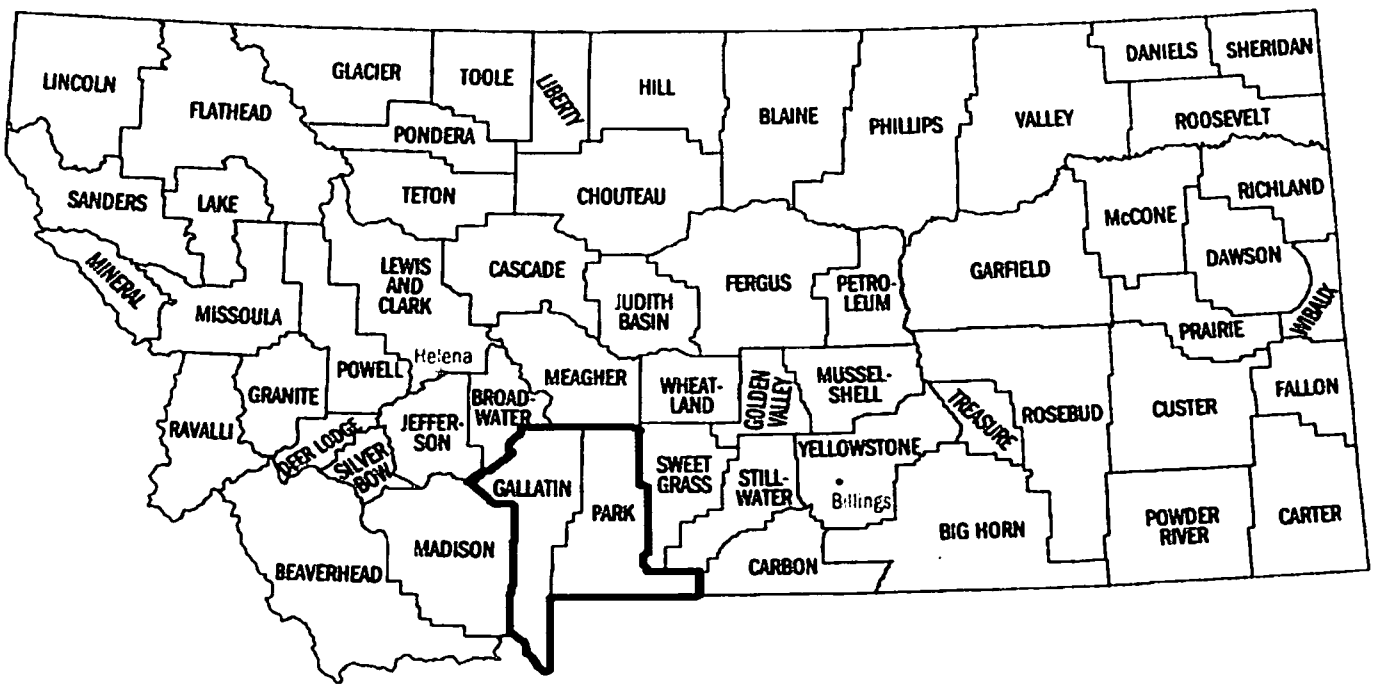
2015
Economic Profile

of Gallatin and Park Counties, Montana

Prospera
BUSINESS NETWORK

Gallatin & Park Counties, Montana



PROSPERA BUSINESS NETWORK

2015 Charlotte Street • Suite 1 • Bozeman, MT 59718
Phone 406.587.3113 • Fax 406.587.9565
www.ProsperaBusinessNetwork.org

Table of Contents

List of Tables

List of Charts

List of Figures

Introduction

The Economic Profile of Gallatin and Park Counties is researched, updated and published annually. This comprehensive description of the regional economy emphasizes economic, population and demographic trends; area cost of living and employment dynamics; and major industry sector data. With instances where city, county and regional data is unavailable, statewide data has been provided. It should be noted that there can be a significant time lag in the collection and publication of some of the data sources referenced in this report.

A companion publication, Prospera's *2015 Business Relocation and Resource Guide,* includes Gallatin and Park County resources and information for businesses and their employees. It can be found on the Prospera website at www.ProsperaBusinessNetwork.org on the Research and Publications page.

About Prospera Business Network

Prospera Business Network is a member-supported nonprofit economic development organization in southwestern Montana whose purpose is to advance, challenge and inspire our regional business communities. Originally established in 1985 as the Gallatin Development Corporation, Prospera is dedicated to supporting business expansion, retention and relocation by providing access to business consulting, financing, professional development and economic research. Prospera provides a wealth of resources and tools to business leaders and visionary entrepreneurs and prides itself on the range and quality of its programs.

For additional information, visit: www.ProsperaBusinessNetwork.org or call (406) 587-3113.

Overview

Located in southwestern Montana, the Gallatin and Park County region is one of the fastest growing economic areas in the northern Rocky Mountains. It has a varied economic base, an educated workforce, thriving technology and manufacturing industries, a major research university, abundant cultural and outdoor recreation amenities and a scenic natural landscape at the doorstep of Yellowstone National Park.

About Gallatin County

Gallatin County, with its county seat in Bozeman, covers a land area of 2,603 square miles ranging in elevation from 4,000 to 10,700 feet and had a population density of 34.4 people per square mile as of the 2010 U.S. Census. Located in the Gallatin Valley, Gallatin County is the most populated and fastest growing county in southwest Montana. According to the most recent population estimates from the U.S. Census bureau, since the year 2000 Gallatin County has the largest population increase in the state (43.4 percent) and has the third largest county population in Montana behind Yellowstone and Missoula Counties.

Gallatin County is named for its prominent physical feature, the Gallatin River, which was named by Meriwether Lewis in 1805 in honor of Albert Gallatin, the Secretary of the Treasury at the time. The county was established in 1864. With its Rocky Mountain setting, it encompasses the Yellowstone National Park western entrance and is known for world-class downhill skiing, blue ribbon trout streams and a multitude of other outdoor activities. Nearly half of the land in the county is under public ownership by the Gallatin National Forest, State of Montana, Bureau of Land Management,

or the National Park Service. Gallatin County is large and diverse, with rich agricultural lands, a vibrant university and a varied economy of technology and manufacturing businesses.

About Park County

Park County is located in central southwest Montana. With its county seat in Livingston, it covers a land area of 2,802 square miles ranging in elevation from 4,000 to 12,000 feet and had a population density of 5.6 people per square mile as of the 2010 U.S. Census. Park County is nestled between four mountain ranges and spans the beautiful Paradise and Shields Valleys. According to the most recent population estimates from the U.S. Census bureau, Park County's population has increased by 1.2 percent since the year 2000 and is the 12th most populated county in Montana.

Park County was established in 1887 and named for its proximity to Yellowstone National Park. Because of its immediate access to Yellowstone through the northern entrance and the Yellowstone River flowing through it, Park County's economy is concentrated in tourism, recreation-related services, farming, mining, logging and the arts. Park County has a rich ranching and railroad heritage and is known internationally for fly-fishing and hunting.

In the latest World Economic Outlook released by the International Monetary Fund, global growth for 2015 was projected at 3.3 percent.[1] This figure was projected due to a gradual pickup to 2.1 percent growth in advanced economies, coupled with a slowdown to 4.2 percent growth in emerging and developing economies.[1] Growth in 2016 for advanced economies worldwide was projected at 2.4 percent, with predictions for 4.7 growth in emerging and developing economics in 2016.[1] Domestically speaking, GDP growth in the U.S. is expected to pick up from 2.5 percent in 2015 to 2.8 percent in 2016, with strong consumer spending, increased business investment and continued improvement in the housing market outweighing ongoing export and mining sector troubles.[2]

Montana is outperforming the United States on many measures, according to Headwaters Economics.[3] Between 2001 and 2013 employment increased by 14 percent, total real personal income grew by 35 percent and per capita income grew by 21 percent—almost three times as fast as the nation's growth of 8 percent.[3] Driving the growth are an increase in higher quality jobs and a rapid increase in investment and retirement income.[3] Job growth was led by growth in service-related industries, many of them high-wage, which diversified the region's economy.[3]

U.S. Economy on Stable Ground, but Performance Uneven

The economy has been recovering slowly yet unevenly since the depths of the recession in 2009. While the labor market has recovered significantly and employment has returned to pre-crisis levels, there is still widespread debate regarding the health of the U.S. economy. In addition, even though the worst effects of the recession are now fading, the economy still faces a variety of significant challenges going forward. Deteriorating infrastructure, wage stagnation, rising income inequality, elevated pension and medical costs, as well as large current account and government budget deficits, are all issues on the radar.

U.S. Economic Outlook
Focus Economics
www.focus-economics.com

The short-term outlook for the Montana economy from Patrick Barkey, Director of the Bureau of Business and Economic Research (BBER), is one of more balanced growth around the state: this is due to dropping crude oil prices and other factors slowing oil-related activity in the eastern counties and healthier growth returning to the more populous western parts of the state.[4] Looking ahead, Barkey forecasts overall slower statewide growth than forecast last year, with urban areas in Western Montana setting the pace and booming oil development "putting on the brakes".[4]

Also notable is the changing distribution of growth across industries, as Barkey states, "Economic growth in the state is now much more widespread across the major industries, with health care, professional business services, and retail trade posting the biggest gains in inflation-corrected wages. A more durable trend has been the continued decline in government payrolls, which contracted for the fourth consecutive year."

---

[1] World Economic Outlook Update. International Monetary Fund. July 2015. www.imf.org.
[2] Payne, David. "GDP Growth to Improve Despite Strong Dollar's Drag." Kiplinger. November 24, 2015. www.kiplinger.com.
[3] "Haymakers Report: Montana's Economy, Public Lands, and Competitive Advantage." Headwaters Economics. February 2015. http://headwaterseconomics.org.
[4] Barkey, Patrick. "Montana Economic Outlook: More Balanced, But Slower Growth Ahead." Outlook 2015. Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu.

Montana's overall fiscal condition also earned the state tenth best ranking in the U.S. for fiscal year 2013 based on five "solvency indices". Montana ranked 6th for cash solvency: related to a government's short-term liquidity and ability to pay its bills on time; 6th for budget solvency: or ability to meet current-year spending obligations without causing a deficit; 9th for long-run solvency: including longer-term obligations such as pensions; 30th for service-level solvency: a measure of the ability to provide and pay for the level and quality of services required to meet a community's general health and welfare needs; and 29th for trust fund solvency: which examines a state's debt and pension and health care liabilities relative to state personal income.[5]

The Gallatin County economy was the best performing in Montana in 2014, with its $104.3 million increase in wages and salaries for the year accounting for almost 35 percent of statewide growth.[7] Gallatin County is projected to continue leading the state, with growth of 5 percent per year or greater from 2015 to 2018 driven by continued expansion in the high-tech sector (which includes manufacturing and software), growth in nonresident travel and significant improvement in construction.[6] Montana State University remains the largest component of the county's total economic base and accounts for about 30 percent of the total economy.[6] With population predictions of roughly 112,000 in Gallatin County and 50,000 in Bozeman by 2025, many suggest that Bozeman has reached a critical mass, and therefore call for a focus on ensuring quality, high-paying jobs, a trained workforce and adequate basic services to accommodate such momentum.

Gallatin County: Montana's Economic Growth Leader

According to Paul E. Polzin, Director Emeritus of the Bureau of Business and Economic Research, "Over the longer run, positive trends in Gallatin County's high-tech sector and the transition of Bozeman into a regional trade and service center suggest continued growth."

Outlook 2015
"Gallatin County: Montana's Economic Growth Leader."
Bureau of Business and Economic Research
www.bber.umt.edu

Meanwhile, Park County's economy has been stimulated by a number of large construction projects. The new $43.5 million Livingston HealthCare hospital facility was completed in October 2015 and represents one of the largest projects ever undertaken in Park County.[8,9] The hospital, a Billings Clinic affiliate, was forecast to contribute an estimated $15.3 million of positive impact to retail business, real estate, accommodations and food service.[10] Also, an ongoing $24.5 million project around the Gardiner Gateway is improving infrastructure, safety and the visitor experience in Gardiner and includes the construction of a new welcome center.[11] Finally, the new Livingston Food Resource Center facility opened in January 2015 offering culinary training, housing a multipurpose commercial kitchen and community center with equipment for processing locally grown produce and providing a commercial kitchen available for rent to entrepreneurs in the food industry.[12]

---

[5] Norcross, Eileen. "State Fiscal Condition: Ranking the 50 States." Mercatus Research, Mercatus Center, at George Mason University. July 2015. www.mercatus.org.
[6] Polzin, Paul E. "Gallatin County: Montana's Economic Growth Leader." Outlook 2015. Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu.
[7] Bacaj, Jason. "What lies ahead?" *Bozeman Daily Chronicle.* February 9, 2014. www.bozemandailychronicle.com.
[8] Benoit, Zach. "New $43.5M hospital set to open in Livingston." *Billings Gazette.* October 18, 2015. www.billingsgazette.com.
[9] Storey, Natalie. "A Beaming Success: Last steel beam put in place on new hospital." *Livingston Enterprise.* June 26, 2014. www.livingstonenterprise.com.
[10] Hausen, Jodi. "Livingston HealthCare to build new hospital." *Bozeman Daily Chronicle.* October 26, 2012. www.bozemandailychronicle.com.
[11] Kearney, Liz. "Gardiner Gateway Project advances." *Livingston Enterprise.* March 20, 2014. www.livingstonenterprise.com.
[12] Niedermeier, Jordon. "Livingston Food Resource Center opens its doors to the public." *Livingston Enterprise.* January 19, 2015. www.livingstonenterprise.com.

To highlight the most innovative and effective policies across the nation, the 2015 edition of the U.S. Chamber of Commerce Foundation's *Enterprising States: States Innovate* study analyzed the 50 states through six lenses, ranking the top 10 in six categories: Economic Performance, Transportation & Trade, Innovation & Entrepreneurship, Business Climate, Talent Pipeline and High-Tech Performance.[13] Rankings within the six categories were determined based on 35 metrics that measure overall economic performance, along with performance in five important policy areas for job growth and economic health.[13]

Montana earned a top 10 spot in two of the six categories, coming in 6th for Innovation & Entrepreneurship and 10th for Business Climate.[13] Table 1 below lists the top metrics for Montana from the 2015 report.

Table 1: 2015 Enterprising States Report - Rankings for Montana

Metric	Ranking
Kauffman Entrepreneurship Index: 2015	1
New Startup Rate: Business births as a share of all business establishments, third quarter 2014	4
Small Business Lending: Number of business loans per 1,000 small business employees, 2012	5
Business Tax Climate: Index of taxes affecting business, fiscal year 2015	6
Per Capita Income Growth: Personal Income, 2004-2014	7
High-Tech Job Growth: Growth in high-technology industry sectors, 2004-2014	7
Export Growth: Growth in gross Manufactured Exports 2004-2014	8
Road Quality: Percentage of road miles rated mediocre or poor, 2012	8
Productivity Growth: Growth in gross state product output per job, 2004-2014	9
Gross State Product Growth: 2004-2014, 2005 chained dollars	10
Bridge Quality: Share of bridges rated structurally deficient or functionally obsolete, 2013	10
State Fiscal Condition: 2013 financial heath in terms of cash solvency, budget solvency, long-run solvency, service-level solvency, and trust fund solvency	10
College Affordability: Average undergraduate public four-year institution cost as a share of disposable personal income, 2013-2014	10
Long-Term Job Growth: Percentage job growth 2005-2015	11
State R&D Investment: Investment in academic research and development as a share of gross state product, 2004-2013	11
Academic R&D Intensity: Academic R&D as a share of gross state product, 2013	13
STEM Job Growth: Growth in science, technology, engineering and mathematics jobs, 2004-2014	15
Higher-Ed Degree Output: Total degrees (two years and higher) awarded at public institutions per 10,000 residents, 2013	19
Labor Force Utilization: Labor force participation rate, May 2015	21
Cost of Living: State Cost of Living Index 2013	23
Higher-Ed Efficiency: Total expenditures per degree awarded, 2012-2013	23
Educational Attainment: Associate and higher degree holders among 25- to 44-year-old population, 2013	23

Source: "Enterprising States: States Innovate." U.S. Chamber of Commerce Foundation. www.uschamberfoundation.org/enterprisingstates.

[13] "Enterprising States: States Innovate." U.S. Chamber of Commerce Foundation. www.uschamberfoundation.org/enterprisingstates.

2015 Economic Strength Rankings[14]

POLICOM creates economic strength rankings for both Metropolitan and Micropolitan Statistical Areas. According to POLICOM, "Economic strength is the long term tendency for an area to consistently grow in both size and quality." POLICOM Corporation is an independent economic research firm specializing in analyzing local and state economies. From its research it determines if an economy is growing or declining and what is causing this to happen and publishes annual economic strength rankings.

The POLICOM rankings are created to study the characteristics of strong and weak economies and are based on three groups of data: Group 1 data reflects growth in the size and quality of the economy using wage and income measures such as per capita earnings and number of jobs; Group 2 data reflects the economy's behavior by monitoring earnings and job figures for small businesses and construction and retail industries, which are "extremely reactive to the 'flow of money' coming into an area"; Group 3 data are negative measures, with growth in welfare and Medicaid assistance reflecting poorly on the economy.

Simply identifying the areas that have the fastest or slowest growth rates is insufficient when trying to determine the character of the local economy: a critical consideration is the stability and consistency of that growth over a period of time. The highest ranked areas (indicated by lower ranking numbers) have had rapid, consistent growth in both size and quality for an extended period of time. The lowest ranked areas (indicated by higher ranking numbers) have been in volatile decline for an extended period of time.

The Office of Management and Budget (OMB), defines Micropolitan Statistical Areas as those with an urbanized area (city) with a population of at least 10,000 but fewer than 50,000. The OMB has identified 536 micropolitan areas in the United States. There are now four micropolitan areas in Montana (Table 2).

Bozeman is the only micropolitan community in Gallatin and Park Counties. From 2006-2012, Bozeman's economic strength rating remained consistently in the top 10. Then Bozeman's rating changed to 19th place in 2013, to 10th position for 2014 and to 20th in 2015. According to William H. Fruth of POLICOM, a 10 position change in the rankings is not necessarily statistically significant since, "an area can shift by 20 places because of just one or two issues somewhere along the 20 year period of data."[15] The shifts in Bozeman's rating have largely been due to weak average wages and the shifting time frame of evaluation that in 2013 included fewer well-performing past years and more influence of the loss of jobs experienced between 2008 and 2010, especially in the construction industry.[15] As the recovery continues, the influence of the recession years has been counterbalanced.

Table 2: Micropolitan Economic Strength Rankings (Out of 536)

Montana Micropolitan Areas*	2008	2009	2010	2011	2012	2013	2014	2015
Bozeman	8	6	7	7	9	19	10	20
Butte-Silver Bow	67	51	27	17	25	17	15	8
Helena	13	9	6	2	2	2	3	14
Kalispell	51	26	35	45	87	142	149	151

*Source: "Economic Strength Rankings 2015: Metropolitan Statistical Areas & Micropolitan Statistical Areas." POLICOM Corporation. www.policom.com *Harre, included in prior year reports, is no longer considered a Micropolitan area.*

[14] Fruth, William H. "2015 Economic Strength Rankings: Metropolitan Statistical Areas & Micropolitan Statistical Areas." POLICOM Corporation. www.policom.com.

[15] Fruth, William H. E-mail correspondence, September 2013.

According to the OMB, Metropolitan Statistical Areas have at least one urbanized area with a population of 50,000 minimum, plus surrounding counties which, "Have a high degree of social and economic integration with the core as measured by commuting." The OMB has identified 381 metropolitan areas in the United States. Currently, Montana has three metropolitan areas: Great Falls, Missoula and Billings, with rankings shown in Table 3.

Table 3: Metropolitan Economic Strength Rankings (Out of 381)

Montana Metropolitan Areas	2008	2009	2010	2011	2012	2013	2014	2015
Billings	159	105	83	51	62	79	96	120
Great Falls	239	216	202	173	123	120	109	149
Missoula	118	96	74	91	119	172	166	199

Source: "Economic Strength Rankings 2015: Metropolitan Statistical Areas & Micropolitan Statistical Areas." POLICOM Corporation. www.policom.com.

Gross Domestic Product

According to the U.S. Bureau of Economic Analysis, real gross domestic product (GDP) increased in 48 states and the District of Columbia in 2014. The leading contributors to growth were professional, scientific, and technical services; nondurable goods manufacturing; and real estate and rental and leasing. The Southwest region grew the fastest, led by mining in Oklahoma and Texas. North Dakota was the top growing state in the nation overall, with growth of 6.3 percent. Montana's GDP growth ranked 23rd, with a 1.8 percent change in GDP between 2013 and 2014 (Table 4).

Table 4: Real GDP by Region and State, 2012-2014

	Millions of Chained 2009 Dollars* Chain Weighted Quantity Index			Percent Change			
Location	2012	2013	2014	2011-2012	2012-2013	2013-2014	Rank**
United States	15,148,854	15,431,987	15,773,516	2.1	1.9	2.2	----
Rocky Mountain Region (excluding North and South Dakota)	509,898	521,763	542,102	1.0	2.3	3.9	----
California	2,008,316	2,055,239	2,113,280	2.5	2.3	2.8	9
Colorado	261,613	267,186	279,650	2.1	2.1	4.7	5
Idaho	54,665	56,086	57,591	-0.1	2.6	2.7	12
Montana	38,391	38,768	39,448	2.0	1.0	1.8	23
Oregon	198,759	196,761	203,788	-0.2	-1.0	3.6	6
Utah	119,918	124,310	128,178	0.7	3.7	3.1	7
Washington	370,374	379,014	390,489	2.7	2.3	3.0	8
Wyoming	36,566	35,731	37,566	-5.0	0.5	5.1	3

Source: Real GDP by State: Advance statistics for 2014 and revised statistics for 2011-2012. U.S. Bureau of Economic Analysis. www.bea.gov.
Note, the Real GDP and percent change figures were significantly influenced by the revised estimates, as compared to figures last reported.
**Chained weighted dollars are derived by multiplying the chain-weighted indexes by the current-dollar values of a specific reference year. Chain-weighted indexes were introduced in 1996 to improve the accuracy of estimates of the growth in real gross domestic product (GDP) and prices. These indexes use up-to-date weights rather than fixed weights in order to provide a more accurate picture of the economy, to better capture changes in spending patterns and in prices, and to eliminate the bias present in fixed-weighted indexes.*
***Ranking is by percent change, from highest to lowest, and includes 50 states plus the District of Columbia.*

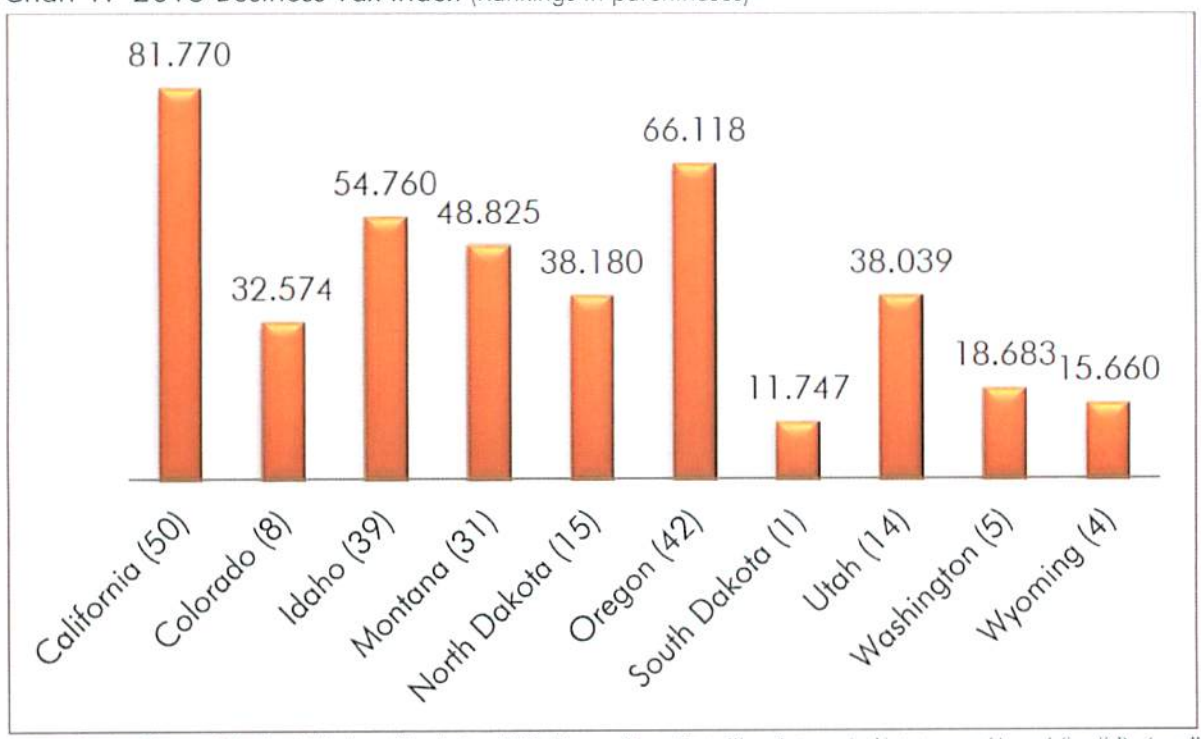
Cost of Doing Business

As of June of 2014, the United States was ranked 7th out of 189 countries for ease of doing business by the International Finance Corporation, down three spots from the 2013 ranking. The U.S. was behind Singapore, New Zealand, Hong Kong SAR, China, Denmark, The Republic of Korea and Norway. The ranking considers 10 topics, with high rankings indicating that the regulatory environment is considered to be "conducive to the starting and operation of a local firm."[16]

On a state level, Montana's ranking varies from study to study. As seen in Table 1 on page 5, the U.S. Chamber of Commerce places Montana at 6th best in the nation for Business Tax Climate. This ranking is based on a Tax Foundation index of taxes affecting business.[13]

The Small Business and Entrepreneurship Council (SBE Council), an advocacy, research, education and networking organization, releases annual rankings of public policy climates for small business and entrepreneurship for each state.[17] Their 2015 Business Tax Index pulls together 23 different tax measures, and combines those into one tax score that allows the 50 states to be compared and ranked.[18] A lower number represents a more favorable tax environment for small businesses and entrepreneurs. South Dakota ranked 1st with a score of 11.747 and Montana ranked 31st with a score of 48.825.[18] The scores for select states are displayed in Chart 1.

Chart 1: 2015 Business Tax Index (Rankings in parentheses)



Source: Keating, Raymond J. "Small Business Tax Index 2015: Best to Worst State Tax Systems for Entrepreneurship and Small Business." Small Business and Entrepreneurship Council. April 2015. www.sbecouncil.org.

Clearly, there are numerous factors impacting the costs of an operation. Table 5 on page 9 represents a selection of indicators that help in understanding the cost comparison of Montana to other western states. Montana's national rank is given in parentheses where appropriate.

---

[16] "Doing Business Economy Rankings." International Finance Corporation. June 2014. www.doingbusiness.org/rankings.

[17] Keating, Raymond J. "Small Business Tax Index 2015: Best to Worst State Tax Systems for Entrepreneurship and Small Business." Small Business and Entrepreneurship Council. April 2015. www.sbecouncil.org.

Table 5: Regional Comparison of the Cost of Doing Business

Type of Cost	CA	CO	ID	MT	OR	UT	WA	WY
TAX RATES (PERCENTAGES) [18]								
Personal Income	13.30	4.63	7.40	6.90 (38th)	9.90	5.00	0.00	0.00
State & Local Sales, Gross Receipts & Excise	2.791	2.900	2.589	0.867 (2nd)	0.798	3.210	5.144	4.290
Capital Gains	13.30	4.63	7.40	4.90 (23rd)	9.90	5.00	0.00	0.00
Corporate Income	8.84	4.63	7.40	6.75 (27th)	7.60	5.00	0.00	0.00
State & Local Property	2.857	2.892	3.354	3.505 (37th)	3.299	2.614	2.843	4.363
Unemployment	0.78	2.10	6.36	4.73 (41st)	4.24	5.60	4.76	5.45
Gas	0.454	.220	0.250	0.278 (29th)	0.311	0.245	0.375	0.240
Wireless	0.102	0.107	0.026	0.060(4th)	0.018	0.125	0.186	0.077
State Sales [19]	7.5	2.9	6.0	None	None	6.0	6.5	4.0
STATE TAX REVENUE: 2014 [20]								
Total Collected ($ million)	138,070	11,755	3,672	2,593	9,684	6,312	19,448	2,263
% of Personal Income	7.4%	4.8%	6.3%	6.6%	6.2%	5.9%	5.8%	7.4%
Rank (By % of Pers. Income)	12th	45th	25th	18th	26th	31st	33rd	13th
LABOR								
Mean Annual Wage [21]	$53,890	$49,860	$39,770	$39,880	$46,850	$43,550	$52,540	$44,930
Worker's Compensation: Employer Costs/ $100 of Covered Wages [22]	$1.95	$1.03	$1.66	$2.24(50th)	$1.18	$0.94	$1.37	$2.03
COST OF LIVING MEASURES								
Median Housing Value +/- Margin of Error [23]	$366,400 +/- $613	$236,200 +/- $709	$162,100 +/- $908	$184,200 +/- $1,620	$238,000 +/-$791	$212,800 +/- $885	$262,1000 +/- $870	$185,900 +/-$2,013
Residential Electric [24]								
Cents/kW hour	$17.21	$12.11	$10.08	$11.02	$10.67	$11.10	$8.88	$10.97
Average Monthly Bill	$91.26	$83.73	$95.50	$86.93	$97.29	$79.49	$87.14	$90.60
Commerical Electric [24]								
Cents/kW hour	$15.95	$9.87	$7.91	$10.27	$8.81	$8.86	$8.07	$9.12
Average Monthly Bill	$927.85	$469.38	$380.10	$381.99	$508.30	$666.50	$536.71	$508.92

Sources: Various. See footnotes.

[18] Keating, Raymond J. "Small Business Tax Index 2015: Best to Worst State Tax Systems for Entrepreneurship and Small Business." Small Business & Entrepreneurship Council. April 2015. www.sbecouncil.org.

[19] Federation of Tax Administrators, compiled from various sources. January 2015. www.taxadmin.org.

[20] Federation of Tax Administrators, from U.S. Census Bureau & Bureau of Economic Analysis. www.taxadmin.org.

[21] "Occupational Employment Statistics Survey." Bureau of Labor Statistics, U.S. Department of Labor, OES Estimates annual data for all occupations (all private industries). May 2013. www.bls.gov/oes.

[22] "Worker's Compensation: Benefits, Coverage, and Costs, 2013." National Academy of Social Insurance, August 2015. www.nasi.org.

[23] "2009-2013 American Community Survey." Median Value (Dollars), Owner-occupied housing units. U.S. Census Bureau. www.census.gov/acs.

[24] Forms EIA-861, Monthly Electric Sales and Revenue Report with State Distributions Report Table 5.6.B, and Tables 5a & 5b, U.S. Energy Information Administration. Cents/kWhour is as of September 2015, Average Monthly Bill is from 2014 Annual Data. www.eia.gov.

Area cost of living can be measured by two distinct indexes, the Cost of Living Index, which measures relative prices each quarter[25] and the Consumer Price Index, which measures inflation.[26]

Cost of Living Index[25]

The *Cost of Living Index* is a comparison study of over 250 urban areas around the nation. It measures regional differences in the cost of consumer goods and services, excluding taxes and non-consumer expenditures, for professional and managerial households in the top income quintile. The composite index score is based on based on six component categories – housing, utilities, grocery items, transportation, health care and miscellaneous goods & services. The index has been compiled and published quarterly since 1968 by the Council for Community and Economic Research (C2ER), a nonprofit professional organization comprising research staff of chambers of commerce, economic development organizations and agencies and related organizations throughout the United States and Canada. Small differences should not be interpreted as showing a measurable difference.

Three times each year, Prospera collects prices for 60 items in Bozeman and submits its findings to C2ER to be compared to other communities. The national average composite index is set at 100 each collection period; therefore the index conveys relative price levels at a specific point in time and the index score can be seen as a percentage of the average for all places. The Index does not measure inflation, or price change over time because each quarterly report is a separate comparison of prices at a single point in time and because both the number and the mix of participants changes from one quarter to the next. Therefore index data from different quarters cannot be compared.

How to Use the Cost of Living Index

Consider Bozeman's Q3 2015 composite index score of 102.9 and San Francisco's composite index score of 178.1. If you live in Bozeman and are contemplating a job offer in San Francisco, how much of an increase in your after-taxes income is needed to maintain your present lifestyle?

$$100^{*}\left[\frac{\text{San Francisco} - \text{Bozeman}}{\text{Bozeman}}\right] =$$

$$100^{*}\left[\frac{178.1\text{-}102.9}{102.9}\right] = 100^{*}(0.73) = \text{a } 73\% \text{ increase}$$

Conversely, if you are considering a move from San Francisco to Bozeman, how much of a cut in after-taxes income can you sustain without reducing your present lifestyle?

$$100^{*}\left[\frac{\text{Bozeman} - \text{San Francisco}}{\text{San Francisco}}\right] =$$

$$100^{*}\left[\frac{102.9 - 178.1}{178.1}\right] = 100^{*}(-0.42) = \text{a } 42\% \text{ reduction}$$

Source: Quarterly Reports, Cost of Living Index, C2ER, www.c2er.org.

[25] "Cost of Living Index: Comparative Data for 265 Urban Areas." C2ER. October 2015. www.coli.org.
[26] U.S. Department of Labor, Bureau of Labor Statistics. www.bls.gov/cpi.

Cost of Living in Bozeman

Bozeman's cost of living was 2.9 percent above the national average for the third quarter of 2015, continuing a trend of being close to the national average each quarter. As seen in Table 6, in the third quarter of 2015 the housing index score was 113.9, meaning that area housing was 13.9 percent above the national average as of October 2015. The average price of a 2,400 square foot new home on an 8,000 square foot lot that met the index collection specifications was $370,065. The average monthly rental rate for a 950 square foot apartment in Bozeman that met the index collection specifications was $1,000. Mortgage rates are also taken into consideration when computing the housing index score. In the other categories, Bozeman residents enjoy a bargain when it comes to utilities, which were 14.7 percent below average, while transportation costs and miscellaneous goods & services did not differ significantly from national averages. Groceries were 1.6 percent above average and health care was 4.1 percent above average for the quarter.

To put Bozeman's index scores in perspective, the other cities included in the table below include the cities with the most expensive and least expensive composite scores for the quarter. The table also includes the most comparable cities to Bozeman in the Western region that participate in the index. Note: San Francisco was included to provide insight into how Bozeman compares to the Bay area since none of the participating cities in California were comparable to Bozeman. Similarly, Portland was included as the only Oregon city with data available for the quarter.

Table 6: 3rd Quarter 2015 Cost of Living Index Comparison

Place	Composite	Groceries	Housing	Utilities	Transportation	Health Care	Goods & Services
San Francisco, CA	178.1	132.1	320.3	108.2	130.3	118.4	122.4
Pueblo, CO	88.9	96.7	73.4	91.2	95.5	95.0	95.1
Twin Falls, ID	88.7	87.3	77.5	93.0	94.6	101.7	93.8
Bozeman, MT	102.9	101.6	113.9	85.3	99.5	104.1	100.6
Manhattan, NY *Most Expensive Q3 2015*	236.1	126.5	497.6	129.2	128.3	113.7	147.3
Portland, OR	126.7	112.5	160.9	72.9	120.1	108.2	125.3
Pierre, SD	106.3	108.3	120.2	91.2	113.3	99.9	96.2
McAllen, TX *Least Expensive Q3 2015*	77.8	79.7	69.6	88.9	85.0	78.7	77.8
Cedar City, UT	89.4	89.8	79.2	88.8	104.5	84.9	93.1
Olympia, WA	100.3	105.4	98.5	89.1	121.5	118.0	92.7
Laramie, WY	93.5	95.4	87.5	100.9	97.0	100.9	93.3

Source: "Cost of Living Index, Vol. 48, No. 2, Data for Third Quarter 2015." C2ER. Published October 2015. www.c2er.org.
Note: The Cost of Living Index categories are weighted based on the 2013 U.S. Consumer Expenditure Survey from the Bureau of Labor Statistics to compile the composite score.

Consumer Price Index[26]

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market range of goods and services. The CPI differs from the Cost of Living Index in that it is intended to measure inflation and is derived from detailed expenditure information provided by families and individuals on items they actually purchased, whereas the Cost of Living Index measures relative prices at particular points in time and is based on current prices available at that time to consumers. Also, CPI figures encompass regions and only provide detailed information on some major metropolitan areas.

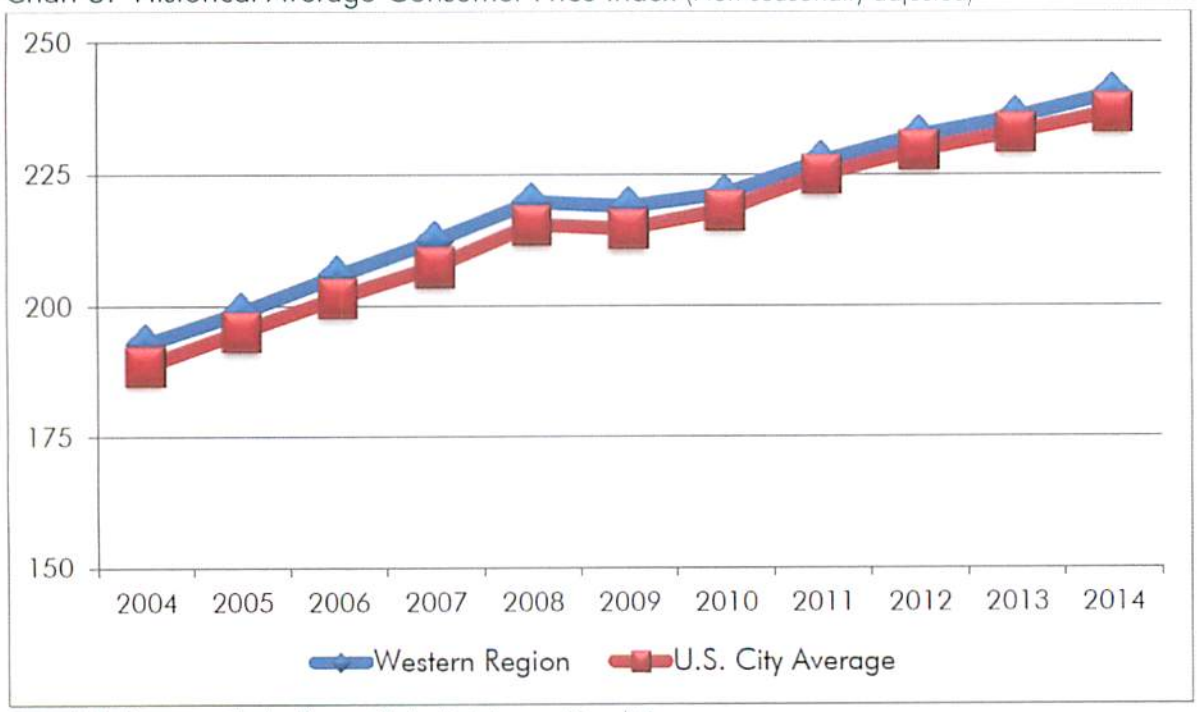
The chart below includes the monthly CPI for urban areas in the western region of the U.S. The Western Region includes Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Washington, Oregon, Nevada, California, Alaska and Hawaii. The average index baseline was set at 100 between 1982 and 1984 and subsequent CPI numbers indicate price changes since that period.

Chart 2: Consumer Price Index - All Items Western Region (Non-seasonally adjusted)

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/cpi.

As seen in Chart 3, the annual CPI figures for the Western Region have consistently been slightly higher than the average CPI for all U.S. cities, though in recent years the gap has narrowed.

Chart 3: Historical Average Consumer Price Index (Non-seasonally adjusted)



Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/cpi.

Population Trends

According to 2014 U.S. Census Bureau population estimates, Gallatin County had a population of 97,308, and its county seat, Bozeman, had approximately 41,660 residents. Park County's population for 2014 was estimated at 15,880 and its county seat, Livingston, had 7,245 residents (Table 7). Bozeman was identified as the sixth fastest growing micropolitan area in the nation from July 1, 2013, to July 1, 2014, based on Gallatin County's 2.8 percent population increase.[27]

Table 7: State, County and City Populations, 2008-2014

Location	2008	2009	2010	2011	2012	2013	2014
Montana	967,440	974,989	989,415	997,661	1,005,163	1,014,864	1,023,579
Gallatin County	89,824	90,343	89,513	91,333	92,604	94,694	97,308
Belgrade	8,185	8,192	7,389	7,571	7,631	7,685	7,798
Big Sky	*1,221 in 2000 (U.S. Census Bureau)*		2,308	*2011-2014 data not available*			
Bozeman	39,004	39,282	37,280	38,099	38,701	39,812	41,660
Manhattan	1,622	1,677	1,520	1,542	1,550	1,556	1,571
Three Forks	1,928	1,970	1,869	1,882	1,889	1,905	1,903
W.Yellowstone	1,511	1,502	1,271	1,297	1,308	1,321	1,322
Park County	16,189	15,941	15,636	15,502	15,580	15,660	15,880
Clyde Park	347	342	288	290	292	293	295
Cooke City	*140 in 2000 (U.S. Census Bureau)*		75	*2011-2014 data not available*			
Gardiner	*851 in 2000 (U.S. Census Bureau)*		875	*2011-2014 data not available*			
Livingston	7,409	7,380	7,044	7,003	7,056	7,112	7,245
Wilsall	*237 in 2000 (U.S. Census Bureau)*		178	*2011-2014 data not available*			

Source: "Annual Estimates of Resident Population Change: April 1, 2010 to July 1, 2014." U.S. Census Bureau Population Division. www.census.gov/popest.

Gallatin County remains the fastest growing county in the state (Table 8). Over the 2000-2014 period, Park County increased in population by 1.2 percent from a population of 15,694 to 15,880.

Table 8: Six Fastest Growing Montana Counties, 2000-2014

County	April 1, 2000	July 1, 2014	Percent Change	Rank
Gallatin	67,837	94,308	43.4%	1
Broadwater	4,380	5,667	29.4%	2
Flathead	74,507	94,924	27.4%	3
Yellowstone	129,347	155,634	20.3%	4
Richland	9,666	11,576	19.8%	5
Lewis & Clark	55,716	65,856	18.2%	6

Source: Updated 2000 Census Figures & "Annual Estimates of Resident Population Change: April 1, 2010 to July 1, 2014." U.S. Census Bureau Population Division. www.census.gov/popest.

[27] Dietrich, Eric. "Gallatin County among fastest growing in nation." *Bozeman Daily Chronicle.* March 26, 2015. www.bozemandailychronicle.com.

Assessing short-term population growth as measured by the 2010 census and July 2014 population estimates, Gallatin County ranked 5th in the state with a growth rate of 8.6 percent, up 3.1 percent from the 2013 estimate. Meanwhile, Park County ranked 23rd with a growth rate of 1.9 percent (Table 9). The top ten counties included in the table below remain dominated by those in the eastern portion of the state. This impressive growth is due to the agricultural sector and especially the energy sector which weathered the recession fairly well and created desirable employment opportunities.[28]

Table 9: Montana County Population Growth, 2010-2014

County	April 1, 2010	July 1, 2014	Percent Change	Rank
Richland	9,746	11,576	18.9%	1
Wibaux	1,006	1,121	11.4%	2
Garfield	1,186	1,309	10.4%	3
Sheridan	3,373	3,396	9.6%	4
Roosevelt	10,438	11,332	8.6%	5 (Tie)
Gallatin	89,599	97,308	8.6%	5 (Tie)
Fallon	2,891	3,108	7.5%	6
Dawson	8,930	9,518	6.6%	7
Yellowstone	148,398	155,634	4.9	8
Flathead	90,902	94,924	4.4%	9 (Tie)
Granite	3,073	3,209	4.4%	9 (Tie)
Valley	7,367	7,640	3.7%	10
Park	15,586	15,880	1.9%	23

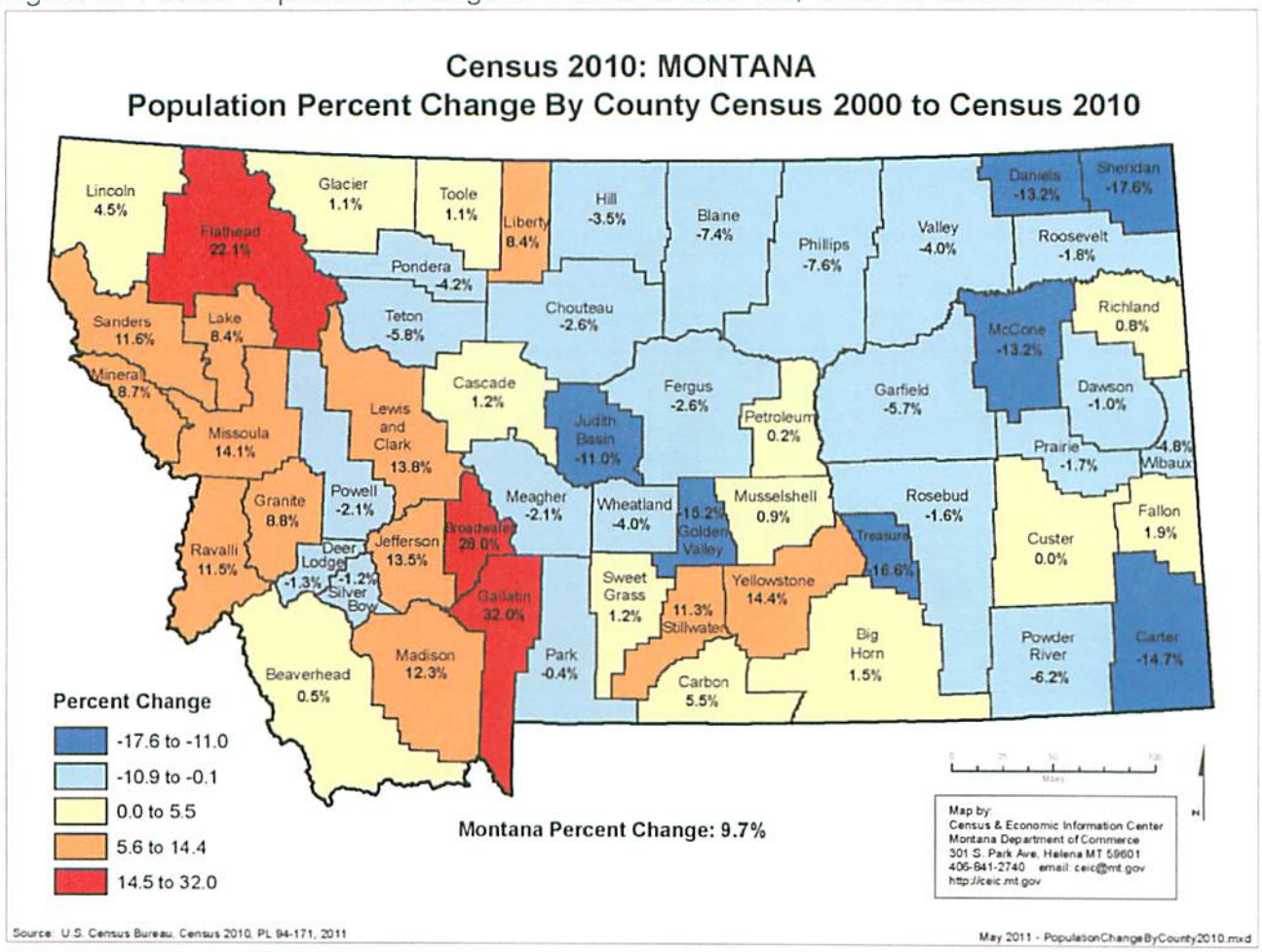
Source: Annual Estimates of Resident Population Change: April 1, 2010 to July 1, 201. U.S. Census Bureau Population Division. www.census.gov/popest.

While the overall state population grew at a rate of 9.7 percent from 2000 to 2010, 28 Montana counties experienced declining populations over the same period (Figure 1, page 15). Population increases occurred in 27 counties, and only Custer County experienced no change. Most notably, only Gallatin (32.0 percent), Broadwater (28.0 percent), and Flathead (22.1 percent) counties experienced growth rates greater than 14.5 percent.

[28] Wagner, Barbara. "Montana Employment Projections 2010 through 2020." Montana Research and Analysis Bureau, Montana Department of Labor and Industry. www.ourfactsyourfuture.mt.gov.

In contrast to the longer term population trends evident in Figure 1 below, Table 9 on page 14 and Figure 2 on page 18 show a dramatic shift in more recent trends, with population growth due to net migration in eastern and central counties outpacing population growth in the rest of the state.

Figure 1: Percent Population Change for Montana Counties, 2000 and 2010 Census Data



Source: "Annual Estimates of Resident Population Change," U.S. Census Bureau Population Division, www.census.gov/popest. Compiled by Montana Department of Commerce Census and Economic Information Center, http://ceic.mt.gov.

As seen in Table 10, Bozeman remains the fourth largest city in Montana behind Billings, Missoula, and Great Falls.

Table 10: Montana City Population Rankings, 2009-2014

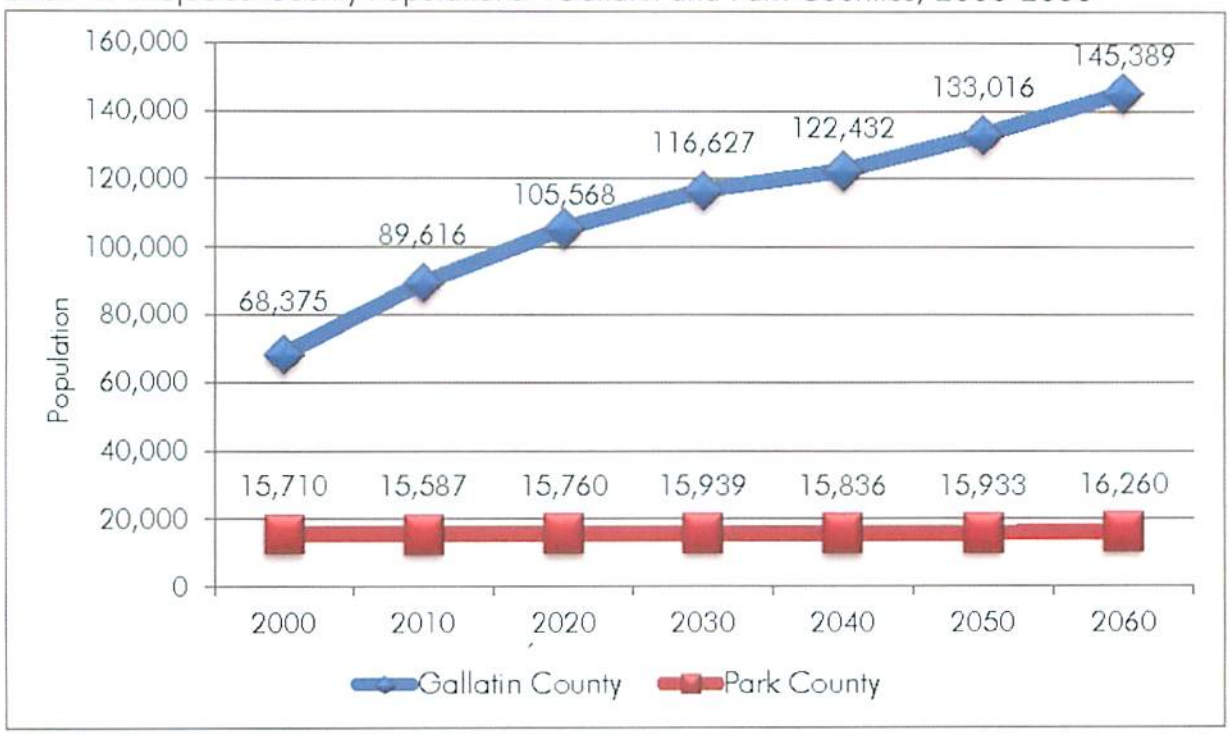
City	2009	2010	2011	2012	2013	2014	2013 Rank
Billings	105,845	104,170	105,534	107,027	108,913	108,869	1
Missoula	68,876	66,788	67,565	68,484	69,039	69,821	2
Great Falls	59,366	58,505	58,971	58,943	59,278	59,152	3
Bozeman	**39,282**	**37,280**	**38,1099**	**38,701**	**39,812**	**41,660**	**4**
Butte	32,268	33,525	33,687	33,791	33,813	33,980	5
Helena	29,939	28,190	28,725	29,144	29,560	29,943	6
Kalispell	21,640	19,927	20,257	20,486	20,943	21,518	7

Source: "Annual Estimates of Resident Population: April 1, 2010 to July 1, 2014." U.S. Census Bureau Population Division, www.census.gov/popest.

According to projections released in April of 2013 by the Montana Department of Commerce Census and Economic Information Center, Gallatin County's population is expected to steadily increase through 2060. The total growth for the 2000 to 2060 period is projected at nearly 113 percent, with a predicted 2060 population of over 145,000 residents (Chart 4). Park County's population is expected to fluctuate over the course of the coming decades, with slight declines from 2030 to 2050 and then moderate growth from 2050 to 2060.

Compared to previous population projections, which predicted a population of 136,970 for Gallatin County in 2030 and a population of 20,110 for Park County in 2030, current population projections call for 116,627 residents in Gallatin County and 15,939 residents in Park County by 2030.

Chart 4: Projected County Populations - Gallatin and Park Counties, 2000-2060



Source: eREMI Regional Economic Models, compiled by the Montana Department of Commerce Census and Economic Information Center. www.ceic.mt.gov.

Note that the population figures included in the chart above are a product of the eREMI online economic model database and are annual estimates as of July 1 for each year, thus the historic figures do not correspond to actual historic population figures as included in the preceding population section tables.

Migration

According to Census Bureau population estimates, Montana experienced net migration into the state between July of 2013 and July of 2014 with a total net migration rate of 5,316 (Table 11). This is a 14.15 percent decrease from the prior period net migration of 6,192. Gallatin County had the highest net migration for the state. The six counties with the highest net migration are included in the table below in rank order, along with Park County which ranked 7th in the state.

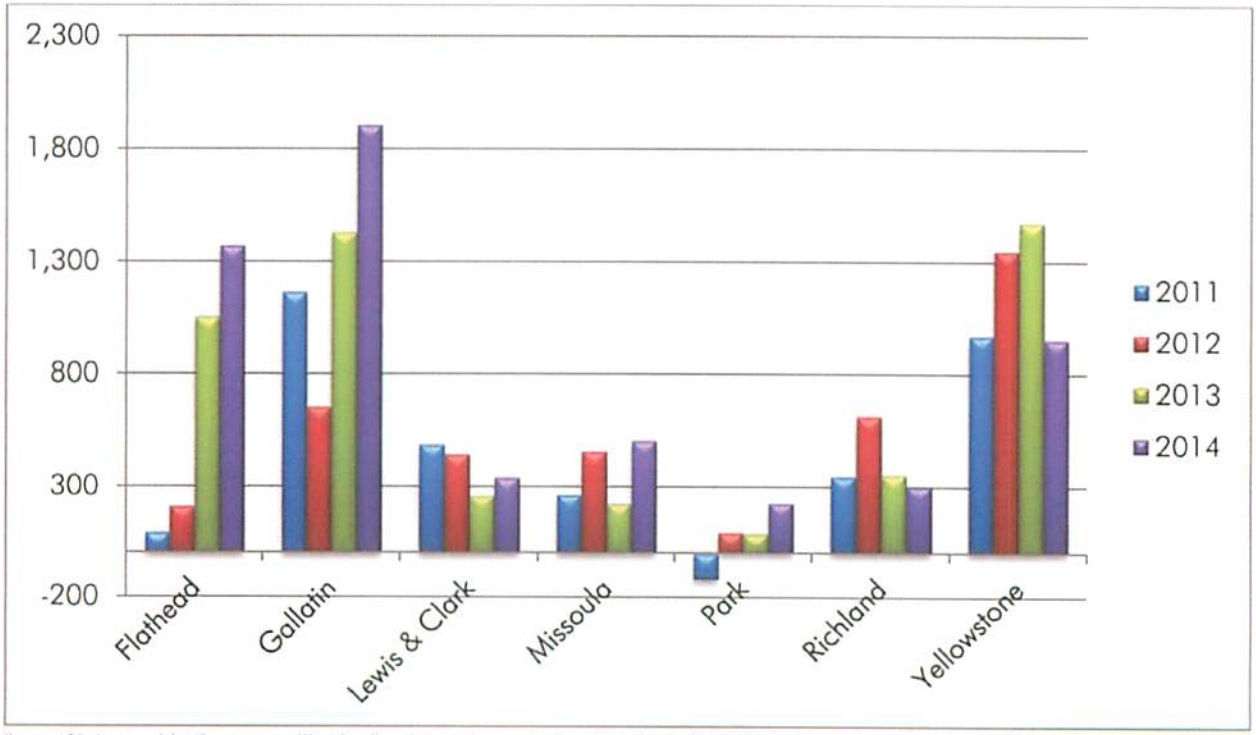
Table 11: Components of Resident Population Change, July 2013-July 2014

County	Natural Increase (Births less deaths)	Births	Deaths	International Migration	Domestic Migration	Net Migration
Montana	3,154	12,243	9,089	766	4,550	5,316
Gallatin	613	1,152	539	119	1,784	1,903
Flathead	320	1,106	786	65	1,306	1,371
Yellowstone	672	2,044	1,372	51	903	954
Missoula	425	1,219	794	119	386	505
Lewis & Clark	180	750	570	47	292	339
Richland	74	67	93	1	303	304
Park	2	141	139	4	222	226

Source: "Estimates of the Components of Resident Population Change: April 1, 2010-July 1, 2014." U.S. Census Bureau Population Division. www.census.gov/popest.

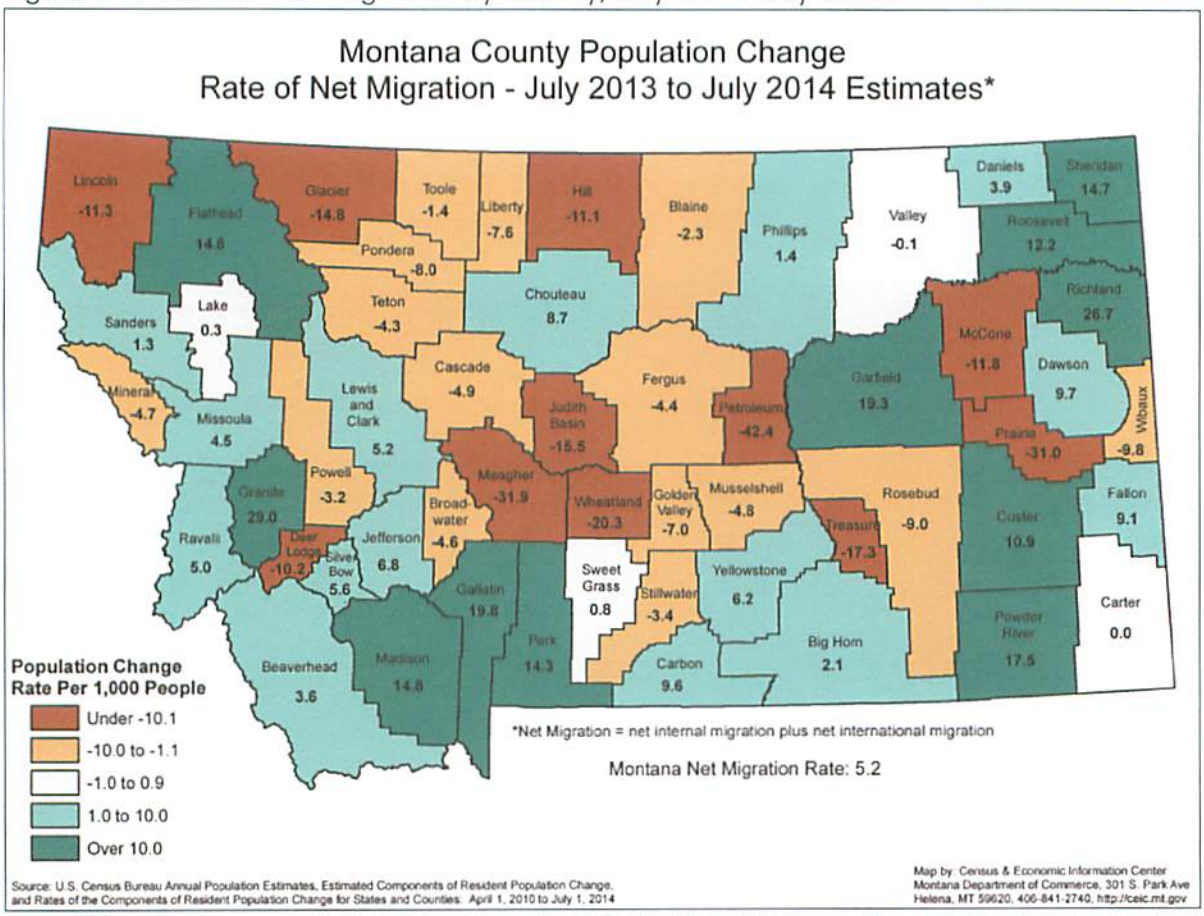
The chart below shows net migration trends since 2011 for the seven counties from the table above. Gallatin County continued to see strong net migration, while Park County experienced a strong surge in net migration between July of 2013 and July of 2014 as compared to prior periods.

Chart 5: Net Migration in Montana, 2011-2014



Source: "Estimates of the Components of Resident Population Change: April 1, 2010-July 1, 2014." U.S. Census Bureau Population Division. www.census.gov/popest.

Figure 2: Montana Net Migration by County, July 2013-July 2014



Source: "Estimates of the Components of Resident Population Change: April 1, 2010-July 1, 2014." U.S. Census Bureau Population Division. www.census.gov/popest. Compiled by Montana Department of Commerce Census and Economic Information Center. www.ceic.mt.gov.

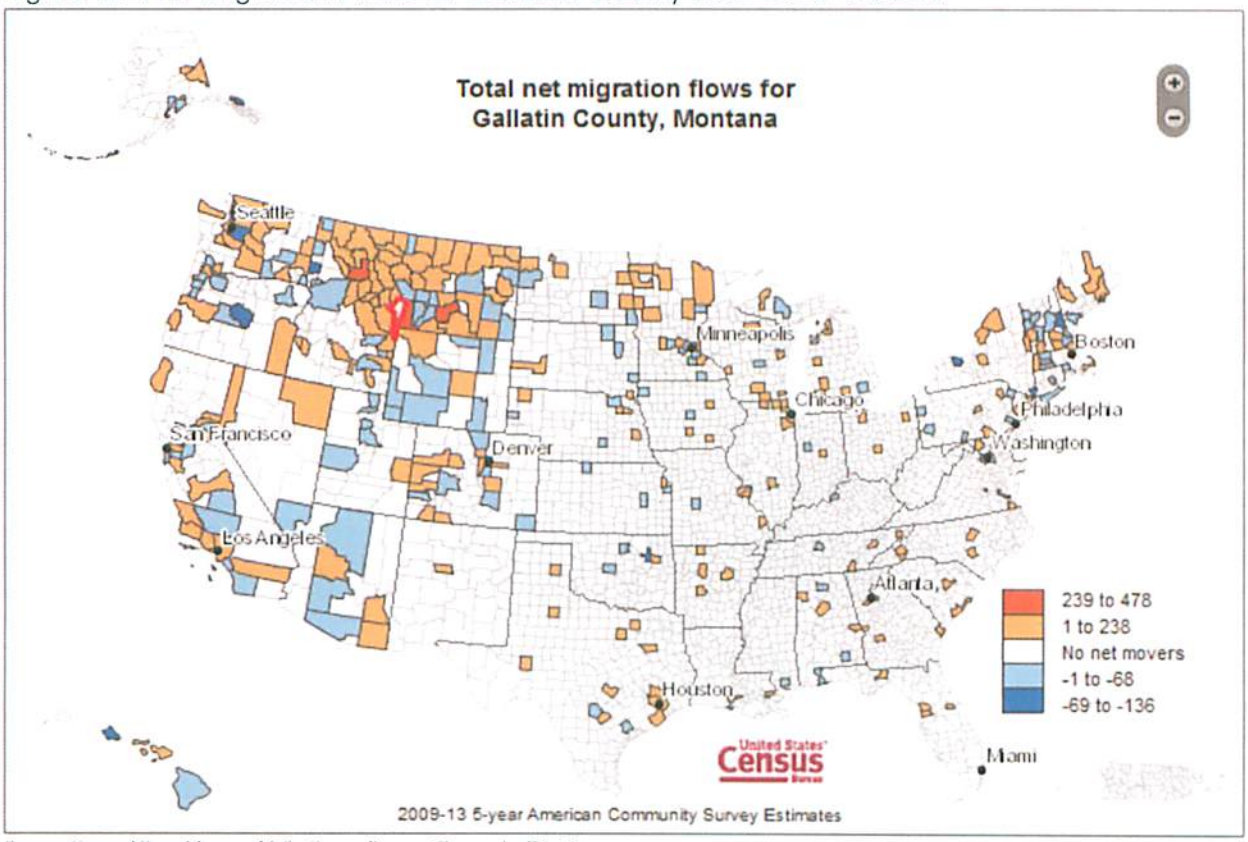
The figure above illustrates county-level net migration rates for the state of Montana. Gallatin County's net migration went to 19.8 percent, up from 15.3 percent the prior year, while Park County's net migration jumped up to 14.3 percent, from 5.4 percent the prior year. Maps detailing a county-to-county level migration flow for Gallatin and Park Counties are included on page 19 (Figures 3 & 4). The associated migration data is shown in the table below.

Table 12: Gallatin and Park County Net Migration Details, 2009-2013 ACS Data

Location	Population 1 year & over	Movers from a different state	Movers to a different state	Movers from a different county, same state	Movers to a different county, same state	Movers from abroad
Gallatin County	90,348	5,431	4,314	4,040	1,853	468
Park County	15,518	553	520	270	569	150

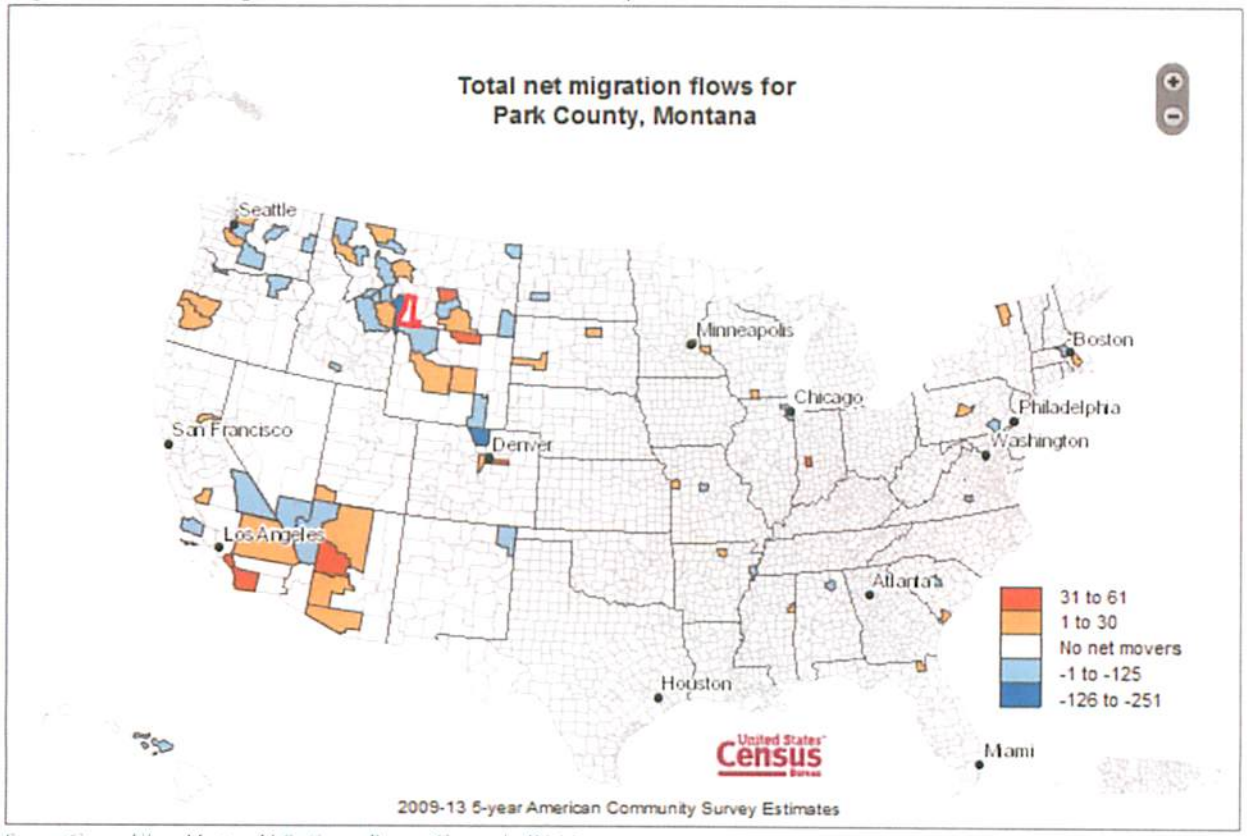
Source: Census Flows Mapper. U.S. Census Bureau Geography Division. www.census.gov.

Figure 3: Net Migration Flows for Gallatin County 2009-2013 ACS Data



Source: Census Flows Mapper, U.S. Census Bureau Geography Division, www.census.gov.

Figure 4: Net Migration Flows for Park County 2009-2013 ACS Data



Source: Census Flows Mapper, U.S. Census Bureau Geography Division, www.census.gov.

According to five year American Community Survey estimates shown in Table 13 below, the national median age is 37.3 years while Montana's median age is 39.9 years. Overall, the median age in Gallatin County, and Bozeman in particular, is lower than the surrounding areas largely due to the presence of Montana State University.

Table 13: Age Demographics, 2009-2013 ACS Data

Location	Median Age +/- Margin of Error	Under 5 Years +/- Margin of Error	18 and Over +/- Margin of Error	65 and Over +/- Margin of Error
United States	37.3 (+/-0.1 years)	20,052,112 (+/-3,384)	237,659,116 (+/-6,357)	41,851,042 (+/-4,246)
Montana	**39.9 (+/-0.2 years)**	**61,040 (+/-329)**	**775,259 (+/-291)**	**152,961 (+/-315)**
Gallatin County	32.8 (+/-0.3 years)	5,749 (+/-63)	72,454 (+/-n/a)	9,084 (+/-68)
Belgrade	28.6 (+/-1.3 years)	600 (+/-201)	5,115 (+/-239)	421 (+/-87)
Big Sky	34.1 (+/-4.4 years)	166 (+/-95)	2,003 (+/-338)	305 (+/-147)
Bozeman	27.3 (+/-0.6 years)	1,956 (+/-275)	32,565 (+/-358)	3,087 (+/-273)
Manhattan	39.0 (+/-6.4 years)	130 (+/-64)	939 (+/-138)	192 (+/-51)
Three Forks	47.5 (+/-10.3 years)	46 (+/-33)	1,359 (+/-161)	373 (+/-109)
West Yellowstone	36.9 (+/-9.9 years)	117 (+/-78)	1,101 (+/-226)	141 (+/-52)
Park County	46.0 (+/-0.5 years)	811 (+/-97)	12,537 (+/-42)	2,733 (+/-51)
Clyde Park	49.2 (+/-17.8 years)	12 (+/-10)	210 (+/-65)	40 (+/-22)
Cooke City	52.6 (+/-4.8 years)	0 (+/-10)	23 (+/-15)	3 (+/-4)
Gardiner	44.3 (+/-7.7 years)	29 (+/-31)	822 (+/-144)	110 (+/-44)
Livingston	40.1 (+/-2.8 years)	578 (+/-108)	5,499 (+/-158)	1,219 (+/-187)
Wilsall	56.6 (+/-17.6 years)	21 (+/-20)	76 (+/-28)	28 (+/-17)

Source: "2009-2013 American Community Survey." U.S. Census Bureau. www.census.gov.

As illustrated by the estimates in Table 14 below, Gallatin and Park Counties are slightly less diverse than the state overall by most measures. In all categories except for the American Indian population, Montana is considerably less diverse than the nation as a whole.

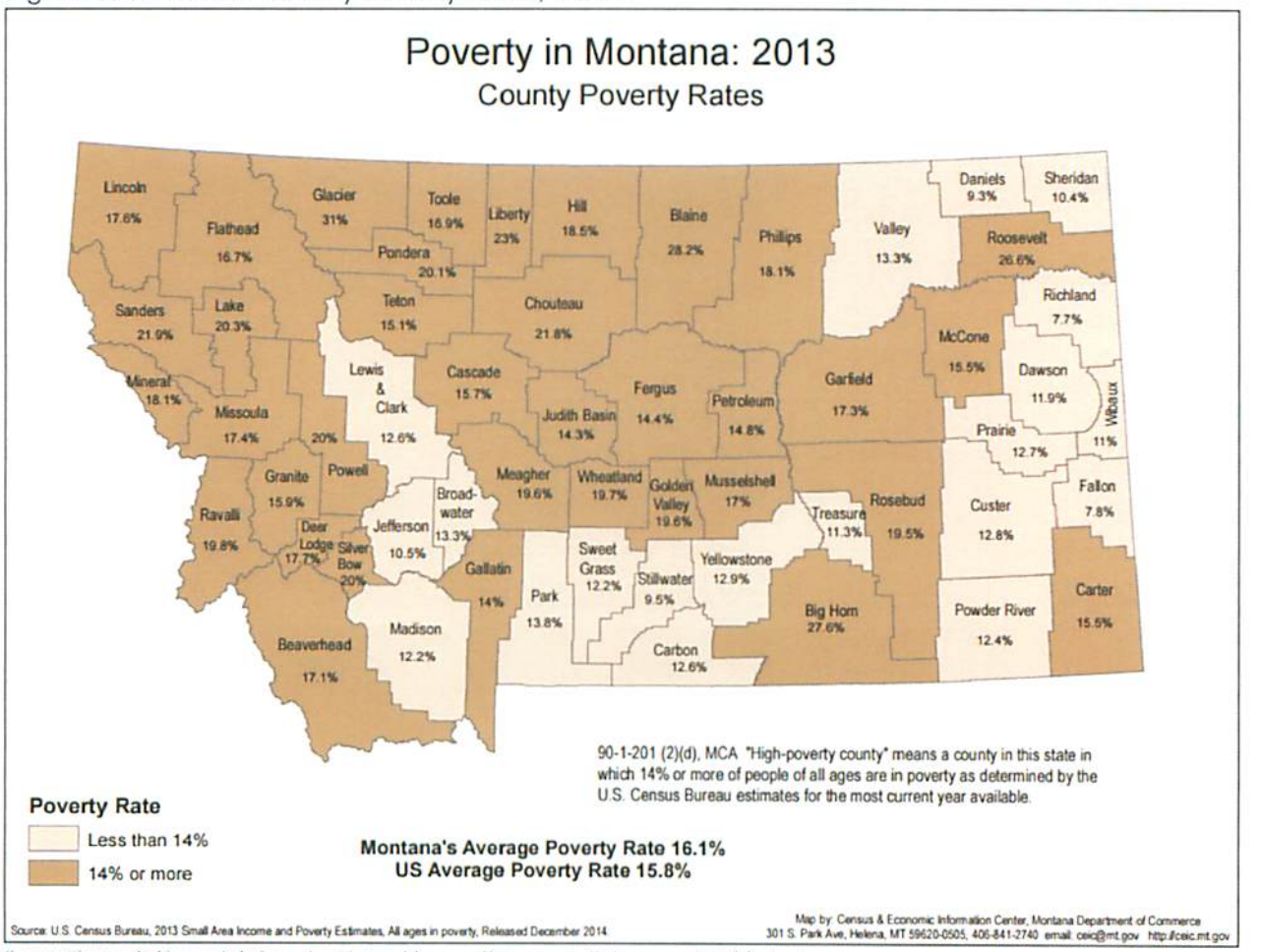
Table 14: Ethnicity Demographics, 2009-2013 ACS Data

Race	United States +/- Margin of Error	Montana +/- Margin of Error	Gallatin County +/- Margin of Error	Park County +/- Margin of Error
White Non-Hispanic	74.0% (+/-0.1%)	89.4% (+/-0.1%)	95.3% (+/-0.3%)	96.4% (+/-0.4%)
Black or African American	12.6% (+/-0.1%)	0.4% (+/-0.1%)	0.3% (+/-0.2%)	0.1% (+/-0.2%)
Hispanic or Latino (of any race)	16.6% (+/-0.1%)	3.1% (+/-0.1%)	2.9% *	2.3%*
American Indian & Alaskan Native	0.8% (+/-0.1%)	6.5% (+/-0.1%)	1.1% (+/-0.2%)	0.7% (+/-0.3%)
Two or more races	2.8% (+/-0.1%)	2.4% (+/-0.1%)	2.0% (+/-0.3%)	2.6% (+/-0.6%)

*Source: "2009-2013 American Community Survey." U.S. Census Bureau. www.census.gov. *Estimate is controlled, margin of error not appropriate.*

Poverty rates for Montana's counties as of 2013 increased compared to the prior year according to estimates released in December 2014. The statewide average rate was 16.1 percent, 0.3% above the national average (Figure 5). Twenty counties in the state, including Park County, were below the "high poverty county" threshold, which is defined as a county in which 14 percent or more people of all ages are in poverty. Gallatin County came in right at the high-poverty county threshold level of 14 percent. In comparison to the prior period, 2012 county poverty rates had 18 counties below the threshold and a statewide average rate of 15.9 percent.

Figure 5: Montana County Poverty Rates, 2013



Source: Census & Economic Information Center, Montana Department of Commerce, http://ceic.mt.gov.

The estimates in Table 15 on page 22 illustrate that Gallatin County's median household and median family income are higher than Montana's statewide figures. For Gallatin County as a whole, the rates of individuals below poverty level and families below poverty level remain lower than both the national and statewide averages.

Park County and its communities have lower median income levels than the statewide median income figures (Table 15). However, the rates of individuals below poverty level and families below poverty level were lower than Gallatin County as well as national and statewide averages.

Note that the U.S. and statewide poverty figures included in Table 15 below are based on American Community Survey data between 2009 and 2013, whereas the average poverty rates shown in Figure 5 on page 21 are based on the Small Area Income and Poverty Estimates for 2013.

Table 15: Income Levels, 2009-2013 ACS Data

Location	Median Household +/- Margin of Error	Median Family +/- Margin of Error	Per Capita Personal +/- Margin of Error	All People Below Poverty Level +/- Margin of Error	Families Below Poverty Level +/- Margin of Error
United States	$53,046 (+/-$89)	$64,719 (+/-$182)	$28,155 (+/-$76)	15.4% (+/-0.1%)	11.3% (+/-0.1%)
Montana	**$46,230 (+/-$453)**	**$59,753 (+/-$619)**	**$25,373 (+/-$278)**	**15.2% (+/-0.4%)**	**10.1% (+/-0.4%)**
Gallatin County	$52,833 (+/-$1,563)	$69,556 (+/-$2,409)	$28,939 (+/-$993)	14.1% (+/-1.1%)	7.0% (+/-1.1%)
Belgrade	$38,343 (+/-5,018)	$44,286 (+/-$13,324)	$19,169 (+/-$1,723)	16.0% (+/-6.2%)	13.4% (+/-7.2%)
Big Sky	$66,052 (+/-$9,938)	$93,556 (+/-$8,698)	$32,850 (+/-$4,128)	11.1% (+/-6.3%)	1.5% (+/-2.2%)
Bozeman	$44,615 (+/-$2,917)	$65,902 (+/-$3,443)	$26,335 (+/-$1,499)	21.2% (+/-1.9%)	8.2% (+/-1.9%)
Manhattan	$54,091 (+/-$7,547)	$66,696 (+/-$8,674)	$25,571 (+/-$2,443)	2.6% (+/-2.0%)	0.8% (+/-1.2%)
Three Forks	$45,885 (+/-$6,268)	$53,359 (+/-$7,566)	$23,911 (+/-$2,626)	11.9% (+/-5.4%)	8.6% (+/-4.9%)
West Yellowstone	$41,332 (+/-$3,990)	$55,156 (+/-$17,584)	$26,699 (+/-$6,142)	15.7% (+/-9.4%)	12.4% (+/-8.9%)
Park County	$42,426 (+/-$2,566)	$56,960 (+/-$6,195)	$24,611 (+/-$1,614)	11.0% (+/-8.2%)	6.7% (+/-2.1%)
Clyde Park	$37,778 (+/-$7,153)	$46,250 (+/-17,758)	$19,900 (+/-$4,253)	8.8% (+/-7.7%)	0.0% (+/-31.0%)
Cooke City	$51,250 (+/-$16,107)	$51,563 (+/-$11,395)	$30,587 (+/-$5,723)	0.0% (+/-51.5%)	0.0% (+/-82.3%)
Gardiner	$47,336 (+/-$16,133)	$70,938 (+/-$12,442)	$27,855 (+/-$3,790)	10.9% (+/-8.7%)	5.6% (+/-7.5%)
Livingston	$39,015 (+/-$3,105)	$48,834 (+/-$5,295)	$21,673 (+/-$1,800)	12.7% (+/-3.5%)	7.1% (+/-3.6%)
Wilsall	$38,750 (+/-$14,020)	$46,750 (+/-$11,589)	$17,272 (+/-$5,451)	7.2% (+/-12.6%)	0.0% (+/-45.8%)

Source: "2009-2013 American Community Survey." U.S. Census Bureau. www.census.gov. Income figures are in 2012 inflation-adjusted dollars. Note that Per Capita Personal Income measures the income of all people, including the unemployed. For average wages earned by employed residents, please see the Salary & Wage section.

As illustrated in Table 16 on page 23, Gallatin and Park Counties exceed national and statewide percentages for educational attainment for high school graduates and above and bachelor's degree or above; this can largely be attributed to the strength of the area's school systems and the influence of Montana State University. The rates for those earning a bachelor's degree or above are nearly the same for the United States and Montana.

Table 16: Level of Educational Attainment (Percent of Population 25 Years & Over)
2009-2013 ACS Data

Location	High School or Above +/- Margin of Error	Bachelor's Degree or Above +/- Margin of Error
United States	86.0% (+/-0.1%)	28.8% (+/-0.1%)
Montana	**92.1% (+/-0.2%)**	**28.7% (+/-0.4%)**
Gallatin County	96.1% (+/-0.6%)	46.0% (+/-1.5%)
Belgrade	95.8% (+/-2.1%)	24.5% (+/-6.4%)
Big Sky	97.8% (+/-2.6%)	56.0% (+/-8.0%)
Bozeman	97.2% (+/-0.8%)	53.6% (+/-2.2%)
Manhattan	93.9% (+/-3.5%)	35.4% (+/-7.2%)
Three Forks	90.4% (+/-3.4%)	15.0% (+/-5.1%)
West Yellowstone	94.4% (+/-5.6%)	24.1% (+/-7.9%)
Park County	93.2% (+/-2.3%)	33.6% (+/-3.3%)
Clyde Park	95.4% (+/-4.0%)	19.5% (+/-8.9%)
Cooke City	91.3% (+/-13.2%)	0.0% (+/-100.0%)
Gardiner	96.6% (+/-2.9%)	45.4% (+/-8.6%)
Livingston	89.4% (+/-4.5%)	30.9% (+/-5.4%)
Wilsall	92.1% (+/-9.6%)	55.3% (+/-18.8%)

Source: "2009-2013 American Community Survey." U.S. Census Bureau. www.census.gov.

American Community Survey estimates show that approximately 62 percent of the housing units in Gallatin County are owner-occupied while the remaining 38 percent are rented (Table 17). Park County's owner-occupied units account for 75.1 percent of the total, with 24.9 reported as renter-occupied. Gallatin County residents' housing costs are fairly consistent compared to the nation's averages for renters and both mortgaged and non-mortgaged owners, but are considerably above the statewide averages. Park County is slightly less costly than Gallatin County, and similar to statewide estimates. According to these same Census Bureau estimates, 54 percent of units in Bozeman are renter-occupied with a median rent of $802. Meanwhile 30 percent of units in Livingston are renter-occupied and the median rent is $641 per month.

Table 17: Housing Occupancy 2009-2013 ACS Data

Type & Owner	United States +/- Margin of Error	Montana +/- Margin of Error	Gallatin County +/- Margin of Error	Park County +/- Margin of Error
Owner-Occupied Housing Units	75,075,700 (+/-345,645)	276,939 (+/-2,112)	22,857 (+/-612)	4,841 (+/-275)
Renter-Occupied Housing Units	40,534,516 (+/-114,260)	128,586 (+/-1,495)	14,116 (+/-578)	1,604 (+/-233)
Median Monthly Housing Costs for Renter-Occupied Housing Units	$904 (+/-$1)	$682 (+/-$8)	$829 (+/-$24)	$663 (+/-$55)
Median Monthly Housing Costs for Mortgaged Owners	$1,540 (+/-$1)	$1,293 (+/-$12)	$1,564 (+/-$37)	$1,307 (+/-$100)
Median Monthly Housing Costs for Non-Mortgaged Owners	$452 (+/-$1)	$381 (+/-$3)	$461 (+/-$14)	$409 (+/-$29)

Source: "2009-2013 American Community Survey." U.S. Census Bureau. www.census.gov.

According to the latest estimates, the nation's average household size is 2.63 people and the average family size is 3.22 people while Montana's average household size is 2.39 people, with an average family size of 2.97 people (Table 18). Both Gallatin and Park Counties have slightly smaller households and families than national averages but are in line with state averages. Park County has a higher percentage of people living alone than both the national and state rates.

Table 18: Household and Family Dynamics 2009-2013 ACS Data

Location	Average Household Size +/- Margin of Error	Average Family Size +/- Margin of Error	Married-couple Families +/- Margin of Error	Nonfamily Households +/- Margin of Error	Householder Living Alone +/- Margin of Error
United States	2.63 (+/-0.01)	3.22 (+/-0.01)	48.7% (+/-0.1%)	33.6% (+/-0.1%)	27.5% (+/-0.1%)
Montana	**2.39 (+/-0.01)**	**2.97 (+/-0.02)**	**50.0% (+/-0.4%)**	**36.9% (+/-0.4%)**	**30.1% (+/-0.4%)**
Gallatin County	2.36 (+/-0.03)	2.86 (+/-0.04)	49.1% (+/-1.5%)	40.1% (+/-1.5%)	26.7% (+/-1.5%)
Belgrade	2.51 (+/-0.14)	3.07 (+/-0.17)	42.3% (+/-6.3%)	39.6% (+/-7.1%)	29.3% (+/-6.7%)
Big Sky	2.18 (+/-0.19)	2.64 (+/-0.19)	51.7% (+/-8.7%)	46.0% (+/-9.2%)	29.7% (+/-8.1%)
Bozeman	2.18 (+/-0.06)	2.77 (+/-0.09)	34.1% (+/-2.3%)	55.2% (+/-2.6%)	34.8% (+/-2.4%)
Manhattan	2.53 (+/-0.24)	3.14 (+/-0.25)	63.8% (+/-8.8%)	31.3% (+/-8.4%)	27.5% (+/-8.5%)
Three Forks	2.22 (+/-0.16)	2.60 (+/-0.18)	47.7% (+/-7.9%)	30.8% (+/-7.3%)	25.4% (+/-6.8%)
West Yellowstone	2.18 (+/-0.28)	2.95 (+/-0.44)	42.6% (+/-8.2%)	45.6% (+/-8.2%)	35.8% (+/-7.9%)
Park County	2.39 (+/-0.10)	3.09 (+/-0.18)	50.8% (+/-4.2%)	39.9% (+/-4.1%)	35.4% (+/-3.9%)
Clyde Park	2.15 (+/-0.48)	3.33 (+/-0.74)	41.5% (+/-14.3%)	50.8% (+/-13.4%)	50.0% (+/-13.6%)
Cooke City	1.64 (+/-0.67)	1.78 (+/-0.78)	64.3% (+/-30.4%)	35.7% (+/-30.4%)	21.4% (+/-29.2%)
Gardiner	2.29 (+/-0.34)	3.17 (+/-0.52)	43.7% (+/-11.1%)	42.6% (+/-10.0%)	41.6% (+/-10.0%)
Livingston	2.43 (+/-0.18)	3.28 (+/-0.32)	45.9% (+/-7.2%)	42.1% (+/-6.9%)	38.7% (+/-7.0%)
Wilsall	2.37 (+/-0.79)	2.93 (+/-.80)	70.7% (+/-28.6%)	29.3% (+/-28.6%)	29.3% (+/-28.6%)

Source: "2009-2013 American Community Survey." U.S. Census Bureau. www.census.gov.

According to the Montana Department of Labor & Industry's Research & Analysis Bureau: "Montana's workers and businesses are enjoying higher wages, strong output growth, and an ideal unemployment situation… The strong job growth over the last five years has reduced Montana's unemployment to ideal levels… Economists consider unemployment rates between four and five percent as "normal" unemployment, which is the level of unemployment that provides a healthy balance of most workers being able to find jobs at reasonable pay, and businesses being able to find workers with the right skills and experience for the job."[29]

However, a worker shortage is looming on the horizon, with expected growth of only 4,100 workers per year for the next ten years and an expected 6,500 jobs that will need filled in each year for the ten year period. As stated by Chief Economist Barbara Wagner, "Montana's overall economic growth will be slowed by worker shortages unless Montana finds ways to increase the available labor by increasing participation rates to record highs, shifting to more full-time jobs, and investing in productivity-enhancing technologies."[29]

Montana first in the nation for employee engagement

According to Gallup Daily Tracking interviews conducted January 2013 through December 2014, 39% of Montana's workforce was identified as engaged—earning top ranking in the nation. Engaged employees are described as "involved in and enthusiastic about their work and workplace. Day after day, they are passionate about their jobs and feel a profound connection to their company. They are more productive, drive innovation and promote organizational growth." The District of Columbia had the lowest level of employee engagement, with 22% of workers engaged.

Harter, Jim and Nelson, Bailey. Gallup, Inc. March 18, 2015. www.gallup.com

As see in Table 19 below, Nebraska had the lowest unemployment rate in the nation, while Montana maintained the 9th lowest unemployment rate, tied with Idaho, as of May 2015.

Table 19: State Unemployment Rate Comparison, May 2015 (Seasonally adjusted)

State	May 2014 Rate	May 2015 Rate[P]	Change	May 2015 Rank
Nebraska	3.4	2.6	-0.8	1
North Dakota	2.7	3.1	0.4	2
Utah	3.7	3.5	-0.2	3
South Dakota	3.4	3.8	0.4	5
Idaho	4.9	3.9	-1.0	9 Tied
Montana	4.7	3.9	-0.8	9 Tied
Wyoming	4.3	4.1	-0.2	11 Tied
Colorado	5.2	4.3	-0.9	13 Tied
Oregon	7.0	5.3	-1.7	25 Tied
Washington	6.2	5.4	-0.8	27 Tied

Source: U.S. Bureau of Labor Statistics. www.bls.gov. P: May 2015 data is preliminary.

Gallatin County's unemployment rate improved year-to-year and as of May 2015, Gallatin County had the 20th lowest unemployment rate in the state (Table 20). However this was down from ranking 15th in Montana in May 2014. Park County's unemployment rate also improved since May 2014, but fell from ranking 25th in the state in May 2014 to ranking 41st in the state as of May 2015.

[29] Wagner, Barbara. "State of Montana Labor Day Report to the Governor: A Summary." Montana Economy at a Glance, August 2015. Montana Department of Labor & Industry, Research & Analysis Bureau. www.ourfactsyourfuture.mt.gov.

Note that county level unemployment data is available on a non-seasonally adjusted basis only, therefore the rate for Montana in Table 20 differs from the seasonally adjusted rates in Table 19.

Table 20: County Unemployment Rate Comparison, May 2015 (Non-seasonally adjusted)

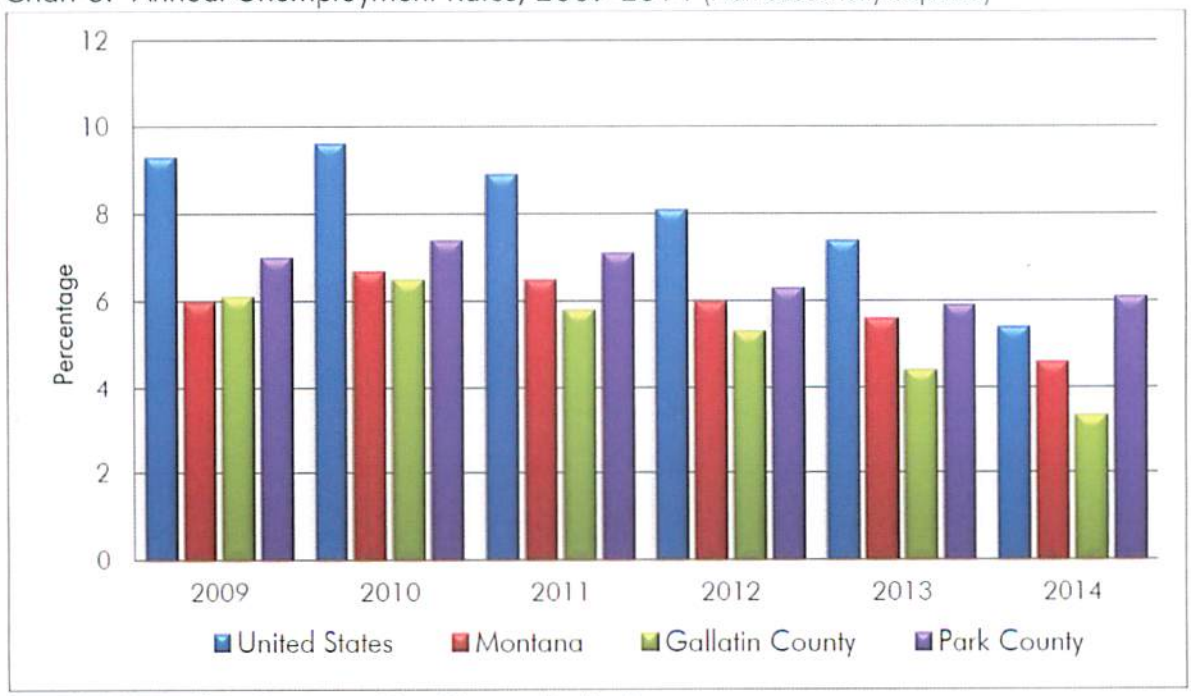
Area	May 2014 Rate	May 2015 Rate[P]	Change	May 2015 Rank
Montana	4.2	3.4	-0.8	n/a
Sheridan County	2.3	1.5	-0.8	1
Yellowstone County	3.3	2.6	-0.7	13 Tied
Lewis & Clark County	3.3	2.7	-0.6	17 Tied
Gallatin County	3.6	2.8	-0.8	20 Tied
Missoula County	3.9	3.1	-0.8	27
Madison County	5.0	3.3	-1.7	29
Silver Bow County	4.5	3.4	-1.1	33 Tied
Park County	5.0	3.9	-1.1	41 Tied
Flathead County	5.8	4.7	-1.1	49
Glacier County	9.5	8.0	-1.5	56

Source: Montana Department of Labor & Industry, Research & Analysis Bureau, www.ourfactsyourfuture.mt.gov. And U.S. Bureau of Labor Statistics, www.bls.gov. P: May 2015 data is preliminary.

Annual Unemployment Rates

Revised annual unemployment figures for 2009 to 2014 are shown in Chart 6. Between 2013 and 2014, national unemployment fell from 7.4 percent to 5.4 percent, statewide annual unemployment decreased from 5.6 percent to 4.6 percent, and Gallatin County's rate followed suit, declining from 4.4 percent to 3.3 percent. Park County's unemployment rate continues to trend higher than Montana's overall rate and increased slightly from 2013 to 2014, from 5.9 percent to 6.1 percent. For all areas except Park County, unemployment rates as of 2014 fell to levels not seen since 2008. (In 2008 unemployment rates were: 5.8 percent for the United States, 4.5 percent for Montana, 3.7 percent for Gallatin County and 4.7 percent for Park County.) In the recent past, Gallatin County has exceeded Montana's unemployment rate only once—and just slightly—in 2009.

Chart 6: Annual Unemployment Rates, 2009-2014 (Non-seasonally adjusted)



Source: U.S. Bureau of Labor Statistics, www.bls.gov. Not seasonally adjusted.

As seen in Table 21, revised labor force statistics show that Gallatin and Park Counties have seen an increase in labor force and employment figures and decreased unemployment numbers since the spike in unemployment in 2009 and 2010. Gallatin County now exceeds pre-recessionary levels in terms of labor force and those employed, however the number of unemployed residents also continues to be more than what was seen prior to 2009. Meanwhile, Park County's labor force and number of employed residents have yet to recover to pre-recessionary levels.

Table 21: County Labor Force Statistics, 2007-2014 (Non-seasonally adjusted)

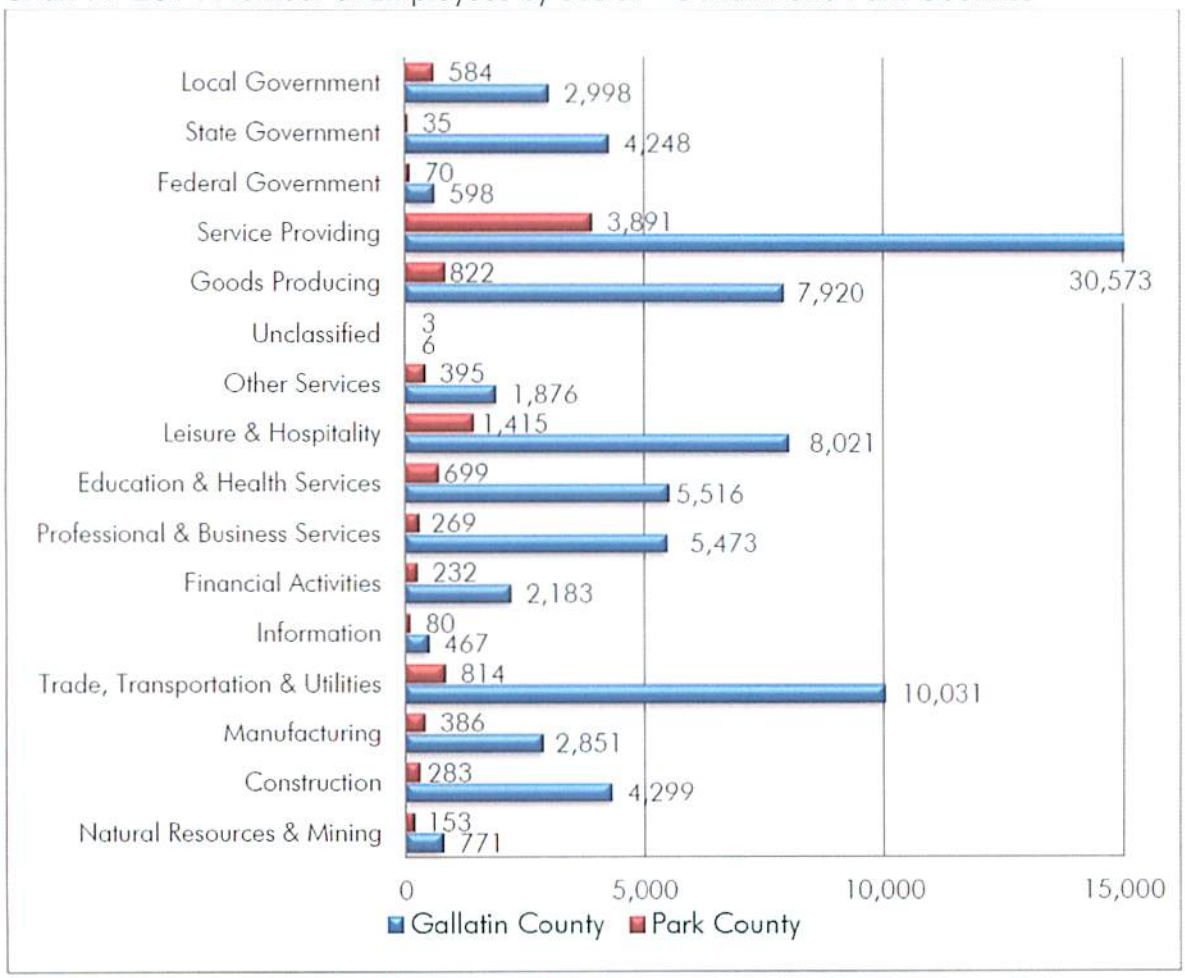
Location	2007	2008	2009	2010	2011	2012	2013	2014
Gallatin County								
Labor Force	50,482	50,990	48,272	48,178	49,299	50,405	52,640	57,583
Employed	49,214	49,081	45,324	45,043	46,419	47,718	50,315	55,533
Unemployed	1,268	1,909	2,948	3,135	2,880	2,687	2,325	2,050
Park County								
Labor Force	9,087	9,040	8,481	8,340	8,427	8,726	8,768	7,875
Employed	8,778	8,616	7,886	7,719	7,828	8,175	8,251	7,638
Unemployed	309	424	595	621	599	551	517	507

Source: U.S. Bureau of Labor Statistics, www.bls.gov.

Employment by Sector

The principal employment sectors in Gallatin County as of 2014 continue to be trade, transportation & utilities and leisure & hospitality. Park County's largest employment sectors are leisure & hospitality and trade, transportation & utilities (Chart 7). Note that the service providing and goods producing sectors included in the chart below are supersector groups, or collective categories that are comprised of the other non-governmental sectors listed. The goods producing supersector includes natural resources & mining, construction, and manufacturing. All other non-governmental sectors, such as leisure & hospitality and professional & business services fall within the service providing supersector.

Chart 7: 2014 Number of Employees by Sector - Gallatin and Park Counties



Source: "Quarterly Census of Employment & Wages." Bureau of Labor Statistics, www.bls.gov/cew. 2014 information is preliminary.

Based on Bureau of Labor Statistics Quarterly Census of Employment and Wages 2013 data and preliminary 2014 figures, the area's economy continues to be strong in almost all areas of private sector employment. In Gallatin County, construction employment growth took the lead, and was up 9.4 percent (from 3,930 in 2013 to 4,299 in 2014). Leisure and hospitality employment in Gallatin County was second in terms of year-over-year growth at 7.6 percent (from 7,619 to 8,201). Also notable in Gallatin County was 7.2 percent employment growth in manufacturing (from 2,659 to 2,851) and 6.2 percent employment growth in professional and business services (from 5,154 to 5,473). However, there was an 18.1 percent decline in the information sector in Gallatin County (from 570 to 467). Park County's largest employment growth was also seen in the construction

industry, with 8.0 percent growth (from 262 to 283). The second largest growth was in the financial activities sector, which grew 6.9 percent (from 217 to 232). Three of the ten sectors grew between 2013 and 2014 in Park County, while five sectors experienced declines of less than four percent since 2013. Additionally there was a 5.6 decrease in the natural resources sector (from 162 to 153).

Federal government employment in Gallatin County was down 3.1 percent (from 617 to 598) but up 7.7 percent in Park County (from 65 to 70). State government employment down by 0.6 percent in Gallatin County (from 4,223 to 4,248) but up by 2.9 percent in Park County (from 34 to 35). Meanwhile local government employment grew by 2.9 percent in Gallatin County (from 2,914 to 2,998) and down by 0.7 percent in Park County (from 588 to 584).

As measured by both number of establishments and average annual employment Gallatin County's dominant sectors include professional & business services and trade, transportation & utilities (Table 22). Park County's leading industries in terms of number of establishments and average annual employment include leisure & hospitality and trade, transportation & utilities (Table 22).

Table 22: 2014 Employment and Earnings by Sector

	Gallatin County			Park County		
Sector	Number of Establish-ments	Number of Employees	Average Weekly Wage	Number of Establish-ments	Number of Employees	Average Weekly Wage
Goods Producing	1,248	7,920	$814	183	815	$672
Natural Resources & Mining	103	771	$803	47	162	$581
Construction	927	4,299	$859	102	262	$653
Manufacturing	218	2,851	$748	34	391	$722
Service Providing	4,377	33,573	$675	654	3,891	$534
Trade, Transportation & Utilities	969	10,031	$628	137	825	$532
Information	88	467	$904	18	83	$734
Financial Activities	560	2,183	$984	61	217	$723
Professional & Business Services	1,293	5,473	$1,056	130	274	$972
Education & Health Services	493	5,516	$756	60	717	$685
Leisure & Hospitality	570	8,021	$353	173	1,378	$345
Other Services	402	1,876	$543	77	398	$476
Unclassified	2	6	$742	-	3	-
Private Sector Totals	5,625	41,493	$702	837	4,706	$558
Federal Government	31	598	$1,211	12	70	$876
State Government	16	4,248	$833	8	35	$1,340
Local Government	56	2,998	$776	19	584	$671
Governmental Totals*	103	7,834	$840	39	689	$726

*Source: "Quarterly Census of Employment & Wages." Bureau of Labor Statistics. www.bls.gov/cew. 2014 information is preliminary. *Prospera Business Network's calculation, total government data not provided by BLS.*

Salary & Wage Detail

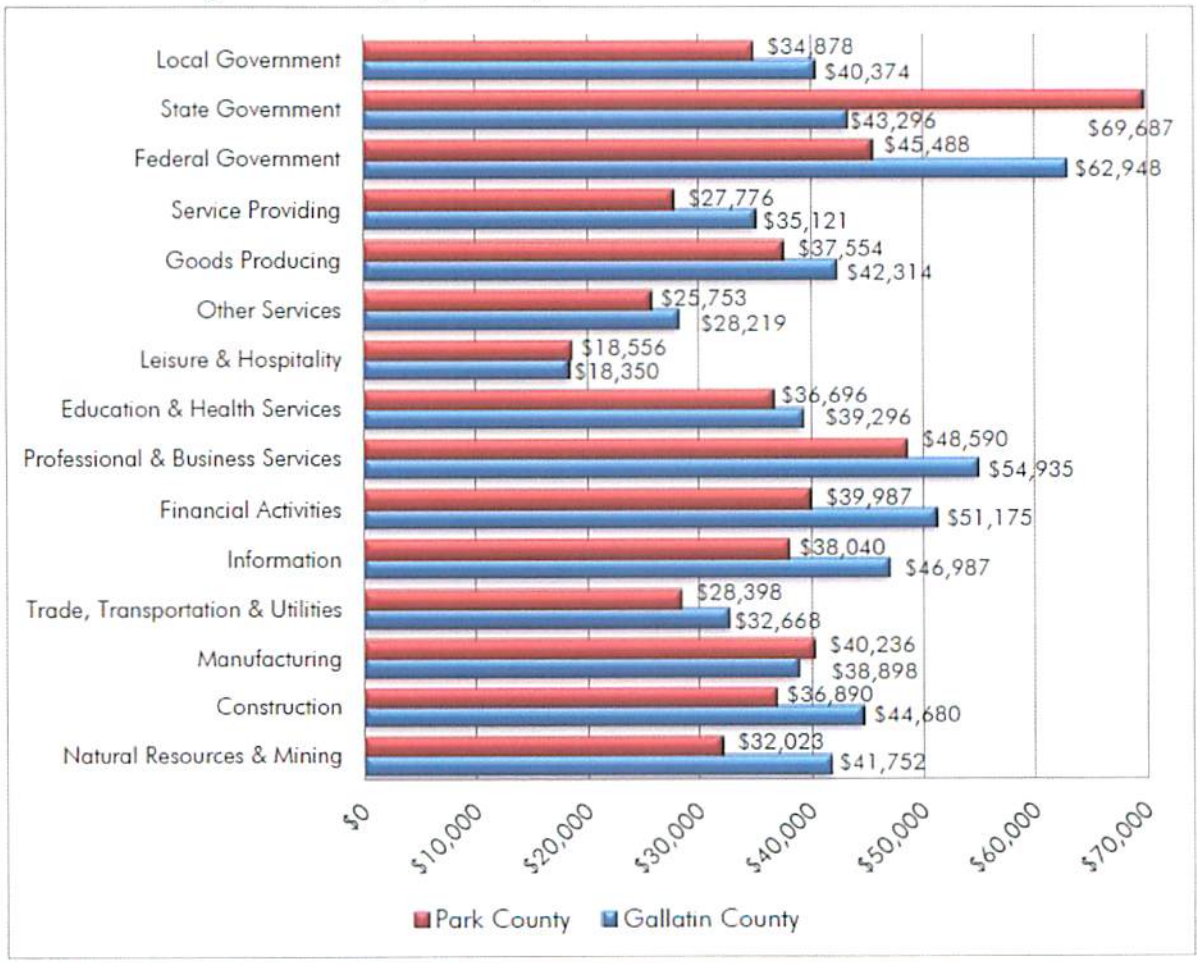
The chart below details average annual wage amounts, which the Bureau of Labor Statistics computes by dividing total annual industry wages by annual average employment (Chart 8). As explained earlier, the service providing and goods producing sectors included in the chart below are supersector groups that encompass the other non-governmental sectors listed. The goods producing sector includes natural resources & mining, construction and manufacturing, while all other non-governmental sectors fall under the service providing supersector.

Patterns in Montanan's Wage Growth

According to state economist Amy Watson, "Montana's strong wage growth has stemmed from a relatively strong demand for labor, coupled with worker shortages in particular areas of the state... Montana has experienced wage growth above the national average for the last 10 years. Wage growth has occurred across all wage classes, suggesting the standard of living has improved for all Montanan's regardless of their income level. As a percentage, wages have been growing the fastest for people in the lowest wage class. Yet, despite rapid growth in the lowest wage class, the gap between the wages of the lowest and highest wage class has widened over time."

Montana Economy at a Glance, January 2015
Montana Department of Labor & Industry,
Research & Analysis Bureau
www.ourfactsyourfuture.org

Chart 8: Average Annual Pay by Industry - Gallatin and Park Counties 2014



Source: "Quarterly Census of Employment & Wages." Bureau of Labor Statistics, www.bls.gov/cew. 2014 information is preliminary.

Montana's Labor Market

According to U.S. Bureau of Economic Analysis (BEA) estimates, Montana's average annual wage and salary disbursement continues to trend lower than the national average: $39,024 versus $51,552 for 2014. By this measure, Montana's average annual wage ranking is 48th overall in the nation (Table 23). As defined by the BEA, average wages and salaries is wages and salaries divided by the number of wage and salary jobs (total wage and salary employment). Wages and salaries consist of the remuneration receivable by employees (including corporate officers) from employers for the provision of labor services. It includes commissions, tips, and bonuses; employee gains from exercising stock options; and pay-in-kind.

Table 23: 2014 Average Annual Wages and Salaries

State	1980	1980 Rank	1990	1990 Rank	2000	2000 Rank	2014	2014 Rank*
United States	$13,999	-	$23,423	-	$35,054	-	$51,552	-
California	$15,013	8	$26,237	7	$40,869	6	$59,391	6
Washington	$15,086	7	$22,885	15	$37,544	8	$55,427	9
Colorado	$14,228	14	$22,632	19	$37,059	9	$53,401	12
North Dakota	$11,868	44	$17,362	49	$24,416	49	$49,741	18
Wyoming	$15,335	6	$20,058	36	$27,138	45	$47,361	23
Oregon	$13,935	19	$21,026	28	$32,774	22	$47,233	24
Utah	$13,089	29	$19,782	40	$29,316	33	$43,856	35
Montana	$12,598	35	$17,476	48	$24,171	51	$39,024	48
Idaho	$12,174	42	$18,739	46	$27,557	42	$38,893	49
South Dakota	$10,750	50	$16,348	51	$24,396	50	$38,246	50

*Source: State Economic Profiles, U.S. Bureau of Economic Analysis, www.bea.gov. Last updated September 30, 2015, revised estimates for 1976-2013. All dollar estimates in current dollars. *Note: Rankings include 50 states plus the District of Columbia and are Prospera's calculation.*

Montana has the highest percentage of the population in the nation for those 25 years and older with a high school diploma.[30] Montana ranks 20th for those with bachelor's degrees and 33rd for those with a graduate degree.[30] As seen below, despite the fairly well-educated workforce, Montana's median earnings continue to trail behind national averages (Table 24).

Table 24: Median Annual Earnings by Educational Attainment 2009-2013 ACS Data

Level	Montana +/- Margin of Error	United States +/- Margin of Error
Total	$30,061 +/- $257	$35,644 +/- $83
Less than high school graduate	$18,250 +/- $1,159	$19,652 +/- $44
High school graduate (includes equivalency)	$24,666 +/- $438	$27,528 +/- $49
Some college or associates' degree	$28,041 +/- $682	$33,702 +/- $50
Bachelor's degree	$36,880 +/- $642	$50,254 +/- $58
Graduate or professional degree	$51,277 +/- $967	$66,493 +/- $85

Source: "2009-2013 American Community Survey," U.S. Census Bureau, www.census.gov. Population 25 years and over.

[30] "State of Montana Labor Day Report to the Governor: 2015." Montana Economy at a Glance, August 31, 2015. Montana Department of Labor & Industry, Research & Analysis Bureau. www.ourfactsyourfuture.mt.gov

All but one of the Montana counties featured in the table below experienced at least a one percent increase in average weekly wage between 2014 and 2015. Gallatin County's average weekly wage increased by 3.13 percent between 2013 and 2014, after declining by 2.90 percent between 2012 and 2013. In Park County, wages decreased by 0.69 percent between 2013 and 2014, after improving by 1.40 percent between 2012 and 2012 (Table 25).

Table 25: Average Weekly Wage by County and Percent Change, 2012-2014 (All Industries)

Area	2012 Weekly Wage	2013 Weekly Wage	2014 Weekly Wage[P]	% Change 2013-2014
Montana	**$713**	**$723**	**$748**	**3.46%**
Flathead County	$672	$689	$718	4.21%
Gallatin County	$723	$702	$724	3.13%
Lewis and Clark County	$778	$781	$797	2.05%
Madison County	$577	$594	$620	4.38%
Missoula County	$681	$689	$711	3.19%
Park County	$571	$579	$575	-0.69%
Silver Bow County	$726	$736	$747	1.49%
Yellowstone County	$785	$805	$833	3.48%

Source: "Quarterly Census of Employment & Wages." Bureau of Labor Statistics. www.bls.gov/cew. P: 2014 information is preliminary.

The top five counties in Montana (out of 56) in terms of annual average pay as well as the top five counties in terms of total wages are included in Table 26, along with Park County. In terms of annual average pay, Gallatin County fell to 15th position in 2014 after ranking 14th in 2013 while Park rose to 42nd position in 2014 from 43rd position in 2013.

Table 26: Montana Counties Ranked by 2014 Annual Average Pay (All Industries)

Area	Number of Employees[P]	Total Wages[P] (In Thousands)	Annual Average Pay[P]	Annual Average Pay Ranking
Montana	**440,139**	**$17,109,924**	**$38,874**	n/a
Stillwater	3,297	$194,602	$59,021	1
Richland	6,916	$397,739	$57,510	2
Fallon	1,672	$94,122	$56,310	3
Sweet Grass	1,445	$69,096	$47,826	4
Musselshell	1,279	$60,466	$47,264	5
Yellowstone	35,608	$3,402,037	$43,332	7
Lewis & Clark	2,665	$1,476,224	$41,457	9
Gallatin	49,337	$1,856,831	$37,636	15
Missoula	4,665	$2,083,576	$36,978	19
Cascade	2719	$1,290,456	$36,600	20
Park	5,413	$167,388	$30,922	42

Source: "Quarterly Census of Employment & Wages." Bureau of Labor Statistics. www.bls.gov/cew. P: 2014 information is preliminary.

Largest Private Employers

The following table lists the 20 largest private sector employers in Gallatin County and the 10 largest private sector employers in Park County, according to the most current statistics available.

Table 27: Largest Private Sector Employers (2014 Annual Data)

Private Sector Employers	Number of Employees
Gallatin County	
Bozeman Health Deaconess Hospital	1000+
Oracle America	250-499
Walmart	250-499
Albertson's	100-249
Bridger Bowl	100-249
Community Food Co-Op	100-249
Costco	100-249
Federal Premium Ammunition	100-249
First Student	100-249
GranTree Inn	100-249
Kenyon Noble Lumber & Hardware	100-249
Korman Marketing Group	100-249
Martel Construction	100-249
McDonald's	100-249
Murdoch's Ranch & Home Supply	100-249
Ressler Motors	100-249
Rosauer's Super Markets	100-249
Simkins Hallin Lumber & Hardware	100-249
Town & Country Foods	100-249
Town Pump Convenience Stores	100-249
Zoot Enterprises	100-249
Park County	
Livingston HealthCare	250-499
Chico Hot Springs	100-249
Church Universal & Triumphant	100-249
PrintingForLess.com	100-249
Albertson's	50-99
Yellowstone Association	50-99
Montana's Rib & Chop House	50-99
R-Y Timber	50-99
The Murray Hotel	50-99
Town & Country Foods	50-99

Source: Watson, Amy. Montana Department of Labor & Industry, Research & Analysis Bureau. www.ourfactsyourfuture.mt.gov. Based on 2014 Bureau of Labor Statistics QCEW annual averages.

Agriculture

Agriculture plays a historic and significant role in the regional economy and quality of life. Montana's total land area is 93.1 million acres and 64.2 percent of the total land area (59.8 million acres) is dedicated to farmland or agriculture.[31] The state ranks 29th in the U.S. for total value of agricultural products sold.[31]

Montana's U.S. Agricultural Rankings

Top rankings by item's acres/number:

- 3rd: Wheat for grain, all
- 8th: Sheep and lambs
- 10th: Cattle and calves
- 24nd: Hogs and pigs

Top rankings by item's total sales value:

- 10th: Sheep, goats, wools, mohair and milk
- 11th: Cattle and calves
- 14th: Other crops and hay
- 17th: Grains, oilseeds, dry beans and peas
- 29th: Total agricultural products sold

2012 Census of Agriculture. Montana Agricultural Statistics Service, U.S. Department of Agriculture. www.nass.usda.gov

According to George Haynes, Professor and Extension Center Specialist with the Department of Agricultural Economics and Economics at Montana State University, "The agricultural sector has had six years of very good news for the Montana economy. Lower crop prices and untimely rains have been offset by high livestock prices and favorable pasture and haying conditions for ranchers in 2014. Futures prices for the fall of 2015 suggest that crop and livestock prices should be above long-run historical averages. And Montana producers remain optimistic about the demand for high protein wheat and high quality barley. Assuming no major demand or supply disruptions, Montana producer balance sheets should remain healthy in 2015."[32]

As shown in Table 28 on page 35, between the 2007 and 2012 agricultural censuses, the number of farms in Montana declined by five percent, the amount of land in farms declined three percent and the average size of a farm increased by three percent, while the market value of products sold increased by 51 percent. The statewide average age of the principle operator was 58.9 years as of the 2012 Census of Agriculture.[31] Of the land in farms in Montana, 65.8 percent was pastureland, 28.5 percent was cropland and 5.8 percent was devoted to other uses.[31]

While the number of farms in Gallatin County was up nine percent and the market value of products sold increased by 11 percent, the acres of land in farms was down 10 percent and the average size of a farm declined by 17 percent (Table 28). The average age of the principle operator in Gallatin County was 57.8 years.[31] Of the land in farms in the county, 59.7 percent was pastureland, 32.0 percent was cropland and 8.3 percent was devoted to other uses.[31] Among 3,079 counties in the U.S., Gallatin County's top rankings were 18th for acres in barley production and 30th for number of horses and ponies.

In Park County, the number of farms increased by 5 percent and the market value of products sold increased by 39 percent while the average farm size decreased by 4 percent (Table 28). The average age of the principle operator in Gallatin County was 57.8 years.[31] Of the land in farms in the county, 69.5 percent was pastureland, 14.3 percent was woodland, 14.2 percent was cropland and 2.1 percent was devoted to other uses.[31] Among 3,079 counties in the U.S., Park County's top rankings were 117th for acres in barley production and 103rd for number of horses and ponies.

---

[31] "2012 Census of Agriculture." Montana Agricultural Statistics Service, U.S. Department of Agriculture. www.nass.usda.gov.

[32] Haynes, George. "Montana Agriculture in 2014: A Changing Business Climate." Outlook 2015. Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu.

Table 28: 2012 Agricultural Statistics for Montana, Gallatin County and Park County

	2007	2012	Percent Change
Montana			
Number of Farms	29,524	28,008	-5%
Land in Farms (in acres)	61,388,462	59,758,917	-3%
Average Farm Size (in acres)	2,079	2,134	3%
Market Value of Products Sold	$2.8 million	$4.2 million	51%
Average Sales per Farm	$94,942	$151,031	59%
Gallatin County			
Number of Farms	1,071	1,163	9%
Land in Farms (in acres)	776,868	702,713	-10%
Average Farm Size (in acres)	725	604	-17%
Market Value of Products Sold	$95,148,000	$105,970,000	11%
Average Sales per Farm	$88,840	$91,118	3%
Park County			
Number of Farms	535	564	5%
Land in Farms (in acres)	762,753	77,057	1%
Average Farm Size (in acres)	1,426	1,372	-4%
Market Value of Products Sold	$27,720,000	$38,487,000	39%
Average Sales per Farm	$51,814	$68,240	32%

Source: "2012 Census of Agriculture." State and County Profiles. USDA National Agricultural Statistical Service. www.nass.usda.gov.

Overall crop and livestock statistics for Gallatin and Park counties as of 2014 are shown in Tables 29-33. While no state ranking is given for potatoes, Gallatin County harvested just over 40 percent of the seed potatoes produced in the state in 2014.[33]

Table 29: 2014 Crop Statistics for Gallatin County

Commodity	Planted Acres	Harvested	Yield	Production (bushels)	Rank in State*
Winter Wheat	22,000	20,100	41bushels	825,000	19
Spring Wheat	24,300	23,500	63.2 bushels	1,485,000	16
All Barley	35,100	29,400	69.8 bushels	2,052,000	7
Hay Alfalfa	*No data available*	42,000	3.55 tons	150,000	3
Other Hay**	*No data available*	12,000	1.85 tons	22,000	*n/a*
Potatoes	4,400	4,300	300 Cwt	1,289,000 Cwt	*No rank given*

*Source: "2014 Montana Annual Statistics." USDA National Agricultural Statistical Service. www.nass.usda.gov. *Note: Rankings are Prospera's calculation. **2012 data. 2013 and 2014 data not published.*

[33] "2014 Montana Annual Statistics" USDA National Agricultural Statistical Service. www.nass.usda.gov.

Table 30: 2015 Livestock Statistics for Gallatin County

Commodity	Cattle All (Head)	Beef Cows & Heifers (Head)	Milk Cows & Heifers (Head)	Sheep & Lambs All (Head)	Rank in State*
Cattle & Calves	47,500	19,300	4,400		18 (All Cattle)
Sheep Inventory				1,800	35

*Source: "2015 Montana Statistics. Inventory as of January 1, 2015." USDA National Agricultural Statistical Service. www.nass.usda.gov. *Note: Rankings are Prospera's calculation.*

Table 31: 2014 Crop Statistics for Park County

Commodity	Planted Acres	Harvested	Yield (bushels)	Production (bushels)	Rank in State
Winter Wheat	3,500	3,000	31.8	95,500	33
Spring Wheat	2,800	2,800	51.8	145,000	36
All Barley	5,600	4,500	69.8	314,000	24
Hay Alfalfa	No data available	46,000	2.55 tons	117,000	8
Other Hay	No data available	9,000	2.2 tons	20,000	23

*Source: "2014 Montana Annual Statistics." USDA National Agricultural Statistical Service. www.nass.usda.gov. *Note: Rankings are Prospera's calculation.*

Table 32: 2015 Livestock Statistics for Park County

Commodity	Cattle All (Head)	Beef Cows (Head)	Milk Cows (Head)	Sheep & Lambs All (Head)	Rank in State*
Cattle & Calves	42,000	31,000	100		20 (All Cattle)
Sheep Inventory				2,200	32

*Source: "2015 Montana Statistics. Inventory as of January 1, 2015." USDA National Agricultural Statistical Service. www.nass.usda.gov. *Note: Rankings are Prospera's calculation.*

Table 33: 2014 Montana Agricultural Commodities Information

Commodity	Acres Harvested	Yield per Acre	Total Production	Value Per Unit	Value of Production
All Wheat	5,650,000	37.1Bu	209,470,000 Bu	$6.23/Bu	$1,282,991,000
Barley	770,000	58.0 Bu	44,660,000 Bu	$5.33/Bu	$241,164,000
Corn (For grain)	75,000	100 Bu	7,500,000 Bu	$3.77/Bu	$28,125,000
Hay	2,730,000	1.97 Ton	5,381,000 Tons	$126.00/Ton	$672,312,000
Lentils	119,000	1,480 Lbs	1,761,000 Cwt	$22.80/Cwt	$36,805,000
Peas (Dry)	504,000	1,800 Cwt	9,072,000 Cwt	$11.00/Cwt	$96,163,000
Potatoes	11,300	320 Cwt	3,616,000 Cwt	$12.80/Cwt	$46,285,000
Sugar Beets	44,400	32.3 Ton	1,434,000 Tons	No data available	

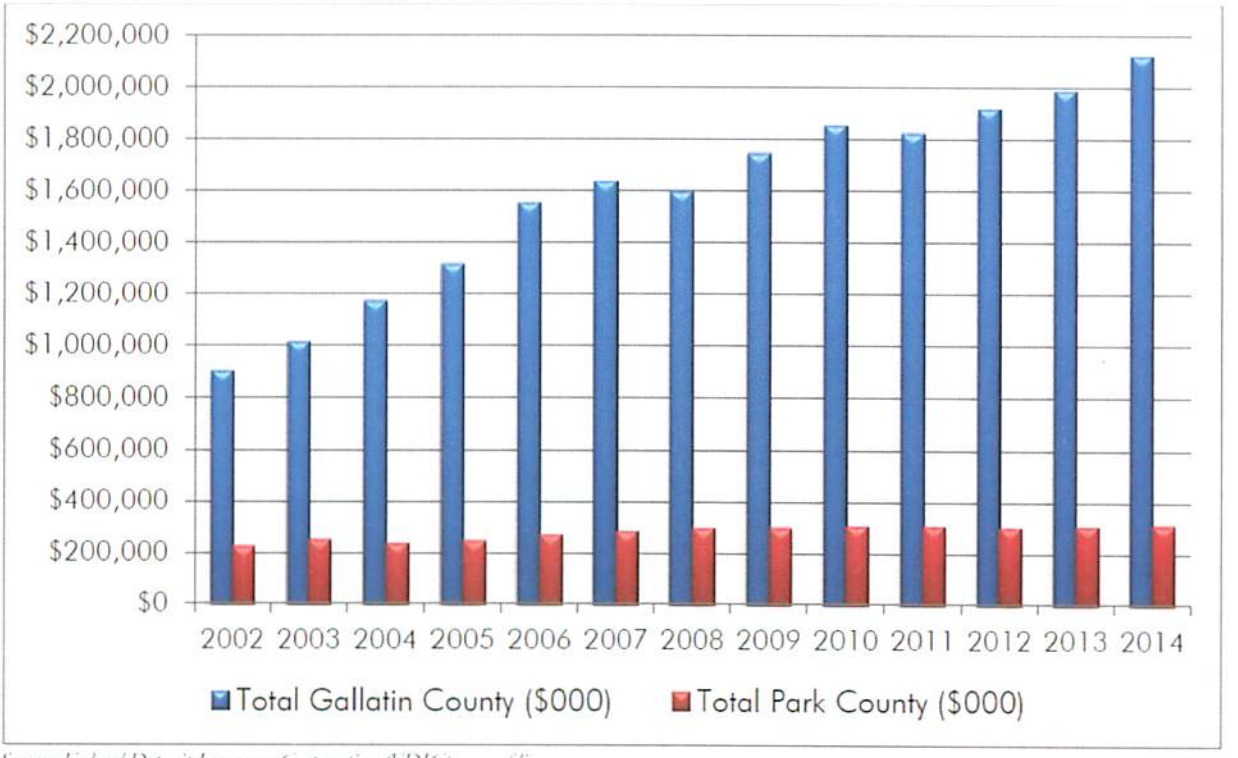
Source: "2014 State Agricultural Overview Montana." USDA National Agricultural Statistical Service. www.nass.usda.gov.

Banking

According to the Federal Deposit Insurance Corporation (FDIC), 2014 Gallatin County bank deposits were again at a record high. As of June 30, 2014, Gallatin County bank deposits totaled just over $2.12 billion, up from $1.98 billion in June of 2013. This equated to a market share of Montana deposits of 10.29 percent for Gallatin County.

Park County deposits have generally increased since 2002, aside from a slight decline between 2011 and 2012 (Chart 9). Deposits into Park County banks were over $305 million as of June 30, 2013; as of June 30, 2014 deposits increased to more than $313 million, which was 1.52 percent market share for Montana.

Chart 9: Area Bank Deposits, 2002-2014



Source: Federal Deposit Insurance Corporation (FDIC). www.fdic.gov.

There are 14 banking institutions with 26 total branches in the Bozeman market. Together, these Bozeman branches accounted for $1.68 billion, or 79.2 percent of Gallatin County's $2.12 billion total deposits by fiscal year ending June 30, 2014. In order of volume, First Security Bank received the most financial deposits, with 22.15 percent of the market, followed by First Interstate Bank (14.62 percent) and Wells Fargo Bank (13.12 percent). These three banks combined account for 35 percent of the total branch locations within Bozeman (Table 34).

Table 35 on page 38 shows that the city of Livingston has five banking organizations. Deposits made in Livingston branches totaled more than $256 million, or 81.7 percent of the $313 million dollars deposited in Park County. First Interstate Bank lead the way in total deposits with a 44.80 percent share, followed by American Bank at 27.65 percent.

Table 34: Bozeman Bank Deposit Market Share

Bank Deposits in Bozeman - Deposit Market Share Report as of June 30, 2014 *Offices and Deposits of all FDIC-Insured Institutions* *Sorted by Market Share for Bozeman Market*					
Institution Name	Inside of Market			Outside of Market	
	# of Offices	Deposits ($000)	Market Share %	# of Offices	Deposits ($000)
First Security Bank	3	$372,434	22.15%	5	$195,596
First Interstate Bank	4	$245,742	14.62%	72	$5,933,644
Wells Fargo Bank	2	$220,526	13.12%	6,308	$1,033,399,474
US Bank	2	$215,914	12.84%	3,236	$263,445,433
Glacier Bank (Includes Big Sky Western Bank)	3	$162,444	9.66%	106	$5,645,223
Stockman Bank of Montana	2	$130,059	7.74%	29	1,786,116
American Bank	2	$106,510	6.34%	4	$151,582
American Federal Savings Bank	2	$90,195	5.37%	11	$337,552
Bank of Bozeman	1	$56,210	3.34%	0	$0
Rocky Mountain Bank	1	$26,923	1.60%	9	$357,933
Mountain West Bank	1	$25,895	1.54%	12	$495,339
First Montana Bank, Inc.	1	$9,593	0.57%	8	$223,808
Manhattan Bank	1	$9,397	0.56%	3	$120,776
Yellowstone Bank	1	$9,216	0.55%	7	$369,320
Total Number of Institutions in Market: 14	**26**	**$1,681,058**	**100.00%**	**9,810**	**$1,312,461,786**

Source: Federal Deposit Insurance Corporation (FDIC), June 30, 2014. www.fdic.gov.

Table 35: Livingston Bank Deposit Market Share

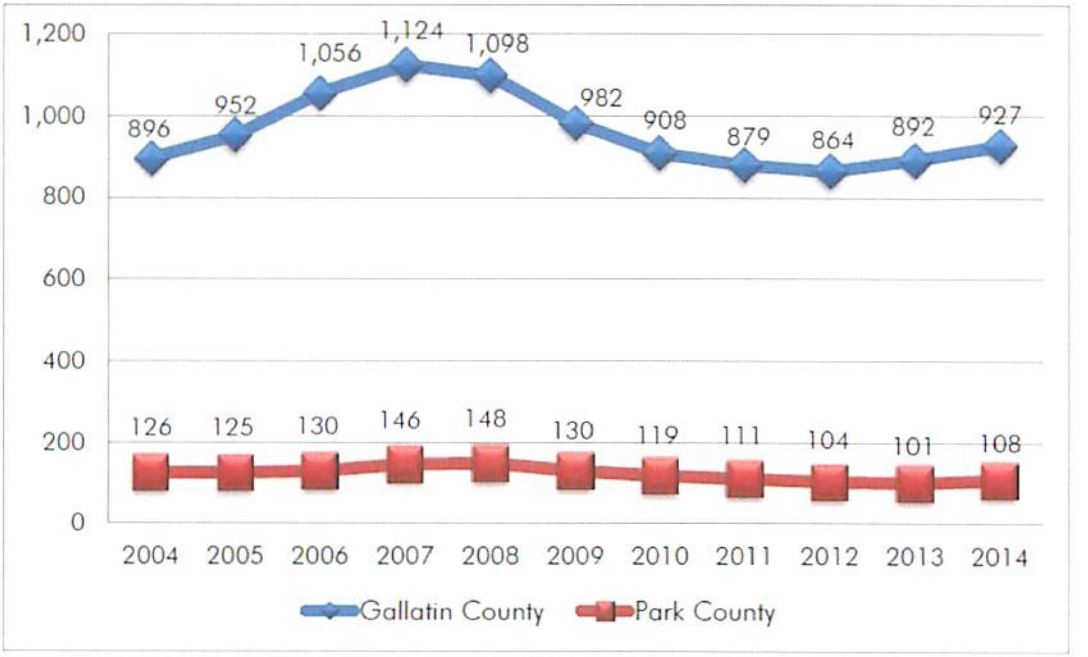
Livingston Bank Deposits By Market Share as of June 30, 2014 *Offices and Deposits of all FDIC-Insured Institutions* *Sorted by Market Share for Livingston Market*					
Institution Name	Inside of Market			Outside of Market	
	# of Offices	Deposits ($000)	Market Share	# of Offices	Deposits ($000)
First Interstate Bank	1	$114,789	44.80%	75	$6,064,597
American Bank	1	$70,855	27.65%	5	$187,237
American Federal Savings Bank	1	$28,479	11.11%	12	$399,268
Wells Fargo Bank	1	$25,184	9.83%	6,309	$1,033,594,816
Bank of the Rockies	1	$16,919	6.60%	5	$88,780
Total Number of Institutions in Market: 5	**5**	**$256,226**	**100.00%**	**6,406**	**$1,040,334,698**

Source: Federal Deposit Insurance Corporation (FDIC), June 30, 2014. www.fdic.gov.

Construction

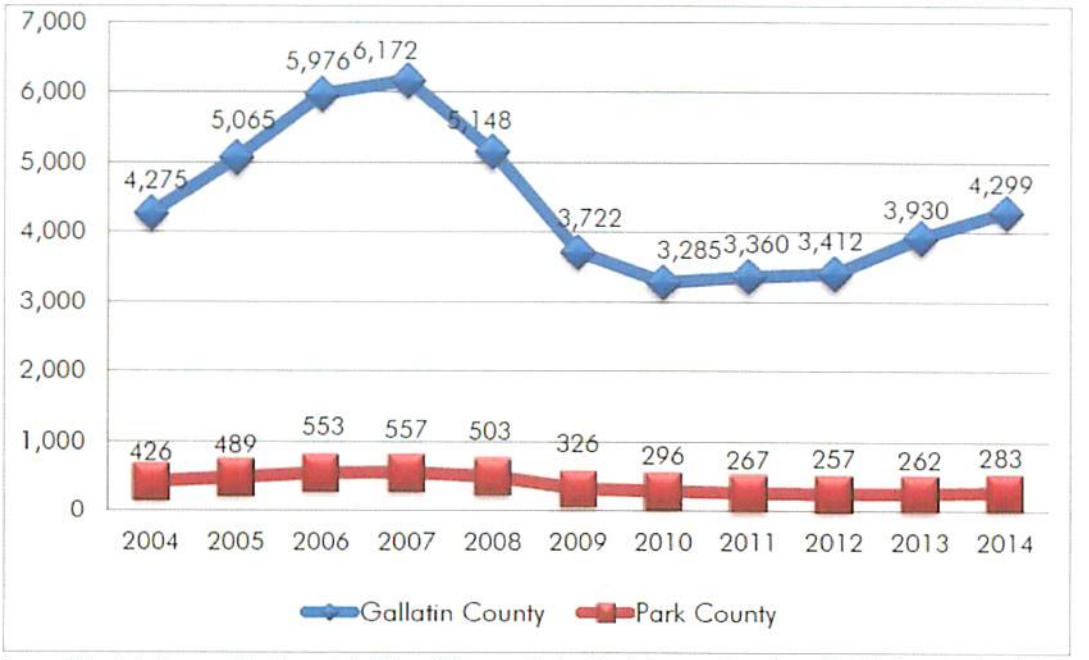
Predictions for 2015-2018 call for a "significant revival" in construction in Gallatin County and attribute the favorable growth trends in the county in recent years in part to the "robust recovery" in all sectors of construction.[34] The charts below detail the number of construction firms and number employed in construction in the two counties over the past ten years.

Chart 10: Number of Construction Firms - Gallatin and Park Counties



Source: "Quarterly Census of Employment & Wages." Bureau of Labor Statistics. www.bls.gov/cew. 2014 information is preliminary.

Chart 11: Number of Construction Employees - Gallatin and Park Counties



Source: "Quarterly Census of Employment & Wages." Bureau of Labor Statistics. www.bls.gov/cew. 2014 information is preliminary.

[34] Polzin, Paul. "Gallatin County: Montana's Economic Growth Leader." Outlook 2015. Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu.

As illustrated in Table 36 below, residential construction activity in Bozeman increased 112 percent between 2012 and 2013 but slowed down to 30 percent growth between 2013 and 2014. Residential construction in Livingston also slowed from 2013 to 2014, with a decrease of 14 percent from 2013 figures. According to the City of Livingston's Building Department, 2015 has seen 11 new residential units and no new commercial units year-to-date as of early July.

Table 36: Construction Activity - New Dwelling Units, 2006-2014

Location of Units	2006	2007	2008	2009	2010	2011	2012	2013	2014
City of Bozeman									
Residential	670	764	242	182	208	199	444	943	663
Commercial*	48	45	29	28	12	19	10	18	37
City of Livingston									
Residential	19	n/a	6	7	12	7	8	21	18
Commercial	1	n/a	0	0	0	4	4	3	5

*Source: City of Bozeman Building Inspection Division, City of Bozeman Department of Community Development, www.bozeman.net & City of Livingston Building Department. *Not including tenant improvement or "other" commercial permits.*

Residential Building Permit Activity

According to the City of Bozeman Department of Community Development's 2014 Annual Report, there were approximately 19,599 dwelling units in the City of Bozeman as of 2014. From 2004 to 2014, single-household units remained the most common housing unit type permitted at roughly 38 percent, followed by multi-household units at approximately 32 percent.

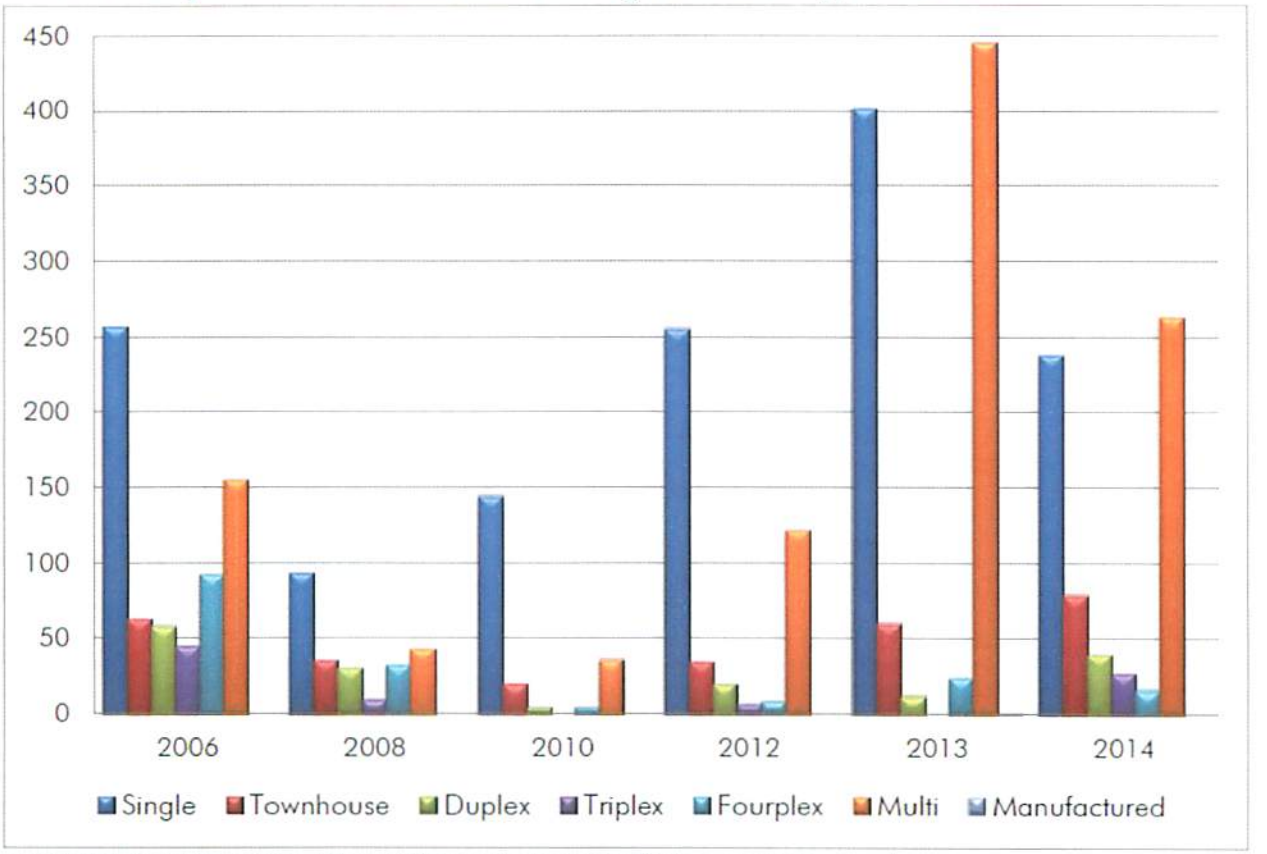
In 2014, 663 housing units were permitted by the city of Bozeman (Table 37). Of the total housing units, 35.90 percent were for single-household residences and 39.67 percent were for multi-unit housing developments. Since 2013, total permits of all types were down 29.69 percent. Table 37 illustrates that the City of Bozeman had a significant increase in the number of permits from 2012 to 2013 and then a noticeable decline in year-over-year permit numbers from 2013 to 2014. As compared to the peak of the housing boom in 2005 when 954 total permits were issued, 2014 is 30.50 percent shy of the 2005 peak volume. As Chart 12 on page 41 makes clear, the permits are much more concentrated in single-home and multi-unit permits in recent years as compared to the early 2000s.

Table 37: City of Bozeman Residential Building Permits Issued, 2006-2014

Permit Type	2006	2007	2008	2009	2010	2011	2012	2013	2014
Single-house	257	214	93	71	144	160	255	401	238
Townhouse	63	71	35	12	20	4	34	60	79
Duplex	58	80	30	0	4	8	20	12	40
Triplex	45	33	9	3	0	0	6	0	27
Fourplex	92	44	32	32	4	4	8	24	16
Multi-unit	155	314	43	64	36	23	121	445	263
Manufactured	0	8	0	0	0	0	0	1	0
Total	670	764	242	182	208	199	444	943	663

Source: "2014 Annual Report." City of Bozeman Department of Community Development, www.bozeman.net.

Chart 12: City of Bozeman Residential Building Permit Activity, 2006-2014



Source: "2014 Annual Report." City of Bozeman Department of Community Development. www.bozeman.net.

City of Bozeman Growth

The City of Bozeman has expanded in geographic size over the years, as illustrated in Chart 13 on page 42. From 2008 to 2010, the City was approximately 19.25 square miles (Table 38). However, this lull in growth ended in 2012 with the annexation of 189.05 acres. The additional annexation of 111.02 acres in 2013 and 19.7 acres in 2014 increased the size of the city to approximately 20 square miles. Chart 13 on page 42 shows the acres annexed annually since 1994.

Table 38: City of Bozeman Annexations, 2006-2014 (In Acres)

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
Acres	716.80	468.26	103.50	0.00	0.00	0.37	189.05	111.02	19.7

Source: "2014 Annual Report." City of Bozeman Department of Community Development. www.bozeman.net.

Subdivision Activity

The Department of Community Development processed 58 subdivision applications and 32 subdivision exemption applications in 2014, a 143 percent increase over 2013. As illustrated in Table 39, in Bozeman there was a significant increase in preliminary plat applications in 2014 compared to the 2008-2012 period.

Table 39: City of Bozeman Subdivision Reviews by Type, 2006-2014 (Number of Lots)

Plat Type	2006	2007	2008	2009	2010	2011	2012	2013	2014
Preliminary Plat	688	1,434	38	6	14	86	168	272	812
Final Plat	1,211	861	61	10	136	3	33	395	255

Source: "2014 Annual Report." City of Bozeman Department of Community Development. www.bozeman.net.

Zoning Activity

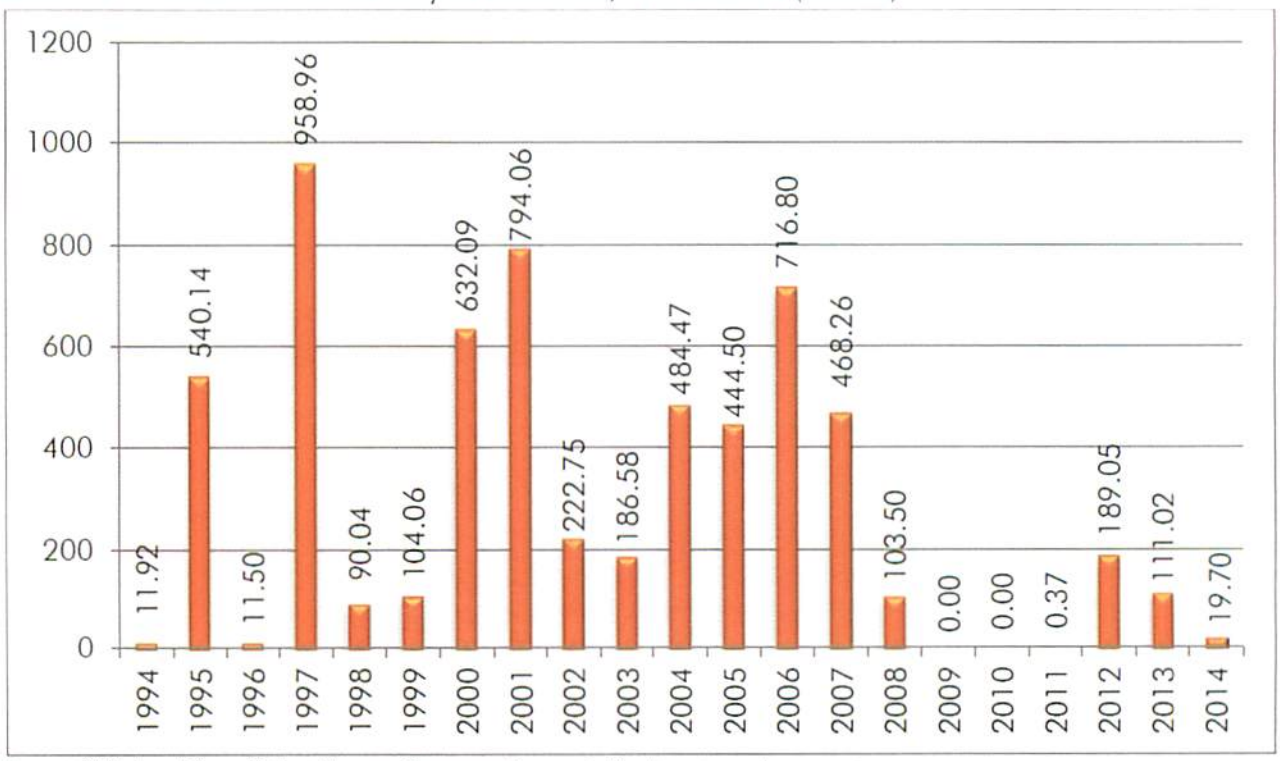
In 2014 the Department of Community Development processed 56 zoning reviews, compared to 44 processed in 2013 (Table 40). Zoning projects include site plans, conditional use permits, planned unit development concept plans and planned unit development preliminary plans. In 2014, the department also processed 11 zone map amendments, 2 master site plans, 49 final site plans, 6 master signage plans, 18 reuse/further development applications, 6 zone code amendments, 2 variances, 1 appeal, 46 modifications to approved plans, 4 special temporary use permits, 26 improvement agreements, 8 condominium conversions, 11 zoning verifications, 29 informal reviews and 1 final planned unit development plan. Additionally the department reviewed 640 business license applications, a 21 percent increase over 2013.

Table 40: City of Bozeman Zoning Reviews by Type, 2006-2014

Type	2006	2007	2008	2009	2010	2011	2012	2013	2014
Site Plan	32	29	14	37	22	6	25	26	30
Conditional Use Permits	23	6	5	14	13	9	19	17	21
Planned Unit Dev. Concept Plan	3	2	0	1	1	1	1	0	4
Planned Unit Dev. Preliminary Plan	6	2	1	0	0	0	0	1	1
Total	64	39	20	52	36	16	45	44	56

Source: "2014 Annual Report." City of Bozeman Department of Community Development. www.bozeman.net.

Chart 13: Annexation to the City of Bozeman, 1994-2014 (In Acres)



Source: "2014 Annual Report." City of Bozeman Department Community Development. www.bozeman.net.

According to the latest U.S. Energy Information Administration report, "Montana holds one-fourth of estimated recoverable U.S. coal reserves in addition to substantial renewable resources. Montana's plains have some of the best utility-scale wind energy potential in the nation." [35] Montana enjoys favorable national rankings in terms of energy prices and emissions, but has high per capita energy consumption due to the energy intensive state economy. The state ranks well in terms of energy prices at 39th in the US for residential electricity prices, 45th for residential natural gas prices and 42nd for carbon dioxide emissions; however Montana ranks 15th for total energy consumed per capita.[35] Wind power generation grew by 32 percent in 2013 and 12 percent in 2014 to supply 6.5 percent of the state's net electricity generation. [35]

NorthWestern Energy Earns A for Code of Conduct and Ethics

The New York Stock Exchange's Corpedia gave NorthWestern Energy an A rating for its Code of Conduct and Ethics in 2014, putting NorthWestern in the top 2 percent of all energy and utility companies reviewed.

2015 Community Works Report
Northwestern Energy
www.northwesternenergy.com

Utility rates for Montana remained lower than national averages by all measures in 2015 (Table 41). The largest shift since the prior period was related to crude oil, with the price per barrel decreasing 61 percent between April 2014 and August 2015. The most significant price increase was with residential natural gas, which went up 20 percent (from 9.81 to 11.78/ thousand cu ft.), between April 2014 and August 2015.

Table 41: Utility Rates

Type	Montana Rate	United States Average	Period
Residential Electricity	11.31 cents/kWh	12.93 cents/kWh	August 2015
Commercial Electricity	9.98 cents/kWh	10.90 cents/kWh	August 2015
Industrial Electricity	5.50 cents/kWh	7.32 cents/kWh	August 2015
Domestic Crude Oil	$34.89/barrel	$39.98/barrel	August 2015
Natural Gas – City Gate	$3.36/thousand cu ft	$4.53/thousand cu ft	August 2015
Natural Gas – Residential	$11.78/thousand cu ft	$16.73/thousand cu ft	August 2015
Coal (Average Open Market Sales Price)	$17.26/short ton	$37.24/short ton	2013
Coal (Delivered to Electric Power Sector)	*	$2.22/million Btu	August 2015

*Source: "State Energy Information Overview." Energy Information Administration. www.eia.gov. *Data withheld to avoid disclosure of individual company data. Note: City gate refers to the point where natural gas is transferred from a transmission pipeline to the local gas utility.*

NorthWestern Energy provides regulated electric and natural gas transmission and distribution across Montana, South Dakota, and Nebraska. Their electric service territory covers roughly 73 percent of Montana's land area. NorthWestern Energy serves 353,600 electric customers in 187 Montana communities with 6,700 miles of transmission lines, 17,600 miles of distribution lines and 895 megawatt of baseload power generation. With regards to natural gas, the utility provider serves

[35] "Montana State Profile and Energy Estimates." U.S. Energy Information Administration. www.eia.gov.

189,000 customers in 105 Montana communities with 2,100 miles of intrastate transmission pipelines, 5,100 miles of distribution pipelines and 18 Bcf gas storage capacity.[36]

NorthWestern Energy completed the acquisition of 11 hydroelectric facilities in 2014, increasing the portion of electricity generated by wind and water to over 50 percent and reducing the carbon intensity of their overall Montana electric portfolio by 41 percent. The utility provider also invested over $270 million in capital improvement projects in 2014, including an upgraded line serving Big Sky which will be completed in 2017.[36]

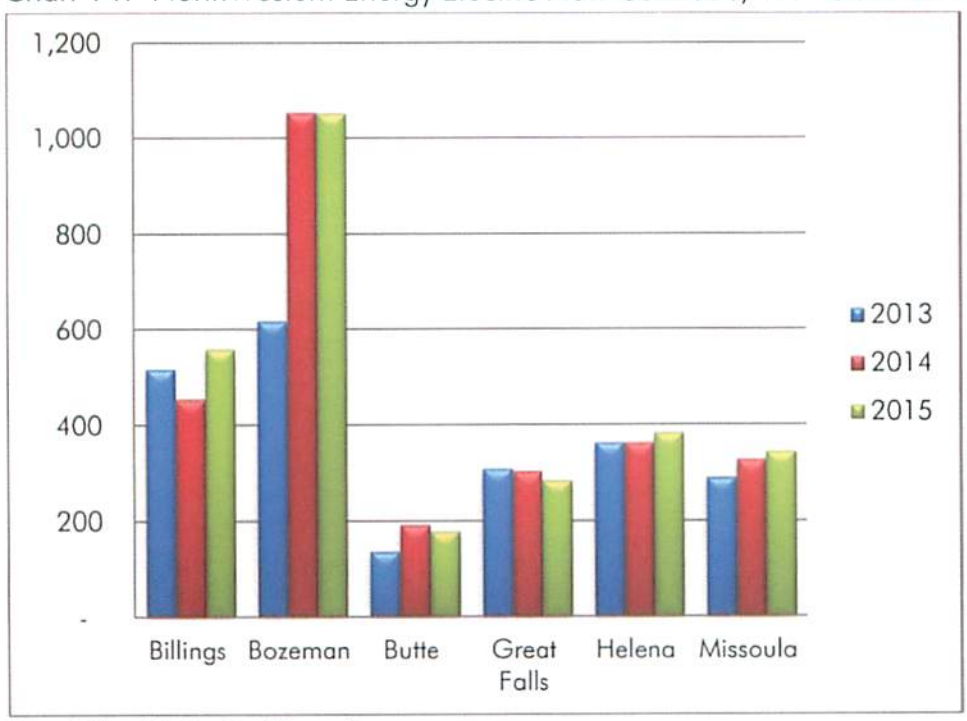
Table 42: NorthWestern Energy Financial Highlights (All states, In Thousands except for Customers & Employees)

Metric	2013	2014	Change
Gross Margin (a non-GAAP financial measure)	$674,973	$722,272	7%
Net Income	$93,983	$120,686	28%
Number of Customers	678,200	692,600	2%
Number of Employees	1,493	1,604	7%
Retail Volume Delivered Electric (megawatt hours)	9,483	9,552	1%
Retail Volume Delivered Natural Gas (dekatherms)	30,311	31,302	3%

Source: "2014 Annual Report." Northwestern Energy. www.northwesternenergy.com.

As shown in Charts 14 and 15, year-to-date electric and gas new connect volumes in Bozeman have substantially outpaced other Montana cities in recent years, yet another indicator of the area's fast-paced growth.

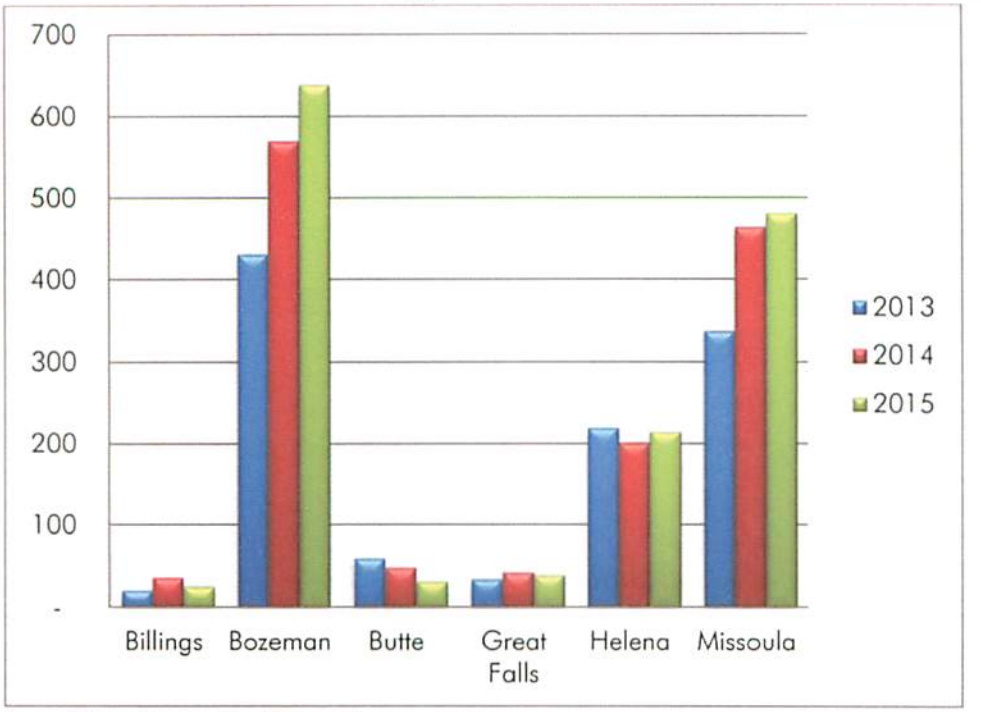
Chart 14: NorthWestern Energy Electric New Connects, YTD October 2013-2015



Source: Bellamy, Heather, NorthWestern Energy.

[36] "2015 Community Works Report." Northwestern Energy. www.northwesternenergy.com.

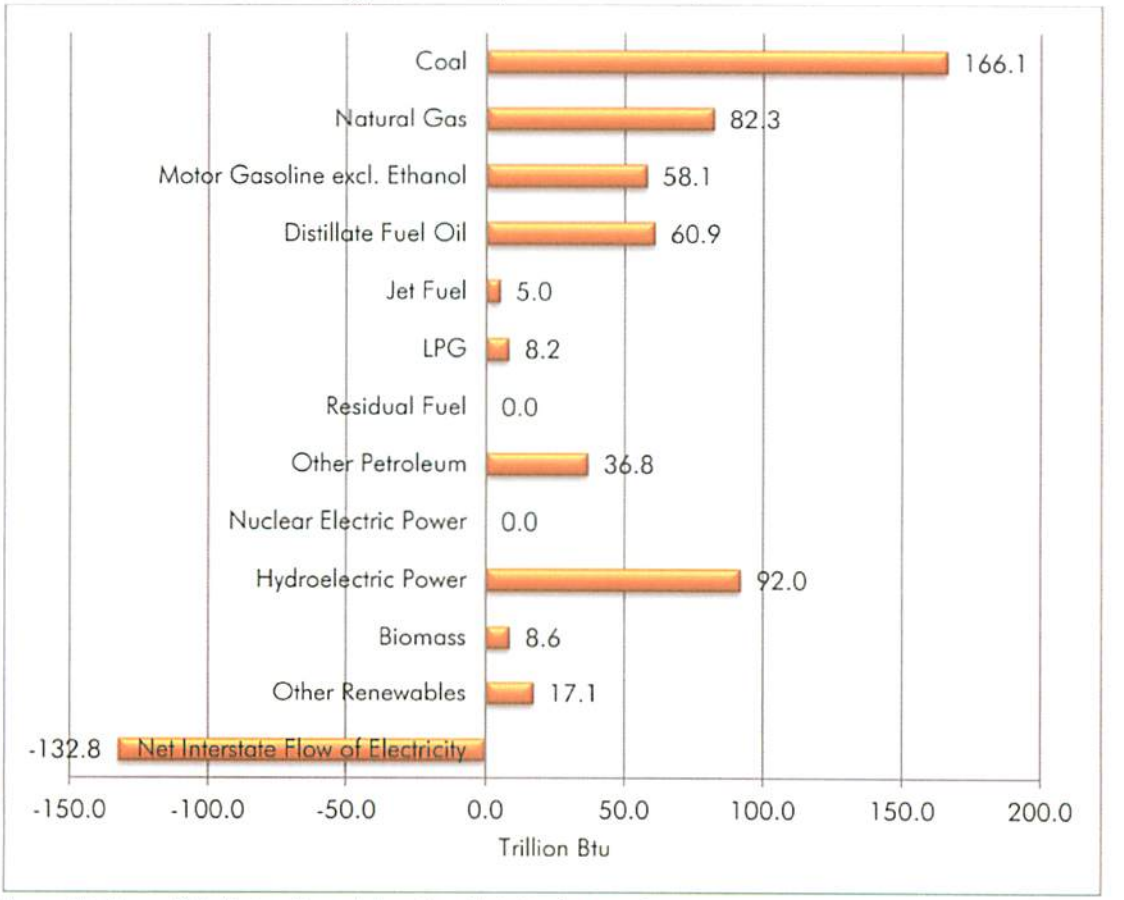
Chart 15: NorthWestern Energy Gas New Connects, YTD October 2013-2015



Source: Bellamy, Heather, NorthWestern Energy.

State energy consumption estimates by energy source are detailed below.

Chart 16: Montana Energy Consumption Estimates, 2013



Source: State Energy Data System, Energy Information Administration, www.eia.gov.

The health care industry is widely considered a powerful economic catalyst for good reason. As reported by the World Health Organization, in 2013 total expenditures on healthcare in the United States were $9,146 per capita, or 17.1 percent of GDP.[37] According to Bryce Ward, director of healthcare industry research at the Bureau of Business and Economic Research at the University of Montana, healthcare industry output represented 8.9 percent of Montana's economy in 2014 as a share of GDP. When including all healthcare-related spending such as pharmaceuticals, device manufacturing and new facility construction, the 2014 share of GDP related to healthcare was closer to 18 percent.[38]

Montana 5th in nation in 2014 Well-Being Index

Moving up from 6th place in 2012, Montana remained in the top quintile for 2013 and 2014 in the Gallup-Healthways Well-Being Index®, a measure of real-time changes in well-being throughout the world. The index examined Americans' perceptions on topics including physical and emotional health, healthy behaviors, work environment, social and community factors, financial security, and access to necessities such as food, shelter and health care to create a composite well-being rank for each state.

State of American Well-Being: 2014 State Rankings & Analysis
Gallup-Healthways
www.well-beingindex.com

In 2014, healthcare was the largest-employing industry in Montana, with 67,000 employees.[39] Employment projections through 2024 from the Montana Department of Labor and Industry predict continued consistent employment growth, at an annual rate of 1.8 percent, with 2 percent projected for the Southwest Region.[40] Adding approximately 1,300 jobs per year, this is the largest projected growth of any industry in the state.[40] Because providers are evaluated on both health outcomes and patient experience, non-healthcare jobs related to the industry such as personal care aides, receptionists, maids and housekeeping cleaners, cooks and childcare workers are also viewed as increasingly important due to their role in supporting a positive patient experience.[40] In 2015 two of the biggest changes with the potential to affect health care in Montana are Medicaid expansion and the King v. Burwell Supreme Court case related to whether individuals in states without a state-based exchange are eligible for health insurance subsidies.[41]

Montana's Uninsured

With providing insurance for the uninsured as one of the major goals of the Affordable Care Act, researchers at the Bureau of Business and Economic Research at the University of Montana examined who is uninsured in Montana and their reasons for not having health insurance.[42] According to their survey findings, roughly 20 percent of the state's population, or 195,000 people, are without health insurance.[42] Due to programs like Medicare and Healthy Montana Kids, the uninsured are "disproportionately concentrated in the working age groups" between 18 and 64 years

[37] United State of America Statistics. World Health Organization. www.who.int/countries/usa/en
[38] Ward, Bryce. Director of Healthcare Industry Research, University of Montana Bureau of Business and Economic Research. Email correspondence, September 1, 2015.
[39] Watson, Amy. "The Health Care Labor Market in Montana." Montana Department of Labor and Industry, Research and Analysis Bureau. July 2015. www.ourfactsyourfuture.org
[40] Watson, Amy. "Employment Projections: State of Montana 2015-2024." Research and Analysis Bureau, Montana Department of Labor and Industry. May 2015. www.ourfactsyourfuture.org
[41] Ward, Bryce. "Health Care: A System in Transition." Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu.
[42] Barkey, Patrick M. and Paul E. Polzin. "Health Care: Changes in Health Care Landscape Not Limited to Obamacare." Outlook 2014. Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu.

of age.[42] Roughly 76 percent responded that they were involuntarily uninsured, with the most commonly mentioned causes identified as a low-wage job, the expense of insurance and unemployment.[42] Only 16 percent of those surveyed said that they were uninsured by choice.[42]

Uninsured rates in Montana have declined since the Affordable Care Act's main access provisions went into effect, though the two studies conducted thus far did not provide consistent estimates of the change.[41] A Gallup estimate for Montanans over age 18 for the first six months of 2014 showed that the percentage of Montanans without insurance declined from 20.7 percent to 17.9 percent—suggesting that 22,000 state residents gained access to insurance.[41] Meanwhile, an analysis by Enroll America and Civis Analytics looked at those aged 18-64 for the first nine months of 2014 and found that the percentage without insurance declined from almost 20 percent to 13 percent—suggesting that an approximate 40,000 state residents gained access to insurance.[41]

Slowdown in Health Care Spending and Focus on Efficiency Continues[41]

U.S. health care spending grew by 3.6 percent in 2013, the smallest increase since 1960. This continued a five-year trend of low health care spending growth, with health insurance premiums also growing at a slow pace. While it will take some time to gauge the effectiveness of programs to increase efficiency, some promising results were achieved in 2014 related to greater price transparency and tying payment to quality by penalizing hospitals with high readmission or medical error rates.

Montana Healthcare Foundation Update[43]

The Montana Healthcare Foundation, a nonprofit established in 2013 due to Blue Cross Blue Shield of Montana's acquisition by Illinois-based Health Care Service Corporation, plans to expend roughly five percent of the income from trust investments annually in grants to improve the health status of Montanans. A Foundation Board of Trustees spent a year reviewing data and research to identify the important health issues in Montana and consulting with stakeholders to establish a 2015 strategic plan. This led to establishing its current focus areas: behavioral health (mental illness and drug and alcohol use), American Indian health and partnerships for better health.

Bozeman Deaconess Health Services[44]

From its beginnings as a single hospital, Bozeman Health's service area now extends throughout southwestern Montana. Bozeman Health describes itself as, "comprised of two hospitals, several specialty treatment centers, a network of physician and urgent care clinics, outpatient treatment facilities, retirement and assisted living facilities." Bozeman Health oversees Bozeman Health Deaconess Hospital; Bozeman Health Medical Group; a real estate development corporation; and the Bozeman Health Big Sky Medical Center. The focus of Bozeman Health includes three basic purposes: 1) to continue to improve community health through education and prevention; 2) to improve convenience and access to health care in communities across our region; and 3) to promote quality, accountability and reliability across our entire integrated health system.

Bozeman Health, governed by a community board of trustees, is responsible for the flagship Bozeman Health Deaconess Hospital; Bozeman Health Medical Group; its real estate development corporation; and the newly-opened Bozeman Health Big Sky Medical Center. The integrated health system also includes Bozeman Health Hillcrest Senior Living with independent and assisted living facilities; a clinical research group, and two urgent care locations. Today Bozeman Health is the

[43] Montana Healthcare Foundation. www.mthcf.org.
[44] Bozeman Health. www.bozemanhealth.org.

largest private employer in Gallatin Valley with over 1,800 employees.

Bozeman Health Deaconess Hospital is an 86-bed facility, Joint Commission accredited, licensed Level III trauma center. With 200 physicians and health providers on medical staff representing over 35 specialties, the hospital has grown with the communities that surround it. Bozeman Health Deaconess Hospital is comprised of over 20 primary care and specialty clinics offering two dozen specialties. The primary care practices of Bozeman Health Deaconess Hospital were the first in Montana to receive National Committee for Quality Assurance Level III Medical Home Recognition.

Bozeman Health Hillcrest Senior Living, a member of the American Association of Homes and Services for the Aging is an adult retirement community featuring both independent living apartments at Aspen Pointe and assisted living accommodations in Birchwood. Originally built in the 1960s, the entire community was completely rebuilt in 2001, and expanded in 2010. The community houses more than 150 seniors and employs more than 80 full-time and part-time staff.

The Bozeman Health Big Sky Medical Center opened in December 2015 to provide critical access care to the Big Sky and West Yellowstone communities. Built as a four-bed inpatient unit, the facility is designed to expand to eight beds without additional construction. The two-story, 35,000-square-foot facility includes 24/7/365 Emergency Services with a rooftop heli-stop for air ambulance service, an onsite Diagnostic Imaging Center, a fully licensed operating room suite, Laboratory Services and an integrated pharmacy.

The efforts of Bozeman Health Deaconess Hospital to provide top quality care in the safest manner possible have been recognized with many awards. Among others, the hospital was recently recognized as a Five-Star ranked Community Value Provider by Cleverley + Associates, a leading healthcare financial consulting firm specializing in operational benchmarking and performance enhancement strategies. Also in 2015, it was recognized with an A Hospital Safety Score by The Leapfrog Group for the second time in a row and the fifth time overall. Bozeman Health Deaconess Hospital was named to Becker's Hospital Review list of 100 great community hospitals for 2015, one of only two hospitals in Montana to receive this recognition. This is the second consecutive year Bozeman Health Deaconess Hospital has been honored with this distinction. Additionally, Healthgrades, a leading online resource helping consumers compare physicians, hospitals and care, recognized the hospital as one of America's 100 Best Hospitals for pulmonary care based on its study of patient outcomes.

Table 43: Bozeman Health Deaconess Hospital by the Numbers

2014 Bozeman Health Deaconess Hospital Statistics		
27,684 emergency room visits	17,596 inpatient days	1,206 births
344,261 outpatient lab procedures	1,819 inpatient surgical visits	140 coronary interventions
131 diagnostic cardiac catheterizations	4,108 outpatient surgical visits	2,825 inpatient EKG's
128,566 inpatient lab procedures	1,232 blood bank procedures	6,200 outpatient EKG's

Source: Fact Sheet Year Ending 2014, Bozeman Health Deaconess Hospital. www.bozemanhealth.org.

For more than a century, Bozeman Health has been committed to providing healthcare as an essential community service for area residents and visitors. As a non-profit hospital, any net income is reinvested into facilities, technology, and health care services to ensure that the facilities are up-to-date and their equipment and services are state-of-the-art. They provide medically necessary health care services for all patients, regardless of their financial ability to pay. The amount of charity care

provided in 2014, together with unreimbursed costs (Medicaid) totaled nearly $12 million while the estimated total benefits provided to the community was over $20 million (Table 44).

Table 44: Bozeman Health Deaconess Hospital Community Benefit Statistics, 2014

Benefit Type	Benefit Value
Financial assistance (Charity Care) & unreimbursed costs (Medicaid)	$11,850,360
Community health improvement services & benefit operations	$544,571
Health professionals education	$25,618
Subsidized health services	$6,880,320
Cash & in-kind contributions to community groups	$766,571
Total	$20,067,440

Source: Community Benefit, Bozeman Health, www.bozemanhealth.org.

Livingston HealthCare[45]

Since 1955, Livingston HealthCare has provided premier quality health care to the residents of Park County and surrounding communities. Livingston HealthCare keeps the community healthy with a broad scope of services, provided by well-trained and highly skilled professionals. Livingston HealthCare is a top-rated, 25-bed critical access hospital with a Level IV Community Trauma Facility, a multi-specialty provider clinic, as well as rehabilitation and home-based services. Livingston HealthCare is an affiliate of Billings Clinic. In October of 2015 Livingston HealthCare moved into their new state-of-the-art medical center, a 125,000 square foot facility that brings all Livingston HealthCare services under one roof.

Also in 2015, the hospital was named as one of the nation's HEALTHSTRONG Top Hospitals by iVantage Health Analytics, which highlights top performing hospitals through the industry's most comprehensive Hospital Strength rating system. The rating system and the results recognize the top performing hospitals – measuring them across 62 different performance metrics, including quality, outcomes, patient perspective, affordability and efficiency.

Table 45: Livingston HealthCare by the Numbers

Livingston HealthCare Statistics (FY2014: July 2013-June 2014)		
5,005 emergency room visits	2,490 adult acute care patient days	89 births
441 total surgeries	7,677 total X-ray procedures	67,179 total lab tests

Source: Hamilton, Amy, Marketing and Communications Coordinator, Livingston HealthCare, www.livingstonhealthcare.org.

Table 46: Livingston HealthCare Community Benefit Statistics, 2012

Benefit Type	Benefit Value
Uncompensated care: patient financial assistance & cost of services written off as bad debt	$2,335,338
Education, wellness & special events	$69,383
Health professionals education	$3,971
Other complimentary services (guest meals, taxi service etc.)	$1,131
Financial & in-kind contributions	$4,050
Total	$2,413,873

Source: Annual Report, Fiscal Year 2012, Livingston HealthCare, www.livingstonhealthcare.org.

[45] About Us and Living Well, Spring 2015 Newsletter. Livingston HealthCare. www.livingstonhealthcare.org.

Higher Education[46]

Montana State University (MSU) in Bozeman was founded in 1893 and is considered a medium-sized public university (typically defined as schools with between 5,000 and 15,000 students). As Montana's first land-grant university, MSU is dedicated to serving the people of Montana. MSU provides education on four campuses (Bozeman, Billings, Havre and Great Falls), operates Montana Agricultural Experiment Stations and county Extension offices, and also conducts significant research and outreach.

MSU has been an economic anchor to the region's economy for many years and is the region's largest employer across all sectors. As of fall 2014, MSU employed 3,092 permanent faculty and staff positions, along with 649 graduate students as teaching and/or research assistants. In addition to creating employment opportunities, the university conducts an average of $100 million in research annually, making it the largest research and development entity in the state. Research discoveries have led to more than 264 active technology licenses (as of June 2015) and much of the funding comes from out-of-state sources like the National Institutes of Health and the Departments of Energy, Defense and Agriculture, which also contributes to the state's economy.

According to MSU's *2010 Economic Impact Report*, as a result of the presence of the MSU system statewide (excluding MSU Extension): 13,511 Montana jobs are available statewide; more than $897 million in after tax personal income is generated; Montana receives $2.60 in tax revenues for every $1 of tax support; the presence of MSU increases annual wages in Montana by $1,087 and MSU increases investment spending in Montana's economy by $349.3 million.

Many companies benefit from university research and infrastructure. MSU has spun off a number of successful companies that help to drive Montana's economy. Examples include:

Takeda Vaccines – Originally called LigoCyte Pharmaceuticals, the company spun out of MSU in 1999 by Dr. Rob Bargatze upon completion of his doctorate in immunology and infectious diseases. The company is working to create a vaccine for Norovirus, a common illness with 23 million cases annually. LigoCyte was acquired in 2012 by Takeda for more than $60 million and currently has 45 employees with plans to add more.

Bridger Photonics – A world leader in laser-based technologies for precise and fine distance measurement, Bridger Photonics was created by two graduate students, Peter Roos and Randy Reibel, when they graduated with doctoral degrees in physics and electrical engineering. Bridger Photonics employs more than 20 people, collaborates with the university and hires primarily MSU photonics graduates.

Table 47: MSU Enrollment by Geographic Region, Fall Semester 2014

Region of Origin	Undergrad	Graduate	Total	Percent of Enrollment
Montana	7,876	970	8,846	58%
Other U.S.	4,953	941	5,894	38%
Foreign	542	139	681	4%
Total	**13,371**	**2,050**	**15,421**	**100%**

Source: "Student Demographics." Montana State University Office of Planning & Analysis. www.montana.edu/opa.

[46] Quick Facts: 2014-2015. Narrative courtesy of Cook, Lee and Julie Kipfer. Montana State University Marketing and Creative Services. www.montana.edu.

MSU Facts & Stats

- Student-Faculty Ratio: 19:1
- Fall 2014 Enrollment: 15,421 students (76 percent Full-time)
- Average Age-Undergraduate Student: 22
- Degrees Offered: 60 Baccalaureate, 45 Master's, 20 Doctoral
- Degrees Awarded 2013-2014 : 2,873
  - Non-Degree Certificate: 9
  - Certificate: 63
  - Associate of Applied Science: 47
  - Bachelor's Degrees: 2,223
  - Master's Degrees: 484
  - Doctoral Degrees: 56
- Research & Creative Project Funding Awarded in FY 2013: $109.6 Million
- Estimated Undergraduate Tuition & Fees 2014-15:
  - Resident: $6,801, Non-resident: $21,390
- Tuition & Fee Revenue 2013-14: $126,103,984 (70 percent of all revenue)
- State Allocation Revenue 2013-14: $52,394,004 (29 percent of all revenue)
- Total Expenditures 2013-14: $179,511,212

Source: "Quick Facts: 2014-2015." Montana State University Office of Planning & Analysis. www.montana.edu/opa.

As stated by MSU, it has the distinguished reputation of being, *"designated as one of 108 research universities with 'very high research activity' by the Carnegie Foundation for the Advancement of Teaching. MSU offers significant opportunities for research, scholarship, and creative work. This highest tier classification — out of 4,600 institutions — distinguishes MSU as the only institution in the four-state region of Montana, Wyoming, Idaho, and South Dakota to achieve this level of research prominence."*

A few of the recognitions and awards that Montana State University has achieved include the following:

- **MSU earned the 144th spot on The Business Journals' 2015 list** which ranked 484 U.S. public colleges. It is the highest rank earned by an institution in Montana.
- **The Arthur H. Post Teaching and Research Farm at MSU was ranked number 28 out of 40 of the best college farms nationwide.** The rankings are based on hands-on experience, student involvement, community outreach programs, workshops, classes, lectures, volunteer opportunities and degree plan options.
- **MSU is among the top colleges and universities in the nation for number of Goldwater Scholarship recipients.** As of 2015, 64 MSU students have received the Barry M. Goldwater Scholarship, the nation's premier scholarship for undergraduates studying math, natural sciences and engineering.
- **MSU has produced ten Rhodes Scholars.** The tenth Rhodes scholarship, arguably the most prestigious scholarship in the world, was most recently given to an MSU student in 2012.

Gallatin College MSU[47]

Gallatin College MSU is Southwest Montana's two-year college, offering associate degrees and one-year professional certificates. Gallatin College complements the four-year programs at Montana State University and ensures access to workforce development that promotes a vibrant local economy.

Gallatin College collaborates extensively with area industries to develop new programs and provide responsive training options that meet local workforce needs. One- and two-year workforce programs help students improve their skills and advance their career opportunities, or prepare for a career change.

Gallatin College offers short-term workforce programs, transfer and general education degrees to build skills for college and dual enrollment courses for high school students. Providing flexible, affordable education is a top priority.

Gallatin College MSU Facts & Stats

- Enrollment: 300 degree seeking; more than 900 total students
- Admission: Open Enrollment (no entrance exams required)
- Class Schedule: Courses offered days and evenings
- Attendance Status: 39 percent part-time, 61 percent full-time
- Student Gender: 47 percent female, 53 percent male
- Transfer Degrees: Associate of Science (AS), Associate of Arts (AA)
- Associate of Applied Science (AAS) Programs: aviation, interior design, design drafting
- Certificate of Applied Science (CAS) Programs: bookkeeping, health information coding, medical assistant, residential building performance, welding
- Primary Service Area: Gallatin College serves Gallatin and surrounding counties in southwest Montana, and is open to all students
- Student Characteristics
  - Adults changing careers
  - Approximately half over 24 years old
  - First-time college students
  - Have work and family responsibilities
  - Students needing financial aid

Source: "Fact Sheet: An Introduction to Gallatin College," Gallatin College, Montana State University, www.gallatin.montana.edu.

[47] About Us. Gallatin College, Montana State University. www.gallatin.montana.edu.

Despite slow growth in the overall U.S. economy since 2009, "U.S. manufacturing has been one of the few bright spots of the economy. Growth in durable goods production accounted for most of the comeback… since the start of the recovery Montana manufacturing employment has increased considerably faster than the national rate. This strong performance was in spite of permanent closures in the wood and paper products industries."[48]

The 178 Montana manufacturers who responded to an annual survey in December 2014 expressed strong optimism overall. More than 52 percent of firms indicated increased sales and 46 percent made major capital expenditures during 2014.[49] Nearly half of respondents expected improved conditions in 2014 (48 percent), with 62 percent anticipating increased sales, 33 percent expecting increased employment, 52 percent expecting increased production and 55 percent anticipating increased profits.[49]

Gallatin County's 218 manufacturing companies employed 2,851 people in 2014.[50] Park County's manufacturing sector employed 386 people at 33 establishments.[50] Between 2010 and 2014, manufacturing employment figures in Montana increased by 19 percent (Table 48).

Continued Improvement and Optimism

Manufacturing in Montana has experienced four years in a row of improvements, with 2011, 2012, 2013, and 2014 each outpacing the prior year in employment, worker earnings, and output. Manufacturing continued to be an important piece of Montana's overall economy, providing jobs with higher than average wages. During 2014, average earnings of manufacturing workers were 25 percent higher than the average across all sectors in the state.

Overall, the state's manufacturing sector in 2014:

- produced approximately $15 billion in product output,
- directly employed 23,429 workers (including the self-employed) who earned more than $1.17 billion in earnings,
- accounted for roughly 22 percent of Montana's economic base.

"Results from the 2014-2015 Manufacturing Survey." Bureau of Business and Economic Research, University of Montana www.bber.umt.edu

Table 48: Manufacturing Employment in Montana, 2010 & 2014

Sector	2010	2014*	Percent Change
Wood, paper & furniture	4,216	4,460	6%
Food & beverage	938	1,550	65%
Primary and Fabricated Metals	2,063	3,020	46%
Chemicals, petroleum & coal	2,085	2,085	0%
Machinery	1,168	1,220	4%
Nonmetallic minerals	938	1,550	65%
Textiles, clothing & leather goods	784	910	16%
Computers, electronics & appliances	641	810	26%
All other manufacturing	6,969	7,890	13%
Total	**19,802**	**23,495**	**19%**

*Source: Morgan, Todd A., Steven W. Hayes and Colin B. Sorenson. "Montana's Manufacturing Industry: Better Conditions on Tap." 2015 Economic Outlook. Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu. *Estimate.*

[48] Polzin, Paul E. "The State of Montana Manufacturing: 2015 Edition." Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu

[49] Sorenson, Colin B., Steven W. Hayes and Todd A. Morgan. "Results from the 2014-2015 Manufacturing Survey." Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu.

[50] "Quarterly Census of Employment & Wages." Bureau of Labor Statistics. www.bls.gov/cew. 2014 information is preliminary.

Challenges to Manufacturing Growth in Montana: 2013 Survey Findings[51]

A series of focus groups and a quantitative survey of 415 small manufacturers in Montana were used to develop a profile of the manufacturers, assess their plans for the future, evaluate current and future growth constraints and identify key service needs. A diverse cross-section of business types was captured in the survey, from metal fabricators and wood products producers to food, tobacco or alcohol and textile and apparel producers. More than 70 percent had less than five employees, with 40 percent having no employees. Twenty-six percent had been in business ten years or less, while 21 percent had been in business for over 30 years. Over 75 percent worked solely in their manufacturing establishment. In general, food manufacturers, larger firms and businesses owned by younger individuals were significantly more optimistic about the future than other respondents.

Manufacturers in the Montana Economy

Manufacturing is a significant contributor to recent economic trends in Montana despite accounting for only 17 percent of the economic base. The manufacturing sector produced over $1 billion in exports in 2014, with Canada, Korea and China as the top three destinations. Statewide, 3,262 companies directly employed 22,700 workers, including sole proprietors. These jobs provide an average annual wage of roughly $44,781, 18.8 percent higher than the average of $37,707 for all Montana workers. Each manufacturing job results in an average of 2.58 related jobs.

Polzin, Paul. The State of Montana Manufacturing: 2015 Edition
Bureau of Business and Economic Research
www.bber.umt.edu

Regarding anticipated growth, 25 percent expected to make major capital expenditures in 2013 and more than 35 percent felt it was a good time to expand their business. Fourteen percent stated that they had immediate job openings. Primary obstacles to growth were identified as sales-related (demand for their product) and also supply-related issues including production and labor costs and government regulations and taxation. Critical cost concerns included: health insurance, workers compensation, energy, hiring (and training), qualified employees, foreign competition, raw materials and business equipment taxes. Over 35 percent of manufacturers felt that it was more difficult to access financing in 2013 than in 2012.

One key theme that emerged among those surveyed was concern about a lack of manufacturing infrastructure. This expanded view of infrastructure included input suppliers, maintenance organizations and support services. Resulting outcomes from infrastructure deficiencies included additional transportation costs for supplies purchased out-of-state, outsourcing some advanced processes out-of-state and lengthy production delays due to reliance on distant maintenance and repair firms. In order to support manufacturers in Montana, the survey found that the ancillary businesses that provide the necessary inputs, maintenance and other support need to be considered and encouraged.

Five key training needs identified by small manufacturers, in rank order, were: marketing, efficiency, access to financial capital, sales and finding qualified employees. In addition to a lack of skilled labor with both technical and soft skills and a quality-oriented mindset, pressure from the economic boom in the Bakken oil patch has been influencing both wages and retention for manufacturing firms. Several manufacturers felt that apprenticeship programs would be beneficial for addressing the lack of skilled labor.

With a much clearer picture of the small manufacturers in Montana and their needs now established, the various challenges facing these businesses can ideally be addressed more directly and cohesively to facilitate economic development and job growth in this key sector.

---

[51] Holland, Steve and George Haynes. *Challenges to Manufacturing Growth in Montana: 2013 Montana Small Manufacturers Survey*. Montana Manufacturing Extension Center. www.mtmanufacturingcenter.com.

Despite constraints created by a persistent shortage of houses for sale, the nationwide real estate market continued to improve in 2015, due in part to labor market strength encouraging new household formation by young adults.[52] November 2015 was the eighth straight month that housing starts remained above 1 million units, which was the longest stretch since 2007.[52]

In keeping with this nationwide improvement, Gallatin County experienced a 17.8 percent increase in the number of homes sold in 2013 as compared to 2012, with an 8.7 percent increase in the average sale price and an 11 day reduction in the days on market. Park County saw a 19.4 percent increase in the number of houses sold, a rebound in the average sales price by 36.2 percent and a 17 day reduction in the days on market for its single family residences (Table 49).

Latest Trends Positive for Sellers

According to a summary of national trends by Robyn Erlenbush, broker/ owner of ERA Landmark Real Estate, "Sellers are feeling a change in the market because the increase in sales prices means they may have more equity in their homes than they have in the previous few years. The amount of time homeowners have stayed in their homes has increased from six or seven years up to nine years...And locally, we continue to see low inventory rates across most of our markets with median prices steadily increasing by eight percent to ten percent. There continues to be strong demand for investment, retirement and second homes as well as primary residences."

Bozeman Daily Chronicle Business Journal
December 15, 2015
www.bozemandailychronicle.com

Table 49: Single Family Residence Trends - Gallatin and Park Counties, 2012-2014

Year	Number Sold	Total Dollar Volume	Average Price	Median Price	Days on Market
Gallatin County					
2012	1079	$362,263,178	$335,739	$253,750	101
2013	1271	$463,579,851	$364,736	$279,500	90
2014	1392	$609,153,302	$437,610	$297,250	88
Bozeman and Surrounding Area					
2012	738	$250,568,429	$339,523	$278,750	92
2013	839	$310,851,171	$370,501	$300,000	82
2014	880	$632,741,593	$412,206	$325,350	80
Belgrade and Surrounding Area					
2012	191	$37,995,674	$198,930	$175,000	81
2013	242	$57,322,288	$236,868	$195,000	58
2014	305	$77,087,321	$252,745	$223,000	54
Park County					
2012	160	$32,416,606	$202,603	$146,500	132
2013	191	$52,690,655	$275,867	$189,950	115
2014	179	$42,487,238	$237,358	$191,000	130
Livingston and Surrounding Area					
2012	132	$20,657,606	$156,497	$135,000	114
2013	139	$26,852,215	$193,181	$168,500	85
2014	145	$30,147,219	$207,911	$179,900	91

Source: Southwest Montana Multiple Listing Service, Gallatin Association of Realtors, www.gallatinrealtors.com.

[52] Reuters, CNBC. "US housing starts at 1.17M units in Nov vs 1.15M units expected." December 16, 2015. www.cnbc.com.

As illustrated in Charts 17 and 18, the trends for single family residences in 2014 reflect improving conditions for Gallatin and Park counties since 2007.

Chart 17: Number of Single Family Homes Sold - Gallatin and Park Counties, 2007-2014

Source: Southwest Montana Multiple Listing Service, Gallatin Association of Realtors, www.gallatinrealtors.com.

Since 2009 Bozeman, Belgrade and Livingston have all seen yearly increases in the number of single family homes sold (Chart 18). As compared to 2013, annual sales figures for 2014 in Bozeman were up 4.9 percent; Belgrade's sales experienced 26 percent growth; and Livingston saw an increase in sales of 4.3 percent.

Chart 18: Number of Single Family Homes Sold - Bozeman, Belgrade, Livingston and Surrounding Areas, 2007-2014

Source: Southwest Montana Multiple Listing Service, Gallatin Association of Realtors, www.gallatinrealtors.com.

While a portion of houses in the region have continued to be sold as short sales or have gone into foreclosure, both Gallatin and Park counties have seen considerable reductions in these distressed sales overall (Tables 50 and 51). In Gallatin County, short sales represented 0.92 percent of total sales, while foreclosures accounted for only 3.63 percent of total homes sold in 2014. Park County short sales represented 0.47 percent of homes sold as short sales and foreclosures accounted for 13.15 percent. As compared to prior years, healthier real estate sales appear to be gaining ground in the region.

Table 50: County Residential Distressed Sales (Short Sales), 2012-2014

Year	Number Sold	Total Dollar Volume	Average Price	Median Price	Total # of Sales*	% of Total Sales
Gallatin County						
2012	137	$26,968,695	$196,851	$155,000	1,698	8.07%
2013	58	$12,222,626	$210,734	$160,750	1,966	2.95%
2014	20	$7,089,321	$354,466	$254,450	2,176	0.92%
Park County						
2012	11	$1,831,500	$166,500	$135,000	204	5.39%
2013	5	$1,182,800	$236,560	$145,000	230	2.17%
2014	1	$188,000	$188,000	$188,000	213	0.47%

*Source: Southwest Montana Multiple Listing Service, Gallatin Association of Realtors, www.gallatinrealtors.com. *Total number of sales includes all residential property types.*

Table 51: County Residential Distressed Sales (Foreclosures), 2012-2014

Year	Number Sold	Total Dollar Volume	Average Price	Median Price	Total # of Sales*	% of Total Sales
Gallatin County						
2012	247	$48,304,410	$195,564	$155,500	1,698	14.55%
2013	147	$31,190,279	$212,178	$170,100	1,969	7.47%
2014	79	$17,943,018	$227,126	$174,900	2,176	3.63%
Park County						
2012	43	$5,383,005	$125,186	$105,000	204	21.08%
2013	30	$5,453,600	$181,786	$138,400	230	13.04%
2014	28	$3,738,198	$133,950	$133,950	213	13.15%

*Source: Southwest Montana Multiple Listing Service, Gallatin Association of Realtors, www.gallatinrealtors.com. *Total number of sales includes all residential property types.*

The Bozeman area is increasingly the high-tech center for the state of Montana: from notable software development firms to biotechnology companies and laser and optics innovators, the Gallatin Valley is home to a diverse and collaborative community of technology start-ups. In addition to Montana State University's strong research presence, technology development endeavors and high caliber graduate pool, southwestern Montana's high quality of life—including the wealth of recreational opportunities—has created an attractive setting for visionary technology company founders.[53] However, meeting demand for high-tech workers in the state is a challenge despite various workforce and recruitment initiatives, including the first biannual high tech jobs summit hosted in Bozeman in 2015 and return home mailing campaigns to Montana college alumni.[54] A survey of Montana High Tech Business Alliance members found that hiring skilled workers was the leading impediment to growth, ranking above access to capital and sales and marketing-related challenges.[55]

High Tech Business Growth

The Bureau of Business and Economic Research (BBER) recently conducted a survey of 101 Montana High Tech Business Alliance members. Among its findings the BBER found that, "By almost any measure, growth projected in high-tech businesses vastly exceeds average statewide economic growth, and employment and revenues are expected to grow at rates that are 8-10 times the BBER's projection of statewide growth [also] Montana high-tech businesses are varied, but on average tend to be smaller, younger and more growth-focused."

A Profile of Montana's High Tech Industries
February 2015
Bureau of Business and Economic Research, University of Montana
www.bber.umt.edu

While IT infrastructure in the area is fairly solid, Montana nevertheless ranks 51st among the United States and its territories for broadband speed.[56] Gallatin County ranked 3rd among Montana counties for broadband speed, while Park County ranked 24th among Montana counties and Bozeman ranked 4th among Census-designated places in the state.[56] One promising development is that the Bozeman-area broadband project has progressed to the formation of a not-for-profit partnership that has raised $3.85 million in private financing from eight area banks for the project's first phase.[57] The partnership seeks to develop an open-access network, providing fiber infrastructure that can be used by private Internet service providers.[57] The goal is to increase the speed, affordability and reliability of service available to Bozeman businesses by fostering a competitive open network, as an alternative to existing, proprietary infrastructure.[57] Construction on the network is expected to begin in the spring of 2017, with initial service available the following fall.[57]

BioTechnology

In 2014 the Montana BioScience Alliance celebrated its 10th anniversary as the flagship organization actively working to grow the state's bioscience industry. As of 2014, the industry employed nearly

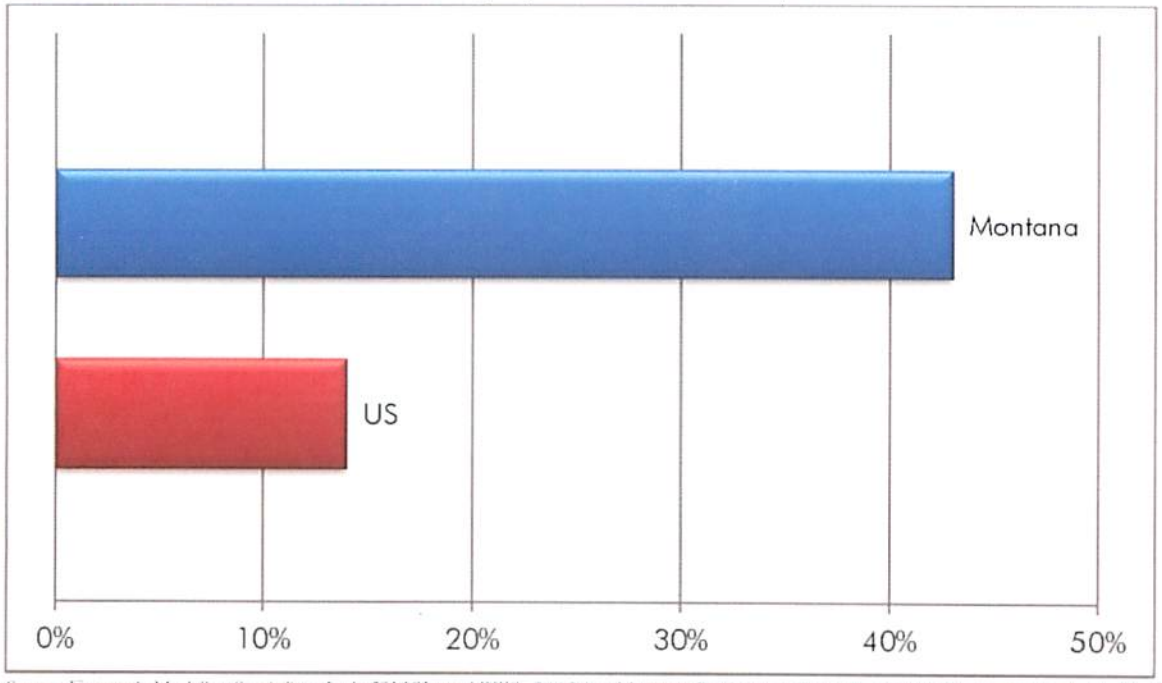
---

[53] Friesenhahn, Ray. "Vision 2020: A Regional Strategic and Economic Development Plan for the Montana Optics & Photonics Industry Cluster." *Montana Optics and Photonics Industry Cluster Regional Strategic Plan.* 2013.
[54] Kendall, Lewis. "Tech industry ready to boom." *Bozeman Daily Chronicle.* September 22, 2015. www.bozemandailychronicle.com.
[55] "A Profile of Montana's High Tech Industries." February 2015. Bureau of Business and Economic Research, University of Montana. www.bber.umt.edu.
[56] National Broadband Map. Data as of June 30, 2014. www.broadbandmap.gov.
[57] Dietrich, Eric. "Bozeman banks rally behind broadband project." *Bozeman Daily Chronicle.* October 2, 2015. www.bozemandailychronicle.com.

2,559 people at 368 establishments in Montana, and average wages within the industry were nearly $20,000 higher than the average private sector wage in Montana.[58,59] Between 2009 and 2013, 158 patents were issued in bioscience-related technologies.[58] Bozeman has the largest concentration of bioscience companies in Montana, with 33 percent of the state's bioscience companies.[60]

Despite an announcement that Takeda plans to close its Bozeman vaccine facility, industry insiders believe that the biotech industry will continue to grow, helped by many of the same factors that have supported information technology and software companies' success in the Bozeman area.[61] For instance, roughly one third of Montana State University's research funding is dedicated to biomedical and technology research.[61] Additionally, Next Frontier Capital, a new Bozeman-based venture capital firm plans to focus on investing in technology firms, including those in the biotech industry.[61] As stated by Governor Bullock, "The bioscience industry thrives in Big Sky Country because Montana is home to an incredible scientific asset base that makes us unique in the world. Over the past decade, National Institute of Health (NIH) funding has provided a solid foundation for research and development across our state. Between 2004 and 2009, NIH awarded $44.3 million to Montana bioscience companies, and in FY 2013 alone eight Montana businesses received NIH funding totaling $6.2 million for research and development of technologies with potential commercial applications."[59] The industry's employment growth is shown in Chart 19 below.

Chart 19: Montana Bioscience Employment Growth Rate, 2001-2011



Source: Economic Modeling Specialists, Intl. (EMSI) and RTS, 2012 in "Montana BioScience Cluster Revisited." BioScience Under the Big Sky 2013. Montana BioScience Alliance, www.montanabio.org.

Optics and Photonics Industry

Another key technology industry driver in the region is the optics and photonics industry, used to inclusively reference companies working in imaging, signal processing, sensing and detection, signal

[58] "State Profile-Montana." Battelle/BIO State Bioscience jobs, Investments and Innovation. June 23, 2014. www.bio.org.
[59] "BioScience Under the Big Sky 2004-2014." Montana BioScience Alliance. www.montanabio.org.
[60] "BioScience Under the Big Sky 2013." Montana BioScience Alliance. www.montanabio.org.
[61] Sanchez-Gonzalez, Adrian. "Bozeman biotech industry takes a breath at Takeda announcement, but continued growth likely." *Bozeman Daily Chronicle*. June 28, 2015. www.bozemandailychronicle.com.

modulation, optical materials and fiber optic communications.[53] Over the past 16 years, the number of optics and photonics companies in Montana has grown at an average compounded rate of 7.5 percent, with almost all of that growth concentrated in the Bozeman area.[53] This sector provides critical high-paying research and development and manufacturing employment opportunities for doctorate-level science and engineering graduates, while also attracting new talent to the area.[53]

Bozeman is now home to more than 30 optics companies, which employ over 500 people earning high-than-average wages.[62] Many of these companies were founded by Montana State University (MSU) graduates, often through MSU technology transfer.[63] A formal industry cluster, the Montana Photonics Industry Alliance, was formed in October 2013. It serves as a network of Montana optics and photonics companies, entrepreneurs, laboratories and universities focused on commercializing, growing and sustaining globally leading organizations that create high quality jobs and economic opportunity in Montana.[64]

To meet the workforce demands for the burgeoning industry, MSU began offering a new master's degree and a minor in optics and photonics in the fall of 2014.[65] In August 2015 MSU's Optical Technology Center (OpTeC), won a $2.5 million award from the Montana Research and Economic Development Initiative for research into compact optical sensors that could be used in everything from precision agriculture to advanced imaging for detecting skin cancer.[66] This award was followed in October by a "talent development" economic development award for OpTeC's role in the development of a high-tech laser and optics business cluster in Montana.[65] The award focuses on the partnerships needed between a university and industry to meet workforce needs.[65] Since the program was created in 1995, more than 200 graduate students and 300 undergraduate students have been educated through OpTeC.[65]

[62] Schontzler, Gail. "Optics research, industry blossom in Bozeman." *Bozeman Daily Chronicle*. September 16, 2015. www.bozemandailychronicle.com.
[63] "Montana optics-related companies." Optical Technology Center, Montana State University. http://www.optec.montana.edu/companies.html.
[64] Montana Photonics Industry Alliance. www.montanaphotonics.org.
[65] MSU News Service. "MSU's Optical Technology Center wins economic development award." October 12, 2015. www.montana.edu.
[66] MSU News Service. "Montana State University awarded research funding to spur state's economy." August 18, 2015. www.montana.edu.

Montana is known for its vast beauty and wealth of outdoor activities. The landscapes that Gallatin and Park counties encompass are arguably some of the best examples of Montana's natural attractions. With mountain ranges lining the valleys, pristine rivers running through them and Yellowstone National Park just a short drive away, the region offers a tremendous variety of outdoor recreational opportunities. Such amenities have established tourism as a major component of the area's economy.

National Parks Generate Big Impact

National Parks hosted a record 292.8 million visitors in 2014. These visitors spent $15.7 billion in communities within 60 miles of national parks, generating a cumulative benefit of over $29.7 billion to the U.S. economy. Locally, visitors spent $421 million in communities near Yellowstone Park, with a cumulative benefit of $543.7 million.

French, Brett. "Report: National parks generate millions for Montana, Wyoming" Billings Gazette. April 23, 2015. www.billingsgazette.com

According to the Institute for Tourism and Recreation Research at the University of Montana (ITRR), the first ever recorded decrease in visitation and nonresident traveler spending in Montana was in 2008, due to high fuel prices in the summer and the first effects of the recession hitting the nation's economy.[67] Since the 2008-2010 recession, Montana has experienced continual visitation and spending increases.[67] However, it wasn't until 2013 that nonresident spending and visitation surpassed 2007 expenditure and visitation numbers.[67] Consumer confidence, lower unemployment, and household debt reduction has contributed to this increase in desire and ability to travel.[67]

As stated in the latest ITRR biennial travel industry review, "As of 2012, Montana ranks 41st in the U.S. for tourist spending, but 6th in the nation in per capita tourist spending… The nonresident travel industry in Montana supports 8.7 percent of the state's total employment and 3.8 percent of total personal income in Montana."[67] Leading attractions for visitors were mountains and forests; Yellowstone and Glacier National Parks; and open space and uncrowded areas, while scenic driving, day hiking, and nature photography were cited as the most popular activities.[67]

Economic Impact

The economic impact of the travel and recreation industry in Montana is considerable. Highlights include:

- Over 10.9 million visitors spent an estimated $3.90 billion in Montana in 2014[68]
  - This spending directly supported $3.15 billion of economic activity and indirectly supported $1.92 billion of economic activity, including induced impacts, bringing the total contribution attributed to nonresident spending to $5.07 billion
  - Spending in 2014 (adjusted for inflation) was up 5.9 percent from 2013
- Of the 56 counties in Montana, Flathead and Gallatin counties had the highest amount of estimated spending in 2013-2014. The two-year spending average was $668.14 million in

[67] Grau, Kara, Jake Jorgenson and Norma Nickerson. "The Economic Review of the Travel Industry in Montana: 2014 Biennial Edition" December 2014. Institute for Tourism & Recreation Research, University of Montana. www.itrr.umt.edu.

[68] Grau, Kara. "2014 Nonresident Visitation, Expenditures, and Economic Impact Estimates: Estimates by full year, quarters, trip purposes, and international visitors." May 2015. Institute for Tourism & Recreation Research, University of Montana. www.itrr.umt.edu.

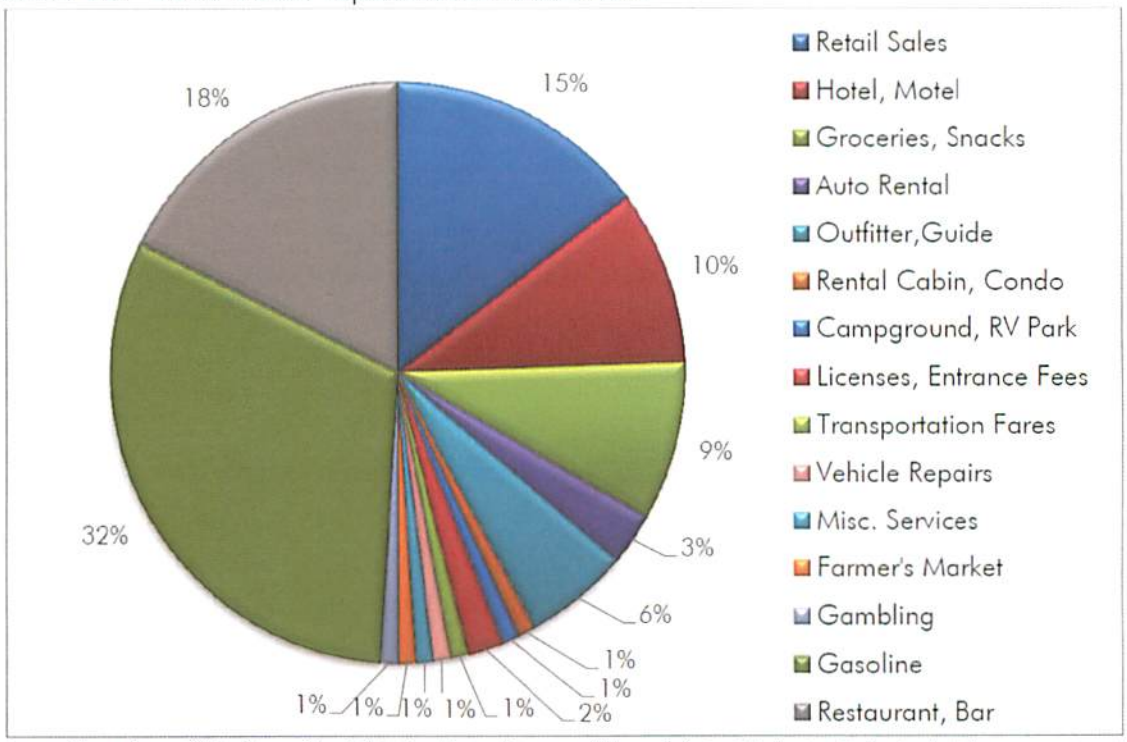
Flathead County and $662.19 million in Gallatin County. The third ranked county in Montana had less than $400 million in nonresident spending.[69]

- The total contribution of nonresident spending to the Gallatin County economy was $874.9 million, supporting 6,740 jobs directly and 9,570 jobs total
- Park County benefitted from $196.08 million in nonresident spending in 2014, generating a total impact of $169.94 million. Nonresident spending supported 1,970 jobs directly and 2,410 jobs total in Park County.

- Visitor spending generated $217.63 million in state and local tax revenue in 2014, with each group averaging a 5.03 night stay and spending an average of $157.66 daily[68]
- Tourism and recreational businesses support 38,220 jobs directly, and in total support 53,280 jobs and $1.32 billion in worker salaries statewide[68]
- In-state travel spending by Montana residents was estimated at nearly $695 million in a 2011-2012 study of pleasure trips more than 50 miles away from home, with an estimated combined contribution of $1.03 billion when including direct, indirect and induced impacts[70]

Chart 20 details the distribution of visitor expenditures in 2014. Aside from retail sales decreasing from 19 percent to 15 percent of expenditures, the 2014 distribution is nearly identical to the 2013 expenditures allocation.

Chart 20: 2014 Visitor Expenditures in Montana



Source: Grau, Kara. "2014 Nonresident Visitation, Expenditures, and Economic Impact Estimates: Estimates by full year, quarters, trip purposes, and international visitors." May 2015. Institute for Tourism & Recreation Research, University of Montana. www.itrr.umt.edu. Figures may not sum to 100% due to rounding.

The combined traveler impact figures shown in Table 52 include the following: direct impacts result from nonresident traveler purchases of goods and services; indirect impacts result from purchases

[69] Grau, Kara. "2014 Economic Contribution of Nonresident Travel Spending in Montana Regions and Counties." July 2015. Institute for Tourism & Recreation Research, University of Montana. www.itrr.umt.edu.

[70] Grau, Kara and Norma Nickerson. "Resident Travel and In-State Vacation Characteristics." November 2012. Institute for Tourism & Recreation Research, University of Montana. www.itrr.umt.edu.

made by travel-related businesses; and induced impacts result from purchases by those employed in travel-related occupations. The totals in Table 52 are the combination of these three impacts.

Table 52: Economic Impacts of Nonresident Travelers, 2012-2014

Montana Nonresident Traveler Combined Economic Impacts and Expenditures				
Year	Industry Output	Employment	Employee Compensation	Proprietor Income
2012	$4,232,800,000	42,900	$1,056,800,000	$195,800,000
2013	$4,472,900,000	48,260	$1,276,250,000	$229,160,000
2014	$5,070,730,000	53,280	$1,316,760,000	$248,680,000
Year	Other Property Type Income	State & Local Taxes	Avg. Expenses per Day per Group	Total Expenditures
2012	$602,900,000	$305,600,000	$138.77	$3,268,700,000
2013	$668,570,000	$236,080,000	$161.19	$3,624,480,000
2014	$711,940,000	$217,630,000	$157.66	$3,900,440,000

Source: Gran, Kara. "2014 Nonresident Visitation, Expenditures, and Economic Impact Estimates: Estimates by full year, quarters, trip purposes, and international visitors." May 2015. Institute for Tourism & Recreation Research, University of Montana. www.itrr.umt.edu.

Quarterly nonresident traveler statistics are show in Table 53 below. Montana saw a 1.2 percent decrease (from 11,020,000 to 10,887,000) in total nonresident visitor numbers between 2013 and 2014, but an increase in the number of travel groups.[68] Group size also decreased slightly for the year, from 2.27 in 2013 to 2.19 people per group in 2014, while length of stay increased from 4.64 to 5.03 nights.[68] While overall expenditures increased since 2013, 2014 average daily expenditures decreased from $161.19 to $151.66.[68] There was very little change on the whole in terms of visitation distribution and expenditures across the quarters as compared to the prior year.

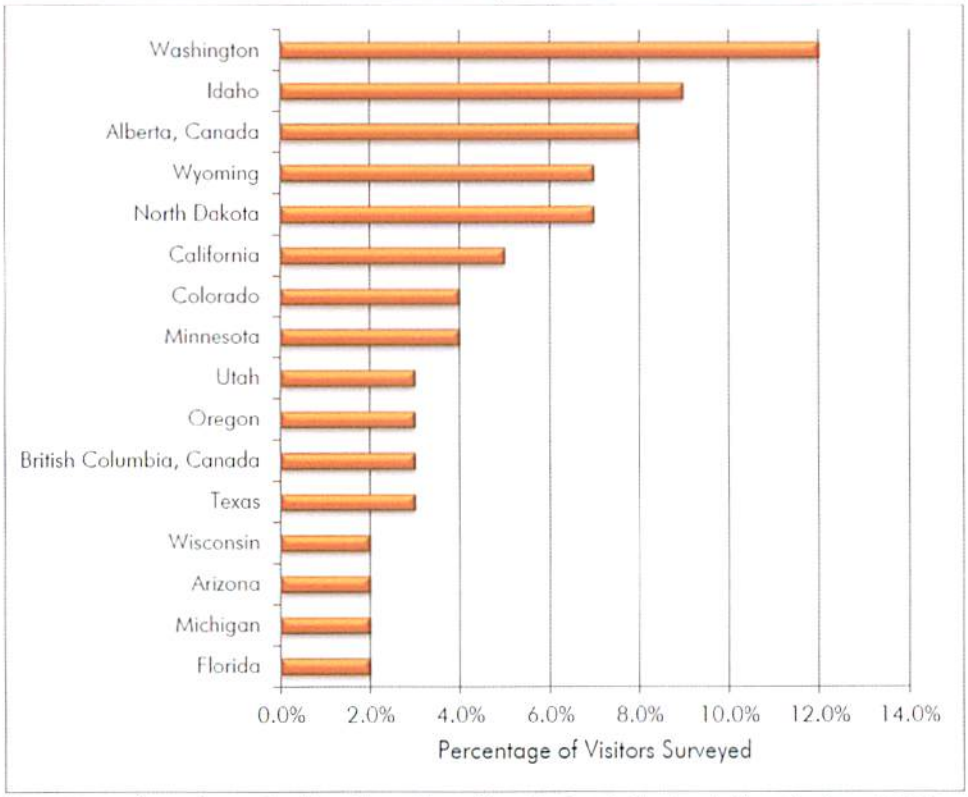
Table 53: 2014 Montana Nonresident Traveler Quarterly Travel Comparison

Category	Q1 (Jan – Mar)	Q2 (Apr – Jun)	Q3 (Jul – Sep)	Q4 (Oct – Dec)	Annual Total
Nonresident Visitors	1,210,000	2,989,000	5,012,000	1,676,000	10,887,000
% of Total	11%	27%	46%	15%	100%
Nonresident Travel Groups	609,000	1,348,000	2,103,000	869,000	4,929,000
% of Total	12%	27%	43%	18%	100%
Group Size (# per group)	2.01	2.23	2.33	1.93	2.19
Length of Stay (nights)	4.42	4.44	5.68	4.81	5.03
Avg. Expenditure per Day	$163.77	$152.93	$163.20	$142.25	$151.66
Total Expenditures	$420,970,000	$914,990,000	$1,949,740,000	$594,740,000	$3,900,440,000
% of Total	11%	23%	50%	15%	100%

Source: Gran, Kara. "2014 Nonresident Visitation, Expenditures, and Economic Impact Estimates: Estimates by full year, quarters, trip purposes, and international visitors." May 2015. Institute for Tourism & Recreation Research, University of Montana. www.itrr.umt.edu.

Visitation Dynamics

Chart 21: Montana Vacationer State/Province Residencies 2014



Source: Custom Report, Nonresident Travel Survey Report Data. Institute for Tourism & Recreation Research, University of Montana. www.itrr.umt.edu.

Montana offers a great variety of activities for travelers who hail from a wide range of places, as illustrated in Chart 21. Vacationers cite many reasons for coming to Montana, but most are drawn to the state because of its beautiful mountain scenery and wide open spaces (Table 54). A new item on the top ten list in 2013 was "Family/Friends" as an attraction, though the number of people citing it as an attraction dropped 5 percent between 2013 and 2014.

Table 54: Montana's Top 10 Attractions for Vacationers, 2014

Attraction	% of Vacationers Who Cited Item as an Attraction	Rank
Mountains/Forests	66%	1
Open space/Uncrowded areas	51%	2
Yellowstone National Park	48%	3
Rivers	46%	4
Glacier National Park	39%	5
Wildlife	35%	6
Lakes	34%	7
Family/Friends	26%	8
Fishing	16%	9
Lewis & Clark History	15%	10

Source: Custom Report, Nonresident Travel Survey Report Data. Institute for Tourism & Recreation Research, University of Montana. www.itrr.umt.edu.

Table 55: Yellowstone National Park Visitors

Year	Number of Visitors
2005	2,835,649
2006	2,870,293
2007	3,151,343
2008	3,066,580
2009	3,295,187
2010	3,640,184
2011	3,394,326
2012	3,447,729
2013	3,188,030
2014	3,513,484

Source: Public Use Statistics Office. National Park Service. https://irma.nps.gov/Stats.

As illustrated in Table 54 on page 64, national parks are important attractions that draw visitors to Montana. Although Yellowstone National Park is primarily located in Wyoming, three of the five entrances to the park are in small Montana towns and over half of vehicles entering the park do so from Montana.[71] Visitor numbers have climbed since 2006, aside from slight decreases in 2008, 2011 and 2013 (Table 55). The park had a record number of visitors in 2010 and saw its second highest visitation numbers on record in 2014. Figures in 2013 were down in small part due to the 16-day federal government shutdown in October, which closed national parks. However, visitation numbers were primarily influenced by the park changing its calculation method in 2013: following a survey at park entrances counting both vehicles and occupants per vehicle, the person-per-vehicle multiplier was adjusted for the first time in 20 years, from 2.91 down to 2.58 people-per-vehicle.[72]

Air Travel

Bozeman Yellowstone International Airport has been the busiest airport in Montana since June of 2013.[73] Annual passenger volumes were up 9.3 percent in 2014 compared to 2013, setting another record (Table 56). According to Airport Director Brian Sprenger, "It is quite an achievement for our airport to see a 44% increase in passenger enplanements over the past five years, surpass the half million enplanement mark and be ranked in the top 120 busiest commercial airline airports in the nation."[74] Over 700 people are employed by the 28 entities with offices at the airport.[74]

Table 56: Bozeman Yellowstone International Airport Volume 2005-2014

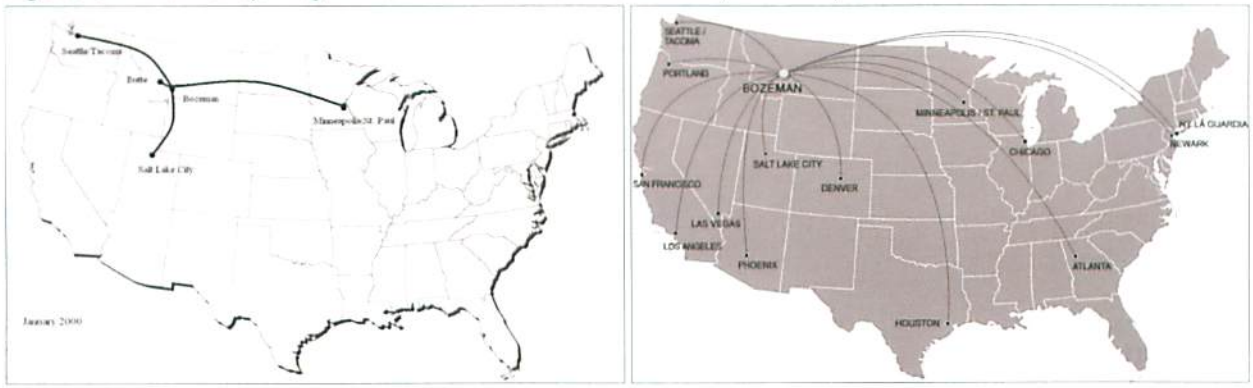
Year	Deplaned Passengers	Enplaned Passengers	Annual Total
2005	336,803	335,679	672,482
2006	315,912	317,850	633,762
2007	335,598	335,276	670,874
2008	351,281	351,214	702,495
2009	340,563	342,714	683,277
2010	365,210	362,828	728,038
2011	398,288	397,822	796,110
2012	433,288	433,829	867,117
2013	442,120	442,540	884,660
2014	483,132	483,832	966,964

Source: "2015 Passenger & Tower Operations Report." Bozeman Yellowstone International Airport. www.bozemanairport.com.

[71] "Yellowstone National Park." Montana Official State Travel Site. www.visitmt.com.
[72] Moore, Mike. "Yellowstone visitation down in July, vehicle traffic up." *Bozeman Daily Chronicle*. September 3, 2013. www.bozemandailychronicle.com.
[73] Sprenger, Brian. Press Release. June 17, 2013. Bozeman Yellowstone International Airport, www.bozemanairport.com.
[74] Sprenger, Brian. Press Release. September 9, 2015. Bozeman Yellowstone International Airport, www.bozemanairport.com.

The locations serviced by the airport between 2000 and 2014 are compared in Figure 6 below.

Figure 6: Non-Stop Flight Destinations from Bozeman, January 2000 versus Summer 2014



Source: Sprenger, Brian, Bozeman Yellowstone International Airport, www.bozemanairport.com.

Ski Resorts

Southwestern Montana is home to two resorts that bring in skiers from around the world. Big Sky Resort is one of the nation's largest ski areas at 5,800 acres and averages over 400 inches of annual snowfall.[75] The combined resort has 4,350 vertical feet served by 23 chairlifts and 11 surface lifts.[75] Not only do families come for the winter season, but there is much to do and see during the summer as well. Big Sky had another high-traffic season with 440,000 skier visits during the 2014-2015 season (Table 57).

Bridger Bowl, a nonprofit ski area, is a cornerstone for Bozeman's recreational community and a major contributor to southwestern Montana's vibrant winter tourism economy. Bridger Bowl has one quad lift, five triples and two double chairs serving 2,600 feet of vertical rise and 2,000 skiable acres, with 75 marked runs and a terrain park.[76] Average annual snowfall at Bridger Bowl is 350 inches. Bridger Bowl had a record 2013-2014 ski season with 217,516 skier visits and a slight decline in visits for the 2014-15 season with 204,501 skier visits (Table 56).

According to the Institute for Tourism & Recreation research, 1.36 million skier visits were reported by the 14 Montana resorts during the 2014-15 ski season (Table 56). This was down by 10 percent compared to the 1.52 million skier visits during the 2013-14 ski season, however it should be noted that Teton Pass resort (which reported 5,750 visits in 2013-14) did not submit 2014-15 numbers.

Table 57: Ski Area Visitation Figures

Ski Season	Big Sky Resort	Bridger Bowl	All Montana Resorts
2007-08	309,170	196,569	1,409,963
2008-09	285,342	188,621	1,326,437
2009-10	297,375	199,061	1,357,249
2010-11	340,000	210,966	1,480,602
2011-12	341,000	148,074	1,393,216
2012-13	341,000	185,645	1,433,198
2013-14	472,871	217,516	1,528,061
2014-15	440,000	204,501	1,368,836

Source: Skier Visits Custom Report, Institute for Tourism & Recreation Research, University of Montana, www.itrr.umt.edu.

[75] "The Mountain: Mountain Stats & Info." Big Sky Resort. www.bigskyresort.com.
[76] "Mountain Info and Statistics." Bridger Bowl. www.bridgerbowl.com.