Jobs in Montana: The Recession is Over. Now What?

Aug. 9, 2012

Barbara Wagner, Senior Economist
Today’s Topics

- Is it over?
  - Reviewing Montana’s economic performance

- Where are the jobs?
  - Examining slow job growth

- What lies ahead?
  - What can we do to improve economic growth?

Including Econ 101 Lessons!

- Unemployment Statistics and Discouraged Workers!
- Public Finance!
- Types of Unemployment!
Duration and Loss of GDP in U.S. Recessions in the Last 100 Years

Personal Income Growth by Quarter, MT and US

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Dept. of Commerce. Other sources.
U.S. and MT Unemployment Rates

Who Do We Count as Unemployed?

- U1- Unemployed 15 weeks or longer
- U2- Job losers, including temporary workers
- U3- Official Rate, total unemployed
- U4- Unemployed plus discouraged workers
- U5- Unemployed, discouraged, and marginally attached
- U6- Unemployed, discouraged, marginally attached, and part-time for economic reasons
Montana Alternative Estimates

Unemployment Rate

Year


U-1 U-2 U-3 U-4 U-5 U-6
Unemployed are Greater than those Receiving Unemployment

Source: Montana Claims Data and Local Area Unemployment Statistics, Montana Dept. of Labor and Industry.
U.S. and MT Unemployment Rates

Private and Total Payroll Employment for Montana and the U.S. (Indexed to Same Month 2007 Employment)

Source: Quarterly Census of Employment And Wages, Bureau of Labor Statistics and the Montana Department of Labor and Industry
MT Employment and Total Wage Growth, Percent Increase over Prior Year

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics and Montana Department of Labor and Industry
Montana Average Wage Continues to Increase

Montana’s economy is in recovery with growth in personal income, employment, wages, and a decrease in unemployment.

Steady private job growth since 2010 has been masked by public job losses.

We measure dislocated workers. Only about 1/3 of unemployed people receive benefits.
Montana Industry Performance Throughout Recession

(indexed to Dec. 2007 = 100%)

Montana Jobs by Industry and Ownership, 2010

- Trade: 17%
- Health Care: 15%
- Leisure Activities: 13%
- Education: 9.4%
- Public Affairs: 9.1%
- Other Business Services: 7.1%
- Construction: 5.9%
- Admin and Waste Services: 4.5%
- Professional Services: 4.5%
- Manufacturing: 3.9%
- Other: 3.8%
- Transportation: 3.1%
- Mining: 1.6%
- Agriculture: 1%
- Utilities: 1%

Source: Quarterly Census of Employment and Wages, 2010. Percentages shown are percent of total Montana jobs.
Payroll Employment Change
2007 to 2010

-27.8%
-19.8%
-6.6%
-4.8%
-7.0%
-6.8%
-8.2%
-3.4%
-0.8%
3.9%
6.9%
8.8%

Health Care
Public Administration
Education
Mining
Transportation and Warehousing
Administration and Waste Services
Financial Activities
Leisure and Hospitality
Manufacturing
Wholesale and Retail Trade
Construction
Gains in Region 2 by Industry


2010 to 2011
2007 to 2010
Take Away Points

- Construction and Manufacturing were worst-hit industries during the recession. Both are showing signs of recovery.

- All other industries have improved. Concerns about trade continue.

- Bozeman leading recovery in Professional Services, Manufacturing, but still have losses in Construction.
Employment Change by MT Region, 2007 to 1st Half 2012

Source: Local Area Unemployment Statistics, Bureau of Labor Statistics and Montana Department of Labor and Industry
Employment Change by MT Region, 2007 to 1<sup>st</sup> Half 2012

Source: Local Area Unemployment Statistics, Bureau of Labor Statistics and Montana Department of Labor and Industry
County Unemployment Rates, June 2012

4.9% and below
5.0% to 5.9%
6.0% to 6.9%
7.0% to 7.9%
8.0% and above
## Reservation Unemployment Rates

<table>
<thead>
<tr>
<th>Reservation</th>
<th>2010 Employment</th>
<th>2009 to 2010 Growth</th>
<th>2010 Annual Average</th>
<th>2009 to 2010 Growth</th>
<th>2010 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackfeet</td>
<td>2,961</td>
<td>2.5%</td>
<td>$32,092</td>
<td>1.8%</td>
<td>15.9%</td>
</tr>
<tr>
<td>Crow</td>
<td>2,174</td>
<td>-5.4%</td>
<td>$34,866</td>
<td>3.0%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Flathead</td>
<td>8,054</td>
<td>-2.2%</td>
<td>$30,075</td>
<td>1.4%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Fort Belknap</td>
<td>341</td>
<td>4.6%</td>
<td>$41,512</td>
<td>2.8%</td>
<td>N/A</td>
</tr>
<tr>
<td>Fort Peck</td>
<td>3,240</td>
<td>1.6%</td>
<td>$31,446</td>
<td>2.8%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Northern Cheyenne</td>
<td>1,472</td>
<td>2.8%</td>
<td>$31,634</td>
<td>3.8%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Rocky Boy's</td>
<td>966</td>
<td>14.0%</td>
<td>$39,474</td>
<td>4.4%</td>
<td>18.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,208</strong></td>
<td><strong>-0.1%</strong></td>
<td><strong>$31,955</strong></td>
<td><strong>2.4%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Take Away Points

• Northwestern Montana was the hardest hit by the recession.

• All areas of the state are growing.

• Reservations remain the most economically sensitive areas of our state.

• Eastern Montana performed well during the recession and is now experiencing very rapid job growth.
Today’s Topics

• **Is it over?**
  – Reviewing Montana’s economic performance

• **Where are the jobs?**
  – Examining slow job growth

• **What lies ahead?**
  – The need for education and worker training
The Whys of Slow Job Growth

1. Expectations: employment lags an economic recovery

2. Increases in labor productivity

3. Lower consumer demand

4. Political and economic uncertainty

5. Structural unemployment
<table>
<thead>
<tr>
<th></th>
<th>Official Duration of Recession in Months</th>
<th>Percent Loss of Employment, Peak to Trough</th>
<th>Months until Employment Recovered</th>
<th>Percent Loss of Employment, Peak to Trough</th>
<th>Months until Employment Recovered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>8</td>
<td>1.5%</td>
<td>35</td>
<td>0.7%</td>
<td>15</td>
</tr>
<tr>
<td>2001</td>
<td>8</td>
<td>1.5%</td>
<td>34</td>
<td>1.1%</td>
<td>24</td>
</tr>
<tr>
<td>2007</td>
<td>18</td>
<td>5.9%</td>
<td>57 and counting</td>
<td>5.5%</td>
<td>54 and counting</td>
</tr>
</tbody>
</table>

Jobs Recovery Compared to Other Recessions

Slow Job Growth Because of Increased Labor Productivity

Source: Bureau of Labor Statistics Productivity Data
Take Away Points

• Recovering the recession job losses will take awhile.

• Job growth is not THAT much slower than recent recessions, but the job loss is much deeper.

• Greater labor productivity = less demand for workers
Slow Job Growth Because of Business and Consumer Uncertainty

• Businesses have cash to hire more employees

• Conflicting economic and political news creates uncertainty

• Aggregate demand is recovering slowly
  – Consumer expenditures represent about 70% of GDP
  – Questions about future government spending
Slow Job Growth due to Low Consumer Demand: Components of GDP

- Export Balance
- Investment
- Government
- Personal Consumption

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export Balance</td>
<td>-10%</td>
</tr>
<tr>
<td>Investment</td>
<td>60%</td>
</tr>
<tr>
<td>Government</td>
<td>20%</td>
</tr>
<tr>
<td>Personal Consumption</td>
<td>70%</td>
</tr>
</tbody>
</table>
Personal Consumption Expenditures are Slowly Growing

Source: Bureau of Economic Analysis
De-levering Process Could be Lengthy

UNITED STATES HOUSEHOLD DEBT

Source: Global Financial Data and Bridgewater Analysis
Would you hire?

• Consumers demand is growing slowly

• Usually, government steps in...

• Government indicates austerity
  • Unsettled tax and fiscal environment

Barb trying to stimulate the Montana economy.
Contributions to GDP Growth

CONSUMPTION
INVESTMENT
GOVERNMENT
The Whys of Slow Job Growth

1. Expectations: employment lags an economic recovery
2. Increases in labor productivity
3. Lower consumer demand
4. Political and economic uncertainty
5. Structural unemployment
1. Frictional
   • Normal, good, temporary unemployment that results from turnover and workers finding better jobs.

2. Cyclical
   • Unemployment due to a recession.

3. Structural
   • Skills mismatch between jobs and workers.
Frictional Unemployment: There are Always Some Unemployed People and Unemployment Claims

The graph illustrates the number of unemployed individuals and total unemployment claims from 2000 to 2010. It shows that unemployment claims are higher during economic recessions.
Cyclical Unemployment: MT and U.S. Unemployment Rates since 1976

Source: Current Population Survey and the Local Area Unemployment Statistics
Types of Unemployment

1. Frictional
   • Normal, good, temporary unemployment that results from workers finding better jobs and turnover.

2. Cyclical
   • Unemployment due to a recession.

3. Structural
   • Skills mismatch between jobs and workers.
U.S. Employment and Job Openings from 2001 to Current

Unemployment Benefits?

Federal Reserve: benefits have little impact -- only about 0.4% of the 5% increase in the unemployment rate
U.S. Unemployment Rate by Education Level

Payroll Employment Change 2007 to 2010

- Construction: -27.8%
- Manufacturing: -19.8%
- Wholesale and Retail Trade: -6.6%
- Financial Activities: -4.4%
- Transportation and Warehousing: -7.0%
- Administration and Waste Services: -6.8%
- Mining: -8.2%
- Professional Services: -3.4%
- Agriculture: -2.0%
- Education: -0.8%
- Other: 6.9%
- Health Care: 8.8%
## Projected Growth Compared to Recession Losses

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Estimated Recession Losses</th>
<th>Projected Statewide Annual Job Growth, 2012 to 2020</th>
<th>Year that All Workers are Rehired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpenters</td>
<td>-2,260</td>
<td>140</td>
<td>Past 2020</td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>-1,174</td>
<td>116</td>
<td>2019</td>
</tr>
<tr>
<td>Construction Laborers</td>
<td>-1,171</td>
<td>94</td>
<td>Past 2020</td>
</tr>
<tr>
<td>Bookkeeping and Auditing Clerks</td>
<td>-791</td>
<td>149</td>
<td>2016</td>
</tr>
<tr>
<td>Cashiers</td>
<td>-776</td>
<td>121</td>
<td>2015</td>
</tr>
<tr>
<td>Secretaries</td>
<td>-702</td>
<td>15</td>
<td>Past 2020</td>
</tr>
<tr>
<td>Truck Drivers, Heavy and Tractor-Trailer</td>
<td>-644</td>
<td>66</td>
<td>2019</td>
</tr>
<tr>
<td>Janitors and Cleaners</td>
<td>-563</td>
<td>29</td>
<td>Past 2020</td>
</tr>
</tbody>
</table>
## Ten Growing Occupations with Unmet Demand for Workers

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Projected Annual Growth</th>
<th>Minimum Training Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Health Aides</td>
<td>96</td>
<td>Short OJT</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>72</td>
<td>Associate</td>
</tr>
<tr>
<td>Personal and Home Care Aides</td>
<td>54</td>
<td>Short OJT</td>
</tr>
<tr>
<td>Elementary School Teachers</td>
<td>52</td>
<td>Bachelor's</td>
</tr>
<tr>
<td>Nursing Aides, Orderlies, and Attendants</td>
<td>46</td>
<td>Vocational training</td>
</tr>
<tr>
<td>Medical Secretaries</td>
<td>31</td>
<td>Moderate OJT</td>
</tr>
<tr>
<td>Network Systems and Data Communications Analysts</td>
<td>22</td>
<td>Bachelor's</td>
</tr>
<tr>
<td>Medical Assistants</td>
<td>22</td>
<td>Moderate OJT</td>
</tr>
<tr>
<td>Child Care Workers</td>
<td>22</td>
<td>Short OJT</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Short to Moderate OJT</td>
<td>55%</td>
<td>(15,959)</td>
</tr>
<tr>
<td>Long OJT or Work Experience</td>
<td>16%</td>
<td>(7,415)</td>
</tr>
<tr>
<td>Associate or Vocational Degree</td>
<td>11%</td>
<td>286</td>
</tr>
<tr>
<td>Bachelor’s Degree or Higher</td>
<td>19%</td>
<td>(78)</td>
</tr>
</tbody>
</table>

OJT means on-the-job training  
Source: Montana Employment Projections, 2010, Research and Analysis Bureau, Montana Dept of Labor and Industry
<table>
<thead>
<tr>
<th>Occupation</th>
<th>Projected Annual Growth, 2010 to 2020</th>
<th>Minimum Training Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Nurses</td>
<td>110</td>
<td>Associate</td>
</tr>
<tr>
<td>Accountants and Auditors</td>
<td>65</td>
<td>Bachelor’s or Higher</td>
</tr>
<tr>
<td>General Operations Managers</td>
<td>30</td>
<td>Bachelor’s</td>
</tr>
<tr>
<td>Cost Estimators</td>
<td>24</td>
<td>Bachelor’s</td>
</tr>
<tr>
<td>Construction Managers</td>
<td>23</td>
<td>Professional Degree</td>
</tr>
<tr>
<td>Lawyers</td>
<td>23</td>
<td>Bachelor’s</td>
</tr>
<tr>
<td>Civil Engineers</td>
<td>22</td>
<td>Bachelor’s</td>
</tr>
<tr>
<td>Network Systems and Data</td>
<td>23</td>
<td>Bachelor’s</td>
</tr>
<tr>
<td>Communications Analysts</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Directing Displaced Workers into Appropriate Occupations

- Workforce training and education are needed to retrain into growing occupations that don’t have excess supply.

Excess Workers Occupations

<table>
<thead>
<tr>
<th>Retail Salespeople</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpenters or Construction Laborers</td>
</tr>
<tr>
<td>Wait Staff</td>
</tr>
</tbody>
</table>

Occupations that Need Workers

| Sales Representatives, Wholesale and Manufacturing |
| Maintenance and Repair Workers |
| Lawyers |
Take Away Points

• Structural unemployment can be addressed at the state level with education and training.

• In general, more workers are needed in health care and in jobs requiring high levels of education.
  • Carpenters, retail workers, and workers in other occupations will need to be retrained to fill new jobs.

• Geographical economic disparities are also a large factor. Training is not the only solution.
The Whys of Slow Job Growth

1. Expectations: employment lags an economic recovery
2. Increases in labor productivity
3. Lower consumer demand
4. Political and economic uncertainty
5. Structural unemployment
Slower Job Growth Expected in the Future

Montana Department of LABOR & INDUSTRY

Total Employment
Payroll
Total and Payroll Employment Historical and Projected, 2000 to 2020

But What do I Know?

Barb forecasting employment
Take Away Points

• Job growth is expected to be slow for the next few years.
  • Not true in 2011 - job growth was faster than average.

• Consumers need to have wage growth so they can pay down debt AND buy more.

• Large “policy risk.” Government spending matters.
Today’s Topics

• Is it over?
  – Reviewing Montana’s economic performance

• Where are the jobs?
  – Examining slow job growth

• Challenges ahead?
  • Drought, China, Eurozone
  • Policy Risk
  • Education
Challenges We Can’t Influence

• Eurozone
  – Only about 8% of our exports go to the Eurozone
  – Bigger impact to U.S.

• China
  – Almost 20% of our exports go to Asia
  – Also impacts U.S.

• Drought conditions may harm agriculture
Montana Exports to Foreign Countries

- Canada: 38%
- South Korea: 14%
- Mexico: 8%
- China: 7%
- Taiwan: 4%
- Japan: 4%
- Germany: 3%
- UK: 2%
- Belgium: 2%
- Other Asia: 5%
- Other: 13%
Drought Map

U.S. Drought Monitor

August 7, 2012
Valid 7 a.m. EDT

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

http://droughtmonitor.unl.edu/

Released Thursday, August 9, 2012
Author: Mark Svoboda, National Drought Mitigation Center

- Spending cuts and tax increases will total $600 billion.
- About 4% of GDP.
- Will cause the economy to contract by 1.3% in the first half of 2013. (CBO)
Government Budgeting: Deficit

U.S. Federal Government Revenues and Outlays, 1980 to 2010

Source: Congressional Budget Office, 2010
Government Budgeting: Debt

U.S. Federal Government Revenues and Outlays and Debt as a Percent of GDP

Source: Congressional Budget Office, 2010
Government Debt as a Percent of GDP

Source: Organization for Economic Cooperation and Development
Fiscal Policy Debate: Maintain Current Course

• Reducing government deficits will reduce aggregate demand and GDP
  • Cutting spending/ increasing taxes during a recession runs counter to economic theory
  • Cutting spending/ increasing taxes too sharply will cause a shock

• Failure to raise the debt ceiling causes immediate and long-term economic harm
  • Default OR cut 40% of spending overnight – a 8% cut to GDP
  • Harms the U.S. role as the economic superpower and “safe-haven” for investments
Fiscal Policy Debate: Cut Spending or Increase Taxes

Deficit is fairly large in historic terms

- Governments can run deficits in perpetuity, but not deficits that are too large
- Too large of a debt can create a drag on the economy through high interest rates
- U.S. debt is using foreign funding that might otherwise improve living conditions abroad
- Political movement
- S&P downgrade of U.S. bonds (little market reaction)
Impacts on Montana

• In comparison to other states, Montana is
  – Poor
  – Old
  – Rural

• Montana receives $1.47 in federal funding for every $1.00 paid in taxes.
Fiscal Fantasies

- The deficit can be stabilized just by cutting spending
- Tax cuts can “pay for themselves”
- Only the “rich” need pay more taxes
- Spending can be cut just by getting rid of waste and inefficiency
- Medicare can continue as is
- Defense can’t be touched
- Austerity today would be expansionary

*Everybody must give a little ground on their fantasies to allow a comprehensive deficit-reduction plan. Unlikely before the elections.*
Percent of Population with an Upper Secondary Degree

Source: Organization for Economic Cooperation and Development, 2005
MT Educational Attainment is Decreasing in Lower Age Groups

Percent of Population 25 Years and Older with
- High School Diploma
- Bachelor's Degree

<table>
<thead>
<tr>
<th>Age Group</th>
<th>High School Diploma</th>
<th>Bachelor's Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 to 34 years</td>
<td>92.3%</td>
<td>27.9%</td>
</tr>
<tr>
<td>35 to 44 years</td>
<td>92.9%</td>
<td>29.0%</td>
</tr>
<tr>
<td>45 to 64 years</td>
<td>93.1%</td>
<td>29.3%</td>
</tr>
<tr>
<td>Over 65</td>
<td>81.3%</td>
<td>20.5%</td>
</tr>
</tbody>
</table>

Source: Montana Department of Labor & Industry
Take Away Points

- Higher wages
- Lower unemployment
- Lower poverty
- Faster technology growth and diffusion
- Innovation
- Entrepreneurialism
- General economic growth

U.S. and Montana are losing a competitive advantage in highly skilled workers.
Hiring the Right Workers

New Hire Retention Rates, 2006 to 2009
Percent of Workers Remaining with Employer After Hire

<table>
<thead>
<tr>
<th></th>
<th>After One Quarter</th>
<th></th>
<th>After Four Quarters</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Montana</td>
<td>Wyoming</td>
<td>Montana</td>
<td>Wyoming</td>
</tr>
<tr>
<td>2006</td>
<td>66%</td>
<td>63%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>2007</td>
<td>64</td>
<td>64</td>
<td>22</td>
<td>26</td>
</tr>
<tr>
<td>2008</td>
<td>63</td>
<td>64</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>2009</td>
<td>67</td>
<td>67</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
New Hire Job Outcomes After Two Quarters

- Still working: 46%
- Worker left voluntarily: 27%
- Let go due to poor performance: 7%
- Position was temporary or seasonal: 16%
- Worker was laid off due to economic reasons: 1%
- Other or Unknown: 3%
## Job Outcomes of Newly Hired Workers, Two Quarters after Hire, by Job Type

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Temporary or Seasonal Workers</th>
<th>Permanent Full-Time</th>
<th>Permanent Part-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Still Working</td>
<td>21%</td>
<td>66%</td>
<td>43%</td>
</tr>
<tr>
<td>Poor Performance</td>
<td>*</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Temporary or Seasonal Position</td>
<td>53%</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Voluntary Leave</td>
<td>18%</td>
<td>18%</td>
<td>44%</td>
</tr>
<tr>
<td>Economic Reasons</td>
<td>*</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Note: * indicates data is not applicable (n.a.).
Job Outcomes (Any Employer)

- Employed: 41%
- Left and Still Unemployed: 10%
- Left and Employed: 17%
- Not a New Hire: 5%
- Let Go and Employed: 6%
- Seasonal and Unemployed: 7%
- Laid Off and Employed: 1%
- Let Go and Still Unemployed: 2%
- Unknown/Other and Unemployed: 1%
- Unknown and Employed: 3%
- Seasonal and Employed: 7%
- Laid Off and Employed: 1%
- Let Go and Still Unemployed: 2%
- Unknown/Other and Unemployed: 1%
- Unknown and Employed: 3%
- Seasonal and Employed: 7%
- Laid Off and Employed: 1%
- Let Go and Still Unemployed: 2%
- Unknown/Other and Unemployed: 1%
- Unknown and Employed: 3%
- Seasonal and Employed: 7%
- Laid Off and Employed: 1%
- Let Go and Still Unemployed: 2%
- Unknown/Other and Unemployed: 1%
- Unknown and Employed: 3%
- Seasonal and Employed: 7%
- Laid Off and Employed: 1%
- Let Go and Still Unemployed: 2%
- Unknown/Other and Unemployed: 1%
- Unknown and Employed: 3%
- Seasonal and Employed: 7%
- Laid Off and Employed: 1%
- Let Go and Still Unemployed: 2%
- Unknown/Other and Unemployed: 1%
- Unknown and Employed: 3%
- Seasonal and Employed: 7%
- Laid Off and Employed: 1%
- Let Go and Still Unemployed: 2%
- Unknown/Other and Unemployed: 1%
- Unknown and Employed: 3%
- Seasonal and Employed: 7%
- Laid Off and Employed: 1%
- Let Go and Still Unemployed: 2%
- Unknown/Other and Unemployed: 1%
- Unknown and Employed: 3%
- Seasonal and Employed: 7%
- Laid Off and Employed: 1%
- Let Go and Still Unemployed: 2%
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Likelihood of Wage Increase by Job Outcome

- Employed: 60%
- Fired and Employed: 60%
- Laid Off and Employed: 40%
- Left and Employed: 50%
- Seasonal and Employed: 50%

Preliminary data – not tested for significance.
### Percent of Workers with Inadequate Skills

<table>
<thead>
<tr>
<th>Skill</th>
<th>Retained Workers</th>
<th>Poor Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Orientation/ Customer Service</td>
<td>*</td>
<td>35.6%</td>
</tr>
<tr>
<td>Critical Thinking</td>
<td>6.3%</td>
<td>50.2%</td>
</tr>
<tr>
<td>Operating Equipment</td>
<td>0.9%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Communication</td>
<td>5.1%</td>
<td>34.5%</td>
</tr>
<tr>
<td>Following Instructions</td>
<td>5.1%</td>
<td>61.1%</td>
</tr>
<tr>
<td>Time Management</td>
<td>5.9%</td>
<td>43.5%</td>
</tr>
<tr>
<td>Safety</td>
<td>*</td>
<td>11.4%</td>
</tr>
<tr>
<td>Job-Specific Technical Skills</td>
<td>*</td>
<td>24.9%</td>
</tr>
<tr>
<td>Work Ethics</td>
<td>4.9%</td>
<td>46.5%</td>
</tr>
<tr>
<td>Physical Skills</td>
<td>*</td>
<td>9.8%</td>
</tr>
</tbody>
</table>
Take Away Points

• We need to do a better job retaining workers.
  – Job matching matters.
  – Permanent work matters.

• It's not just about teaching a subject. Work skills matter.
Today’s Topics

• Is it over?
  – Reviewing Montana’s economic performance

• Where are the jobs?
  – Examining slow job growth

• What lies ahead?
  – The need for education and worker training

Including Econ 101 Lessons!

Unemployment Statistics and Discouraged Workers!

Public Finance!

Types of Unemployment!
QUESTIONS?

PRESENTATION, MONTHLY UPDATES, DATA, AND OTHER ECONOMIC RESEARCH AT

http://www.ourfactsyourfuture.org

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