to compare the county to the median county in the country (a “benchmark”).

Specialization

This page uses the sectoral composition of the U.S. economy as a benchmark for economic diversity and compares the local sector breakout to that of the nation. Communities that are heavily reliant on only a few industries may be economically vulnerable to disruptions. The aim of this page is to quantitatively measure the extent to which the sectoral breakout of the local economy mirrors that of the US, and if they are different to illustrate the major factors that are contributing to the differences.

Montana is extremely specialized, with a specialization score of 111 which is the sixth most specialized state. By comparison, a state that is structured identically to the US would have a score of 0 (very diverse). The largest observed score in the 50 states is 298 (very specialized)

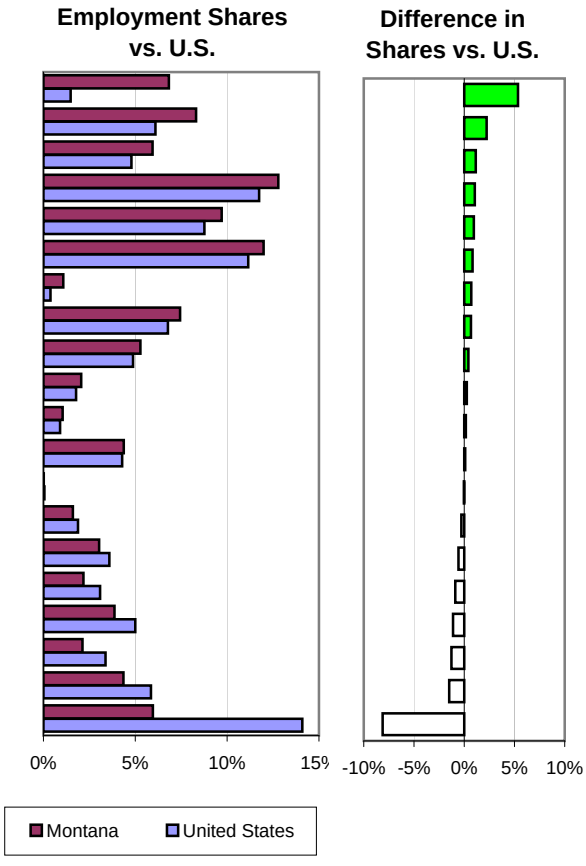
The sectors that most diverge from the US norm are:

- Under reliance on Manufacturing (6.0% compared to 14.1% in the US)
- Over reliance on Agriculture, forestry, fishing and hunting (6.8% compared to 1.5% in the US)
- Over reliance on Accommodation and food services (8.3% compared to 6.1% in the US)
- Under reliance on Professional, scientific, and technical services (4.4% compared to 5.9% in the US)

The figure below illustrates how the distribution of local employment by sector compares to the nation. The first bar chart compares the local area to the United States. The second bar chart subtracts one from the other to show where they differ. The closer the bars are to each other, the more the local economic structure is like that of the US.

Sector Analysis (Sorted by Difference in Share)

	Study Area	U.S.	Difference in Share
Agriculture, forestry, fishing and hunting	7%	1%	5%
Accommodation and food services	8%	6%	2%
Public administration	6%	5%	1%
Retail trade	13%	12%	1%
Educational services	10%	9%	1%
Health care and social assistance	12%	11%	1%
Mining	1%	0%	1%
Construction	7%	7%	1%
Other services (except public administration)	5%	5%	0%
Arts, entertainment, and recreation	2%	2%	0%
Utilities	1%	1%	0%
Transportation and warehousing	4%	4%	0%
Management of companies and enterprises	0%	0%	0%
Real estate and rental and leasing	2%	2%	0%
Wholesale trade	3%	4%	-1%
Information	2%	3%	-1%
Finance and insurance	4%	5%	-1%
Admin & support & waste management services	2%	3%	-1%
Professional, scientific, and technical services	4%	6%	-2%
Manufacturing	6%	14%	-8%

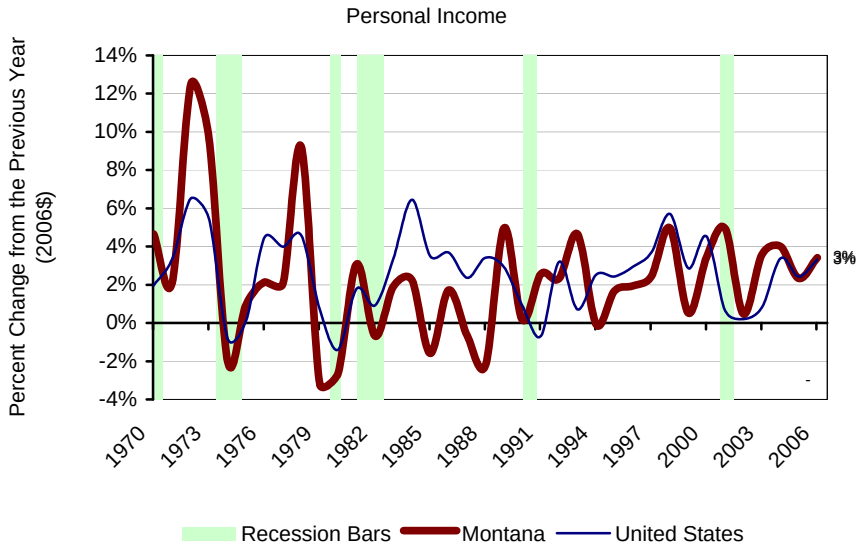


The above index uses a new improved methodology relative to earlier versions of EPS. It was calculated by summing the squares of the difference in shares between the local economy and the US for the 20 sectors.

Source: Census 2000 SF3 Table P49.

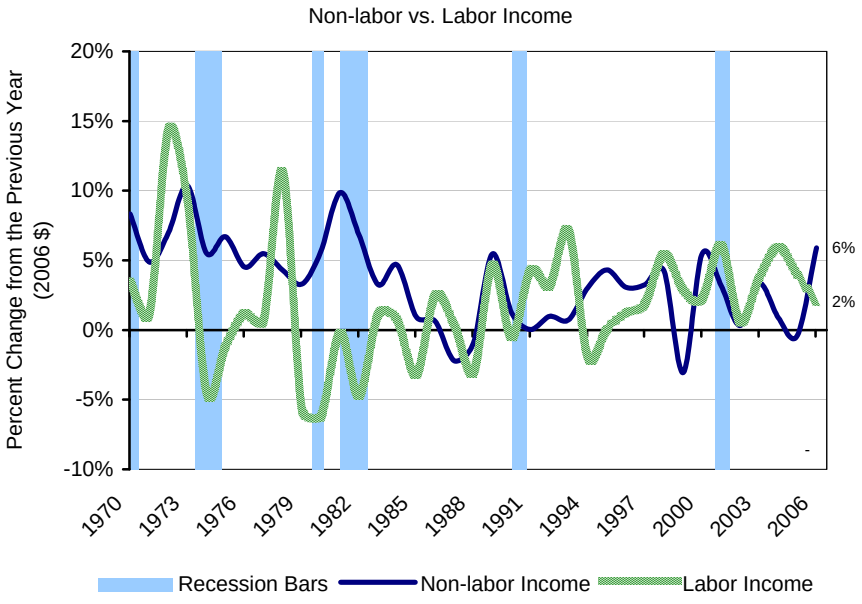
Stability vs. State and Nation

- Different regions can behave very differently during recessions and recoveries.
- Note: Below 0% means absolute decline. Above 0% means absolute growth, but at different rates.



Labor vs. Non-Labor Income Stability

- Non-labor income sources can have a stabilizing effect on the economy and are sometimes, but not always, counter-cyclical to labor income.



Source: BEA REIS 2006 Table CA30

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Employment and Income by Industry

In the following pages (28-32) you will learn about:

1. Long-term employment and personal income trends, from 1970 to 2005
2. How the structure of the economy has changed during the last three decades
3. How wages vary across different sectors in the economy.

Information for some industries and for some years may not be available from the U.S. Department of Commerce because of disclosure restrictions.

What is a 'disclosure restriction'?

A disclosure restriction indicates that a gap exists in the data. The U.S. Department of Commerce suppresses information to avoid disclosure of confidential information. Generally, the smaller the geographic level of analysis and the smaller the population of the county, the higher the chances that industry-specific information is suppressed and that disclosure restrictions will occur.

Our model to estimate the disclosure restrictions currently provides estimates for employment and income using the SIC classification method through 2000 for the western states only.

Important Notes on the Industrial Classification Systems used by EPS

The U.S. Department of Commerce made a transition in how economic information is gathered and organized in 2001. The Standard Industrial Classification System (SIC) covered the period from 1970 to 2000; the North American Industrial Classification System (NAICS, pronounced “nakes”) is used currently, for data from 2001 to the present.

Unfortunately the two systems are not backward comparable, so they are presented separately in EPS: 1970 to 2000 data are organized by SIC, and data beyond those years are organized by NAICS.

The most important change resulting from the shift to NAICS is the recognition of hundreds of new businesses in today’s economy. NAICS divides the economy into 20 broad sectors rather than the SIC’s 10 divisions. This is especially helpful in giving a more detailed breakdown of the fastest growth area in the country’s economy – “services.” For example, advanced technology related “service” industries (e.g., professional, scientific and technical services) are clearly differentiated from “in-person” services (e.g., health care) and low-wage services (e.g., accommodation and food services).

For data that are organized by SIC, EPS was designed to illustrate the complexity of the service economy. We use the term "Services and Professional" to underscore the important point that service occupations are a combination of high-paying and low-paying professions.

The transition to NAICS has alleviated the need to explain that “services” are actually a wide mix of low, medium, and high-wage industries.

About Missing Data

This profile is organized so that all non-disclosed information is presented first. Employment and personal income by industry is presented last. For some rural counties, and for some industries, data gaps may occur. EPS has a built-in system for estimating data gaps through 2000 for the 11 contiguous western states (AZ, CA, CO, ID, MT, NM, NV, OR, UT, WA, WY). When estimates are used in the tables on pages 28 and 30, they are highlighted in bold red text. Estimates in the charts are shown as thin solid lines with no markers.

Employment (SIC)

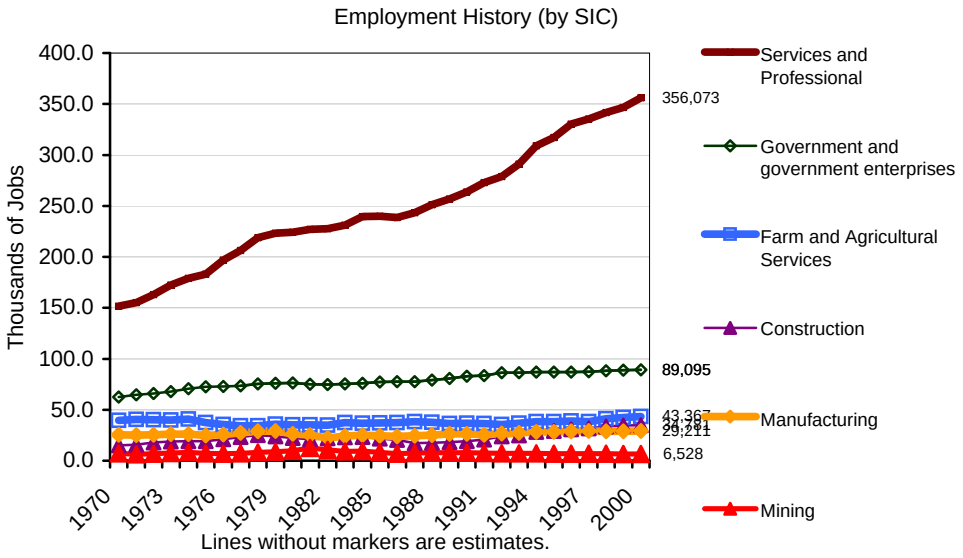
Data ends in 2000 because the BEA switched to a different classification system (NAICS) in 2001.

Growth

- The employment category whose share of total gained the most was services and professional, which went from 50.3% in 1970 to 63.7% in 2000.

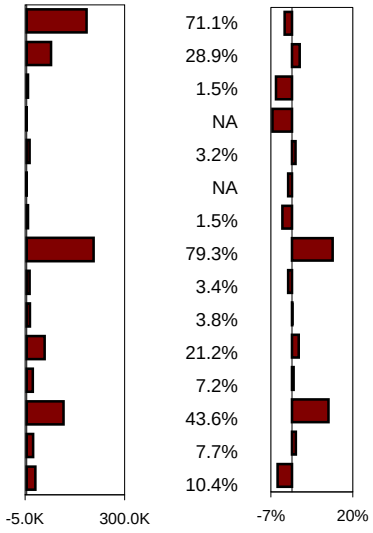
Decline

- The category whose share of total shrank the most was farm, which went from 12.3% in 1970 to 5.8% in 2000.



Employment by Industry
Changes from 1970 to 2000

	1970	% of Total	2000	% of Total	New Employment	% of New Employment	Change in Share
Total Employment	301,051.0		559,055.0		258,004.0		
Wage and Salary Employment	230,207.0	76.5%	413,682.0	74.0%	183,475.0	71.1%	
Proprietors' Employment	70,844.0	23.5%	145,373.0	26.0%	74,529.0	28.9%	
Farm and Agricultural Services	39,464.0	13.1%	43,367.0	7.8%	3,903.0	1.5%	
Farm	37,031.0	12.3%	32,602.0	5.8%	(4,429.0)	NA	
Ag. Services *	2,433.0	0.8%	10,765.0	1.9%	8,332.0	3.2%	
Mining	7,295.0	2.4%	6,528.0	1.2%	(767.0)	NA	
Manufacturing (incl. forest products) *	25,399.0	8.4%	29,211.0	5.2%	3,812.0	1.5%	
Services and Professional	151,532.0	50.3%	356,073.0	63.7%	204,541.0	79.3%	
Transportation & Public Utilities	18,962.0	6.3%	27,821.0	5.0%	8,859.0	3.4%	
Wholesale Trade	10,777.0	3.6%	20,505.0	3.7%	9,728.0	3.8%	
Retail Trade	49,874.0	16.6%	104,639.0	18.7%	54,765.0	21.2%	
Finance, Insurance & Real Estate	18,662.0	6.2%	37,258.0	6.7%	18,596.0	7.2%	
Services (Health, Legal, Business, Others)	53,257.0	17.7%	165,850.0	29.7%	112,593.0	43.6%	
Construction	15,029.0	5.0%	34,781.0	6.2%	19,752.0	7.7%	
Government	62,332.0	20.7%	89,095.0	15.9%	26,763.0	10.4%	



Estimates for data that were not disclosed are bold and red in the above table.

**** Agricultural Services*** include soil preparation services, crop services, etc. It also includes forestry services, such as reforestation services, and fishing, hunting and trapping. ***Manufacturing*** includes paper, lumber and wood products manufacturing.

Source: BEA REIS 2006 CD Table CA25

Growth

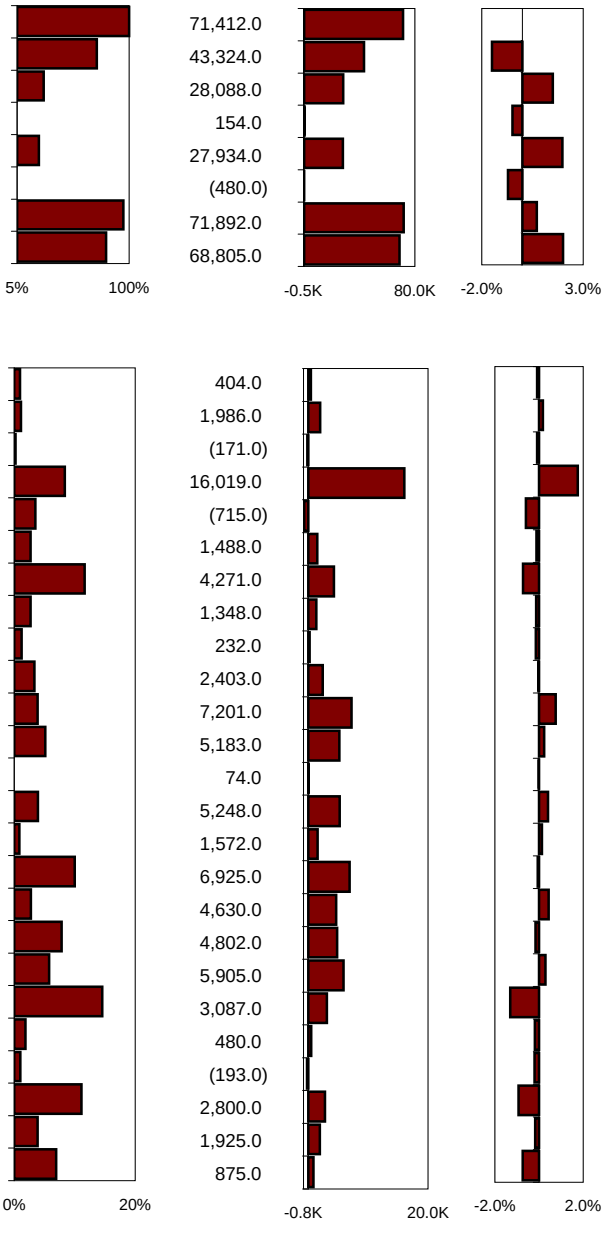
- The employment category whose share of total gained the most was construction, which went from 6.8% in 2001 to 8.5% in 2006.

Decline

- The employment category whose share of total shrank the most was government and government enterprises, which went from 15.9% in 2001 to 14.6% in 2006.

Employment by Industry (NAICS)
Changes from 2001 to 2006 Share of Total

Category	2001	2006	2006 Share of Total	New Jobs	Change in Share of Total (2006 - 2001)
Total employment	565,989.0	637,401.0	100%	71,412.0	
Wage and salary employment	419,015.0	462,339.0	73%	43,324.0	
Proprietors employment	146,974.0	175,062.0	27%	28,088.0	
Farm proprietors employment	25,722.0	25,876.0	4%	154.0	
Nonfarm proprietors employment	121,252.0	149,186.0	23%	27,934.0	
Farm employment	32,047.0	31,567.0	5%	(480.0)	
Nonfarm employment	533,942.0	605,834.0	95%	71,892.0	
Private employment	443,701.0	512,506.0	80%	68,805.0	
Forestry, fishing, related activities, and oth	7,617.0	8,021.0	1%	404.0	
Mining	7,060.0	9,046.0	1%	1,986.0	
Utilities	3,259.0	3,088.0	0%	(171.0)	
Construction	38,351.0	54,370.0	9%	16,019.0	
Manufacturing	24,601.0	23,886.0	4%	(715.0)	
Wholesale trade	17,301.0	18,789.0	3%	1,488.0	
Retail Trade	70,766.0	75,037.0	12%	4,271.0	
Transportation and warehousing	17,493.0	18,841.0	3%	1,348.0	
Information	9,412.0	9,644.0	2%	232.0	
Finance and insurance	20,602.0	23,005.0	4%	2,403.0	
Real estate and rental and leasing	18,958.0	26,159.0	4%	7,201.0	
Professional and technical services	29,092.0	34,275.0	5%	5,183.0	
Management of companies and enterprise	1,364.0	1,438.0	0%	74.0	
Administrative and waste services	21,296.0	26,544.0	4%	5,248.0	
Educational services	5,785.0	7,357.0	1%	1,572.0	
Health care and social assistance	57,654.0	64,579.0	10%	6,925.0	
Arts, entertainment, and recreation	14,583.0	19,213.0	3%	4,630.0	
Accommodation and food services	46,393.0	51,195.0	8%	4,802.0	
Other services, except public administratic	32,114.0	38,019.0	6%	5,905.0	
Government and government enterprises	90,241.0	93,328.0	15%	3,087.0	
Federal, civilian	13,048.0	13,528.0	2%	480.0	
Military	8,446.0	8,253.0	1%	(193.0)	
State and local	68,747.0	71,547.0	11%	2,800.0	
State government	24,222.0	26,147.0	4%	1,925.0	
Local government	44,525.0	45,400.0	7%	875.0	



Source: BEA REIS 2006 CD Table CA25N

Personal Income (SIC)

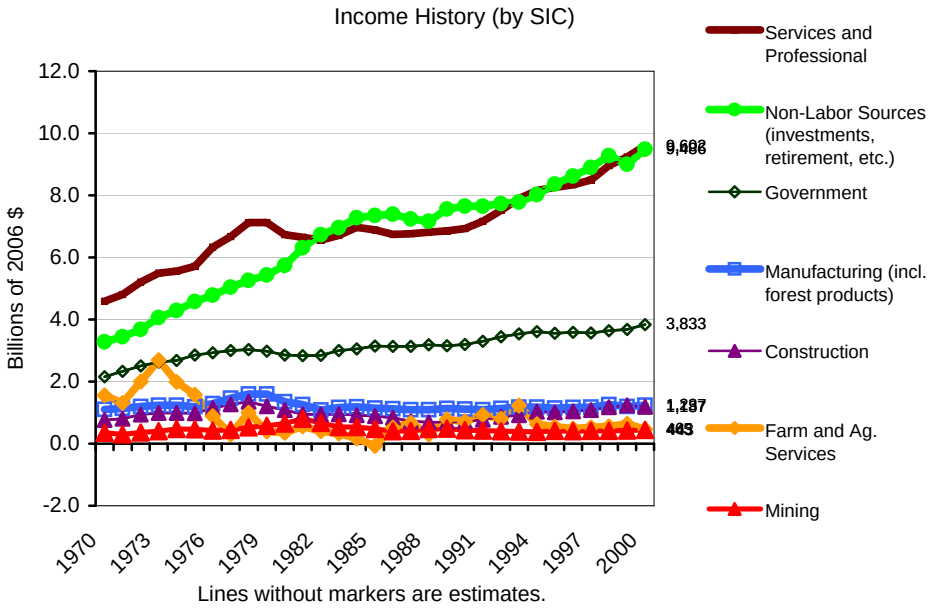
Data ends in 2000 because the BEA switched to a different classification system (NAICS) in 2001.

Growth

- The income category whose share of total gained the most was non-labor income, which went from 25.1% in 1970 to 39.1% in 2000.

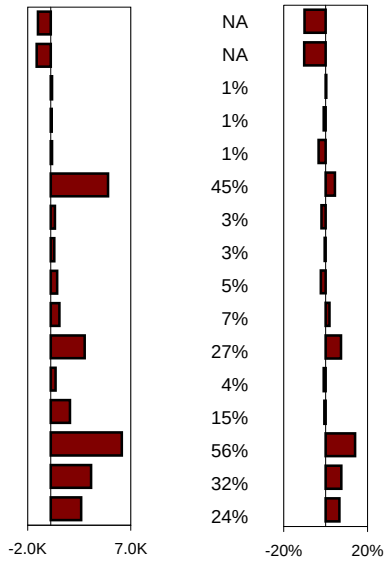
Decline

- The category whose share of total shrank the most was farm, which went from 11.5% in 1970 to 1.2% in 2000.



New Income by Type

All figures in millions of 2005 dollars	1970	1970 % of Total	2000	2000 % of Total	New Income 1970 to 2000	% of New Income	Change in Share
Total Personal Income*	13,081.4		24,253.1		11,171.7		
Farm and Agricultural Services	1,560.3	11.9%	465.0	1.9%	(1,095.2)	NA	
Farm	1,501.1	11.5%	285.1	1.2%	(1,216.0)	NA	
Ag. Services	59.1	0.5%	179.9	0.7%	120.7	1%	
Mining	349.1	2.7%	442.6	1.8%	93.5	1%	
Manufacturing (incl. forest products)	1,106.9	8.5%	1,236.7	5.1%	129.8	1%	
Services and Professional	4,591.2	35.1%	9,601.9	39.6%	5,010.6	45%	
Transportation & Public Utilities	975.4	7.5%	1,345.4	5.5%	370.0	3%	
Wholesale Trade	497.5	3.8%	817.1	3.4%	319.5	3%	
Retail Trade	1,340.3	10.2%	1,919.4	7.9%	579.1	5%	
Finance, Insurance & Real Estate	382.4	2.9%	1,138.6	4.7%	756.2	7%	
Services (Health, Legal, Business, Oth.	1,395.6	10.7%	4,381.4	18.1%	2,985.8	27%	
Construction	758.8	5.8%	1,186.7	4.9%	427.9	4%	
Government	2,154.7	16.5%	3,833.1	15.8%	1,678.4	15%	
Non-Labor Income	3,280.9	25.1%	9,485.7	39.1%	6,204.8	56%	
Dividends, Interest & Rent	2,028.5	15.5%	5,576.1	23.0%	3,547.6	32%	
Transfer Payments	1,252.4	9.6%	3,909.6	16.1%	2,657.2	24%	



* Estimates for data that were not disclosed are bold and red in the above table.

*The sum of the above categories do not add to total due to adjustments made for place of residence and personal contributions for social insurance made by the U.S. Department of Commerce.

Source: BEA REIS 2006 CD Table CA05

Personal Income (NAICS)

Growth

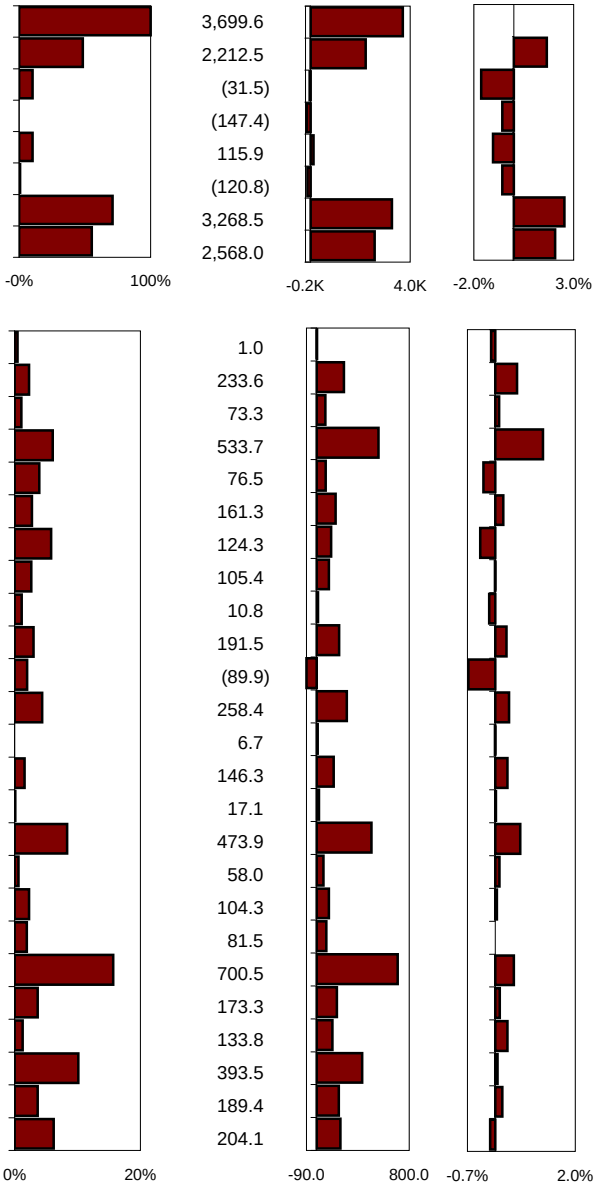
- The income category whose share of total gained the most was construction, which went from 5.1% in 2001 to 6.3% in 2006.

Decline

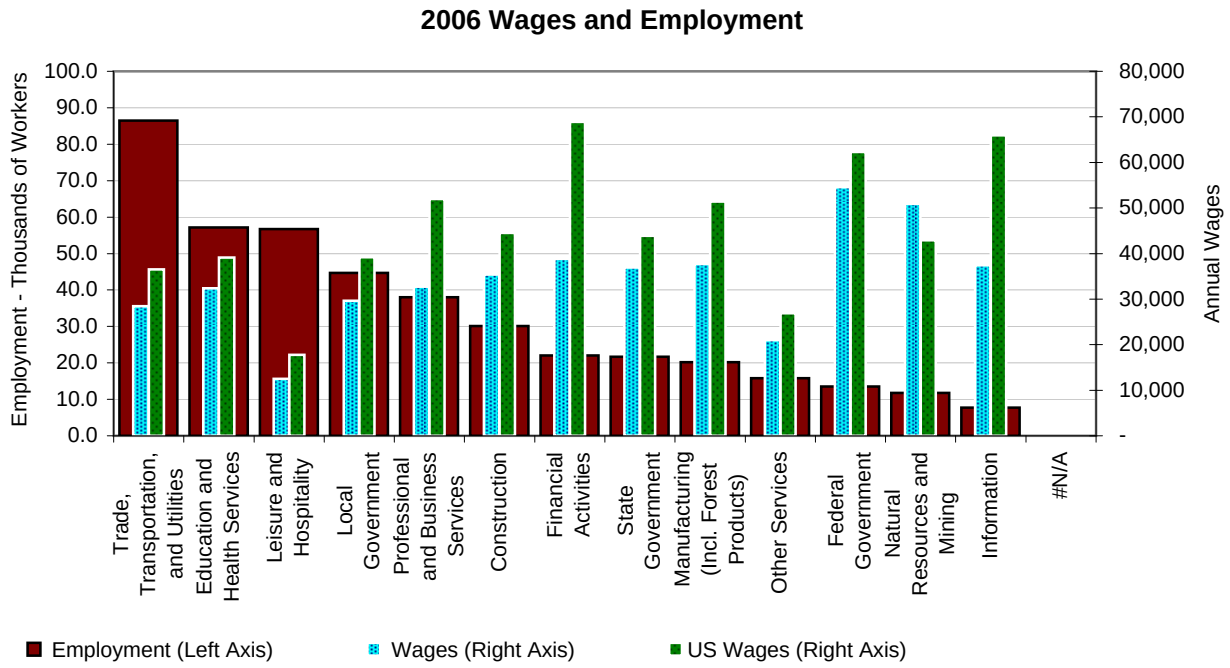
- The income category whose share of total shrank the most was real estate and rental and leasing, which went from 2.9% in 2001 to 2.2% in 2006.

Income by Industry (NAICS)
Changes from 2001 to 2006 Share of Total

All figures in millions of 2005 dollars	2001	2006	2006 Share of Total	New Income	Change in Share of Total (2006 - 2001)
Personal income	25,452.4	29,152.0	100%	3,699.6	
Wage and salary disbursements	11,904.7	14,117.2	48%	2,212.5	
Proprietors' income	3,041.2	3,009.7	10%	(31.5)	
Farm proprietors'	145.2	(2.2)	0%	(147.4)	
Nonfarm proprietor	2,896.0	3,011.9	10%	115.9	
Farm earnings	325.7	204.9	1%	(120.8)	
Nonfarm earnings	17,410.7	20,679.2	71%	3,268.5	
Private earnings	13,517.1	16,085.0	55%	2,568.0	
Forestry, fishing, related act., and oth	215.5	216.5	1%	1.0	
Mining	518.7	752.3	3%	233.6	
Utilities	320.6	393.9	1%	73.3	
Construction	1,291.0	1,824.7	6%	533.7	
Manufacturing	1,132.3	1,208.8	4%	76.5	
Wholesale trade	717.6	879.0	3%	161.3	
Retail Trade	1,622.3	1,746.6	6%	124.3	
Transportation and warehousing	748.8	854.2	3%	105.4	
Information	391.8	402.6	1%	10.8	
Finance and insurance	757.9	949.5	3%	191.5	
Real estate and rental and leasing	740.0	650.1	2%	(89.9)	
Professional and technical services	1,085.3	1,343.8	5%	258.4	
Management of companies & enterp	63.9	70.6	0%	6.7	
Administrative and waste services	398.2	544.5	2%	146.3	
Educational services	93.9	111.0	0%	17.1	
Health care and social assistance	2,017.0	2,490.9	9%	473.9	
Arts, entertainment, and recreation	197.7	255.7	1%	58.0	
Accommodation and food services	642.7	747.0	3%	104.3	
Other services, except public admin.	561.7	643.2	2%	81.5	
Government and government enterp.	3,893.6	4,594.2	16%	700.5	
Federal, civilian	969.3	1,142.6	4%	173.3	
Military	316.7	450.5	2%	133.8	
State and local	2,607.6	3,001.1	10%	393.5	
State government	948.5	1,137.9	4%	189.4	
Local government	1,659.2	1,863.2	6%	204.1	



Source: BEA REIS 2006 CD Table CA05N



- Of the major categories, the highest paying sector is Federal Government. It accounts for 3.9% of total employment and pays $54,569 per year.
- Of the major categories, the largest employment sector is Trade, Transportation, And Utilities. It accounts for 20.3% of total employment and pays $28,412 per year.
- Goods-producing employees (62,030 workers) were paid an average of $39,078.
- Service-providing employees (284,245 workers) were paid an average of $27,270.
- Note that these data do not include proprietors or the value of benefits.
- Wages in the public sector ($35,841) exceeded wages in the private sector ($29,386) by 22.0%.

County Wages and Employment in 2006

	Employment	% of Total	Average Annual Wages
Total Private & Public	426,182	100%	30,596
Total Private	346,275	81%	29,386
Goods-Producing	62,030	15%	39,078
Natural Resources and Mining	11,726	3%	50,905
Agriculture, forestry, fishing & hunting	4,430	1%	27,844
Mining	7,296	2%	64,905
Construction	30,136	7%	35,400
Manufacturing (Incl. Forest Products)	20,168	5%	37,696
Service-Providing	284,245	67%	27,270
Trade, Transportation, and Utilities	86,444	20%	28,412
Information	7,736	2%	37,439
Financial Activities	22,008	5%	38,821
Professional and Business Services	38,016	9%	32,760
Education and Health Services	57,184	13%	32,412
Leisure and Hospitality	56,759	13%	12,484
Other Services	15,833	4%	20,971
Unclassified	266	0.06%	45,098
Total Public	79,907	19%	35,841
Federal Government	13,488	3%	54,569
State Government	21,697	5%	36,965
Local Government	44,722	10%	29,648

Wages are shaded in green when they are more than 20% higher than the wages for all sectors and in red when they are less than 20% lower.

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW)