



The Montana Department
of Labor & Industry's

Labor Day Report 2006



RESEARCH & ANALYSIS BUREAU
WORKFORCE SERVICES DIVISION
MONTANA DEPARTMENT OF LABOR & INDUSTRY

The Montana Department of Labor & Industry's

Labor Day Report 2006

Brian Schweitzer, Governor
John Bohlinger, Lieutenant Governor

Montana Department of Labor and Industry
Keith Kelly, Commissioner

Created by the
Research & Analysis Bureau
P.O. Box 1728
Helena, MT 59624-1728
(406) 444-2430
www.ourfactsyourfuture.org

Contributors:
Commissioner Keith Kelly
Brad Eldredge, PhD.
Tyler Turner
Michelle Robinson
Robert C. Marvin



Montana

Department of Labor and Industry

Commissioner's Office

On behalf of the Montana Department of Labor and Industry, I am honored to present the **2006 Labor Day Report** to Governor Brian Schweitzer and you, the citizens of Montana. Today we pay tribute to the leadership, strength and freedom of Montana's greatest resource – our workforce.

The 13th Annual Report embodies the diversity of Montana's economy by accounting for all peoples of Montana. The Department's Research and Analysis Bureau Chief Economist Brad Eldredge, Economist Tyler Turner, and I will present to you an overview of the Montana Economy, including more in depth topics such as County Industry/Economic Diversity, Industry and Occupational Projections (2004-2014), Reservation Economic Data, and Wage Distributions.

Montana has experienced a year of record low unemployment rates, dipping as low as 3.4% in March 2006 (*1.3 points below the national average*). These low rates have helped to spur individual economic growth for Montana workers. According to the Quarterly Census of Employment and Wages (QCEW) over-the-year employment was up 2.5% in 2005, rising from 403,463 to 413,456. A similar trend occurred in 2004, which also recorded a 2.5% increase, from 393,532 to 403,463.

Additionally, average annual wages grew by 4.8% in 2005 resulting in an average wage of \$29,157, while per capita personal income growth equaled 6.3% in 2005 to \$29,387. As a result of these changes, *Montana moved from 41st to 39th in per capita income.*

I personally support Initiative 151 of raising the state's current \$5.15-an-hour minimum wage for the estimated 25,000 Montana citizens earning \$6.15 an hour or less. The passage of I-151 will help continue to move Montana in the right direction.

The Department is committed to continued partnering with education and training service providers, so that our workforce has the employability tools required for the emerging jobs of the future. As the Governor has stated, Montana is the best place to start a business, raise a family and build a community. Having high-skill, high-wage, job opportunities is a key ingredient for building optimism for generations to come.

A handwritten signature in cursive script that reads "Keith Kelly".

Table of Contents

Part One: Overview of the Montana Economy 5

presented by Commissioner Keith Kelly

Seasonally Adjusted Unemployment Rate: 1997 to 2006	6
Total Employment Growth: 1997 to 2005	7
Private Industry Employment Growth: 2001 to 2005	8
Real Annual Average Wage Growth: 1997 to 2005	9
Private Industry Real Wage Growth: 2001 to 2005.....	10
Real Per Capita Income Growth: 1997 to 2005	11
Per Capita Income & Average Annual Wage Growth vs. Inflation: 1997 to 2005	12

Part Two: Occupational Projections and Industry Employment Mix 13

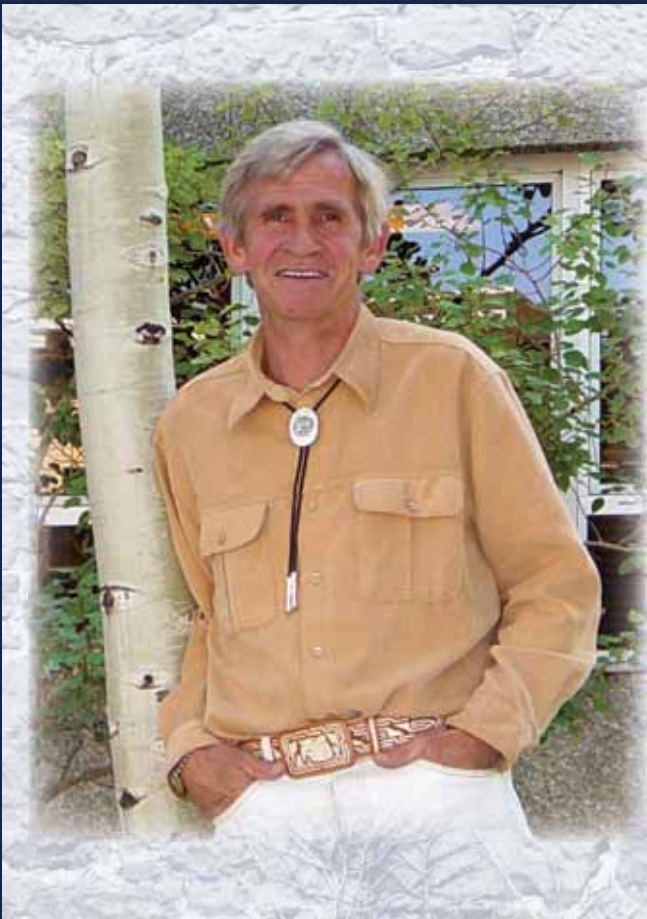
presented by Brad Eldredge, Ph.D.

Fastest Growing Occupations: 2004 to 2014.....	13
Occupations with the Highest Projected Growth: 2004 to 2014.....	14
Fastest Growing Industries: 2004 to 2014.....	14
Current & Projected Industry Mix.....	15
The Hachman Employment Index: 2005	16
Change in the Hachman Employment Index: 2000 to 2005	17
Change in the Hachman Business Index: 2000 to 2005.....	18

Part Three: Reservation LMI and Wage Distributions..... 19

presented by Tyler Turner, Economist

Montana and Reservations Average Annual Wages: 2005.....	19
Reservation Private & Government Average Annual Wages as a Percentage of Montana: 2005.....	20
Reservation Goods Producing & Service Providing Private Average Annual Wages as a Percentage of Montana: 2005	21
Montana and Reservations Employment Distribution	22
Distribution of Montana Wage & Salary Employees with Consistent Employment: 2005....	23
Distribution of Montana Employees Holding Single and Multiple Jobs: 2005.....	24
Employment Mix by Wage Class for Single jobholders: 2005	25
Percentage of Total Wages Earned by Single Jobholders by Industry.....	26



Part One:

Overview of the Montana Economy

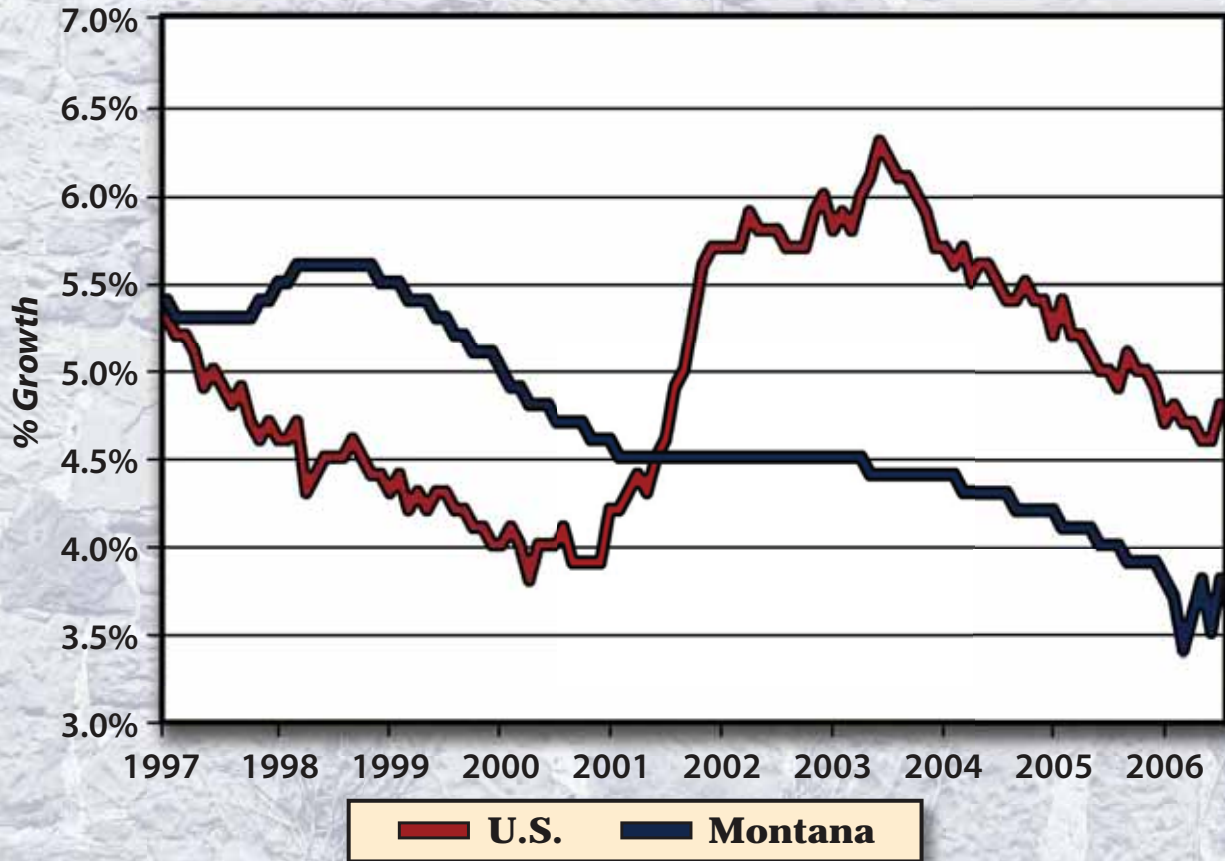
Montana's unemployment rate has reached historically low levels since 2005. Since 2001 Montana has enjoyed a rate lower than the national average and has continued to trend lower as the national economic picture improves.

Table 1: U.S. and Montana Seasonally Adjusted Unemployment Rate: 1997 to 2005

Period	U.S.	MT	Period	U.S.	MT	Period	U.S.	MT	Period	U.S.	MT	Period	U.S.	MT
Jan 1997	5.3%	5.4%	Jan 1998	4.6%	5.5%	Jan 1999	4.3%	5.5%	Jan 2000	4.0%	5.0%	Jan 2001	4.2%	4.6%
Feb 1997	5.2%	5.3%	Feb 1998	4.6%	5.5%	Feb 1999	4.4%	5.5%	Feb 2000	4.1%	4.9%	Feb 2001	4.2%	4.5%
Mar 1997	5.2%	5.3%	Mar 1998	4.7%	5.6%	Mar 1999	4.2%	5.4%	Mar 2000	4.0%	4.9%	Mar 2001	4.3%	4.5%
Apr 1997	5.1%	5.3%	Apr 1998	4.3%	5.6%	Apr 1999	4.3%	5.4%	Apr 2000	3.8%	4.8%	Apr 2001	4.4%	4.5%
May 1997	4.9%	5.3%	May 1998	4.4%	5.6%	May 1999	4.2%	5.4%	May 2000	4.0%	4.8%	May 2001	4.3%	4.5%
Jun 1997	5.0%	5.3%	Jun 1998	4.5%	5.6%	Jun 1999	4.3%	5.3%	Jun 2000	4.0%	4.8%	Jun 2001	4.5%	4.5%
Jul 1997	4.9%	5.3%	Jul 1998	4.5%	5.6%	Jul 1999	4.3%	5.3%	Jul 2000	4.0%	4.7%	Jul 2001	4.6%	4.5%
Aug 1997	4.8%	5.3%	Aug 1998	4.5%	5.6%	Aug 1999	4.2%	5.2%	Aug 2000	4.1%	4.7%	Aug 2001	4.9%	4.5%
Sep 1997	4.9%	5.3%	Sep 1998	4.6%	5.6%	Sep 1999	4.2%	5.2%	Sep 2000	3.9%	4.7%	Sep 2001	5.0%	4.5%
Oct 1997	4.7%	5.3%	Oct 1998	4.5%	5.6%	Oct 1999	4.1%	5.1%	Oct 2000	3.9%	4.7%	Oct 2001	5.3%	4.5%
Nov 1997	4.6%	5.4%	Nov 1998	4.4%	5.6%	Nov 1999	4.1%	5.1%	Nov 2000	3.9%	4.6%	Nov 2001	5.6%	4.5%
Dec 1997	4.7%	5.4%	Dec 1998	4.4%	5.5%	Dec 1999	4.0%	5.1%	Dec 2000	3.9%	4.6%	Dec 2001	5.7%	4.5%

(Table continued on next page →)

U.S. and Montana Seasonally Adjusted Unemployment Rate: 1997 to 2006

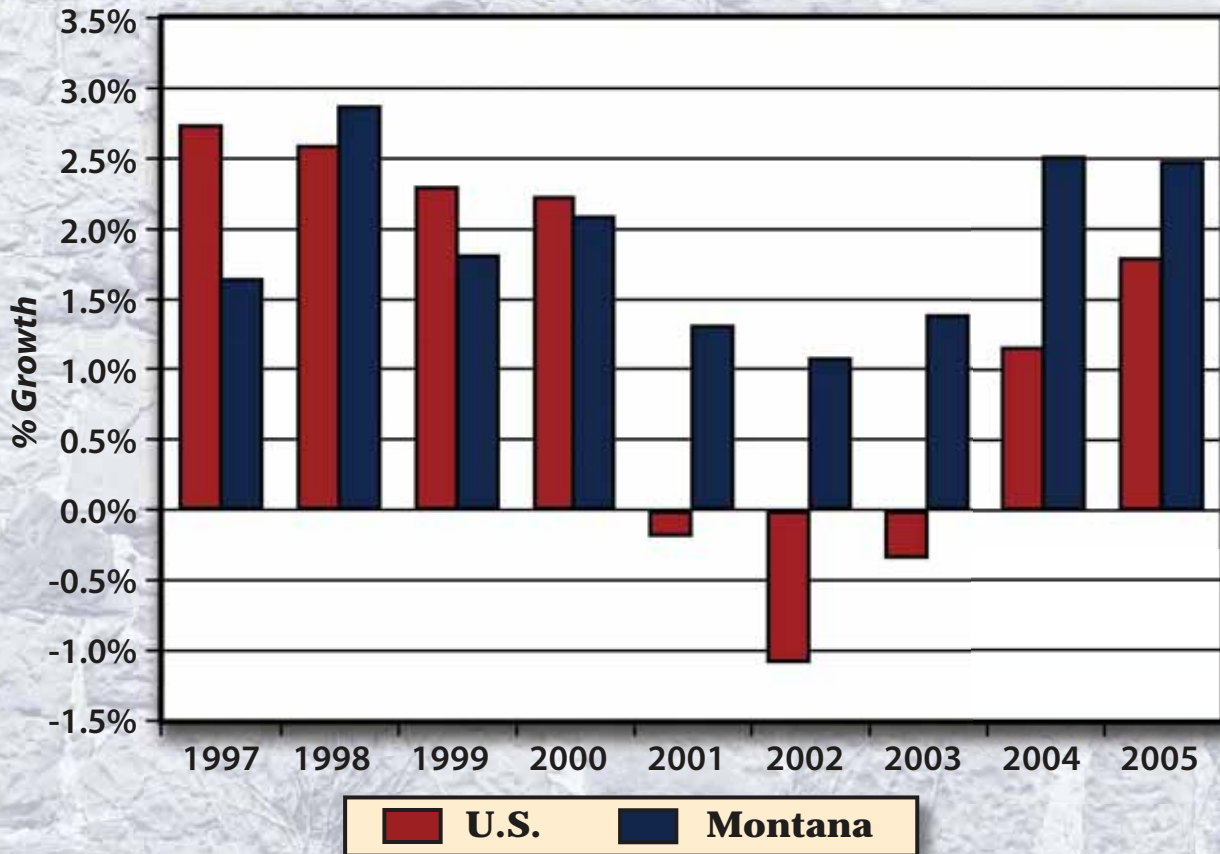


Source: Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Rates

Table 1: U.S. and Montana Seasonally Adjusted Unemployment Rate: 1997 to 2005 (cont.)

Period	U.S.	MT	Period	U.S.	MT	Period	U.S.	MT	Period	U.S.	MT	Period	U.S.	MT
Jan 2002	5.7%	4.5%	Jan 2003	5.8%	4.5%	Jan 2004	5.7%	4.4%	Jan 2005	5.2%	4.2%	Jan 2006	4.7%	3.8%
Feb 2002	5.7%	4.5%	Feb 2003	5.9%	4.5%	Feb 2004	5.6%	4.4%	Feb 2005	5.4%	4.1%	Feb 2006	4.8%	3.7%
Mar 2002	5.7%	4.5%	Mar 2003	5.8%	4.5%	Mar 2004	5.7%	4.3%	Mar 2005	5.2%	4.1%	Mar 2006	4.7%	3.4%
Apr 2002	5.9%	4.5%	Apr 2003	6.0%	4.5%	Apr 2004	5.5%	4.3%	Apr 2005	5.2%	4.1%	Apr 2006	4.7%	3.6%
May 2002	5.8%	4.5%	May 2003	6.1%	4.4%	May 2004	5.6%	4.3%	May 2005	5.1%	4.1%	May 2006	4.6%	3.8%
Jun 2002	5.8%	4.5%	Jun 2003	6.3%	4.4%	Jun 2004	5.6%	4.3%	Jun 2005	5.0%	4.0%	Jun 2006	4.6%	3.5%
Jul 2002	5.8%	4.5%	Jul 2003	6.2%	4.4%	Jul 2004	5.5%	4.3%	Jul 2005	5.0%	4.0%	Jul 2006	4.8%	3.8%
Aug 2002	5.7%	4.5%	Aug 2003	6.1%	4.4%	Aug 2004	5.4%	4.3%	Aug 2005	4.9%	4.0%			
Sep 2002	5.7%	4.5%	Sep 2003	6.1%	4.4%	Sep 2004	5.4%	4.2%	Sep 2005	5.1%	3.9%			
Oct 2002	5.7%	4.5%	Oct 2003	6.0%	4.4%	Oct 2004	5.5%	4.2%	Oct 2005	5.0%	3.9%			
Nov 2002	5.9%	4.5%	Nov 2003	5.9%	4.4%	Nov 2004	5.4%	4.2%	Nov 2005	5.0%	3.9%			
Dec 2002	6.0%	4.5%	Dec 2003	5.7%	4.4%	Dec 2004	5.4%	4.2%	Dec 2005	4.9%	3.9%			

U.S. and Montana Total Employment Growth: 1997 to 2005



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Table 2: U.S. and Montana Total Employment Growth: 1997 to 2005

Year	Total Employment		Employment Growth	
	U.S.	MT	U.S.	MT
1996	117,818,714	348,685		
1997	121,044,432	354,430	2.7%	1.6%
1998	124,183,549	364,614	2.6%	2.9%
1999	127,042,282	371,239	2.3%	1.8%
2000	129,877,063	379,011	2.2%	2.1%
2001	129,635,800	383,996	-0.2%	1.3%
2002	128,233,919	388,138	-1.1%	1.1%
2003	127,795,827	393,532	-0.3%	1.4%
2004	129,278,176	403,436	1.2%	2.5%
2005	131,595,637	413,449	1.8%	2.5%

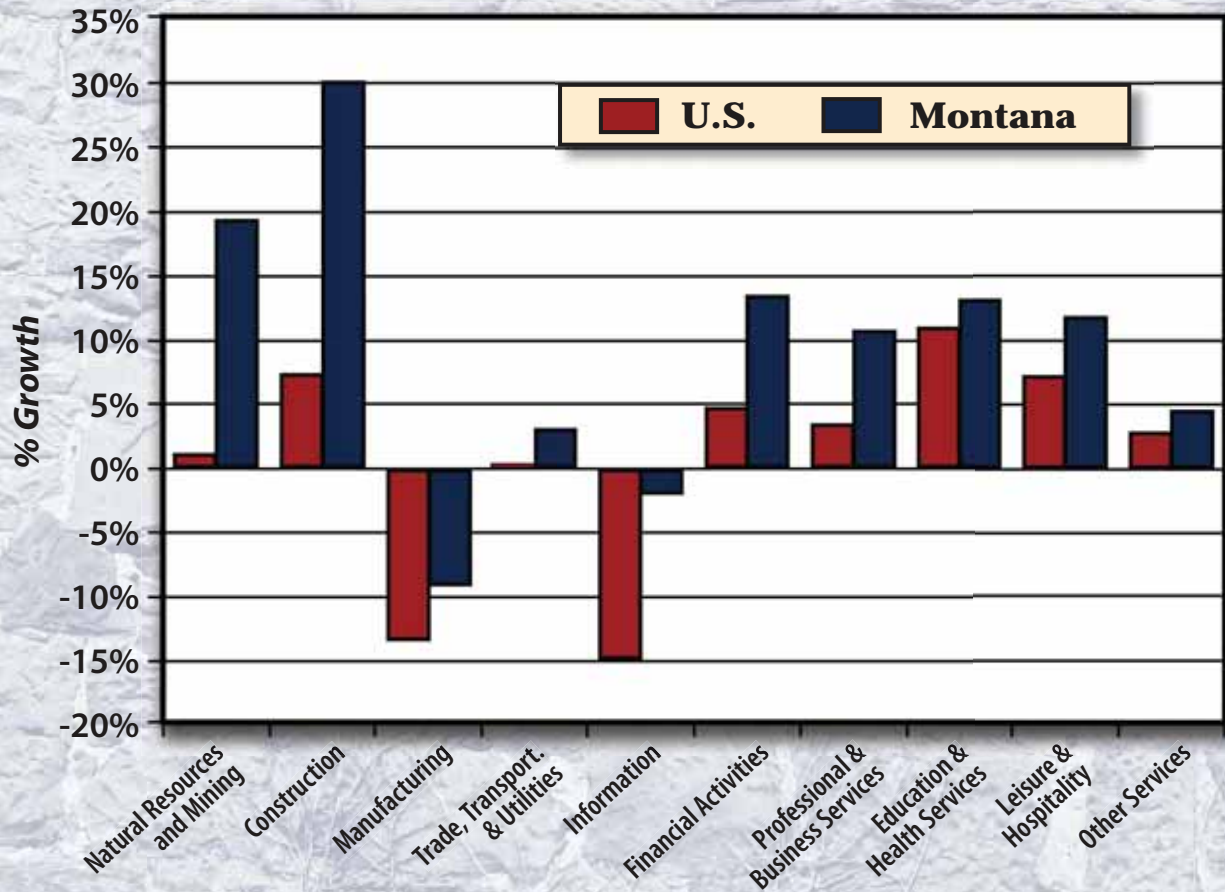
Montana's employment growth has outpaced the national average for five consecutive years. Foreign demand for commodities has driven prices for Montana's natural resources up, spurring employment growth. Montana avoided the most recent recession because it had low concentrations of employment in the industries hardest hit by the economic downturn.

5

U.S. and Montana Private Industry Employment Growth: 2001 to 2005



LABOR DAY REPORT 2006



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

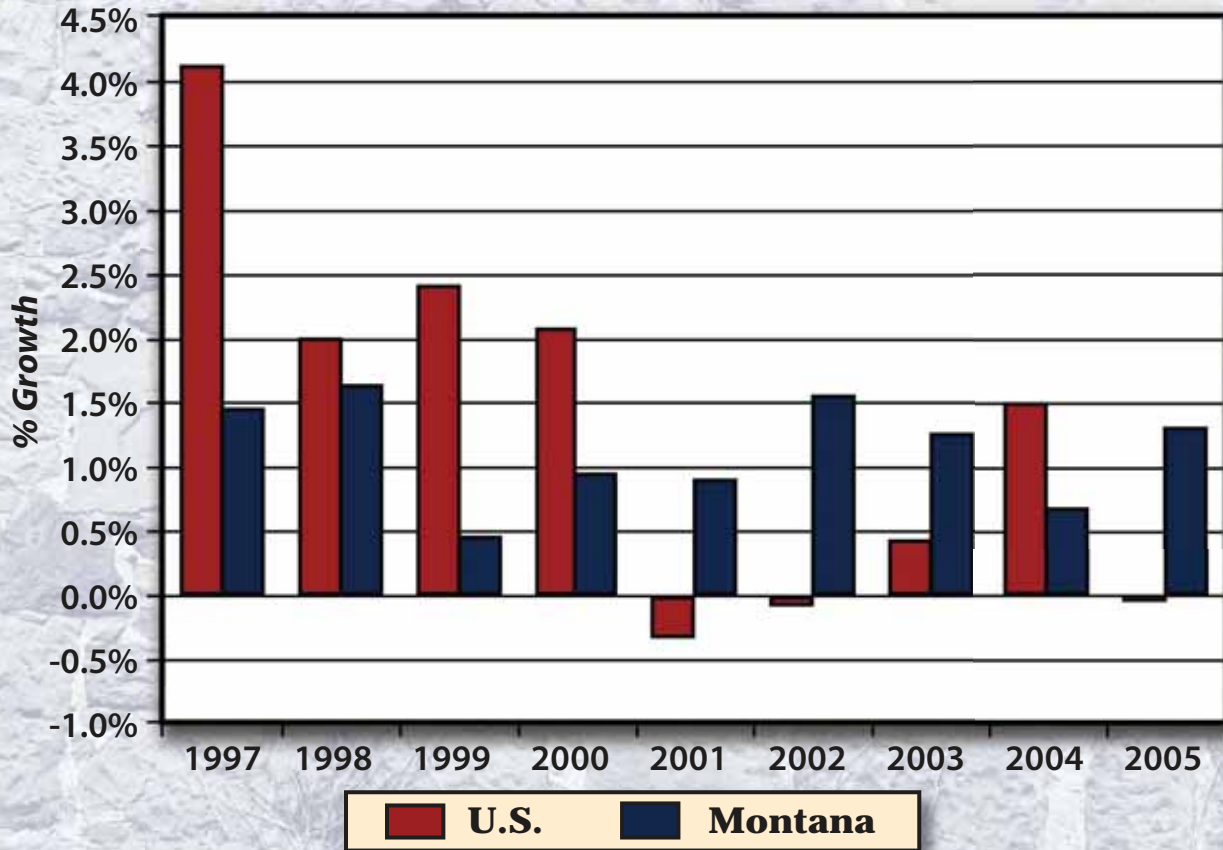
Table 3: U.S. and MT Private Industry Employment Growth: 2001 - 2005

Montana	Employment					5 Year Growth
	2001	2002	2003	2004	2005	
Natural Resources and Mining	9,343	9,452	9,382	10,581	11,158	19.4%
Construction	21,173	21,527	23,187	24,828	27,563	30.2%
Manufacturing	21,463	19,995	19,013	19,159	19,505	-9.1%
Trade, Transportation, and Utilities	82,349	82,199	81,870	83,717	84,826	3.0%
Information	7,940	7,780	7,667	7,773	7,787	-1.9%
Financial Activities	18,710	19,180	20,075	20,870	21,235	13.5%
Professional and Business Services	31,717	31,988	32,681	33,237	35,126	10.7%
Education and Health Services	49,309	51,812	52,448	53,821	55,807	13.2%
Leisure and Hospitality	49,387	50,815	52,201	53,732	55,228	11.8%
Other Services	15,028	15,282	15,377	15,726	15,700	4.5%

U.S.	Employment					5 Year Growth
	2001	2002	2003	2004	2005	
Natural Resources and Mining	1,705,759	1,661,870	1,656,345	1,675,038	1,723,624	1.0%
Construction	6,773,512	6,683,553	6,672,360	6,916,398	7,267,301	7.3%
Manufacturing	16,386,001	15,209,192	14,459,712	14,257,380	14,191,251	-13.4%
Trade, Transportation, and Utilities	25,648,091	25,217,313	25,041,844	25,276,319	25,657,497	0.0%
Information	3,591,995	3,364,485	3,180,752	3,099,633	3,056,182	-14.9%
Financial Activities	7,678,974	7,706,265	7,826,930	7,890,786	8,037,490	4.7%
Professional and Business Services	16,324,890	15,939,596	15,858,457	16,294,776	16,878,065	3.4%
Education and Health Services	14,849,666	15,346,718	15,738,013	16,084,963	16,481,886	11.0%
Leisure and Hospitality	11,884,966	11,995,950	12,162,238	12,467,597	12,738,942	7.2%
Other Services	4,206,345	4,246,011	4,261,165	4,287,999	4,323,123	2.8%

Employment growth has not been limited to a few industries, as all sectors of the economy have outperformed the U.S. since 2001. Construction growth has led the way, with the industry growing four times faster in Montana than in the U.S. Two industries have shown a decline in employment over this time period, Manufacturing and Information. Losses in Montana have been less severe in these industries relative to the U.S., however.

U.S. and Montana Real Annual Average Wage Growth: 1997 to 2005



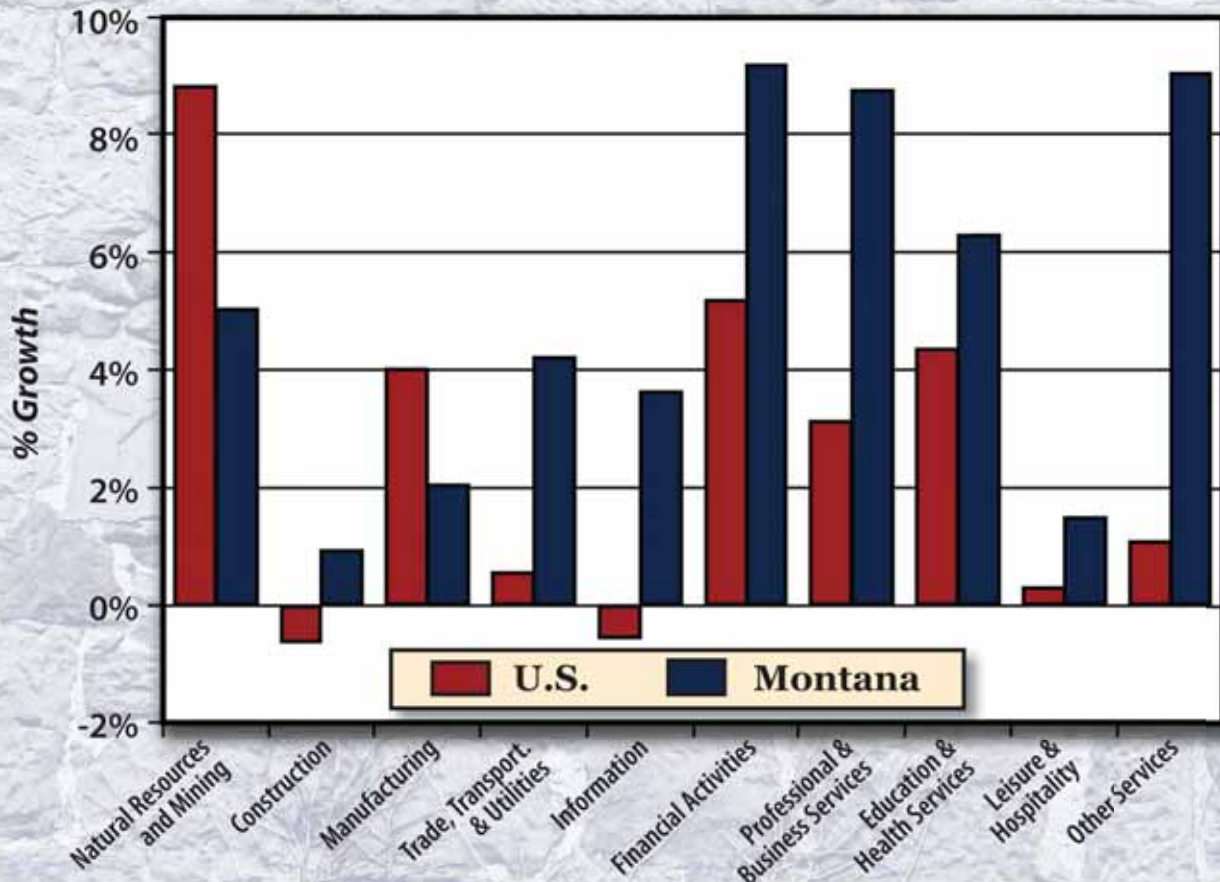
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Table 4: U.S. and MT Real Annual Average Wage Growth: 2001 - 2005

Year	Real Annual Average Wage		Wage Growth	
	U.S.	Montana	U.S.	Montana
1996	\$36,079	\$26,318		
1997	\$37,568	\$26,703	4.1%	1.5%
1998	\$38,323	\$27,143	2.0%	1.6%
1999	\$39,251	\$27,270	2.4%	0.5%
2000	\$40,071	\$27,533	2.1%	1.0%
2001	\$39,941	\$27,784	-0.3%	0.9%
2002	\$39,911	\$28,219	-0.1%	1.6%
2003	\$40,084	\$28,577	0.4%	1.3%
2004	\$40,687	\$28,776	1.5%	0.7%
2005	\$40,671	\$29,157	0.0%	1.3%

Montana has experienced positive real wage growth every year since 1995. Real wage growth accounts for the effects of decreases in the purchasing power of wages due to inflation. Recently, Montana has outpaced the U.S., experiencing higher real wage growth four out of the last five years.

U.S. and Montana Private Industry Real Wage Growth: 2001 to 2005



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

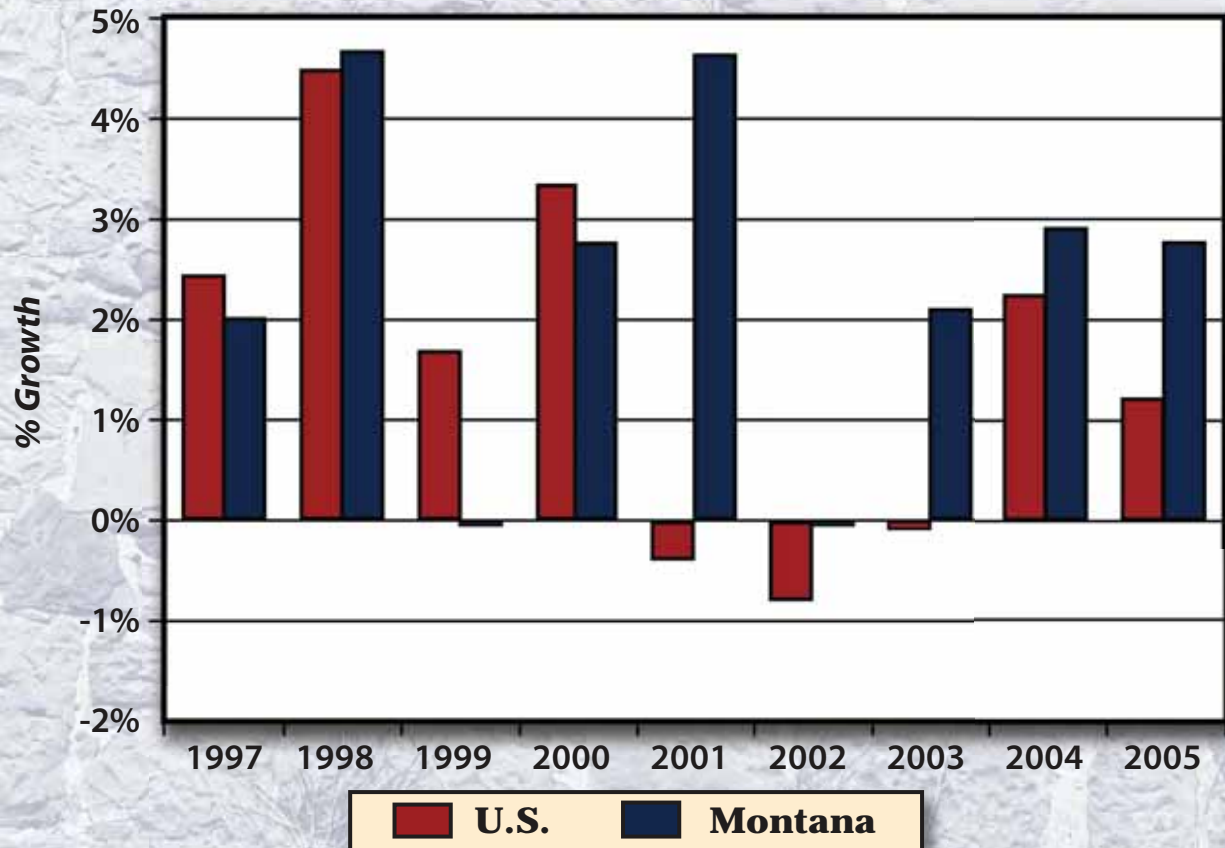
Table 5: U.S. and MT Private Industry Real Wage Growth: 2001 - 2005

Montana	Wages					Growth 5 Year
	2001	2002	2003	2004	2005	
Natural Resources and Mining	43,236	42,878	42,042	43,055	45,407	5.0%
Construction	33,675	33,266	33,677	33,383	33,992	0.9%
Manufacturing	36,207	36,298	36,731	36,545	36,950	2.1%
Trade, Transportation, and Utilities	25,902	26,445	26,641	26,889	26,991	4.2%
Information	34,337	35,606	35,411	36,196	35,580	3.6%
Financial Activities	33,788	34,104	35,290	35,552	36,882	9.2%
Professional and Business Services	28,923	29,717	30,231	30,745	31,449	8.7%
Education and Health Services	29,002	29,712	30,353	30,814	30,824	6.3%
Leisure and Hospitality	11,649	11,894	11,924	11,838	11,822	1.5%
Other Services	19,425	19,685	20,006	20,212	21,179	9.0%

U.S.	Wages					Growth 5 Year
	2001	2002	2003	2004	2005	
Natural Resources and Mining	35,928	35,735	35,800	37,309	39,089	8.8%
Construction	42,359	42,368	41,935	41,894	42,100	-0.6%
Manufacturing	47,385	47,872	48,736	49,483	49,286	4.0%
Trade, Transportation, and Utilities	34,946	34,969	35,044	35,382	35,139	0.6%
Information	63,175	60,906	61,564	62,779	62,832	-0.5%
Financial Activities	61,220	59,895	60,652	63,570	64,385	5.2%
Professional and Business Services	48,043	47,657	47,819	49,007	49,543	3.1%
Education and Health Services	36,080	36,836	37,225	37,786	37,649	4.3%
Leisure and Hospitality	17,011	17,128	17,129	17,187	17,064	0.3%
Other Services	25,606	25,820	25,843	26,004	25,884	1.1%

Montana's real wages have grown faster than the U.S. in almost every industry over the last five years. Financial Activities, Professional & Business Services, and Other Services have shown the largest gains relative to the U.S. during this time period. Manufacturing and Natural Resources & Mining have grown slower than the U.S., though Mining wages remain among the highest in Montana.

U.S. and Montana Real Per Capita Income Growth: 1997 to 2005



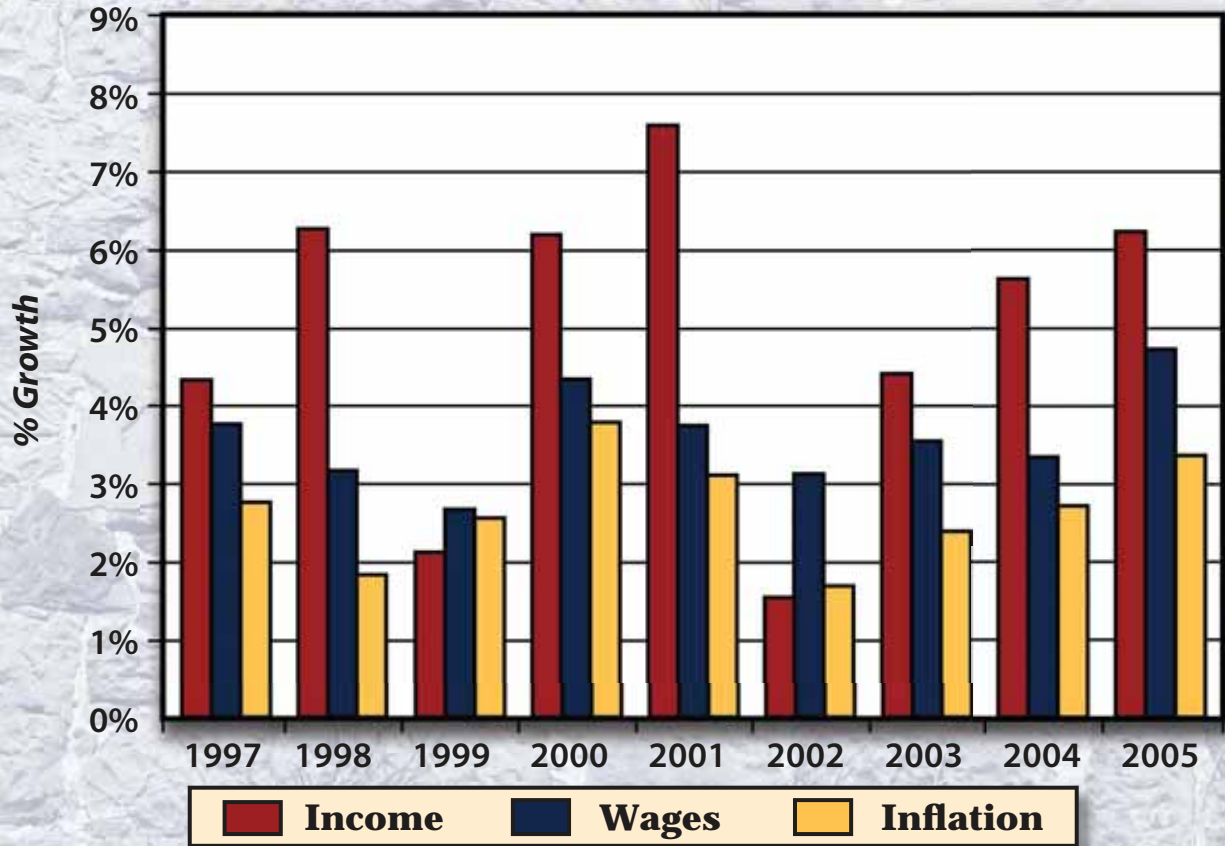
Source: Bureau of Economic Analysis, Summary of Personal Income

Table 6: U.S. and MT Real Per Capita Income Growth: 1997 - 2005

Year	Real Per Capita Income		Income Growth	
	U.S.	Montana	U.S.	Montana
1996	\$30,092	\$23,709		
1997	\$30,827	\$24,187	2.4%	2.0%
1998	\$32,210	\$25,317	4.5%	4.7%
1999	\$32,752	\$25,303	1.7%	-0.1%
2000	\$33,849	\$26,005	3.3%	2.8%
2001	\$33,716	\$27,212	-0.4%	4.6%
2002	\$33,447	\$27,211	-0.8%	0.0%
2003	\$33,418	\$27,785	-0.1%	2.1%
2004	\$34,170	\$28,594	2.3%	2.9%
2005	\$34,586	\$29,387	1.2%	2.8%

Real per capita income growth has followed a pattern similar to real wage growth over the last five years. Montana has outperformed the U.S. since 2001 and has recorded only two negative years since 1997. Montana's per capita income is currently 39th nationally and recorded the 3rd highest increase among all states in 2005.

Montana Per Capita Income and Average Annual Wage Growth vs. Inflation: 1997 to 2005



Source: Bureau of Labor Statistics, Consumer Price Index and Quarterly Census of Employment and Wages; Bureau of Economic Analysis, Summary of Personal Income

Table 7: Montana Per Capita Income and Average Annual Wage Growth vs. Inflation: 1997 to 2005

Year	Income	Wages	Inflation
1997	4.4%	3.8%	2.8%
1998	6.3%	3.2%	1.9%
1999	2.2%	2.7%	2.6%
2000	6.2%	4.4%	3.8%
2001	7.6%	3.8%	3.1%
2002	1.6%	3.2%	1.7%
2003	4.4%	3.6%	2.4%
2004	5.7%	3.4%	2.8%
2005	6.3%	4.8%	3.4%

Wages and income have outpaced inflation almost every year since 1997. Income has grown faster than wages seven out of the nine years, indicating other forms of income are growing at least as fast as wages.



Part Two:

Occupational Projections

Industry Employment Mix

Fastest Growing Occupations: 2004-2014



2004 Employment code and title	Employment Number		Change		Median Annual Earnings	Most significant source of post-secondary education or training
	2004	2014	#	%		
21-1093 Social and Human Service Assistants	1,909	3,147	1,238	64.9	\$20,039	Moderate-term on-the-job training
15-1032 Computer Software Engineers, Systems Software	263	411	148	56.3	\$64,585	Bachelor's Degree
15-1031 Computer Software Engineers, Applications	462	688	226	48.9	\$57,277	Bachelor's Degree
29-1071 Physician Assistants	258	380	122	47.3	\$63,064	Bachelor's Degree
17-2081 Environmental Engineers	178	260	82	46.1	\$49,511	Bachelor's Degree
29-2056 Veterinary Technologists and Technicians	241	349	108	44.8	\$20,247	Associate Degree
39-9021 Personal and Home Care Aides	3,402	4,920	1,518	44.6	\$16,586	Short-term on-the-job Training
29-1126 Respiratory Therapists	354	511	157	44.4	\$44,215	Associate Degree
47-4071 Septic Tank and Sewer Pipe Cleaners	125	180	55	44.0	\$28,122	Moderate-term on-the-job training

Source: Montana Department of Labor and Industry, Research and Analysis Bureau

The table above includes the nine occupations with the largest projected percentage increase in number of jobs from 2004 to 2014. Occupations with employment of less than 100 in 2004 were excluded from the table. Note that six of the nine fastest growing occupations require some form of post-secondary education.

12

Occupations with the Highest Projected Growth: 2004-2014



LABOR DAY REPORT 2006

2004 Employment code and title	Employment Number		Change		Median Annual Earnings	Most significant source of post-secondary education or training
	2004	2014	#	%		
39-9011 Child Care Workers	16,249	20,912	4,663	28.7	\$16,103	Short-term on-the-job training
41-2031 Retail Salespersons	19,507	22,851	3,344	17.1	\$17,319	Short-term on-the-job training
47-2031 Carpenters	13,522	16,392	2,870	21.2	\$34,015	Long-term on-the-job training
29-1111 Registered Nurses	8,344	10,821	2,477	29.7	\$46,842	Associate Degree
41-1011 First-Line Supervisors/Managers of Retail Sales Workers	9,644	11,945	2,301	23.9	\$26,321	Work experience in a related occupation
41-2011 Cashiers	11,804	13,942	2,138	18.1	\$15,649	Short-term on-the-job training
11-1021 General and Operations Managers	11,766	13,798	2,032	17.3	\$47,097	Bachelor's Degree or higher plus work experience
53-3032 Truck Drivers, Heavy and Tractor-Trailer	10,428	12,315	1,887	18.1	\$30,806	Moderate-term on-the-job training
37-3011 Landscaping and Groundskeeping Workers	7,252	9,047	1,795	24.8	\$19,044	Short-term on-the-job training
37-2011 Janitors and Cleaners, Except Maids and Housekeeping Cleaners	9,299	10,956	1,657	17.8	\$18,622	Short-term on-the-job training

Source: Montana Department of Labor and Industry, Research and Analysis Bureau

The ten occupations that are projected to add the most new jobs from 2004 to 2014 are shown above. This list includes some of the state's largest occupations, since even a moderate rate of job growth for these occupations results in a large number of new jobs. Six of these ten occupations pay below Montana's current annual average wage.

13

Fastest Growing Industries: 2004-2014

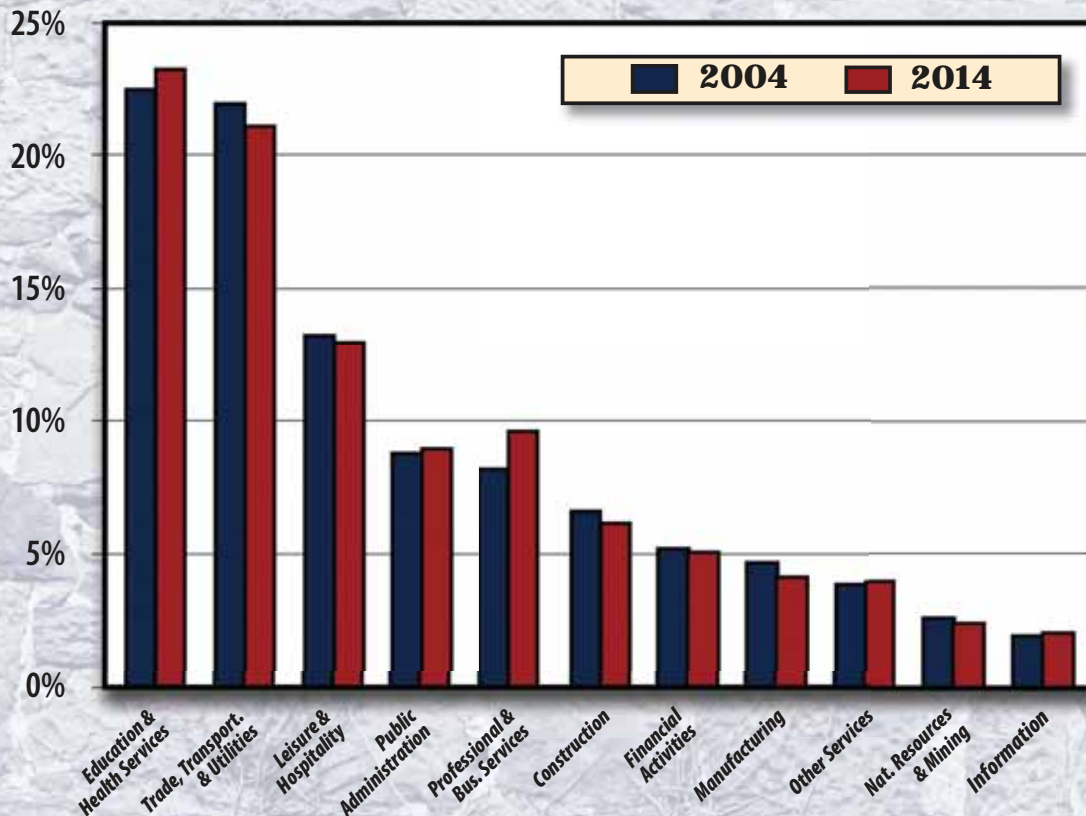


LABOR DAY REPORT 2006

Industry	Employment		Change	
	2004	2014	#	%
Machinery Manufacturing	1,167	1,814	647	55.4
Waste Management and Remediation Services	882	1,316	434	49.2
Social Assistance	8,654	12,910	4,256	49.2
Internet Service Providers, Web Search Portals, and Data Processing Services	727	1,062	335	46.1
Computer and Electronic Product Manufacturing	563	807	244	43.3
Administrative and Support Services	14,841	20,863	6,022	40.6
Nursing and Residential Care Facilities	9,942	13,896	3,954	39.8
Furniture and Related Product Manufacturing	995	1,380	385	38.7
Sporting Goods, Hobby, Book, and Music Stores	3,591	4,928	1,337	37.2
Miscellaneous Store Retailers	4,212	5,584	1,372	32.6

Source: Montana Department of Labor and Industry, Research and Analysis Bureau

The ten industries with the largest projected percentage increase in the number of jobs from 2004-2014 are listed above. Industries with less than 100 jobs in 2004 were excluded from the table. These industries are at the three-digit NAICS code level of aggregation.



Source: Montana Department of Labor and Industry, Research and Analysis Bureau

The slide above shows the current and projected mix of employment in the NAICS supersectors. The goods producing industries are expected to lose some of their share of employment to the service providing industries. This would continue the current trend, as goods producing industries continue to improve their productivity and produce more output with fewer employees.

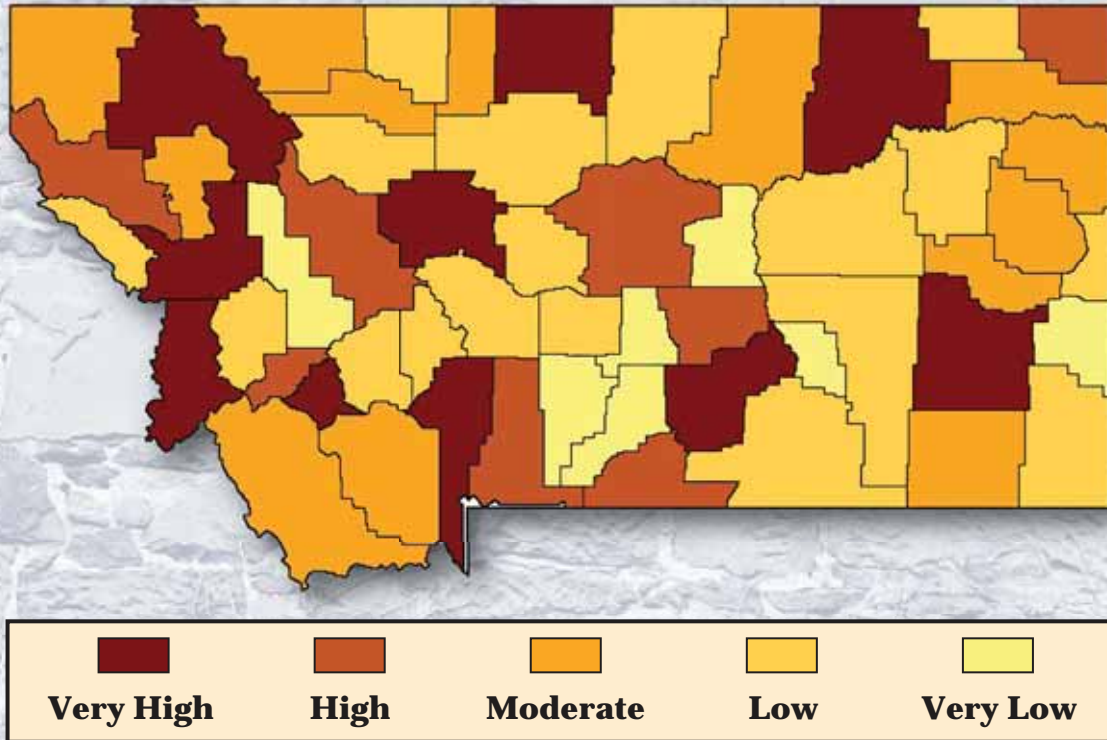


Hachman Index:

- ▶ **Industry Diversity Indicator**
- ▶ **Counties with an industry mix similar to MT have values close to 1**
- ▶ **Counties with an industry mix that's different from MT have values close to 0**

The Hachman index is used to measure how similar the industry employment mix in a county is to the employment mix in Montana as a whole. County economies with concentrated employment in high wage/high growth industries may outperform the state economy. On the other hand, more diverse county economies tend to be less vulnerable to downturns in any one particular industry sector.

The Hachman Employment Index: 2005



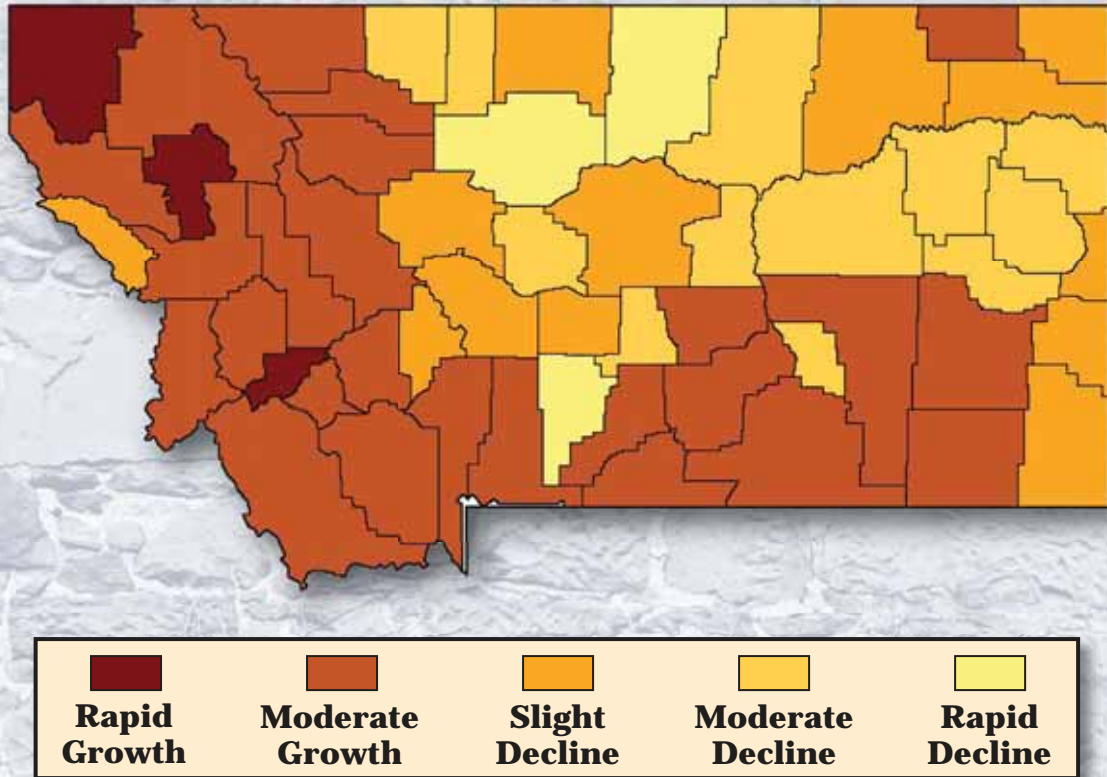
Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Table 1: The Hachman Employment Index: 2005

County	Hachman Index	County	Hachman Index	County	Hachman Index
Beaverhead	0.45	Granite	0.24	Powell	0.08
Big Horn	0.33	Hill	0.70	Prairie	0.35
Blaine	0.27	Jefferson	0.21	Ravalli	0.69
Broadwater	0.22	Judith Basin	0.23	Richland	0.38
Carbon	0.66	Lake	0.50	Roosevelt	0.43
Carter	0.32	Lewis & Clark	0.65	Rosebud	0.26
Cascade	0.75	Liberty	0.41	Sanders	0.57
Chouteau	0.32	Lincoln	0.45	Sheridan	0.60
Custer	0.70	Madison	0.49	Silver Bow	0.68
Daniels	0.21	McCone	0.21	Stillwater	0.07
Dawson	0.41	Meagher	0.25	Sweet Grass	0.12
Deer Lodge	0.53	Mineral	0.30	Teton	0.33
Fallon	0.12	Missoula	0.87	Toole	0.26
Fergus	0.62	Musselshell	0.52	Treasure	0.15
Flathead	0.77	Park	0.58	Valley	0.71
Gallatin	0.79	Petroleum	0.13	Wheatland	0.26
Garfield	0.33	Phillips	0.40	Wibaux	0.25
Glacier	0.37	Pondera	0.46	Yellowstone	0.82
Golden Valley	0.12	Powder River	0.41		

The table to the left shows the Hachman index values for Montana's counties. The most diverse economies tend to be regional trade centers with relatively large cities. Counties with the lowest index values tend to have employment concentrated in one or two key industries such as mining, have smaller populations, and be within reasonable traveling distance to a trade center.

Change in the Hachman Employment Index: 2000 to 2005



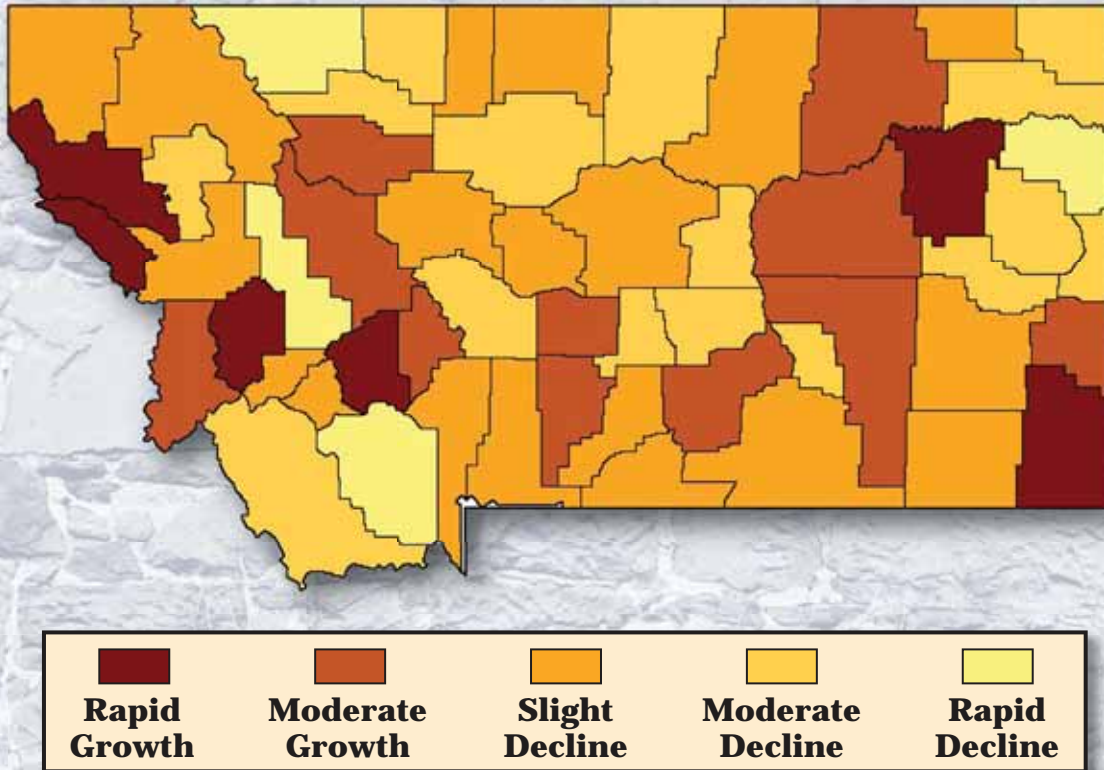
Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Table 2: Change in the Hachman Employment Index: 2000 - 2005

County	Change in HI	County	Change in HI	County	Change in HI
Beaverhead	0.06	Granite	0.09	Powell	0.02
Big Horn	0.07	Hill	-0.02	Prairie	-0.12
Blaine	-0.17	Jefferson	0.04	Ravalli	0.07
Broadwater	-0.02	Judith Basin	-0.06	Richland	-0.09
Carbon	0.08	Lake	0.15	Roosevelt	-0.01
Carter	0.00	Lewis and Clark	0.04	Rosebud	0.06
Cascade	-0.02	Liberty	-0.06	Sanders	0.09
Chouteau	-0.15	Lincoln	0.12	Sheridan	0.00
Custer	0.06	Madison	0.01	Silver Bow	0.02
Daniels	0.03	McCone	-0.09	Stillwater	0.02
Dawson	-0.05	Meagher	-0.02	Sweet Grass	-0.30
Deer Lodge	0.17	Mineral	-0.02	Teton	0.02
Fallon	-0.01	Missoula	0.02	Toole	-0.07
Fergus	-0.01	Musselshell	0.03	Treasure	-0.05
Flathead	0.06	Park	0.08	Valley	-0.03
Gallatin	0.05	Petroleum	-0.07	Wheatland	0.00
Garfield	-0.06	Phillips	-0.06	Wibaux	-0.03
Glacier	0.01	Pondera	0.07	Yellowstone	0.02
Golden Valley	-0.05	Powder River	0.01		

We examined change in the Hachman Employment Index from 2000 to 2005. A clear regional pattern is evident, with the western and southern portions of the state increasing in diversity while the northern and eastern portions have lost diversity. Sweet Grass county's results are an anomaly due to a coding correction in 2003 and should be ignored.

Change in the Hachman Business Index: 2000 to 2005



Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Table 3: Change in the Hachman Business Index: 2000 - 2005

County	Change in HI	County	Change in HI	County	Change in HI
Beaverhead	-0.05	Granite	0.06	Powell	-0.13
Big Horn	0.00	Hill	-0.02	Prairie	-0.05
Blaine	-0.06	Jefferson	0.05	Ravalli	0.02
Broadwater	0.03	Judith Basin	-0.01	Richland	-0.09
Carbon	0.00	Lake	-0.03	Roosevelt	-0.05
Carter	0.05	Lewis & Clark	0.02	Rosebud	0.02
Cascade	-0.02	Liberty	0.00	Sanders	0.06
Chouteau	-0.05	Lincoln	0.00	Sheridan	-0.03
Custer	-0.02	Madison	-0.08	Silver Bow	0.00
Daniels	-0.02	McCone	0.05	Stillwater	0.00
Dawson	-0.04	Meagher	-0.05	Sweet Grass	0.03
Deer Lodge	-0.02	Mineral	0.07	Teton	0.03
Fallon	0.03	Missoula	-0.02	Toole	-0.07
Fergus	-0.02	Musselshell	-0.07	Treasure	-0.04
Flathead	-0.01	Park	0.00	Valley	0.02
Gallatin	-0.02	Petroleum	-0.04	Wheatland	0.03
Garfield	0.04	Phillips	-0.01	Wibaux	-0.04
Glacier	-0.12	Pondera	-0.04	Yellowstone	0.02
Golden Valley	-0.03	Powder River	-0.01		

Rather than using employment mix, this table examines the change in business diversity from 2000 to 2005. When using businesses instead of employment, no clear regional pattern emerges.



Part Three:

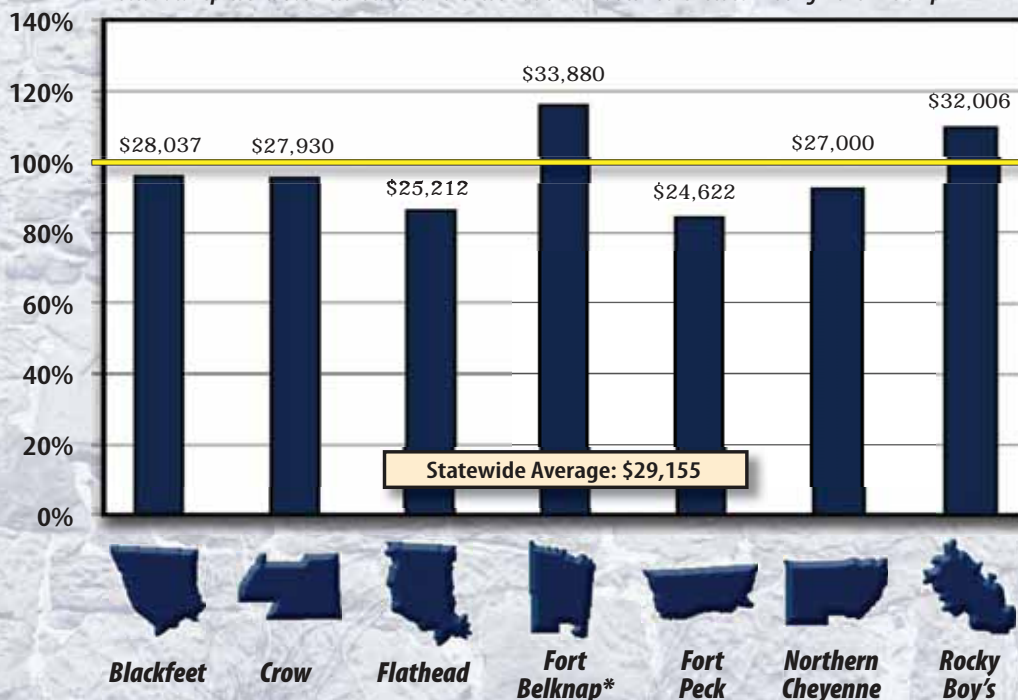
Reservation LMI

Wage Distributions

Montana and Reservations Average Annual Wages: 2005



Note: Data represents business located on the reservation and does not reflect ethnic origin of ownership



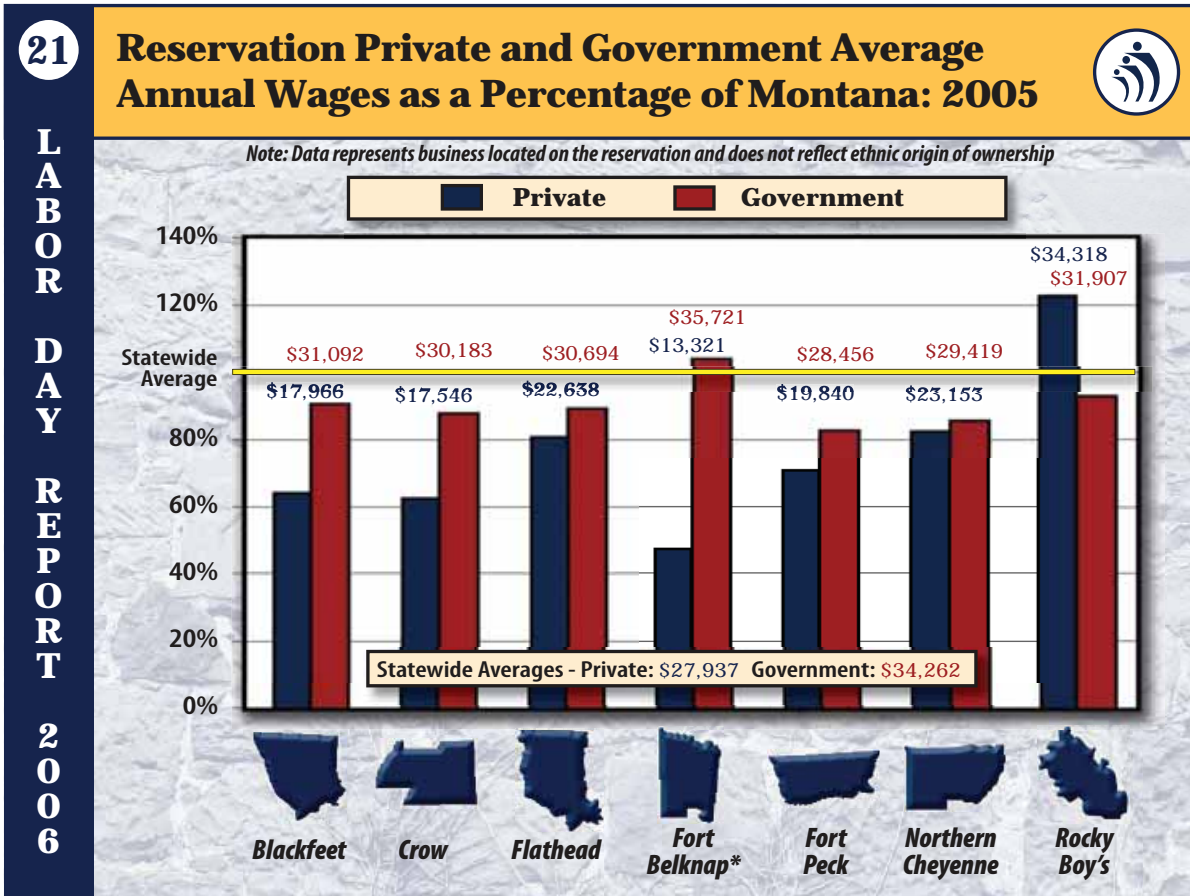
** Does not include tribal owned businesses or government*

Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Total average annual wages for individuals employed on the seven Indian reservations in Montana ranged approximately 16% above and below the state average of \$29,155 in 2005. Average wages ranged from highs of \$33,880 and \$32,006 on the Fort Belnap and Rocky Boy's reservations to a low of \$ 24,622 on the Fort Peck Reservation.

Table 1: MT & Reservations Annual Average Wages: 2005

Area	Employ.	Wages	% of MT	Area	Employ.	Wages	% of MT
Montana	413,504	\$29,155	-	Fort Belknap*	333	\$33,880	116.2%
Blackfeet	2,332	\$28,037	96.2%	Fort Peck	2,890	\$24,622	84.5%
Crow	1,544	\$27,930	95.8%	Northern Cheyenne	1,367	\$27,000	92.6%
Flathead	7,999	\$25,212	86.5%	Rocky Boy's	747	\$32,006	109.8%



Source: Montana Department of Labor and Industry, Research and Analysis Bureau

* Does not include tribal owned businesses or government

Table 2: Reservation Private & Government Average Annual Wages as a Percentage of MT: 2005

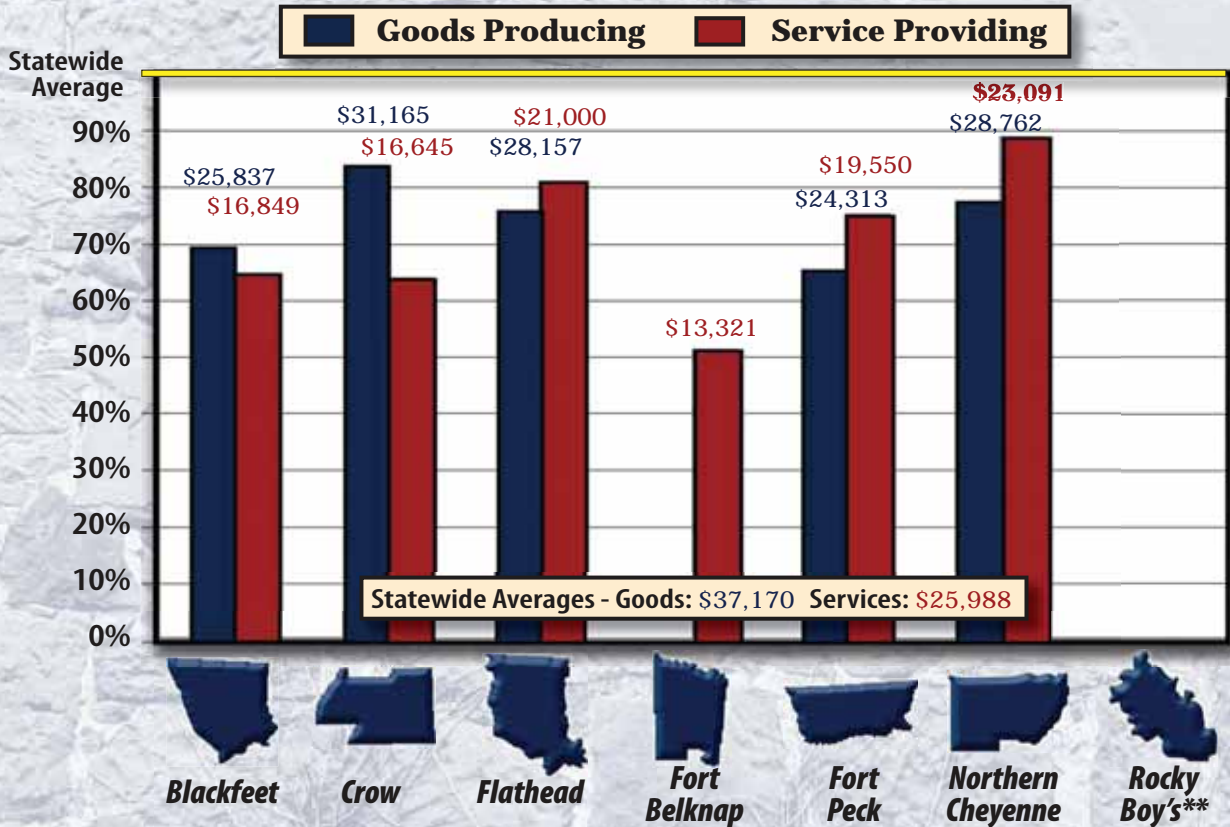
Area	Private			Government		
	Employ.	Wages	% of MT	Employ.	Wages	% of MT
Montana	334,185	\$27,937	-	79,319	\$34,262	-
Blackfeet	543	\$17,966	64.3%	1,789	\$31,092	90.7%
Crow	275	\$17,546	62.8%	1,269	\$30,183	88.1%
Flathead	5,443	\$22,638	81.0%	2,556	\$30,694	89.6%
Fort Belknap*	28	\$13,321	47.7%	305	\$35,721	104.3%
Fort Peck	1,286	\$19,840	71.0%	1,604	\$28,456	83.1%
Northern Cheyenne	528	\$23,153	82.9%	839	\$29,419	85.9%
Rocky Boy's	31	\$34,318	122.8%	716	\$31,907	93.1%

Wages paid to workers in private and government employment varies significantly both on Indian reservations and in Montana. Government wages were slightly lower for most reservations relative to the state average, with a range of 17% below to 4% above. Private wages showed more variation, with a range of 53% below the state average to 22% above. When compared to the private sector, government employment showed higher average wages on six of the seven reservations, with only Rocky Boy's private sector paying higher wages to workers.

Reservation Goods Producing and Service Providing Private Annual Average Wages as a Percentage of Montana: 2005



Note: Data represents business located on the reservation and does not reflect ethnic origin of ownership



**Sectors not shown to preserve confidentiality of individual businesses

Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Wages paid within the private sector for both goods producing and service providing businesses on Indian reservations in Montana were below the state average. Though wages are consistently higher among goods producing businesses, they are more likely to pay a lower percentage of the state average than service providing businesses. Average wages were highest for goods producing businesses on the Crow reservation (\$31,165), while service providing employees earned the most on the Northern Cheyenne reservation (\$23,091).

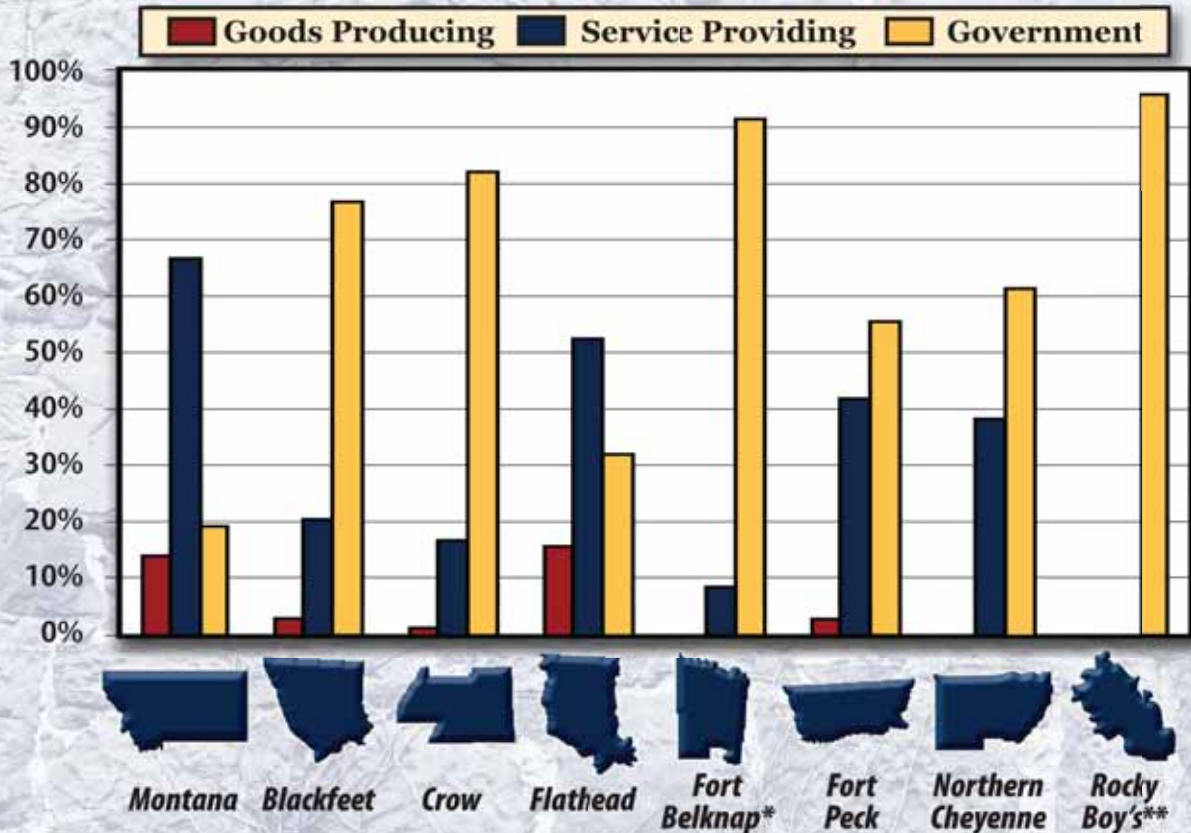
Table 3: Reservation Goods Producing and Service Providing Private Annual Average Wages as a Percentage of MT: 2005

	Goods Producing			Service Providing		
	Employment	Wages	% of MT	Employment	Wages	% of MT
Montana	58,226	\$37,170	-	275,959	\$25,988	-
Blackfeet	67	\$25,837	69.5%	475	\$16,849	64.8%
Crow	17	\$31,165	83.8%	258	\$16,645	64.0%
Flathead	1,247	\$28,157	75.8%	4,197	\$21,000	80.8%
Fort Belknap	0	\$0	0.0%	28	\$13,321	51.3%
Fort Peck	78	\$24,313	65.4%	1,208	\$19,550	75.2%
Northern Cheyenne	6	\$28,762	77.4%	522	\$23,091	88.9%
Rocky Boy's**	-	-	-	-	-	-

Montana and Reservations Employment Distribution: 2005



Note: Data represents business located on the reservation and does not reflect ethnic origin of ownership



* Does not include tribal owned businesses or government

**Sectors not shown to preserve confidentiality of individual businesses

Source: Montana Department of Labor and Industry, Research and Analysis Bureau

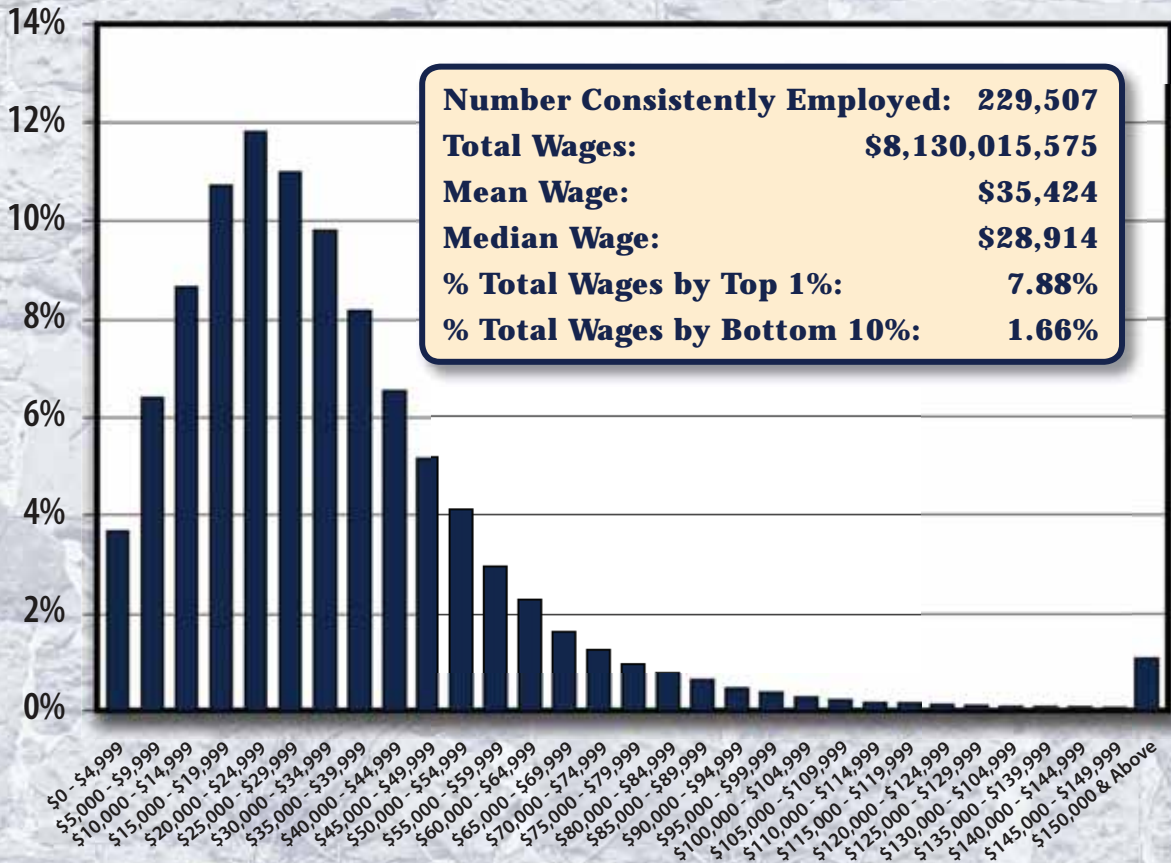
Employment on Indian reservations in Montana tends to be heavily concentrated in government sectors. The percentage of total employment accounted for by government ranges from 32% on the Flathead reservation to over 95% on the Rocky Boy's reservation. Private sector employment (goods producing and service providing) comprises a much smaller component of most reservations' overall economy. The Flathead reservation has the largest percentage of both sectors among the seven reservations. Service providing businesses are also a strong component of the Northern Cheyenne and Fort Peck reservations, while goods producing businesses play smaller roles in the remaining reservation economies.

Table 4: Reservation Goods Producing, Service Providing, and Government Employment as Percentages of MT: 2005

Area	Goods Producing	Service Providing	Government
Montana	14.1%	66.7%	19.2%
Blackfeet	2.9%	20.4%	76.7%
Crow	1.1%	16.7%	82.2%
Flathead	15.6%	52.5%	32.0%
Fort Belknap*	0.0%	8.4%	91.6%
Fort Peck	2.7%	41.8%	55.5%
Northern Cheyenne	0.4%	38.2%	61.4%
Rocky Boy's**	-	-	96.0%

The Flathead reservation has the largest percentage of both sectors among the seven reservations. Service providing businesses are also a strong component of the Northern Cheyenne and Fort Peck reservations, while goods producing businesses play smaller roles in the remaining reservation economies.

Distribution of Montana Wage and Salary Employees with Consistent Employment: 2005



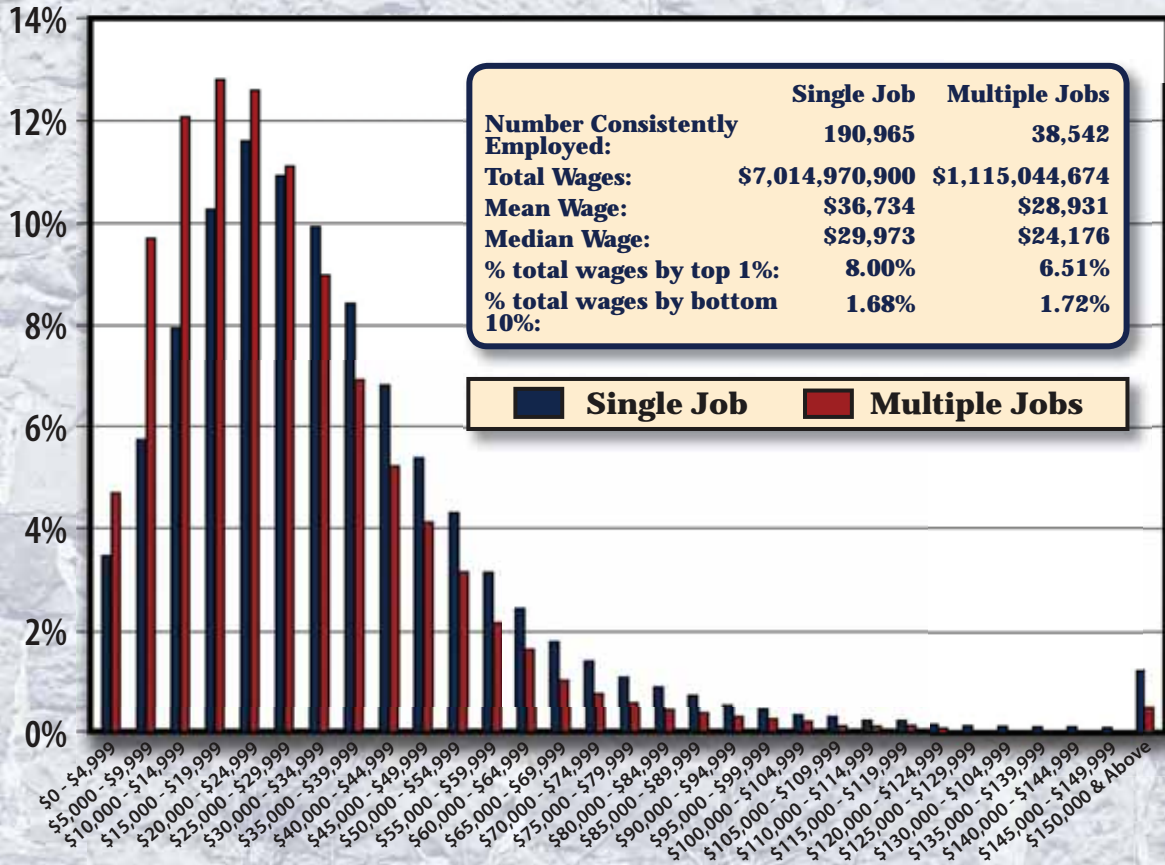
Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Table 5: Distribution of Montana Wage and Salary Employees with Consistent Employment: 2005

Wage Range	All Jobs	% of Total	Wage Range	All Jobs	% of Total
\$0 - \$4,999	8,425	3.7%	\$80,000 - \$84,999	1,810	0.8%
\$5,000 - \$9,999	14,713	6.4%	\$85,000 - \$89,999	1,467	0.6%
\$10,000 - \$14,999	19,895	8.7%	\$90,000 - \$94,999	1,082	0.5%
\$15,000 - \$19,999	24,590	10.7%	\$95,000 - \$99,999	886	0.4%
\$20,000 - \$24,999	27,089	11.8%	\$100,000 - \$104,999	655	0.3%
\$25,000 - \$29,999	25,203	11.0%	\$105,000 - \$109,999	543	0.2%
\$30,000 - \$34,999	22,466	9.8%	\$110,000 - \$114,999	390	0.2%
\$35,000 - \$39,999	18,782	8.2%	\$115,000 - \$119,999	382	0.2%
\$40,000 - \$44,999	15,022	6.5%	\$120,000 - \$124,999	321	0.1%
\$45,000 - \$49,999	11,878	5.2%	\$125,000 - \$129,999	268	0.1%
\$50,000 - \$54,999	9,421	4.1%	\$130,000 - \$134,999	230	0.1%
\$55,000 - \$59,999	6,797	3.0%	\$135,000 - \$139,999	206	0.1%
\$60,000 - \$64,999	5,247	2.3%	\$140,000 - \$144,999	209	0.1%
\$65,000 - \$69,999	3,740	1.6%	\$145,000 - \$149,999	172	0.1%
\$70,000 - \$74,999	2,907	1.3%	\$150,000 & Above	2,473	1.1%
\$75,000 - \$79,999	2,238	1.0%			

Average wages for Montanans holding at least one job with the same employer in 2005 was \$35,424 with a median wage of \$28,914. The distribution of wages was heavily skewed to the left, with over 70% of workers earning less than \$40,000.

Distribution of Montana Employees Holding Single and Multiple Jobs: 2005



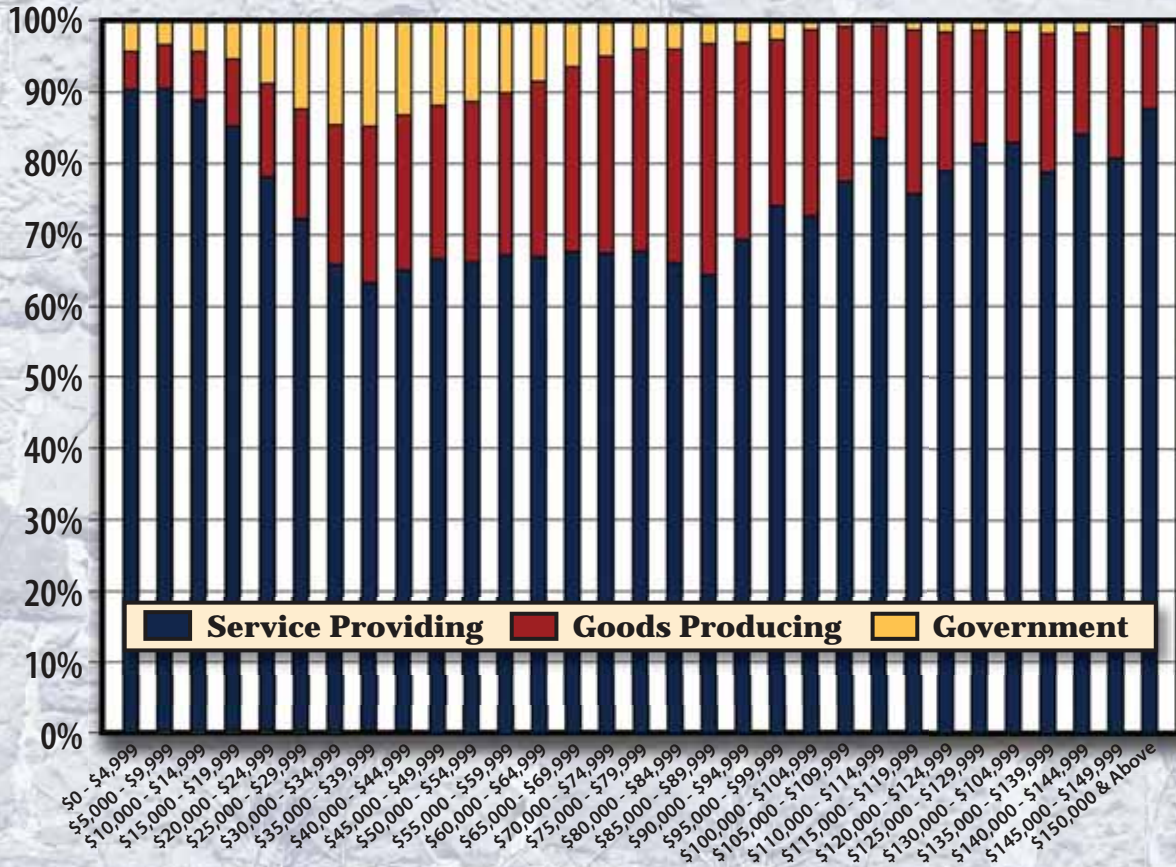
Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Montanans holding only one job earned a higher average wage versus individuals who held one or more jobs. Average wages for single jobholders was \$36,734 while multiple jobs holders averaged a combined wage of \$28,931. The distribution of wages shows that multiple jobholders were skewed much further to the left than single jobholders, with over 50% of workers earning less than \$25,000.

Table 6: Distribution of Montana Employees Holding Single and Multiple Jobs: 2005

Wage Range	Single Jobs	Multiple Jobs	% Single	% Multiple	Wage Range	Single Jobs	Multiple Jobs	% Single	% Multiple
\$0 - \$4,999	6,618	1,807	3.5%	4.7%	\$80,000 - \$84,999	1,652	158	0.9%	0.4%
\$5,000 - \$9,999	10,967	3,746	5.7%	9.7%	\$85,000 - \$89,999	1,336	131	0.7%	0.3%
\$10,000 - \$14,999	15,230	4,665	8.0%	12.1%	\$90,000 - \$94,999	976	106	0.5%	0.3%
\$15,000 - \$19,999	19,640	4,950	10.3%	12.8%	\$95,000 - \$99,999	798	88	0.4%	0.2%
\$20,000 - \$24,999	22,221	4,868	11.6%	12.6%	\$100,000 - \$104,999	588	67	0.3%	0.2%
\$25,000 - \$29,999	20,914	4,289	11.0%	11.1%	\$105,000 - \$109,999	507	36	0.3%	0.1%
\$30,000 - \$34,999	19,001	3,465	9.9%	9.0%	\$110,000 - \$114,999	359	31	0.2%	0.1%
\$35,000 - \$39,999	16,117	2,665	8.4%	6.9%	\$115,000 - \$119,999	343	39	0.2%	0.1%
\$40,000 - \$44,999	13,010	2,012	6.8%	5.2%	\$120,000 - \$124,999	295	26	0.2%	0.1%
\$45,000 - \$49,999	10,294	1,584	5.4%	4.1%	\$125,000 - \$129,999	250	18	0.1%	0.0%
\$50,000 - \$54,999	8,211	1,210	4.3%	3.1%	\$130,000 - \$134,999	217	13	0.1%	0.0%
\$55,000 - \$59,999	5,973	824	3.1%	2.1%	\$135,000 - \$139,999	190	16	0.1%	0.0%
\$60,000 - \$64,999	4,624	623	2.4%	1.6%	\$140,000 - \$144,999	191	18	0.1%	0.0%
\$65,000 - \$69,999	3,353	387	1.8%	1.0%	\$145,000 - \$149,999	156	16	0.1%	0.0%
\$70,000 - \$74,999	2,624	283	1.4%	0.7%	\$150,000 & Above	2,290	183	1.2%	0.5%
\$75,000 - \$79,999	2,020	218	1.1%	0.6%					

Employment Mix by Wage Class for Single Jobholders: 2005



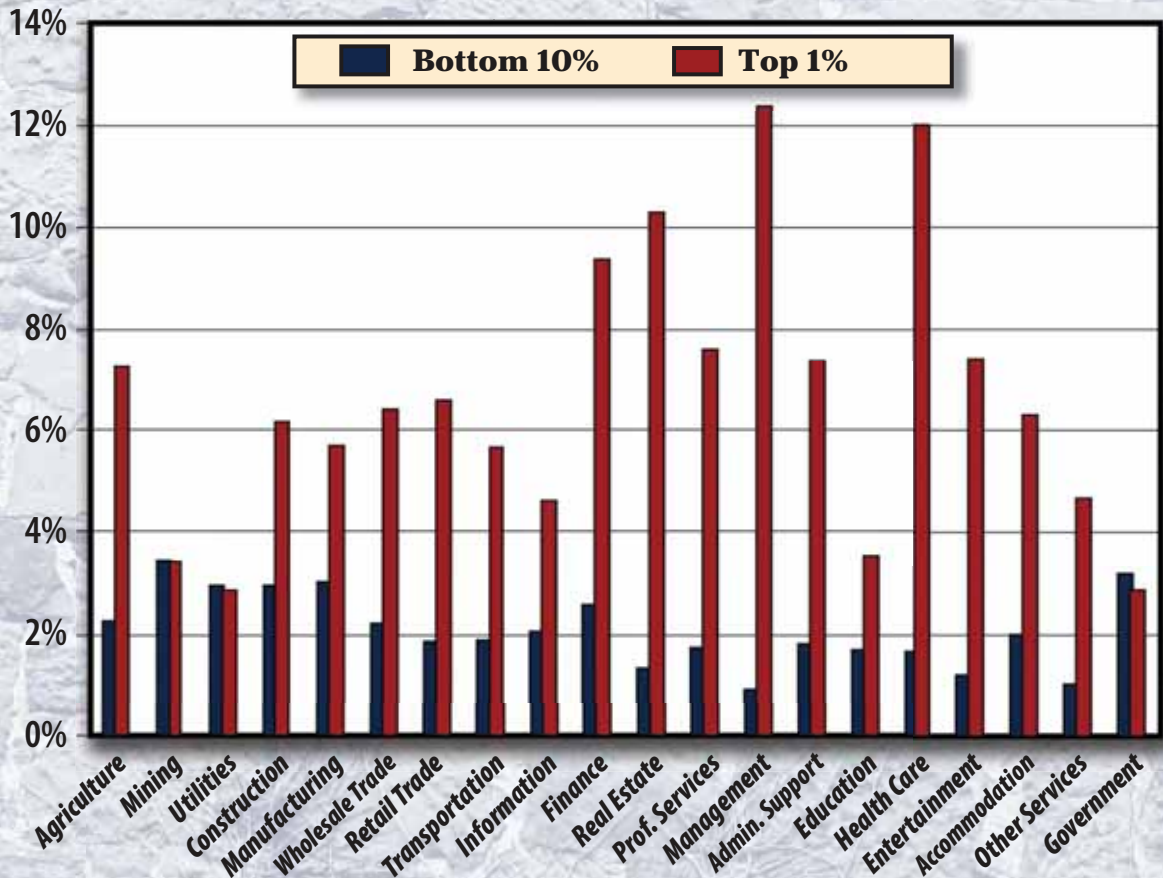
Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Industry employment patterns differ among wage classes. Low wage classes are heavily weighted with workers in Service Providing businesses, such as fast food restaurants and retail stores. As wages increase, both Goods Producing and Government gain a larger share of total employment. This increase does not continue among high wage jobs however. Though small in number, Service Providing jobs, such as lawyers and doctors, comprise a majority of workers among the very high wage classes.

Table 7: Employment Mix by Wage Class for Single Jobholders: 2005

Wage Class	Service Providing	Goods Producing	Government	Wage Class	Service Providing	Goods Producing	Government
\$0 - \$4,999	90.4%	5.4%	4.2%	\$80,000 - \$84,999	66.2%	29.9%	3.9%
\$5,000 - \$9,999	90.4%	6.2%	3.3%	\$85,000 - \$89,999	64.5%	32.4%	3.2%
\$10,000 - \$14,999	88.9%	6.9%	4.2%	\$90,000 - \$94,999	69.4%	27.7%	2.9%
\$15,000 - \$19,999	85.2%	9.4%	5.3%	\$95,000 - \$99,999	74.2%	23.3%	2.5%
\$20,000 - \$24,999	78.2%	13.1%	8.8%	\$100,000 - \$104,999	72.7%	26.1%	1.2%
\$25,000 - \$29,999	72.3%	15.4%	12.3%	\$105,000 - \$109,999	77.5%	21.9%	0.6%
\$30,000 - \$34,999	65.8%	19.6%	14.5%	\$110,000 - \$114,999	83.6%	15.9%	0.6%
\$35,000 - \$39,999	63.3%	22.0%	14.7%	\$115,000 - \$119,999	75.8%	23.0%	1.2%
\$40,000 - \$44,999	65.0%	21.8%	13.2%	\$120,000 - \$124,999	78.9%	19.7%	1.4%
\$45,000 - \$49,999	66.7%	21.5%	11.8%	\$125,000 - \$129,999	82.8%	16.0%	1.2%
\$50,000 - \$54,999	66.2%	22.5%	11.3%	\$130,000 - \$134,999	82.9%	15.7%	1.4%
\$55,000 - \$59,999	67.2%	22.8%	10.0%	\$135,000 - \$139,999	78.8%	19.6%	1.6%
\$60,000 - \$64,999	67.0%	24.7%	8.4%	\$140,000 - \$144,999	84.1%	14.3%	1.6%
\$65,000 - \$69,999	67.8%	25.9%	6.4%	\$145,000 - \$149,999	80.8%	18.6%	0.6%
\$70,000 - \$74,999	67.4%	27.7%	4.9%	\$150,000 & Above	87.8%	11.7%	0.5%
\$75,000 - \$79,999	67.8%	28.3%	3.9%				

Percentage of Total Wages Earned by Single Jobholders by Industry: 2005



Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Table 8: Percentage of Total Wages Earned by Single Jobholders by Industry: 2005

Wage equality varies significantly by industry for single jobholders in Montana. Most industries have large gaps in total wages paid to the bottom 10% of jobholders and the top 1%. The largest gaps appear in Management and Healthcare, where highly paid workers such as CEOs and doctors make much more than those at the bottom of the wage distribution. Three industries in Montana have almost no gap in wages paid: Mining, Utilities, and Government. This is in part due to the high average wages paid to workers in these sectors, however other factors, such as union affiliation, may also play a role.

NAICS	Employment	Total Wages	Bottom 10%	Top 1%	Mean	Median
Agriculture	2,036	\$63,708,033	2.26%	7.25%	\$31,291	\$25,960
Mining	2,643	\$162,427,506	3.44%	3.42%	\$61,456	\$56,742
Utilities	2,410	\$153,576,882	2.96%	2.87%	\$63,725	\$65,150
Construction	12,864	\$517,756,308	2.95%	6.16%	\$40,248	\$35,850
Manufacturing	11,195	\$448,325,097	3.02%	5.69%	\$40,047	\$35,493
Wholesale Trade	10,646	\$496,257,453	2.21%	6.39%	\$46,614	\$37,619
Retail Trade	23,014	\$651,563,614	1.83%	6.58%	\$28,312	\$23,060
Transportation	5,393	\$195,756,320	1.87%	5.65%	\$36,298	\$34,047
Information	4,161	\$180,465,037	2.05%	4.59%	\$43,371	\$38,462
Finance	9,885	\$457,721,678	2.57%	9.38%	\$46,305	\$30,872
Real Estate	2,763	\$90,619,426	1.32%	10.31%	\$32,797	\$25,017
Professional Services	8,866	\$447,375,703	1.71%	7.61%	\$50,460	\$39,425
Management	471	\$23,160,835	0.90%	12.40%	\$49,174	\$32,880
Admin. Support	6,114	\$174,887,833	1.80%	7.38%	\$28,604	\$23,467
Education	22,376	\$763,838,614	1.69%	3.52%	\$34,137	\$32,270
Health Care	27,147	\$1,088,234,078	1.65%	12.03%	\$40,087	\$26,910
Entertainment	2,521	\$60,658,164	1.19%	7.41%	\$24,061	\$18,255
Accommodation/Food	11,099	\$185,618,325	1.99%	6.31%	\$16,724	\$13,611
Other Services	7,624	\$221,717,838	1.01%	4.68%	\$29,082	\$24,872
Government	17,431	\$609,534,834	3.17%	2.84%	\$34,968	\$33,348

Please direct all questions about this report to our economists at
The Montana Department of Labor and Industry's Research and Analysis Bureau:

Brad Eldredge
P.O. Box 1728
Helena, MT 59624-1728
Ph: (406) 444-5474
E-mail: beldredge@mt.gov

Tyler Turner
P.O. Box 1728
Helena, MT 59624-1728
Ph: (406) 444-2992
E-mail: TTurner@mt.gov



RESEARCH & ANALYSIS BUREAU

WORKFORCE SERVICES DIVISION
MONTANA DEPARTMENT OF LABOR & INDUSTRY

**P.O. Box 1728
Helena, MT 59624-1728
Ph: (406) 444-2430
or (800) 541-3904
Fax: (406) 444-2638**

www.ourfactsyourfuture.org