LABOR DATA FOR ECONOMIC DEVELOPMENT POLICY

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OVERVIEW

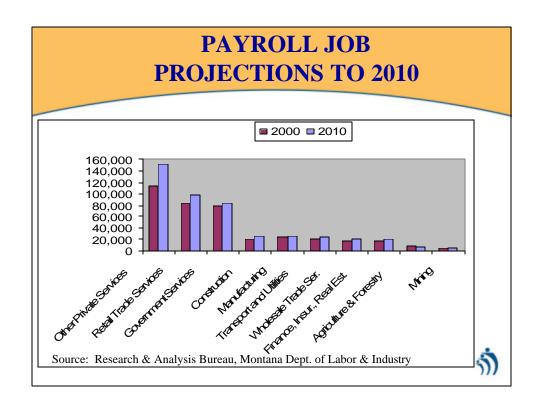
- •Economic Development Occurs Over Decades; Thus Planning Economic Development Has a Long-term or 10-20 Year Focus, Not 1-4 years
- •Will Present Employment Projections for 2010 (the demand side)
- •Will Present Data on the Supply of Workers Projected to 2010
- •Will Present Information on Montana Business Establishments: Size and Health Coverage

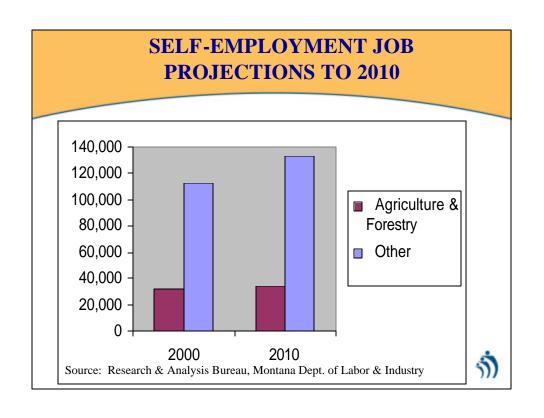


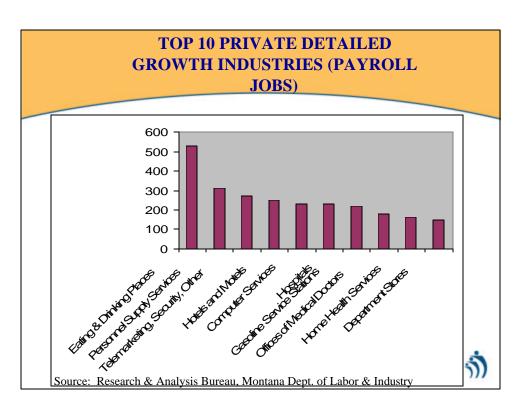
2010 MONTANA INDUSTRY PROJECTIONS (LABOR DEMAND)--GENERAL

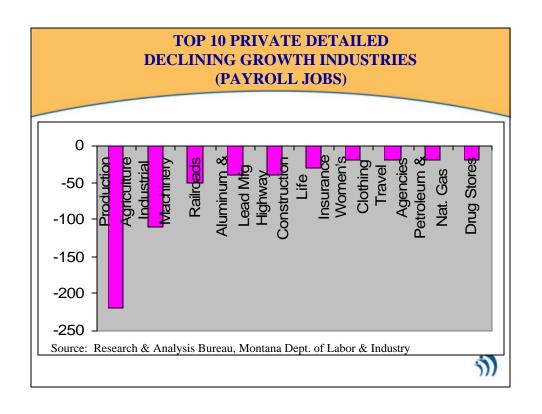
•Annual Job Growth From 2000 to 2010 Will Average roughly 1.7% for Payroll Jobs and About 1.4% for Self-Employment; Some Years Will Be Above These Percentages, Some Below •2001 Payroll Job Growth was 1.3%, 2002 =1.1% and 2003 probably less than 1% •Most Job Growth Will Be in the Broadly Defined Service Industry, a Mixture of High, Medium, and Low-Paying Jobs (not just low-paying food service jobs)

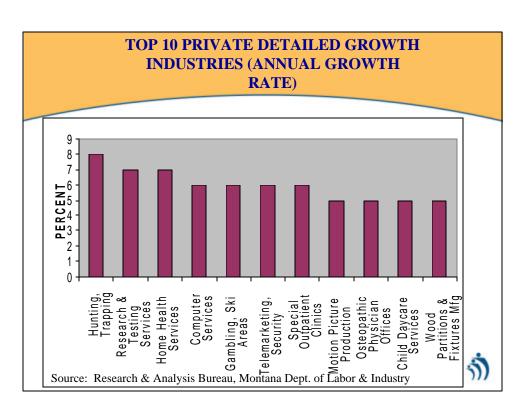








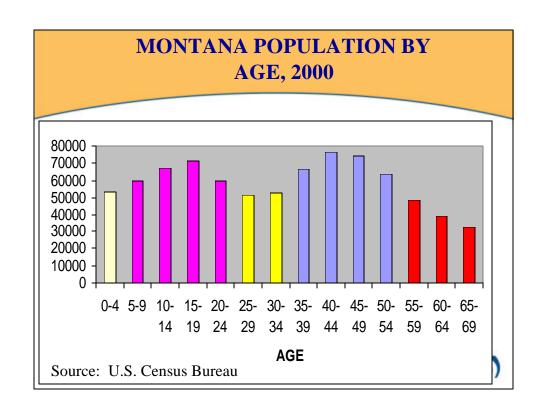




CHANGING AGE STRUCTURE OF MONTANA'S WORKFORCE (LABOR SUPPLY)--GENERAL

- •Since the Baby-Boom Generation (born 1946-1964) Entered the Workforce, It Has Made a Huge Impact Because of Its Size
- •When and How This Group Retires Will Affect the Number of Available Workers and Possible Worker Shortages
- •The Baby-Bust Group (born 1965-1976) Cannot Make Up for Boomer Retirements
- •The Echo-Boom Group (born 1977-1994) Is About 85% of the Boomer Group So May Be Part of the Solution, But Have Less Experience





MONTANA POPULATION BY AGE, 2000

- Baby-boom generation (ages 35 to about 54 in the blue/purple color)
 - »Born 1946-1964
 - »The dominant factor in the labor force, a large portion of the 15+ group (working age population)
 - »Generally hold more responsible positions
- Swing generation (ages 55 to about 69 in the orange color)—born during the 1930s and WWII time periods; some folks already retired
- Baby bust, roughly ages 25 thru 34 (Gen. X)—a smaller group; possible problem



MONTANA POPULATION BY AGE, 2000-continued

- Baby boom echo group, (Generation Y), roughly ages 5 thru 24
- A portion in the workforce in 2000 (ages 15 through 24)
- Some echo-boomer workers are in their teens, leading to less shortages by fast-food companies and other teen employers
- In the 1990s, We heard about these shortages because of the baby-bust

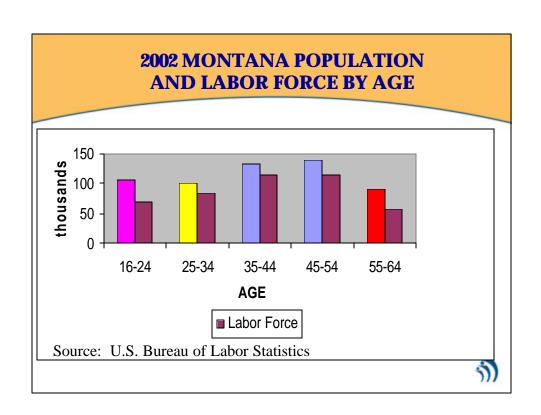


MONTANA POPULATION BY AGE, 2000-continued

Start of Echo Baby Bust, ages 0 thru 4

This additional smaller age group will start entering the workforce about 2012, the same time that oldest baby boomers are at their normal Social Security retirement age of 66; possible problem

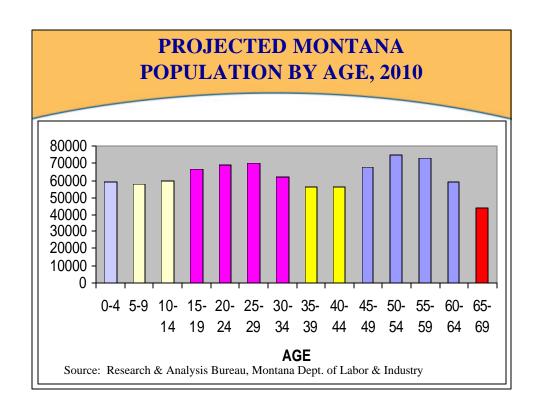
»Hopefully not too many folks will label this group, Generation Z; We are at the end of the alphabet.



2002 MONTANA POPULATION AND LABOR FORCE BY AGE

- © Essentially by 10-year age groups rather than 5-year; ages 16-24, 9 years
- © Echo-boom (16-24) lower because of lower participation in the workforce and missing age 15
- Same pattern of boom and bust and echo-boom for the labor force and civilian noninstitutionalized population, as for the general population





PROJECTED MONTANA POPULATION BY AGE,

2010

- Workforce will become more age diverse
 - »Baby-boomers: 50% of principal working age population (ages16-64) in 2000; roughly 40 to 45% in 2010
 - »The boomer percent will depend in part on how many boomers retire early
 - **»Baby-busters (Generation X): 20% in 2000 to about the same in 2010**
 - »Echo-boomers (Generation Y): 15% in 2000 to approximately 35% in 2010 (more than doubling)

EARLY RETIREMENT OF BABY-BOOMERS

- If the baby-boom generation decides not to retire early, then the possible problem of large numbers retiring is delayed until about 2012
- If not, then the problem is sooner
- Portions of previous generations have retired before their regular retirement age of 65; current average 62-63 yrs
- Why 2012 rather than 2011? 1946+65=2011

REASONS FOR BOOMERS TO DELAY RETIREMENT

- More employees now have defined contribution retirement plans (401k) with stock investments; the stock market declined for 3 years (1999-2002)
- The regular Social Security retirement age for the leading edge of boomers is 66; age 62 benefits have been reduced accordingly



REASONS FOR BOOMERS TO DELAY RETIREMENT-

continued

- Fewer companies offer assistance with health insurance to retirees
- Healthier older population
- For boomers, Social Security monthly benefits increase by 8% per year for every year retirement is delayed beyond the regular age of 66

REASONS FOR BOOMERS TO DELAY RETIREMENT-

continued

- American Association of Retired Persons (AARP) 2003 survey of workers ages 50-70
 - »45% expect to work into their 70s and beyond
 - »3% margin of error
 - »Reasons from the survey: stock market downtown, cutbacks in retiree health benefits, and low interest earnings on fixed rate financial investments
 - »Attitudes can change over time
- However, the pull to retire from a present job as soon as possible is still pretty strong for many workers
- **Stay Tuned**



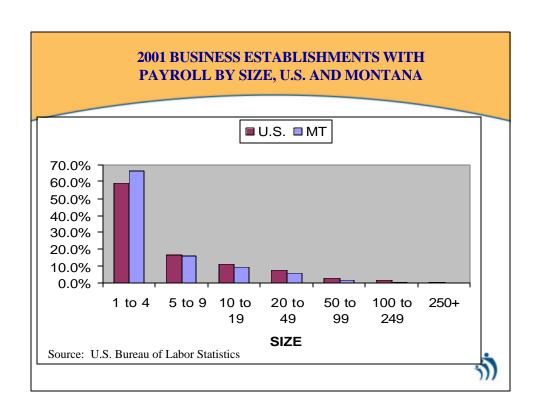
GENERAL SOLUTIONS TO POSSIBLE LABOR FORCE SHORTAGES WHEN BOOMERS RETIRE

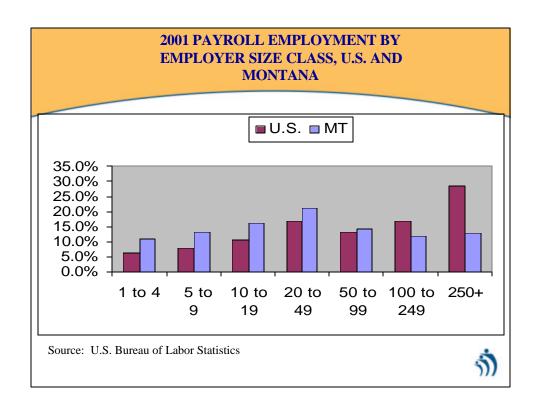
- **Echo-boomers** (experience issue and only roughly 85% of the size of the baby-boom)
- Additional migration from foreign countries and other states to Montana to close the gap; will this happen?
 - »Not many foreign workers have come to Montana in the past; since Sept. 11th, it is getting harder to enter the country anyway
 - Shortages are a national problem so migration from other states is probably not the solution; also a Canadian national problem
 - On the other hand, Montana has environmental resources (mountains, small population, etc.), and people continue to move here regardless of low wages
 - »Part of this is reverse migration (people born in an area moving back after a period of years)

EMPLOYER SOLUTIONS TO POSSIBLE WORKER SHORTAGE AND EXPERIENCE GAP PROBLEMS

- Phased retirement (reduced hours); can work well with a defined contribution (401k type) retirement plan; defined benefit plans may need to be changed
- Rehire early and regular retirees part-time and provide health benefits as incentive
- Mentoring to help alleviate the experience gap
- Outsource work out of the country
- Substitute equipment for people







MONTANA EMPLOYERS' HEALTH INSURANCE COVERAGE, 2003

- Bureau of Business and Economic Research, University of Montana-Missoula Study
- Only 40% of employers with less than 10 employees offer health insurance; 2/3 of these do not offer insurance to all employees
- **"Only half of large firms offering health insurance offer it to all employees"**
- **6.481% of non-offering firms cite cost**"



MONTANA EMPLOYERS' HEALTH INSURANCE COVERAGE, 2003continued

"40% of non-offers would participate in a small business purchasing pool; 30% liked tax credit"

○ Further information at:

http://www.dphhs.mt.gov/hpsd/ uninsured/survey.htm



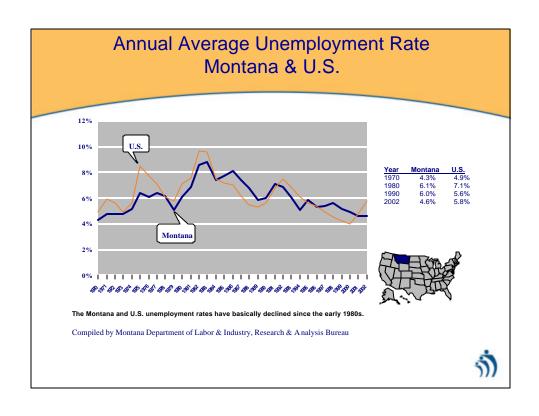
RESOURCES

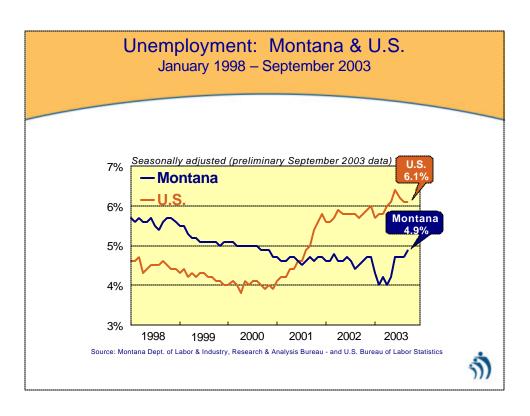
Census & Economic Information Center, Montana Dept. of Commerce

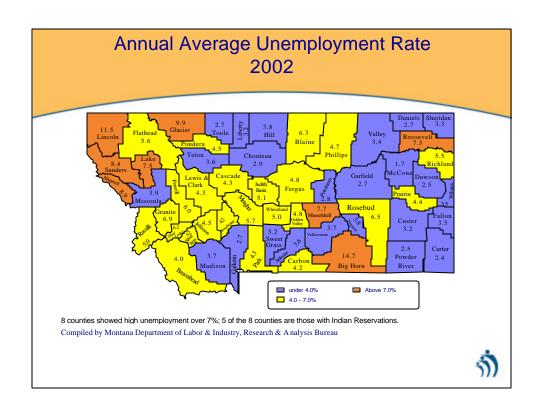
http://ceic.commerce.mt.gov 406-841-

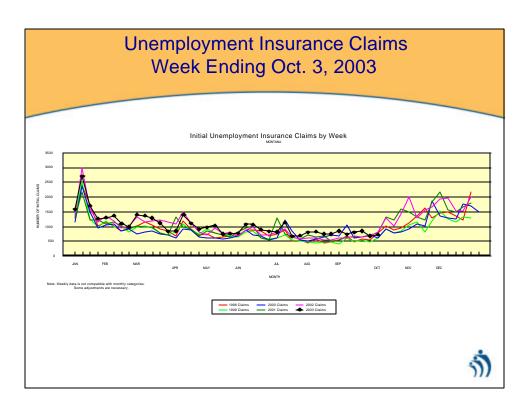
2740 (one-stop center for Montana economic and demographic data from all agencies)

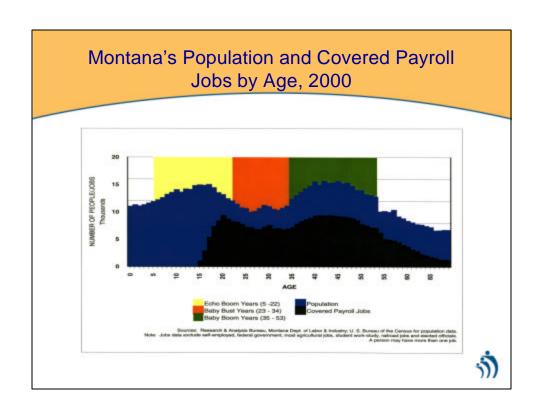
Research & Analysis Bureau, Workforce Services Division, Montana Dept. of Labor & Industry http://www.ourfactsyourfuture 406-444-2430 (unemployment, wages, some employment series, etc.)

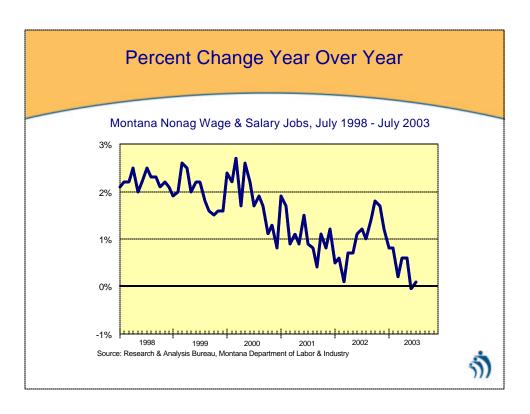


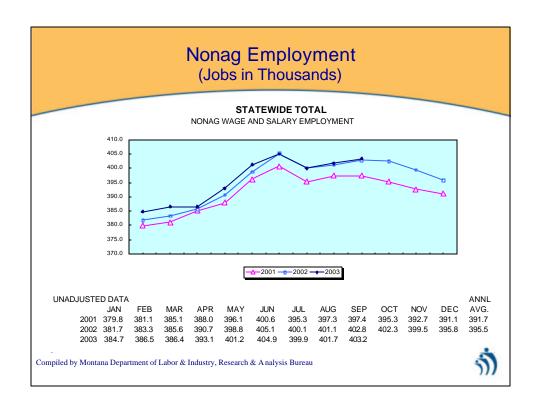


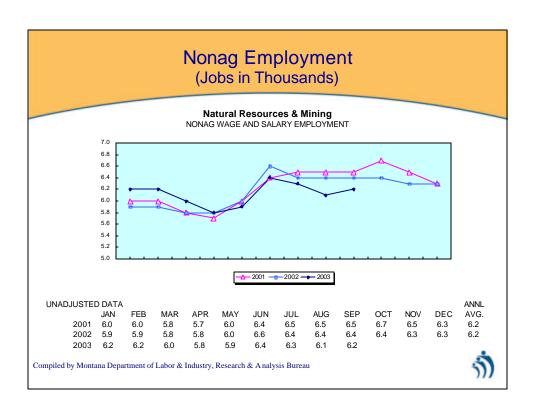


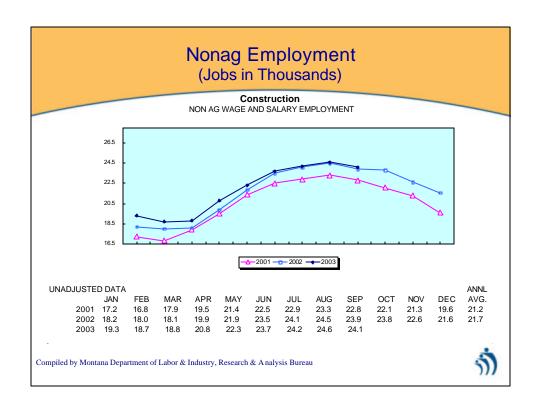


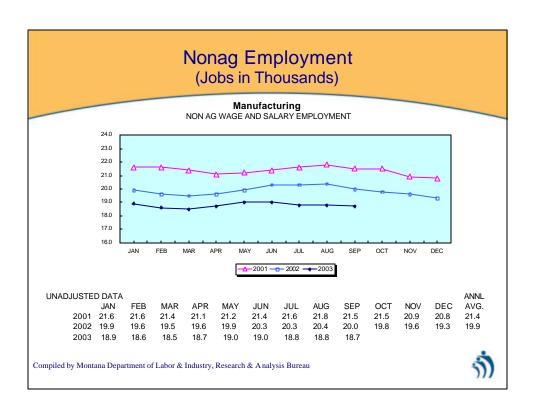


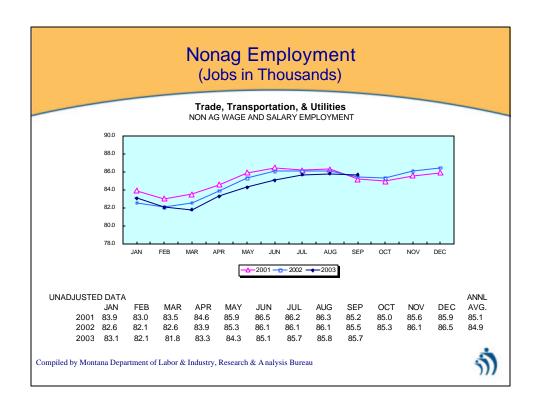


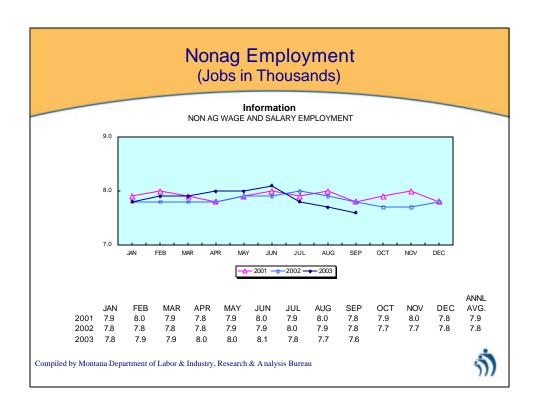


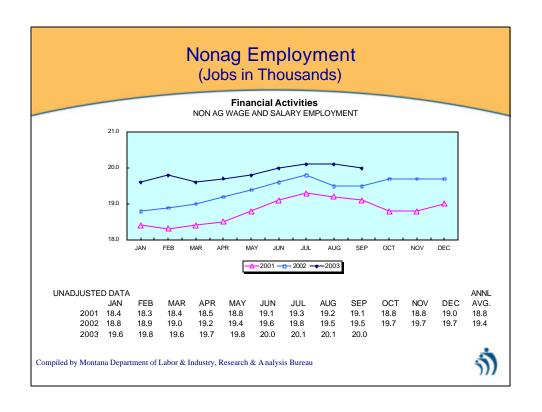


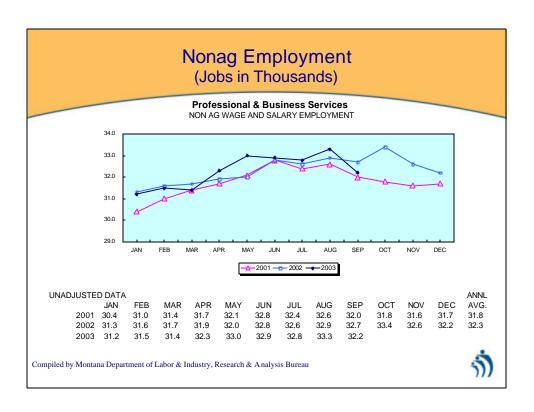


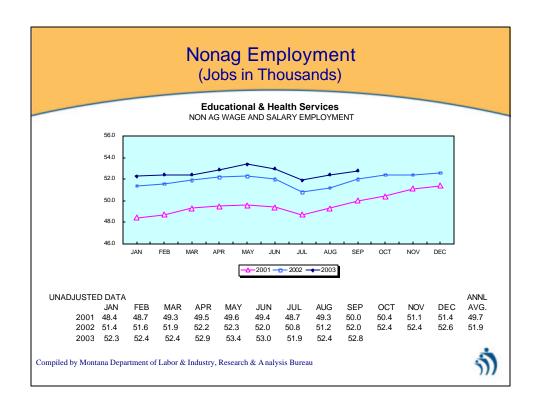


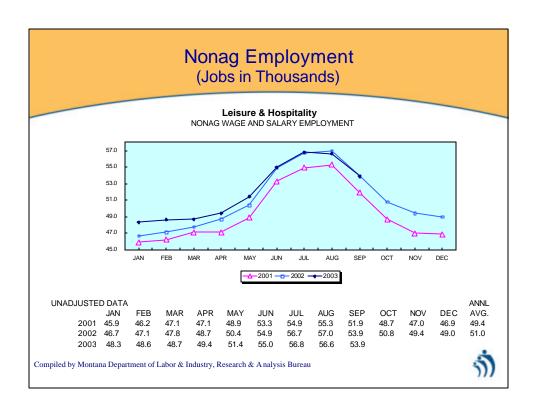


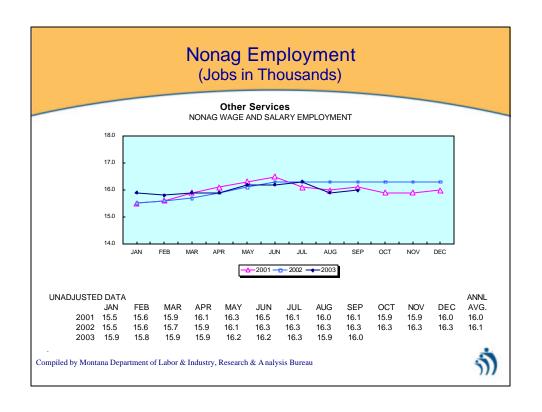


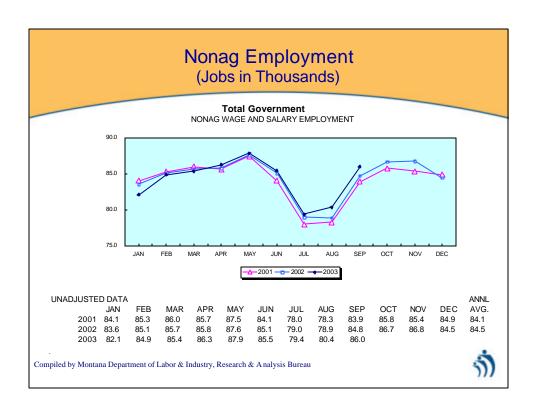


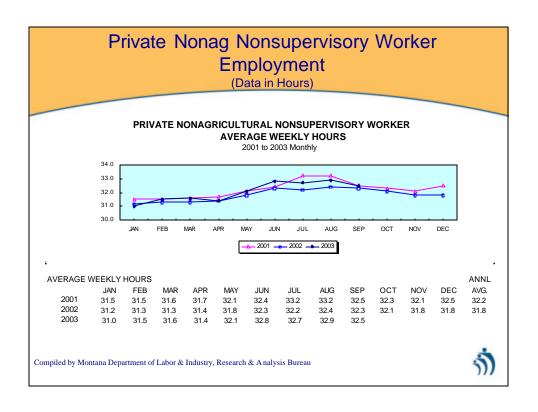


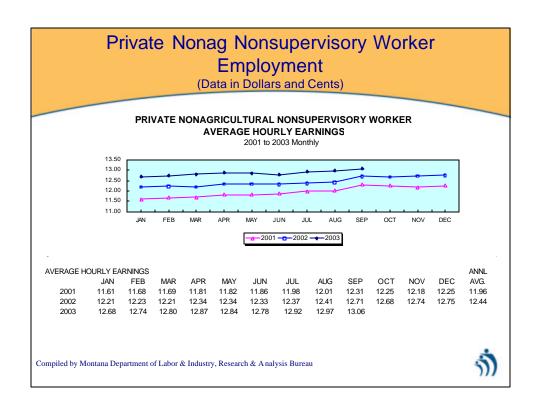


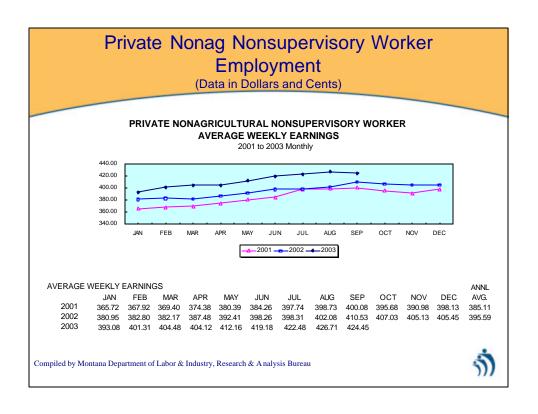


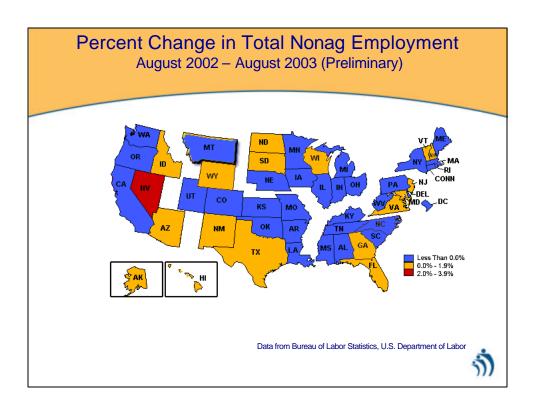


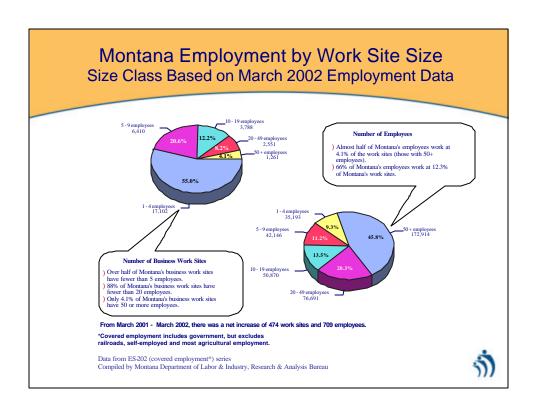


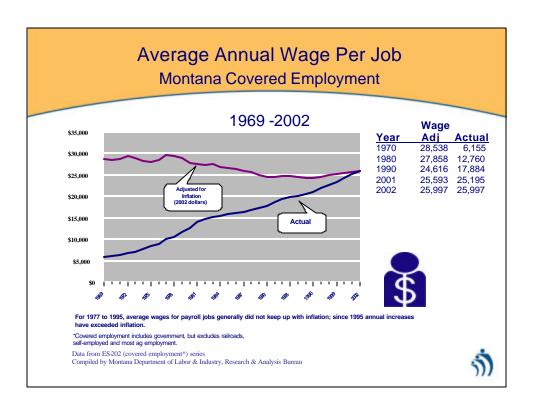


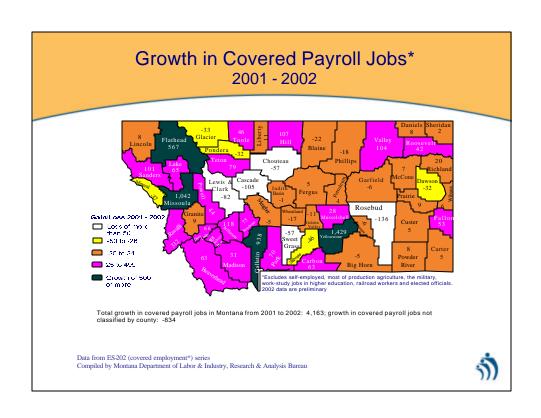


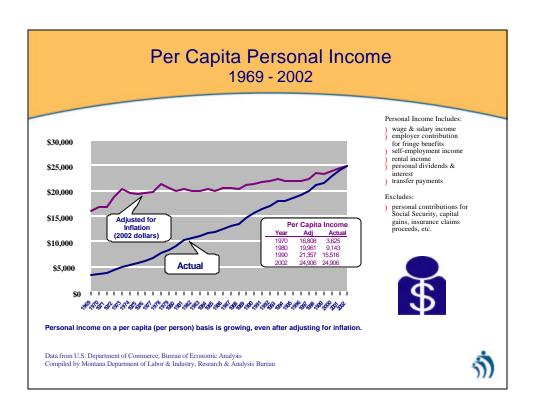


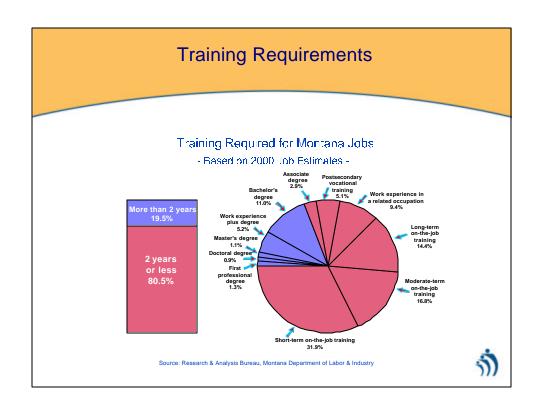












	stest Growing Montana Occupations With 50 C				
More Job Openings Per	Yea	r, 200)() -2	2010	
1 0					
		Total	Median	Training	
Occupation	Total %	Annual	Hourly	Level**	
Occupation Computer Support Specialists	Change 83.6%	Openings 122	Wage \$15,45	Required 6	
Fitness Trainers & Aerobics Instructors	59.1%	68	\$9.37	7	
Personal & Home Care Aides	57.0%	150	\$7.38	11	
Medical Assistants	52.1%	63	\$10.06	10	
Social & Human Service Assistants	51.3%	97	\$9.93	10	
Amusement & Recreation Attendants	47.0%	64	\$6.56	11	
Hotel, Motel & Resort Desk Clerks	46.8%	140	\$6.71	11	
Tour Guides & Escorts	41.1%	54	\$7.40	10	
Advertising Sales Agents	35.4%	70	\$13.91	10	
Counter & Rental Clerks	34.3%	137	\$7.00	11	
Home Health Aides	34.1%	125	\$7.98	11	
Customer Service Representatives	33.6%	156	\$9.59	10	
Construction Laborers	33.4%	136	\$11.62	10	
Real Estate Brokers	31.8%	124	\$40.21	8	
Combined Food Preparation & Serving Workers, Including Fast Food	31.8%	364	\$6.83	11	
Bill & Account Collectors Landscaping & Groundskeeping Workers	31.7% 30.5%	51 174	\$10.32 \$8.03	11 11	
Real Estate Sales Agents	30.5% 29.0%	174 84	\$8.03 \$8.66	7	
Pharmacists	28.7%	56	\$31.27	1	
Maids & Housekeeping Cleaners	28.6%	317	\$6.71	11	
Electricians	28.4%	92	\$21.17	9	
Receptionists & Information Clerks	27.6%	157	\$8.61	11	
Police & Sheriff's Patrol Officers	26.1%	64	\$15.25	9	
Truck Drivers, Heavy & Tractor-Trailer	25.5%	347	\$14.17	10	
Lawyers	25.4%	83	\$27.39	1	
Cooks, Restaurant	24.5%	198	\$7.97	9	
Truck Drivers, Light or Delivery Services	23.8%	156	\$9.62	11	
Correctional Officers & Jailers	23.7%	55	\$11.64	10	
Automotive Service Technicians & Mechanics	22.6%	201	\$13.80	7	
Cashiers	22.4%	627	\$6.89	11	
Nursing Aides, Orderlies & Attendants	22.1%	176	\$8.11	11	
Registered Nurses	21.7%	322	\$19.17	6	
Carpenters	21.1%	404	\$14.40	9	

