Workers Wanted:
Understanding the Post-COVID Labor Market
June 2021

Barbara Wagner,
Chief Economist
Real GDP Quarterly Growth

Source: Real GDP, BEA
Montana Real GDP

In Millions

Source: Real GDP, BEA

Still 1% down from peak
U.S. vs MT Real GDP
Indexed to 2019Q4

Source: Real GDP, BEA
Montana Labor Market
Indexed to February 2020

Labor Force (99% or -5,400 workers)
Employment (99% or -4,800 employed)
Payroll Jobs (98% or -8,900 jobs)

Source: LAUS & CES, MTDLI.
Montana Labor Market
Indexed to February 2020

Improvement in Labor Force!
- Up about 5,700 workers since March
  - Vaccinations
  - Higher Wages

Source: LAUS, MTDLI.
Montana currently ranks #9 among states for best performance through COVID recession

www.lmi.mt.gov/home/job-tracking
Total Wages Continued Growth

Still Down Jobs, but Total Wages Expanded $613 million (4.9%)

Source: Total Wages from QCEW, MTDLI.

Total Wages Paid in all Montana Payroll Jobs

Average Wage increased by 7.8% up to $48,440 in 2020
Inflation Concerns
Global Manufacturing Regions seeing peak COVID cases

CPI-U 12-Month Change (%)

Global New COVID Cases

Western Pacific
(China, Philippines, Hong Kong)

Source: CPI-U from BLS. COVID count from World Health Organization, https://covid19.who.int/
Macroeconomy Summary

• Montana had a quick recovery from the recession
  • Better than the nation

• Recovery has slowed in recent months
  • Lower stimulus
  • Lack of workers
  • Global supply chain constraints

• Worker shortages quickly regained the top spot of Montana’s economic challenges
Tight Labor Market Resumes

Source: LAUS, MTDLI.

US
MT

3.7%
Re-opening driving up new jobs and wages
Improvement in Labor Force Since March
• Up about 5,700 workers
• Vaccinations
• Higher Wages
Why has labor force declined?

• 10,000 workers dropped out of the labor force during recession
  • Still down 5,400 workers
  • Existing problem worsened by COVID-19
  • 55,000 Montana parents with reduced work hours
  • 10,800 Montanans out due to COVID risks
    • Low-wage, part-time older workers
  • Accelerated retirements- available data says no
  • Self-Employment – up about 3% of labor force

Source: LAUS & CES, MTDLI. CPS for other reasons. See Watson, 2021 & Holom 2021 for more details at lmi.mt.gov/Publications
Parents with Reduced Work Hours

<table>
<thead>
<tr>
<th>Year</th>
<th>All Parents</th>
<th>Parents of Young Children &lt; 5 Years of Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
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<tr>
<td>2021</td>
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</tbody>
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Source: Current Population Survey, BLS
Labor Force Participation Rates of Montana Parents

Article available at lmi.mt.gov

Where are the Workers?
by Christopher Bradley, Senior Economist
Number of Retired Montanans DID NOT Spike

Source: IPUMS, CPS Microdata
Who is not working? (March-April Average)

- Retired, 169,945
- Economic Related, 25,175
- Caring for children or elderly, 25,549
- Didn't want to be employed, 19,031
- Disabled or sick (not with COVID), 15,502
- Sick with COVID/Caring for COVID, 7,558
- Concerned about COVID, 6,419

How are they paying for stuff?
- 66% regular income sources
- 30% stimulus payments
- 20% loans or credit cards
- 20% savings
- 9% SNAP
- 8% borrowing from family
- 4% UI benefits

Source: Household Pulse Survey, U.S. Census Bureau
Pandemic Unemployment Ended
Number Filing Claims

Pandemic Unemployment Assistance
Pandemic Extended Unemployment
Regular Continued Claims
Regular Initial Claims

Claimed
Pandemic Ending June 26: 10,945
Regular: 7,760 (1,460 working Part-time)

Montana Department of LABOR & INDUSTRY

lmi.mt.gov/Home/Job-Tracking
Claimants by Occupation Group

Food Preparation & Serving
Office Support
Production, Transportation, or Material Moving
Construction & Extraction
Management
Sales & Related
Building & Grounds Maintenance
Healthcare Related
Personal Services
Installation, Maintenance, & Repair
Educational Instruction & Library
Arts, Design, Entertainment, Sports, & Media
Architecture, Engineering, Computer, or Math
Business & Financial Operations
Community & Social Services
Life, Physical, & Social Sciences
Protective Service
Farming, Fishing, & Forestry

Regular UI Programs
Pandemic

Source: lmi.mt.gov/home/job-tracking.
More Information at lmi.mt.gov

Barbara Wagner
Chief Economist
MT Dept. of Labor & Industry
bwagner@mt.gov