



2019  
SPRING

# ECONOMIC PULSE





## KEEPING A 500-MILE PERSPECTIVE

## REGIONAL PEER COMMUNITIES



### BILLINGS

MSA Population: **167,545**  
Largest city in Montana

Major Colleges/Universities:  
Montana State University Billings/  
City College  
4,401 Students

Rocky Mountain College  
899 Students



### BISMARCK

MSA Population: **128,673**  
2nd largest city in North Dakota

Major Colleges/Universities:  
University of Mary  
3,160 Students  
Bismarck State College  
3,781 Students



### BOISE

MSA Population: **677,346**  
Largest city in Idaho

Major Colleges/Universities:  
Boise State University  
20,767 Students



### BOZEMAN

MSA Population: **100,733**  
4th largest city in Montana

Major Colleges/Universities:  
Montana State University  
14,725 Students



### CASPER

MSA Population: **81,023**  
2nd largest city in Wyoming

Major Colleges/Universities:  
Casper College  
3,759 Students



### CHEYENNE

MSA Population: **97,031**  
Largest city in Wyoming

Major Colleges/Universities:  
Laramie County Community College  
6,148 Students



### FORT COLLINS

MSA Population: **330,976**  
4th largest city in Colorado

Major Colleges/Universities:  
Colorado State University  
25,903 Students



### GREAT FALLS

MSA Population: **81,816**  
3rd largest city in Montana

Major Colleges/Universities:  
University of Providence  
927 Students  
Great Falls College MSU  
1,964 Students



### MISSOULA

MSA Population: **114,231**  
2nd largest city in Montana

Major Colleges/Universities:  
University of Montana  
9,323 Students



### RAPID CITY

MSA Population: **143,711**  
2nd largest city in South Dakota

Major Colleges/Universities:  
South Dakota School of Mines  
and Technology  
2,778 Students  
Black Hills State University  
3,947 Students



### THE PURPOSE OF ECONOMIC PULSE IS TO:

- Follow economic trends in Billings and our peer communities
- Keep a 500-mile perspective of our regional competitiveness for private investment and talent attraction
- Identify future opportunities and challenges for our community

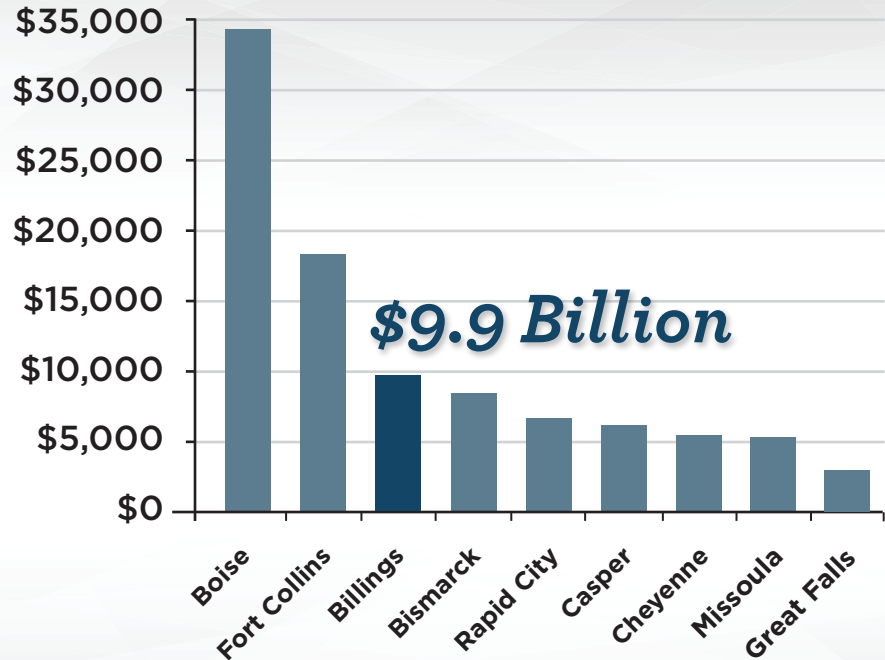


# Gross Domestic Product (GDP), 2018 Dollars

**Billings remains the third largest economy of the communities included in this report.**

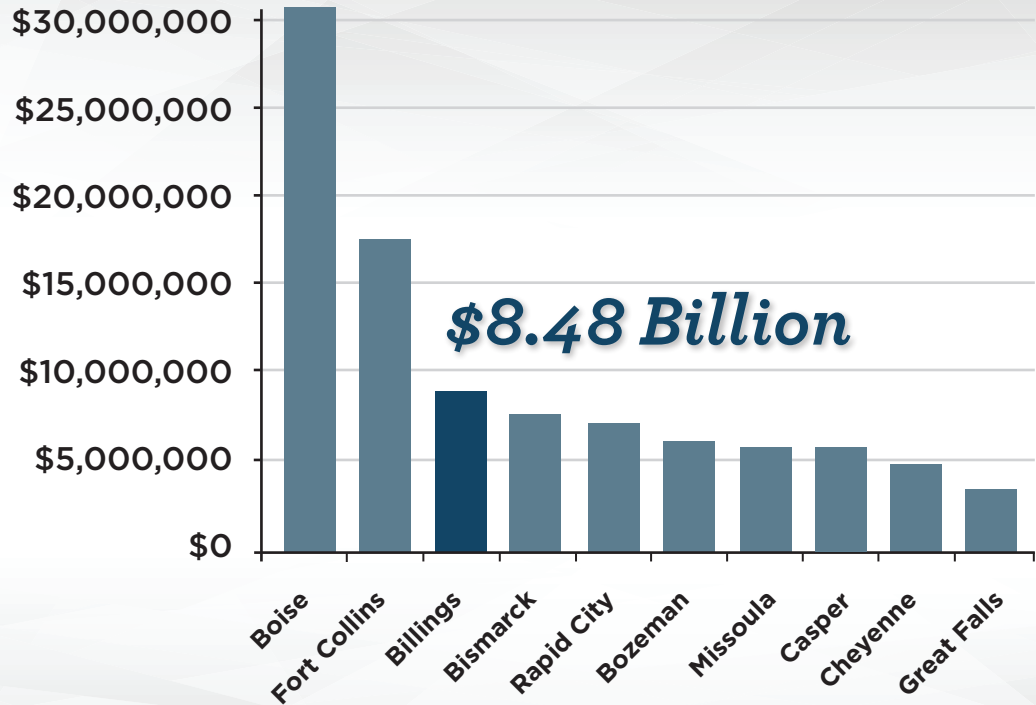
While Billings is also the third largest in respect to population, many of the communities that are very close to our size in population do not have as strong of a proportionate GDP. This speaks to the size of the Billings economy as well as the value of what is produced in our community. The two economies that are larger than Billings, Boise and Fort Collins, had a substantially larger metropolitan statistical area population – 677,346 and 330,976, respectively.

*From the primary source used, Bozeman GDP is not available because they are not an MSA, however, an alternative source states Bozeman's GDP at \$6 billion.*



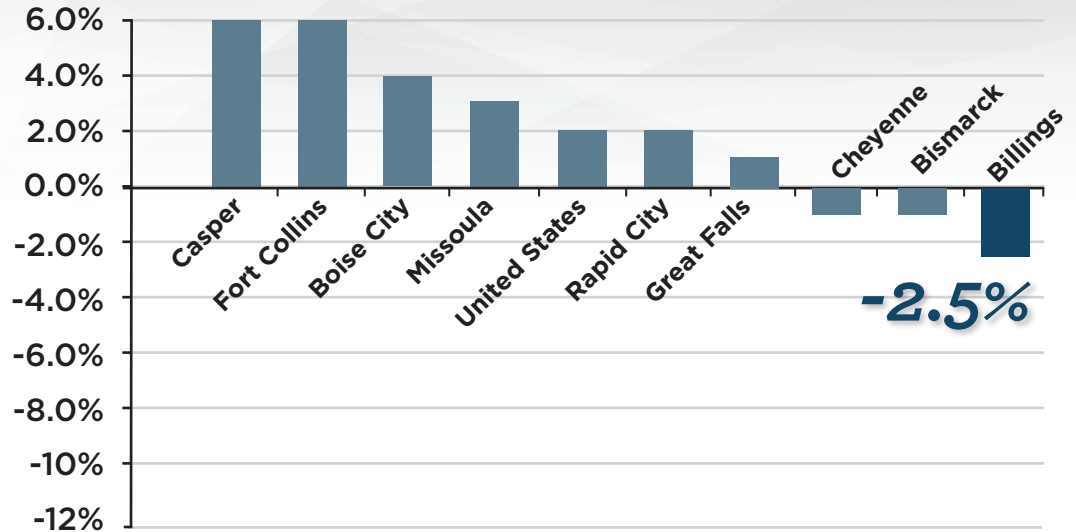
# Total Personal Income, 2017

**Similar to GDP, total personal income (TPI) is a way of measuring the size of an economy and the change over time represents economic health.** Year over year, Billings grew 5.7% which is far larger than the previous year over year growth of 1.5%, Billings sits in the middle of the pack. Billings outperformed Great Falls (5.5%), Rapid City (5%), Bismarck (3.2%), Cheyenne (1.7%), and Casper (-5%), Bozeman and Boise lead the way in TPI growth with 10% and 8.5% respectively. They were followed by Fort Collins (7.8%) and Missoula (6.8%).



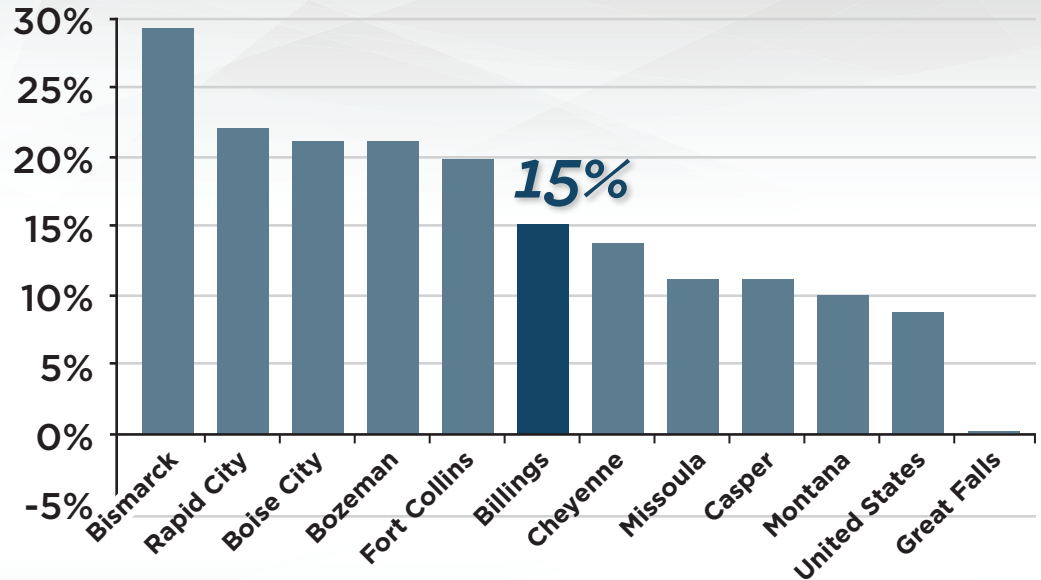
# Percent Change in GDP, 2016-2017 Dollars\*

Real GDP is determined through equalizing the variability in values of goods produced (often commodity driven) in order to arrive at an apples to apples comparison of economic growth. The Billings GDP fell 2.5% year over year placing us at the back of our peer communities.



# Population Growth, 2007-2017

**Over the last ten years, Billings has grown 15%.** While this outpaces the State and the Nation, there are a number of peer communities that are growing at a much faster pace. Given our low unemployment rate and the fact that 39% of our workforce is aged 55+, for Billings to remain competitive, we need to increase our population growth in the younger workforce demographic.

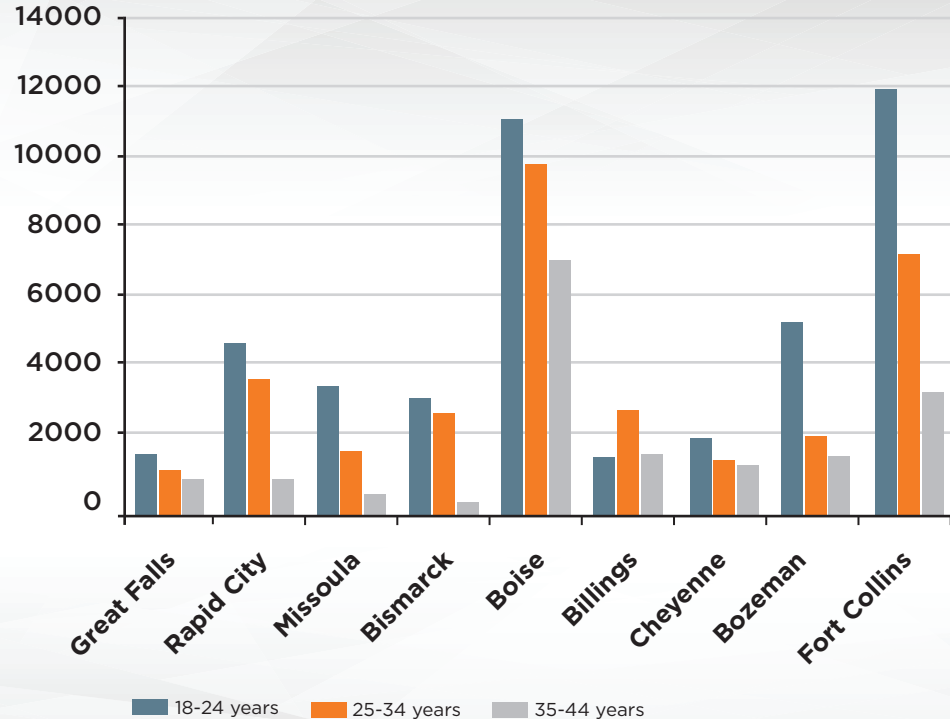




# In-Migration By Age, 2017

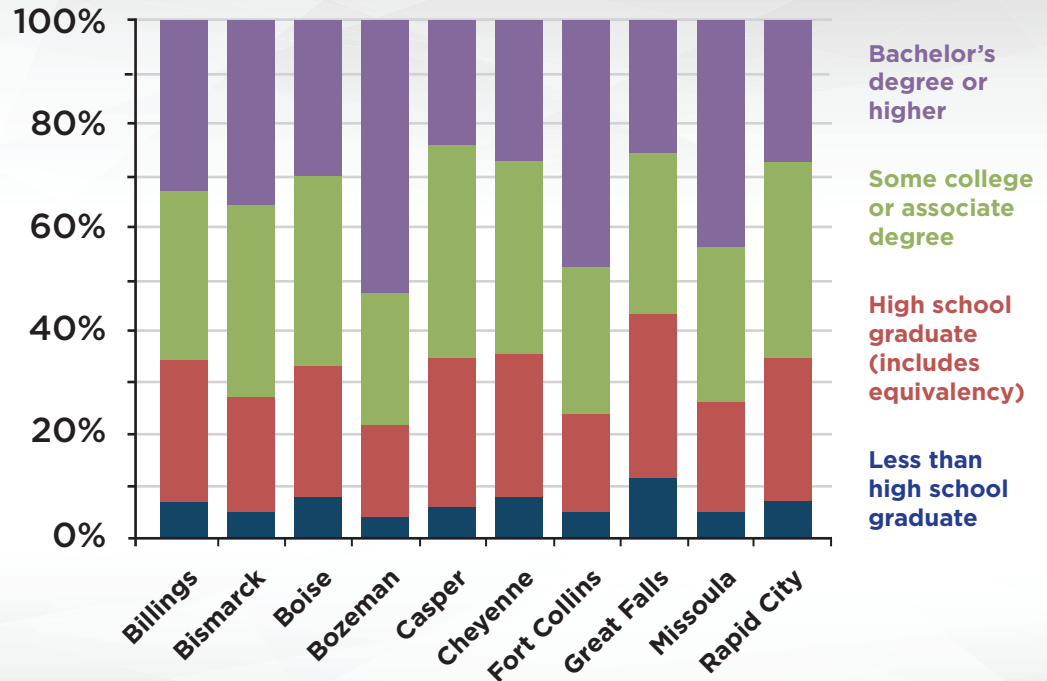
**This data set reflects the number of people in the identified age groups who report having lived elsewhere in the previous year.**

This chart does not reflect total population or net population growth in these age groups, it solely looks at new people to our community. This chart demonstrates the value of a larger higher education presence – with communities like Missoula, Boise, Bozeman, and Fort Collins experiencing the greatest level of in-migration in the 18 - 24 year old age group. This will be an important benchmark for our community moving forward as we work to attract talent to our community.

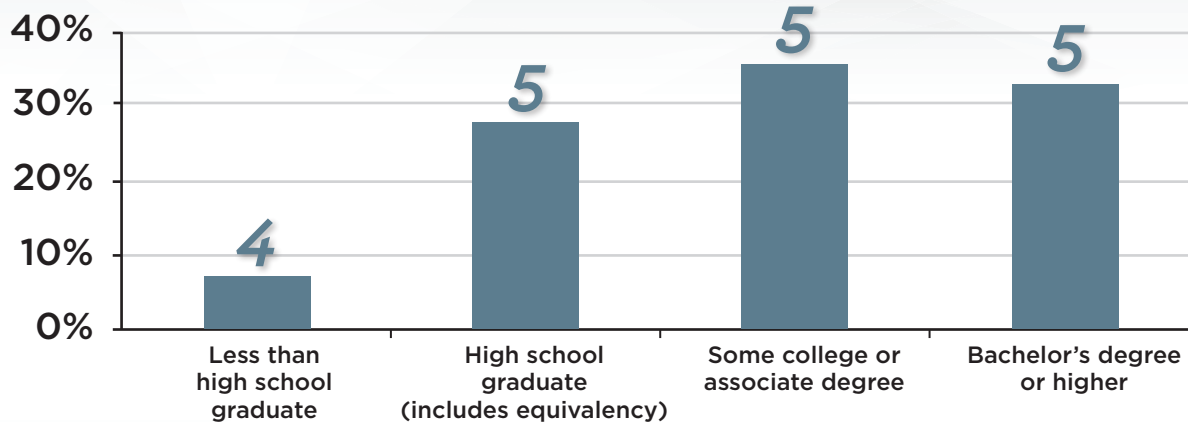


# Educational Attainment, ages 25 to 64

Over the past year, there have been some notable changes in educational attainment rankings. Billings is now in the middle of the pack on all of the educational attainment levels. The most dramatic change in these rankings is that Billings has moved from 5th to 9th in the same college and associate degree programs.



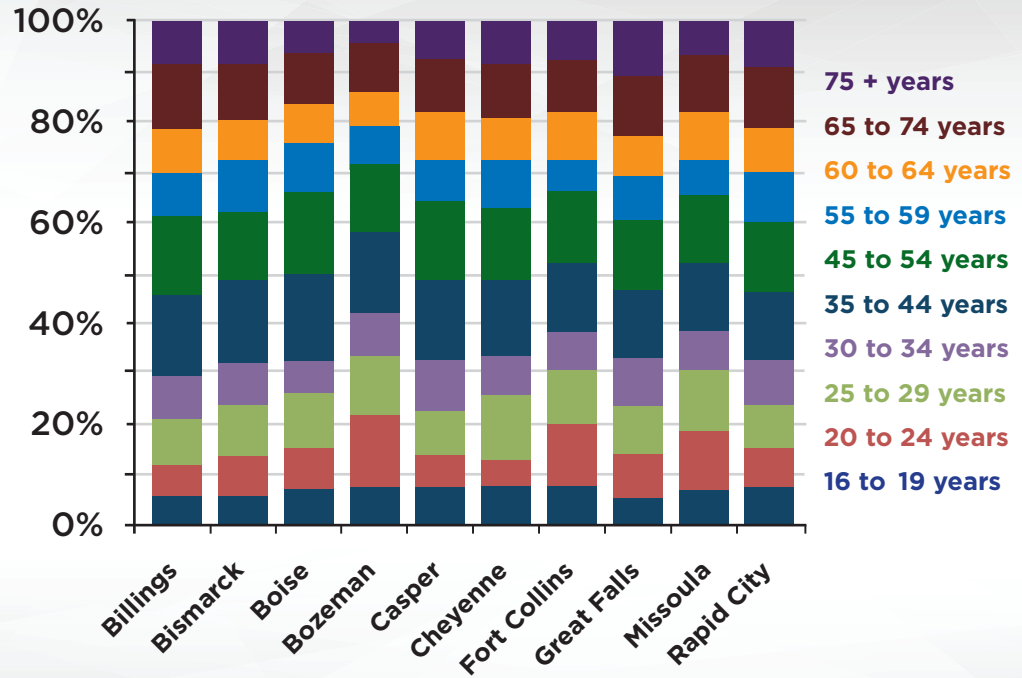
# Billings Educational Attainment Compared to Its Peer Cities\*



\*On a scale of 1 - 10, 1 being the highest rate.

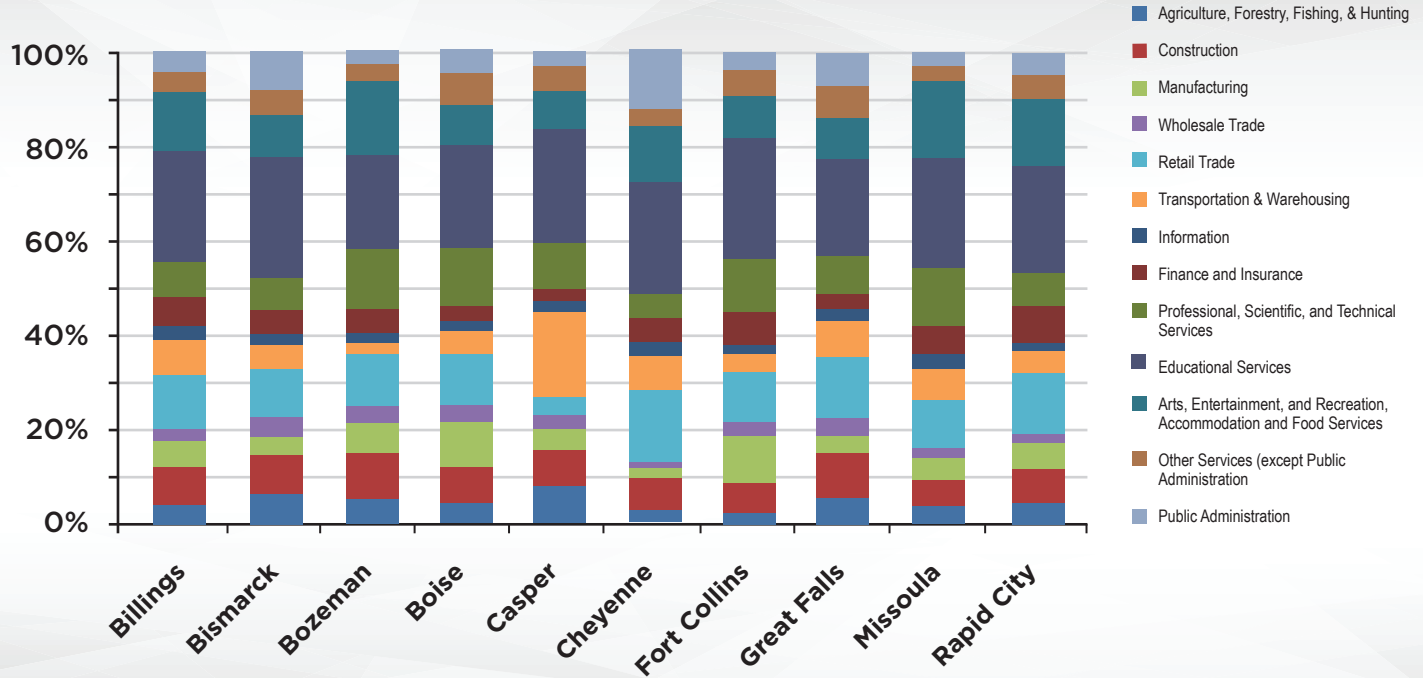
# Employment by Age Group

When breaking down employment by age group, notice that Billings and its peer communities follow relatively similar trends. One important data set to note is the amount of the workforce population that is 55 to 75+ years of age. Billings has one of the largest groups that falls into this age bracket. Rapid City, Great Falls, and Billings are all experiencing a situation where 38.8% of the communities workforce is 55+.



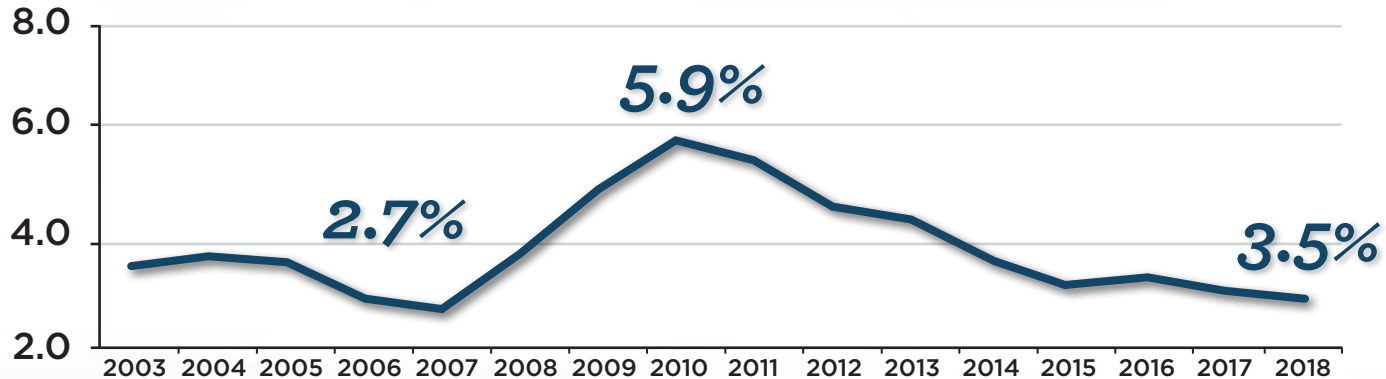
# Employment by Industry

Employment by industry illustrates the share of people employed by sector. While Billings is touted as having a diverse economy, peer communities are equally diverse. There are no significant changes reported year over year.



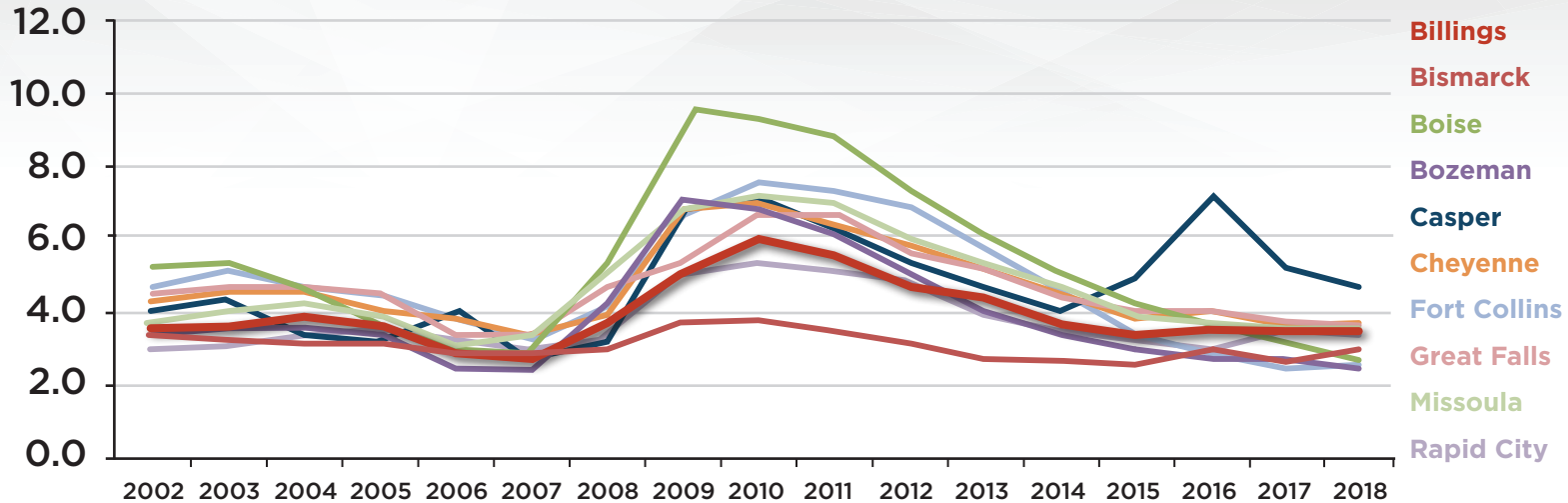
# Billings Unemployment Rate, 2003-2018\*

The Billings unemployment rate remains lower than the nation by half a percentage and correlates well with our peer communities. This year there was not a lot of deviation between communities. Billings sits in the middle of the pack with regard to unemployment rates.



\*The 2018 Billings Unemployment value reflects the average from January – October.  
The full year's data is not yet available.

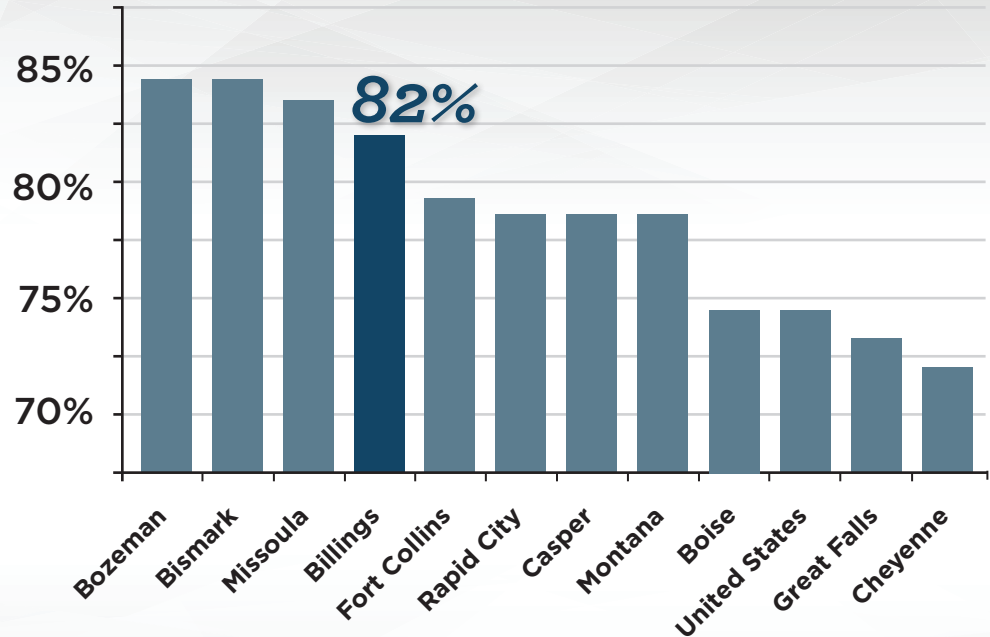
# Unemployment Rate, 2002-2018



# Employment to Population Ratio, 2017

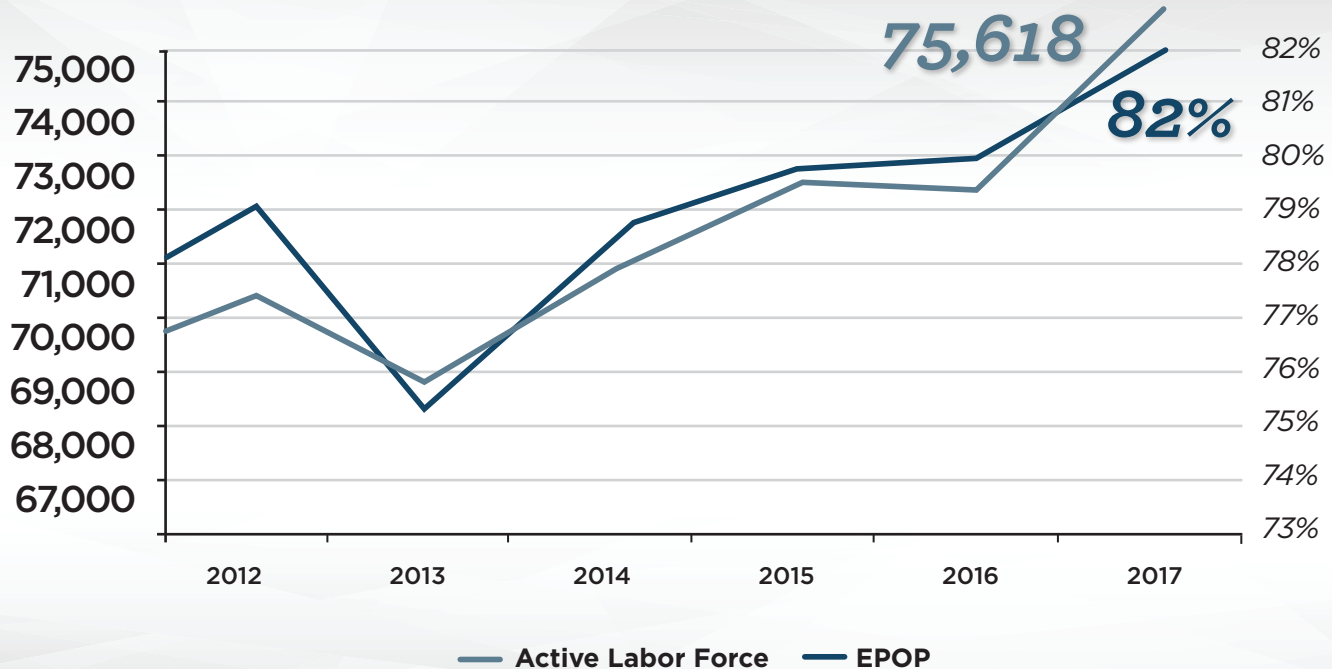
**EPOP is a measure of the percent of the civilian, non-institutionalized population aged 25-64 that is employed.** Unlike the labor force participation rate, it does not exclude discouraged workers and other long-term unemployed persons. EPOP is very similar to participation rate as it compares the number of employed to the working age population. Billings' EPOP is in the top portion of its peer cities and has been relatively consistent. Bozeman has the highest EPOP of our peer cities.

The unemployment numbers in our region are all very low. This creates an extremely tight labor market where the competition for talent is even more fierce.



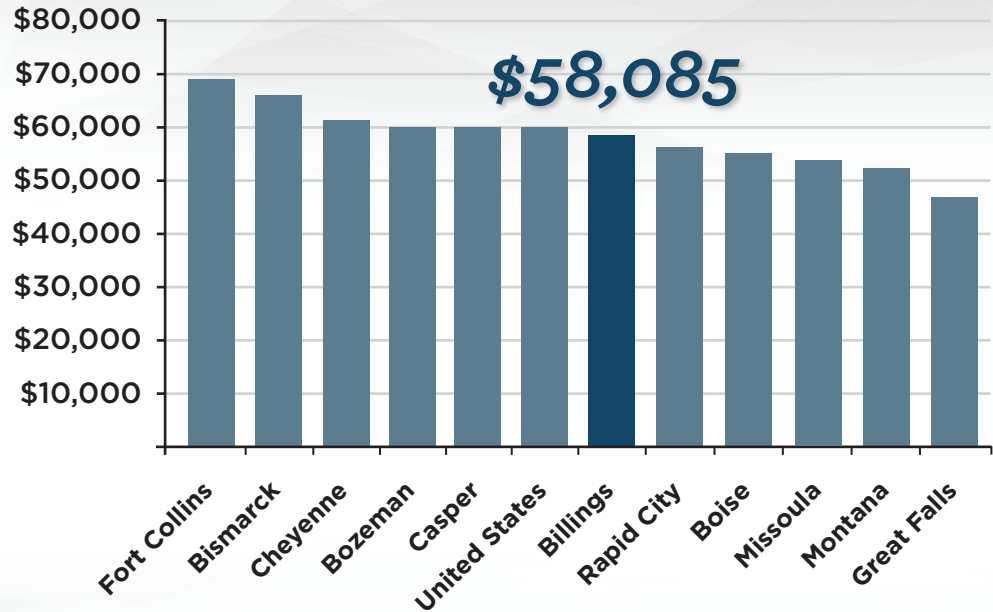


# Billings Active Labor Force and EPOP Ratio 2012-2017



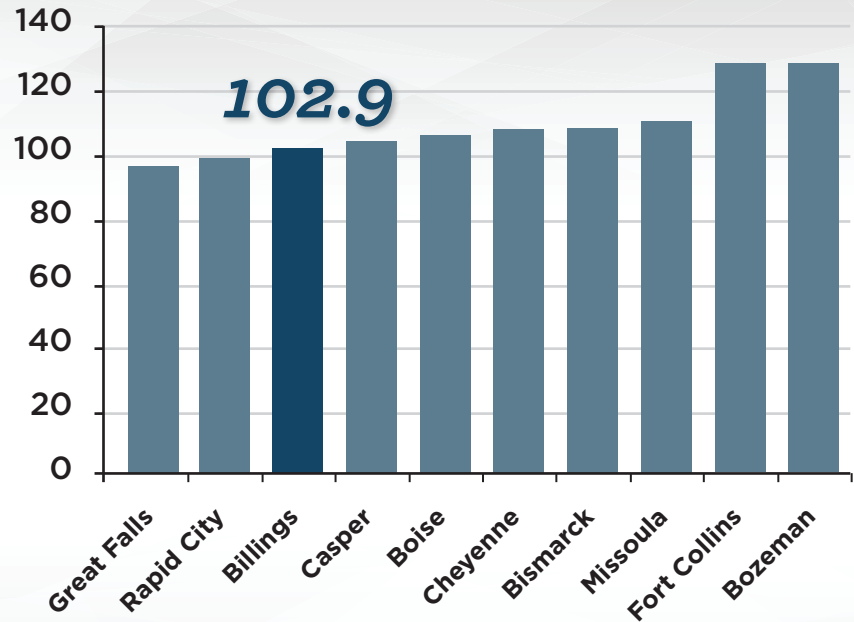
# Real Median Household Income 2017

**Billings remains in the middle of the pack for this statistic.** While the statistic shrunk in Cheyenne, and remained relatively the same in the majority of the communities, Missoula experienced a growth of approximately \$8,000 per year, which was the largest change of all the communities. **Billings grew by \$48 year over year.**



# Cost of Living, 2017

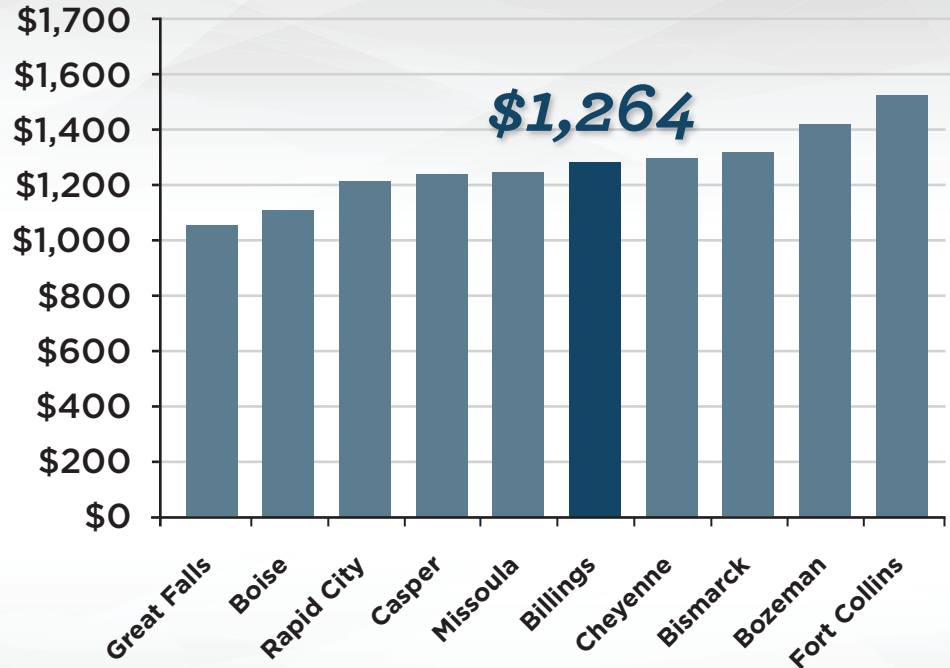
The Cost of Living Index estimates the relative price levels for consumer goods and services. The US average is represented as 100. The Billings cost of living is 2.9% more than the US. Billings remains one of the lowest cost communities in our region.



# Housing Affordability

**Housing affordability is determined by including the cost of both renting and owning a house.**

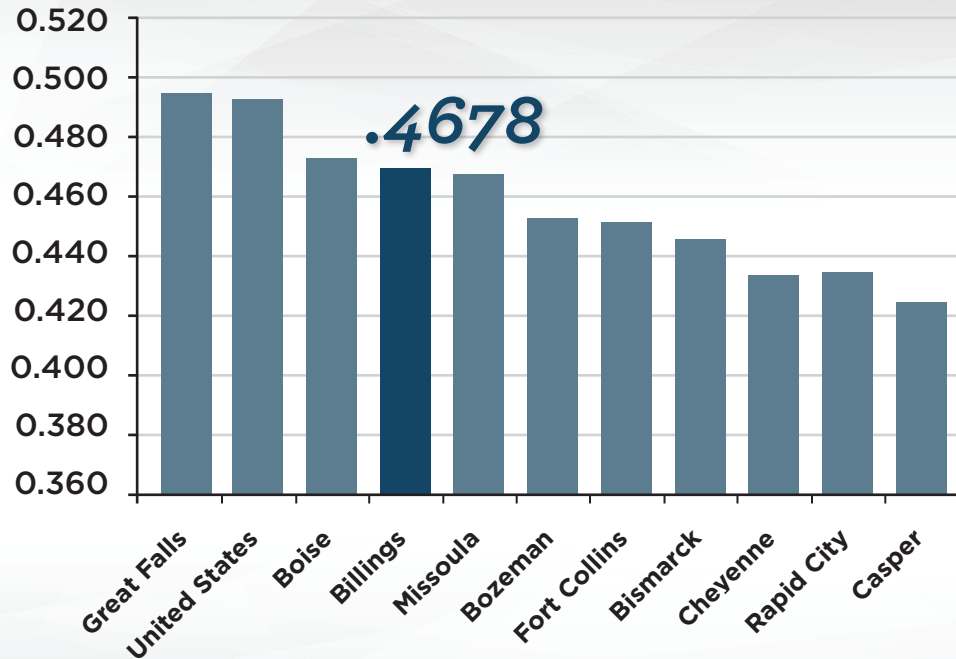
Average monthly housing costs are derived directly from the American Community Survey. Median selected monthly ownership costs and median gross rents are averaged and weighted by a ratio of owner to renter occupied housing units from the tenure variable. Median selected monthly owner costs are used from the American Community Survey and represent the median monthly costs of owners with a mortgage. Ownership costs include: mortgage payments, real estate taxes, various insurances, utilities, fuels, mobile home costs and condominium fees. Median Gross rent is used directly from the ACS and represents the median monthly costs for renters paying cash rent; gross rent includes rent plus utilities and fuels.



*Billings costs are up \$33 last year*

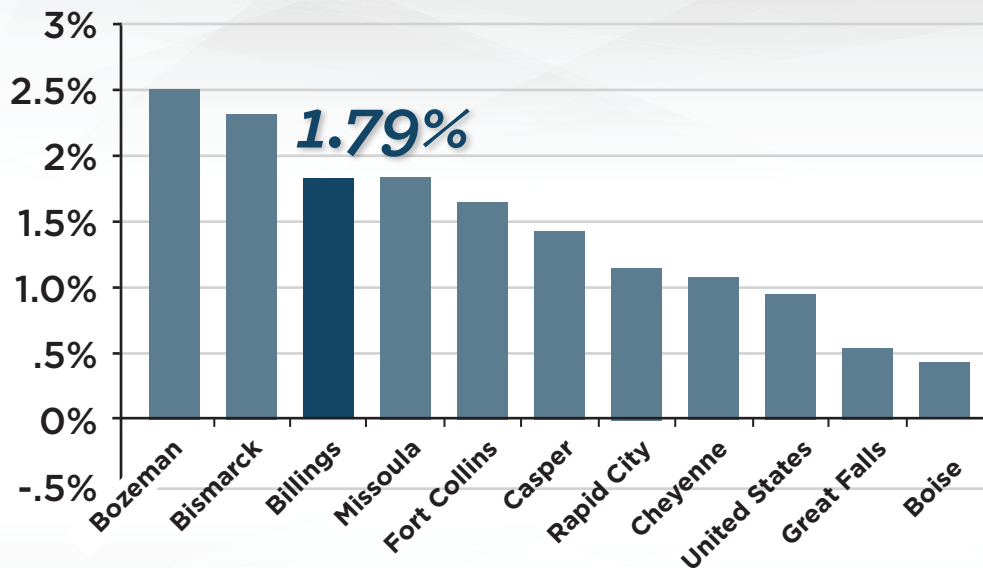
# GINI Coefficient for Household Income

**The Gini Coefficient is a measure of a community's equity.** The most equal society will be one where every person receives the same income ( $G = 0$ ); the most unequal society will be one where a single person receives 100% of the total income and the remaining people receive none ( $G = 1$ ). Billings' Gini Coefficient suggests a relatively equitable community equity.



# Average Annual Change in Establishments 2007-2017

It is important to note that this is county-level data whereas the majority of other data sets look at the statistical areas associated with the major City. While looking at the change in establishments is one of the many indicators for the health of an economy, it does not reflect existing business expansion. Billings' percent change in establishments rose slightly (1.46% to 1.79%) but Billings still remains in the front half of the peer cities.



# Key Community Investments

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In this report we have highlighted some of the key investments peer communities are making to enhance their community. These projects represent many different, creative ways to fund amenities that help attract talent and private investment. Also included are some of the investments Billings has made in the last year, some of the projects that are essential to the future of Billings, and a highlight of investments our peer communities are making in parks and recreation. This year we have also added profiles of individuals who grew up in Billings who now reside in our peer communities.

## BILLINGS

**Average Commute: 18.9 minutes**

**Median House Value: \$211,200**

**Average Annual Income: \$46,191**



**Molly Hines | Fort Collins High School - Class of 2006**

*University of Colorado | Physical Therapist*

We moved to Billings so my husband could attend PA school at Rocky. We stayed due to the opportunities in health care with more competitive and livable wages than other more populated areas. We like that Billings is large enough to have access to popular retail and an airport, but not as over populated as Colorado has become. Billings gives us the small town atmosphere with larger community amenities.

# Billings Investing in Community



## Coulson Park

Funds for a Masterplan were recently secured to develop Coulson Park and establish this area as a regional outdoor destination. With riverfront access to the Yellowstone River and sheltered by the Rims, development of Coulson Park will capitalize on community assets and identifiers while creating dynamic public space to promote the quality of life and economic well-being of Billings, MT.



## Trail Funding

Since 1997, 50 miles of paved trails have been developed in Billings.

Billings TrailNet, a local nonprofit, has raised more than \$500,000 since 2000 for trail projects. They have recently proposed an innovative solution for further trail funding – an opt-out fee on the City public utility bill. Public Utility customers could request removal of the fee. However, if all customers paid \$2 per month, this mechanism would generate around \$936,000 annually to continue construction and connection of our trail system. Each mile of trail costs about \$350,000 to build.



## South Billings Aquatics and Recreation Center

In March 2018, Victus Advisors completed the Yellowstone County Sports Facility Market Needs Assessment which found a high demand for court, aquatic, and ice sports facilities in Billings.

Based on that information, the South Billings Boulevard Urban Renewal District is exploring the development of a sports center that will meet these demands. A&E Architects is leading a team of consultants to produce a concept plan with preliminary cost estimates. They are considering both competitive and recreational aquatics, multiple courts for basketball and volleyball and a competition-size ice hockey rink.



# Billings Investing in Community



## Lockwood High School

On May 8, 2018, Lockwood residents voted to make a huge investment in their community, passing a \$49.9 million bond to fund the construction of a new high school on 28 acres just east of the existing campus.

Scheduled to open in the fall of 2020, the 154,000 square foot building will accommodate 700 students, allowing for growth from the expected opening enrollment of 530.

The new high school will feature a 3,000-seat gymnasium, a 700-seat auditorium, and a 2,730-seat multi-sport stadium.



## East Billings Urban Renewal District (EBURD)

Since its creation, EBURD has seen over \$50M in private investment.

In the Summer of 2018, a \$6M infrastructure project was conducted paving streets, upgrading sewer systems and water drains, connecting sidewalks, and installing 212 LED street lights. Project is funded by 1 of 3 Tax Increment Financing (TIF) Districts in Billings, MT.

**Lockwood Targeted Economic Development District** work continues to build framework for ready-to-go industrial space.



## One Big Sky District

OBSD is a comprehensive economic development plan to evolve the City of Billings into a more vibrant destination centered around Montana lifestyle that derives robust growth in the local and statewide economies. Fueled by private investment, the plan builds iconic public assets and civic institutions that will secure the State's position as a national leader in creative economic development and future workplace development.



**Average Commute: 18 minutes**  
**Median House Value: \$223,600**  
**Average Annual Income: \$49,733**

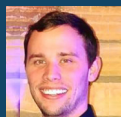
## BISMARCK, ND

### GATEWAY TO SCIENCE CENTER

The \$20 million STEM (Science, Technology, Engineering and Math) museum and education center project, promoted as the foremost regional experience to inspire a scientist in everyone, will be a stand-alone facility with state-of-the-art exhibits and expanded educational programs to meet the needs of their growing workforce and community. The building will overlook the Missouri River to the west and will be visible from I-94, easily attracting visitors.

### DEPOT PROJECT

This is an \$8.5-million-dollar project to transform a downtown railroad depot into a multi-function town square. Proponents suggest the development could be Bismarck's downtown living room hosting hundreds of public events annually.



**Adam Ketterling | Billings Skyview High - Class of 2008**  
*Montana State University | Utility Account Manager*

Bismarck/Mandan has a great summer scene. The Missouri River allows you to hang out on the sand bars and anchor down in multiple marinas while the downtown provides a friendly environment filled with unique restaurants and breweries. The biggest thing keeping me here is my career. However, I do see myself coming back to MT some day if an opportunity arises.



**Average Commute: 22 minutes**  
**Median House Value: \$192,600**  
**Average Annual Income: \$46,227**

## BOISE, ID

### NEW BOISE MAIN LIBRARY

This 150,000 square-foot, \$80 million building would be the largest and second costliest structure ever built by the City of Boise. Most of the structure will be devoted to library space, but it will also include a 21,000 square-foot home for the Boise Department of Arts and History and an 18,000 square-foot event space.

The building will be fronted by a large outdoor plaza along River Street and will feature a large glass wall oriented toward the Boise River.

### SHORELINE DISTRICT

A proposed new urban renewal project that will focus on connecting with and activating the Boise River, expanding the Boise Greenbelt, and developing a substantial amount of affordable workforce housing. The plan also includes the redevelopment of Shoreline Park to become a new neighborhood center as a riverfront urban plaza and public space.



**Colin Dow | Billings Senior High - Class of 2004**

*University of Montana | Territory Manager for a medical device company*

We love the energy that comes from a community who embraces their university system; concerts, 9-month long farmers markets, top tier collegiate athletics, LOCAL restaurants and shops, and a vibrant downtown. We use the natural assets, like a community ski hill 20-minutes away, foothills mountain biking trails, and Boise River Greenbelt. All that said, Boise seems to have an identity that it embraces.





# BOZEMAN, MT

## BOZEMAN FIBER

A community-owned nonprofit network offering gigabit fiber and a choice of providers and services, Bozeman Fiber began development in 2015 after a city-led broadband planning study recommended the need for a modern gigabit network to support local businesses, attract new businesses and help ensure economic growth. The current network has the ability to expand, growing from a 30-gigabit system to a 100-gigabit system in the matter of weeks.

## PUBLIC SAFETY CENTER

Voters passed a \$36.9 million bond (60% to 40%) for a new public safety center. The 82,000 sq/ft. Center located on city land at Rouse Avenue and Oak Street, will house the Bozeman Police Dept., Municipal Courts, prosecutors and victim services, and a fire station. Construction is scheduled to begin in Summer 2019 and take about 20 months. The bond will increase the average Bozeman homeowner's tax bill by approximately \$102 a year.

*Note: a lawsuit has been filed against the City claiming that public assets were misused to advocate for this issue.*

**Average Commute: 17.7 minutes**  
**Median House Value: \$303,700**  
**Average Annual Income: \$43,386**



**Travis Wentz | Billings West High - Class of 2004**  
*Montana State University, Bozeman | Software Engineer*

Billings lacks a few things that keep me in Bozeman: a big one is that Billings always feels a bit run down and unsafe. It doesn't have the good places to be outside and walk around, where other people are also out walking around, as Bozeman does. Bozeman has lots of great food options, and feels clean and safe. It would be hard to give up all that Bozeman has to move back to Billings.



# FORT COLLINS, CO

## FORT COLLINS CONNEXION - BROADBAND STRATEGIC PLAN

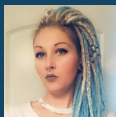
The City of Fort Collins realized a fiber-connected city created advantages over a disconnected city. With the growing importance of high-speed internet within the economy and citizen's daily lives, a plan for securing gigabit-speed internet across the City's growth management area was essential.

Due to this realization, the City is building and implementing a high-speed, next-generation fiber network to be available to all residents, businesses, and organizations within the city in the next 36 to 48 months. The network will be community-owned and will offer variety of gigabit speeds at competitive prices. The \$130-\$150 million network will be bonded and paid for through utility bills.

**Average Commute: 22.8 minutes**

**Median House Value: \$306,600**

**Average Annual Income: \$50,694**



**Randy Mallak | Billings West – Class of 2004**

*Denver School of Massage Therapy & Front Range Community College | Receiving Manager at Natural Grocers*

I love it here because the people are super friendly, and no one ever seems to be in a mad rush to get anywhere. I also have found that more people here truly care about exercise and what they eat. As a vegan there are a lot more people who understand the lifestyle and don't judge it. Plus, I am 30-mins from Estes park and less than that to many different lakes, trails, and sightseeing spots.



**Average Commute: 18.1 minutes**  
**Median House Value: \$259,600**  
**Average Annual Income: \$41,405**

# MISSOULA, MT

## OLD SAWMILL DISTRICT

Currently the largest urban infill project in Montana history, undergoing about \$250 million in redevelopment, the Old Sawmill District is the rebirth of 46 acres along the Clark Fork River, in the heart of Missoula. The former site of a large sawmill complex, it is now a live/work/play community featuring high-end condos and apartments, commercial retail and office spaces, restaurants, a 14-acre park along the river, and a minor league baseball stadium.

Advanced Technology Group, a 130-employee tech company, is relocating to the Old Sawmill District. Developers hope this will be a catalyst that attracts more tech firms. They recently announced plans for a tech and innovation campus capable of supporting over 1,000 employees with retail and common spaces similar to Silicon Valley tech campuses.

## FORT MISSOULA REGIONAL PARK

Completed in 2018, the 156-acre park was funded with \$38 million of a \$42 million Parks and Trails bond approved by voters in 2014. It offers 11 multi-use sports fields, 7 softball diamonds, 8 tennis courts, 5 miles of trails, playgrounds, a fishing pond and plenty of open space.



**Jenny Mueller | Billings Central - Class of 2004**

*Northern Arizona University & U of M | Director of Enterprise Sales at LumenAd*

Missoula has culture, a music scene, amazing restaurants, budding entrepreneurs, and a community of people that truly care for and support one another. From a business standpoint, I appreciate that the local government sees value in creating a welcoming environment for tech startups - which is clear by the number of startups that have recently chosen Missoula.





# RAPID CITY, SD

## ELEVATE RAPID CITY

In an effort to elevate quality of life and employment opportunities within the City, a joint partnership of four Rapid City economic development organizations created Elevate Rapid City, a \$4.25 million, five-year economic development plan.

Goals for Elevate include job creation through support of local start-up companies and incubation, ensuring future growth for Ellsworth Air Force Base, to fulfill workforce needs by offering continued education and professional training opportunities, and to improve Rapid City's business reputation in order to attract new business investments. The partnership promises to create over 4,700 new jobs, inject over \$229 million into the regional economy, generate \$300 million in new capital investment and bring in \$126 million in new net personal consumer spending annually.

**Average Commute: 18.4 minutes**

**Median House Value: \$223,600**

**Average Annual Income: \$49,733**



**Kim Thiel | Billings West - Class of 2003**

*U of M, MSU Billings, University of North Dakota Grand Forks | Medical Laboratory Scientist*

I love the Black Hills. Rapid City has a no-cost facility called Outdoor Campus West which has many free classes and offers kayaking, canoeing, fishing, back country survival, etc. There are many tourist attractions in my area including the Main Street Square where they have ice skating in the winter, fountains in the summer and free events yearlong.



# WYOMING

## ENDOW

The state of Wyoming recognized the need to grow the economy and to create job opportunities for Wyoming residents and those who would like to live, work and prosper in the state, but are unable to find job placements. The Economic Needed Diversity Options for Wyoming (ENDOW) is an economic development initiative started by Gov. Matt Mead in November of 2016.

Since then, the Legislature has provided nearly \$40 million to fund parts of ENDOW's strategic efforts and in 2018 the 20-Year economic diversification strategy was released. The main objectives of this strategy included adding 104,000 new jobs by 2038, to see a 79% income growth, grow WY's GDP by \$30 billion and to grow the state's population by 108,000 people.

### (CHEYENNE)

**Average Commute: 15.8 minutes**

**Median House Value: \$202,800**

**Average Annual Income: \$47,525**

### (CASPER)

**Average Commute: 17.2 minutes**

**Median House Value: \$198,600**

**Average Annual Income: \$48,609**



### **Brandis Sunday | Billings West - Class of 2000**

*MSU Billings Graduate in Business Management & Communication | Director of Marketing at Reliant Federal Credit Union.*

My family is in Wyoming because my husband is an educator. (My husband, David, is a graduate of Skyview and MSUB as well) We miss Montana and family very much, but our kids are getting an amazing education and my husband is able to earn a much higher pay in Wyoming. Casper is a growing community and reminds me a lot of the Billings I grew up in that is a lot smaller than Billings is today.





*Rockcress Commons*

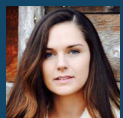
**Average Commute: 15.3 minutes**  
**Median House Value: \$168,100**  
**Average Annual Income: \$40,558**

## GREAT FALLS, MT

### ROCKCRESS COMMONS

NeighborWorks Great Falls and GMD Development recently broke ground on a 124-unit multifamily affordable housing project. This is a \$24 million project financed in part by \$17 million in tax credits from the Montana Board of Housing. One-, two-, and three-bedroom apartments will be available. The project will include 11 apartment buildings and 1 community building on 10 acres near Benefis Hospital and the University of Providence. All units will have income guidelines for at least 46 years allowing working families to have an affordable, quality place to call home.

Completion date is anticipated as December 2019 with the first building available for tenants starting in the fall of 2019.

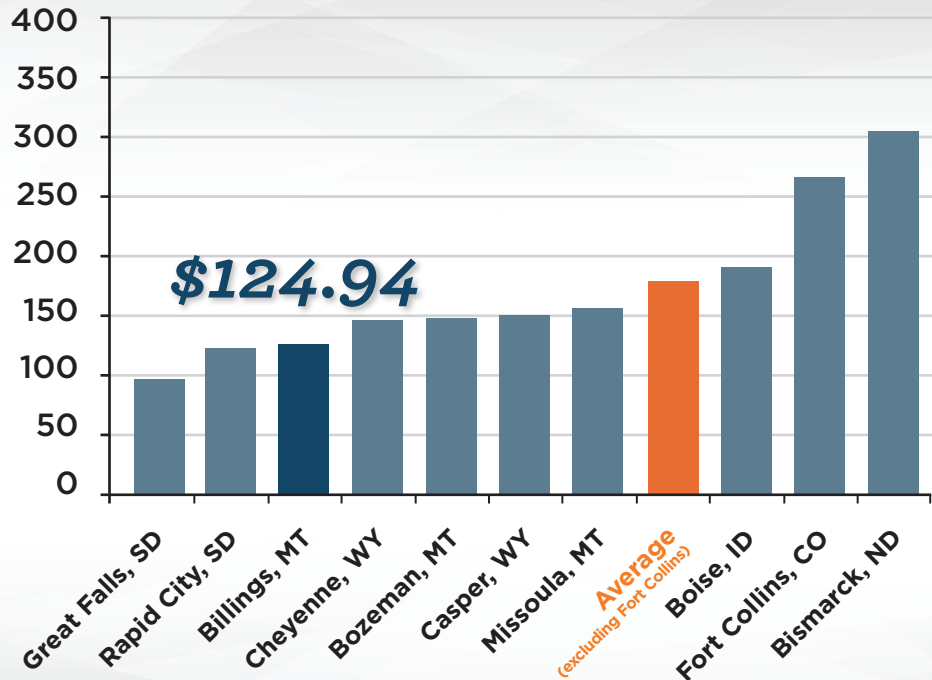


**Meghan Ballock | Skyview High School - Class of 2011**  
*University of Idaho | Associate Architect/Designer*

I have an amazing church and crossfit gym with some great coaches in Great Falls and I am close to my sister and niece. I am also getting an awesome experience working for a smaller architecture firm. The cost of living is hard to beat, I was able to buy my first home when I was only 24, I wouldn't have been able to do that in Billings.

# Parks Spending Per Capita

**Investing in parks and trails is essential to building a vibrant community.** This chart speaks to the investments our peer communities are making and highlights how Billings is investing far less than others in our competitive set.



## *Key Takeaways*

1. With 38.8% of our workforce falling in the 55+ category, Billings needs to have a strategy for attracting workforce to our community. Our economic future will be shaped by our ability to respond to this very real workforce trend.
2. Communities that have a strong and growing higher education presence perform better in many of the economic measurements. From workforce age to total personal income growth, college towns outpace those with smaller education footprints. Our investment in MSUB and RMC are an essential pillar to our economic development strategy.
3. Our peer set of communities continue to invest in the infrastructure and amenities that attract workforce and private investment. These projects range from \$20 million STEM museum to a \$250 million dollar redevelopment project to a state-wide investment in economic diversification. For us to be competitive, Billings must continue to build and implement strategies focused on improving the quality of life amenities in our community.



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