

Montana's Labor Pool

More Workers than Anticipated Available to Fill Jobs

by John Baldrige



With Montana's median wage rate over \$2 an hour lower than the national median wage rate, it should not be surprising that nearly half of the state's workforce is willing to switch jobs in order to earn more money.

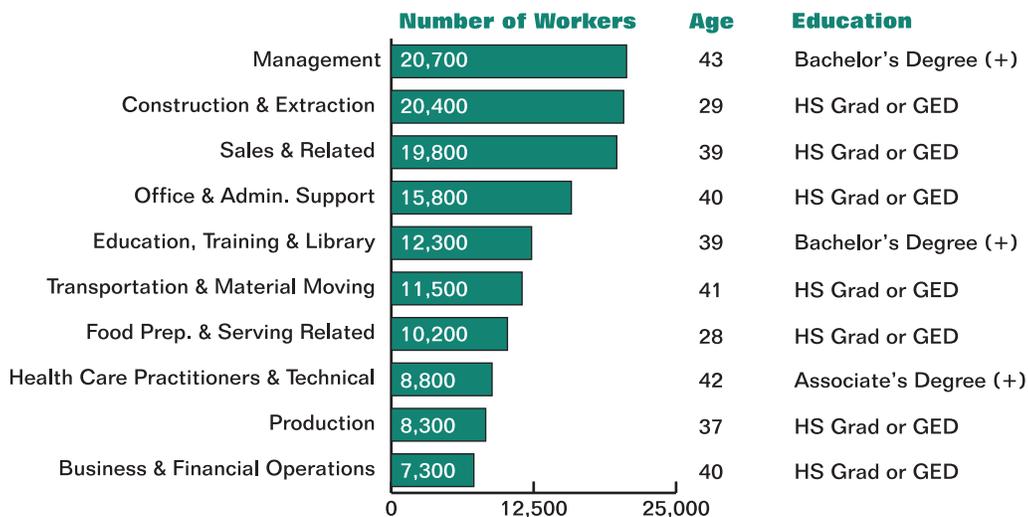
Montana housed 260,900 adult workers in 2008 who were employed and willing to switch jobs or take a second job, or who were unemployed and willing to work, according to BBER's Montana Labor Market Analysis Survey. More than half of these workers said the main reason they were willing to look for a new job was to seek an increase in pay. This makes sense given that Montana's median wage rate was \$13.41 an hour compared to the national rate of \$15.57. Workers in occupations like the construction trades, which felt the initial wave of the recession in 2008, also were probably motivated to switch jobs.

This labor pool, available to staff business expansions or to replace turnover, is significantly larger than well-known statistics like the unemployment rate would suggest. However, a few labor shortages may still exist in specific occupation categories and labor market areas within the state. The data presented here provide some evidence that there may be localized shortages in some health care occupations. In addition to its surprising size, Montana's available labor supply is diversified across a wide spectrum of occupations. Much of Montana's available labor force is also in its prime working years.

Statewide Available Labor Supply

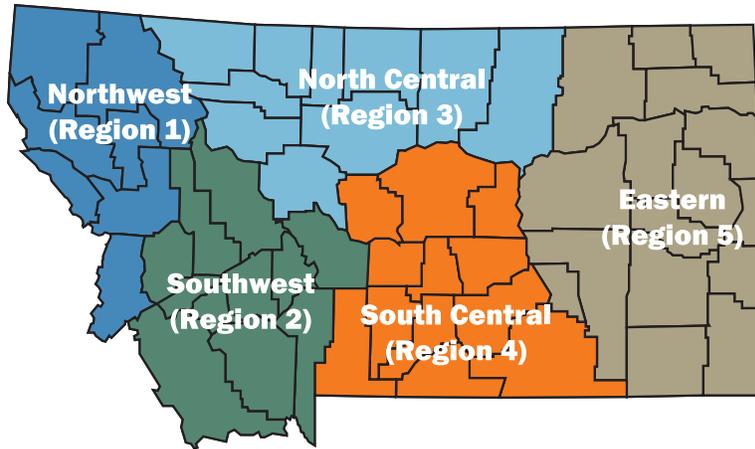
About 20,700 Montanans work as managers in businesses, nonprofits, or government organizations. This is the largest group of occupational specialties in Montana's available labor supply (Figure 1). Very nearly the same number of available workers – about 20,400 – work in construction trades or drilling and mining occupations. If people who are available to work in material moving occupations, like heavy equipment operators or dump truck drivers, are added to the construction and extraction occupations, this combined category would be

Figure 1
Available Labor Supply by Occupational Category, Age, and Educational Attainment, Montana



Source: BBER Labor Market Analysis Survey, 2008.

**Figure 2
Montana by Region**



Northwest [Region 1] Lincoln, Sanders, Mineral, Missoula, Ravalli, Flathead, and Lake
Southwest [Region 2] Granite, Powell, Lewis and Clark, Meagher, Broadwater, Jefferson, Silver Bow, Deer Lodge, Beaverhead, Madison, and Gallatin
North Central [Region 3] Glacier, Toole, Liberty, Hill, Blaine, Phillips, Pondera, Teton, Choteau, and Cascade
South Central [Region 4] Judith Basin, Fergus, Petroleum, Wheatland, Golden Valley, Musselshell, Park, Sweet Grass, Stillwater, Carbon, Yellowstone, and Bighorn
Eastern [Region 5] Valley, Daniels, Roosevelt, Sheridan, Garfield, McCone, Richland, Dawson-Prairie, Wibaux, Rosebud, Custer, Fallon, Treasure, Powder River, and Carter

Source: BBER Labor Market Analysis Survey, 2008.

the largest. Workers in sales, office and administrative occupations, and education round out the top five occupational categories in Montana’s available supply.

Health care occupations deserve special mention when describing the breadth of Montana’s available labor supply. About 8,900 people are available in Montana to work in health practitioner and technical occupations. Another 7,100 are available to work in health care support occupations like nurses aids. If these categories are combined, health care occupations would rank 5th largest in Montana’s available labor

pool. This does not imply that there are no regional shortages of health care workers in the state.

Regional Available Labor Supply

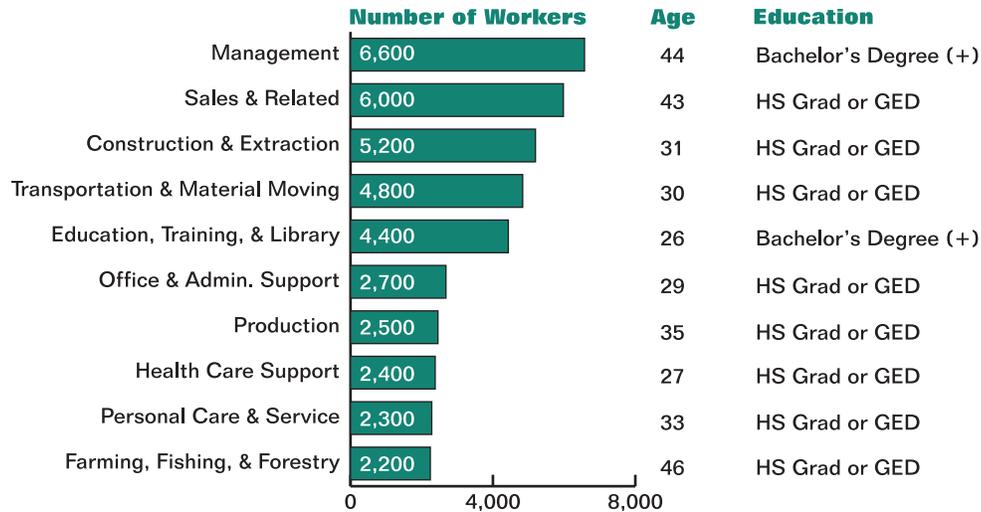
It is important to describe the available labor pool by region, since Montana is such a large state geographically. The state is divided into five labor market areas for analysis purposes (Figure 2). Figures 3 – 7 provide a graphical description of the size and occupational composition of the available labor supply in each of Montana’s five labor market areas.

**Figure 3
Available Labor Supply by Occupational Category, Age, and Educational Attainment, Northwest [Region 1]**



Source: BBER Labor Market Analysis Survey, 2008.

Figure 4
Available Labor Supply by Occupational Category, Age, and Educational Attainment, Southwest (Region 2)



Source: BBER Labor Market Analysis Survey, 2008.

Two items become apparent when analyzing the regional available labor market charts. First, even though agriculture and forestry are large and vital industries in Montana, relatively few workers in agricultural and forestry occupations are available to staff worker turnover. Farming and forestry workers appear in the top 10 categories of the available labor pool only in Montana's southwestern labor market area (Region 2). Second, health care practitioners do not appear in the top 10 categories of the available labor supply of the southwestern labor market area (Region 2), and health care support workers do not appear in the top 10 categories of the available labor supply of the south central (Region 4) or eastern labor market (Region 5) areas. While these observations do not

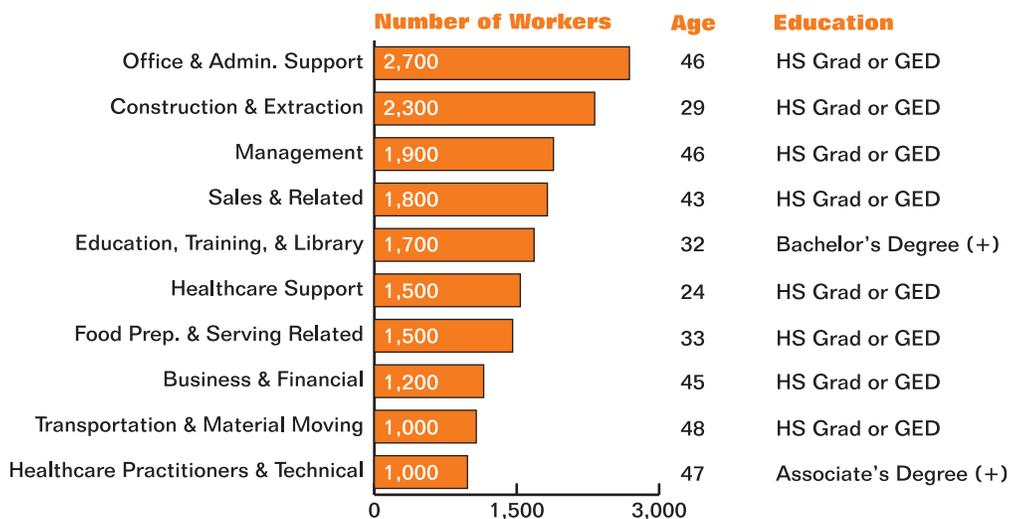
in themselves prove that a shortage of available health care workers exists in these regions, they are consistent with other reports from health care industry sources.

Age and Education

Montana's available labor force is, on average, in its 30s and 40s. As the baby boomer generation ages, the graying of Montana's available workforce may present businesses and institutions with significant challenges. However, this is not the case today when looking at Montana's statewide available labor supply.

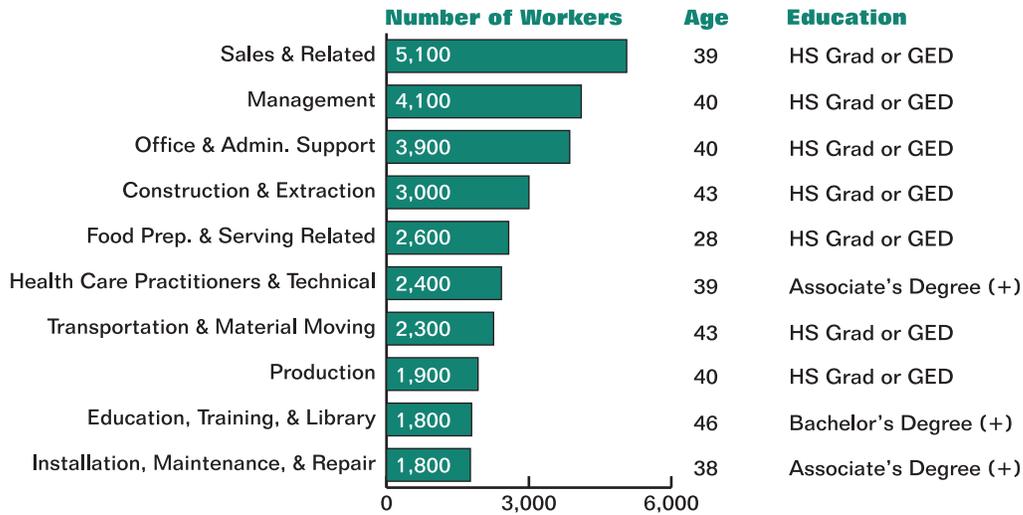
Aging of the available labor pool does appear in specific labor market areas in particular occupational categories. The

Figure 5
Available Labor Supply by Occupational Category, Age, and Educational Attainment, North Central (Region 3)



Source: BBER Labor Market Analysis Survey, 2008.

Figure 6
Available Labor Supply by Occupational Category, Age,
and Educational Attainment, South Central (Region 4)



Source: BBER Labor Market Analysis Survey, 2008.

median age of available transportation and material-moving workers (heavy equipment operators) in Montana's north central (Region 3) and eastern (Region 5) labor market areas is 48 years old, while the statewide median age is 41 years old. This observation is consistent with comments made by construction industry trade organizations about the need to train replacement heavy equipment operators in Montana. Available workers in management occupations in Montana's eastern labor market area (Region 5) are also older (49 years old) than available managers statewide (43 years old).

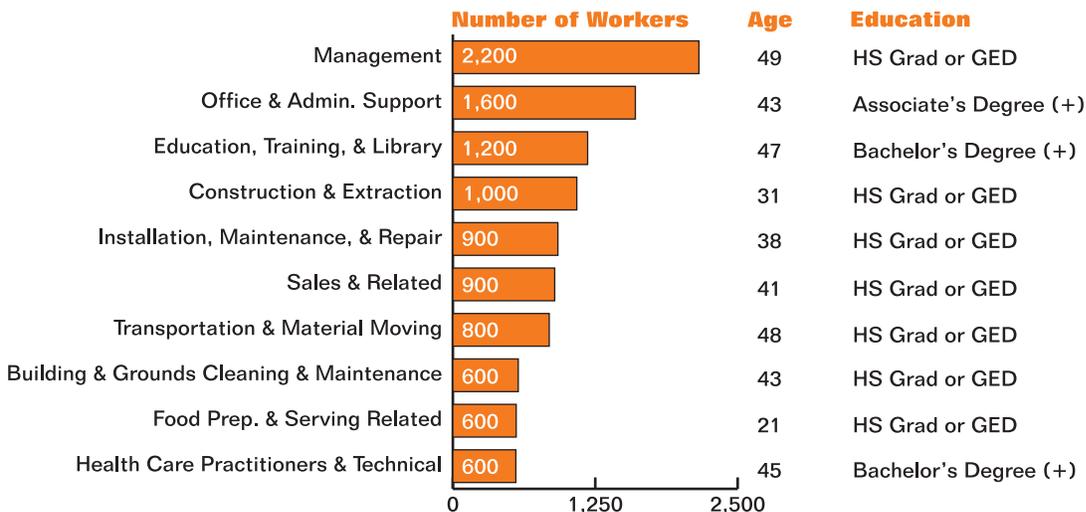
Montana's 260,900 available workers, when examined as a whole and at the regional level, appear to have attained a level of education that is appropriate for their occupation. Statewide, workers in the available health care practitioner

and technical category might appear at first glance to be undereducated. However, readers should keep in mind the large number of licensed practical nurses (LPNs) included in this occupational category. LPNs require an associate's degree. There are slightly more available LPNs in this category statewide than there are registered nurses or physicians. □

John Baldrige is BBER's director of survey development.

BBER conducted this survey for Montana Department of Labor and Industry from January through December 2008. The survey used random sampling methods to obtain 6,267 completed telephone interviews with adult Montanans, including both landline and cell phone-only households. The overall margin of sampling error for this survey was +/- 1.5%. Sampling error rates for sub-samples of this study will be higher. The response rate for this survey was 41.4% using the American Association for Public Opinion Research (2008) standard definition (RR3).

Figure 7
Available Labor Supply by Occupational Category, Age,
and Educational Attainment, Eastern (Region 5)



Source: BBER Labor Market Analysis Survey, 2008.