



# ECONOMIC PULSE

2016  
SPRING



## Keeping a 500-Mile Perspective

## REGIONAL PEER COMMUNITIES



### BILLINGS

MSA Population: **167,521**  
Largest city in Montana

**Major Colleges/Universities:**  
Montana State University Billings/  
City College  
4,429 Students

Rocky Mountain College  
1,035 Students



### BISMARCK

MSA Population: **126,526**  
2nd largest city in North Dakota

**Major Colleges/Universities:**  
University of Mary  
3,160 Students  
Bismarck State College  
4,078 Students



### BOISE

MSA Population: **666,144**  
Largest city in Idaho

**Major Colleges/Universities:**  
Boise State University  
22,113 Students



### BOZEMAN

MSA Population: **97,308**  
4th largest city in Montana

**Major Colleges/Universities:**  
Montana State University  
15,688 Students



### CASPER

MSA Population: **81,624**  
2nd largest city in Wyoming

**Major Colleges/Universities:**  
Casper College  
3,862 Students



### CHEYENNE

MSA Population: **96,389**  
Largest city in Wyoming

**Major Colleges/Universities:**  
Laramie County Community College  
5,261 Students



### FORT COLLINS

MSA Population: **324,122**  
Fourth largest city in Colorado

**Major Colleges/Universities:**  
Colorado State University  
32,236 Students



### GREAT FALLS

MSA Population: **82,344**  
3rd largest city in Montana

**Major Colleges/Universities:**  
University of Great Falls  
1,074 Students  
Great Falls College MSU  
1,658 Students



### MISSOULA

MSA Population: **112,684**  
2nd largest city in Montana

**Major Colleges/Universities:**  
University of Montana  
13,358 Students



### RAPID CITY

MSA Population: **143,867**  
2nd largest city in South Dakota

**Major Colleges/Universities:**  
South Dakota School of Mines  
and Technology  
2,798 Students  
Black Hills State University  
4,395 Students

## ECONOMIC PULSE

### 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

# Key Economic Indicators

## ECONOMY SIZE AND GROWTH OVER TIME

**Gross Domestic Product (GDP):** The broadest quantitative measure of a community's total economic activity. More specifically, GDP represents the monetary value of all goods and services produced within a defined geographic area over a specified period of time.

**Total Personal Income:** Income received by persons from all sources. It includes income received from participation in production as well as from government and business transfer payments.

In order to understand the size and health of the Billings economy and how it relates to peer communities three different charts are used. GDP and Total Personal Income are both indicators of an economy's size. Bozeman is not included in the GDP chart because GDP data is not collected on micropolitan statistical areas, only metropolitan. To overcome this, a chart on total personal income by county is included. Economic growth over time is displayed through percent growth in GDP over time.

## POPULATION GROWTH

Understanding the community's population growth over the last ten years as a percentage provides insight on the vitality of the community. Billings grows on average approximately 1.5% per year.

## NUMBER OF BUSINESSES OVER TIME

This is county-level data. While Billings has experienced just a 1% change since 2001, over the same period the GDP has grown significantly. Throughout the studied years (2001-2014), Billings has gone through periods where the percent change in businesses ranged from 3.8% to -3.4%, all while experiencing only 2 years of GDP being lower than the previous year. This indicates there have been periods of business consolidation and business expansion that helped drive GDP, not just the sheer number of business establishments.

## CURRENT EDUCATIONAL ATTAINMENT

While Billings outpaces the nation in college graduates, peer communities are very competitive. Bozeman, Fort Collins, and Missoula have the greatest population shares with bachelor's degrees or higher. Billings has the highest share of its population with no degree or a secondary school degree only.

## EMPLOYMENT OVER TIME BY AGE BRACKET

When breaking employment down by age group, notice that Billings and its peer cities follow pretty similar trends. Bozeman and Missoula have the largest share of young people working, not surprising since they are home to higher education institutions. Rapid City, Great Falls, and Cheyenne all have comparably higher shares of older employees (55 and older). Billings is towards the bottom with 24% of its workforce falling into the 55 to 74 year old category. This means nearly a quarter of the Billings workforce will reach/exceed retirement age in the next 10 years.

## UNEMPLOYMENT RATE OVER TIME

The unemployment rates in Billings and its peer cities have followed consistent trends since 2001. The exceptions are the Boise Metro, which peaked at nearly ten percent during the recession, and Bismarck, whose unemployment rate has remained below four percent. Billings unemployment rate is toward the bottom of the pack, a good indicator of a healthy economy.

## EMPLOYMENT TO POPULATION OVER TIME

### Employment To Population Ratio (EPOP):

A measure of the percent of the civilian, non-institutionalized population aged 18-64 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. Bismarck has the highest EPOP, which, in conjunction with population growth, suggests a healthy economy; this trend may be changing though, as indicated by the steady decline from 2011 to 2014. Boise had the lowest EPOP of the group, but its ratio has steadily improved along with the economy.

## EMPLOYMENT BY INDUSTRY

This data set illustrates the share of people employed by sector. While Billings is touted as having a diverse economy, peer communities are equally diverse.

## CURRENT GINI INDEX FOR HOUSEHOLD INCOME

**Real Median Household Income:** Data that divides households into two parts with one-half earning more than the median income and the other half earning less. This refers to the combination of more than one income earner in one household.

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

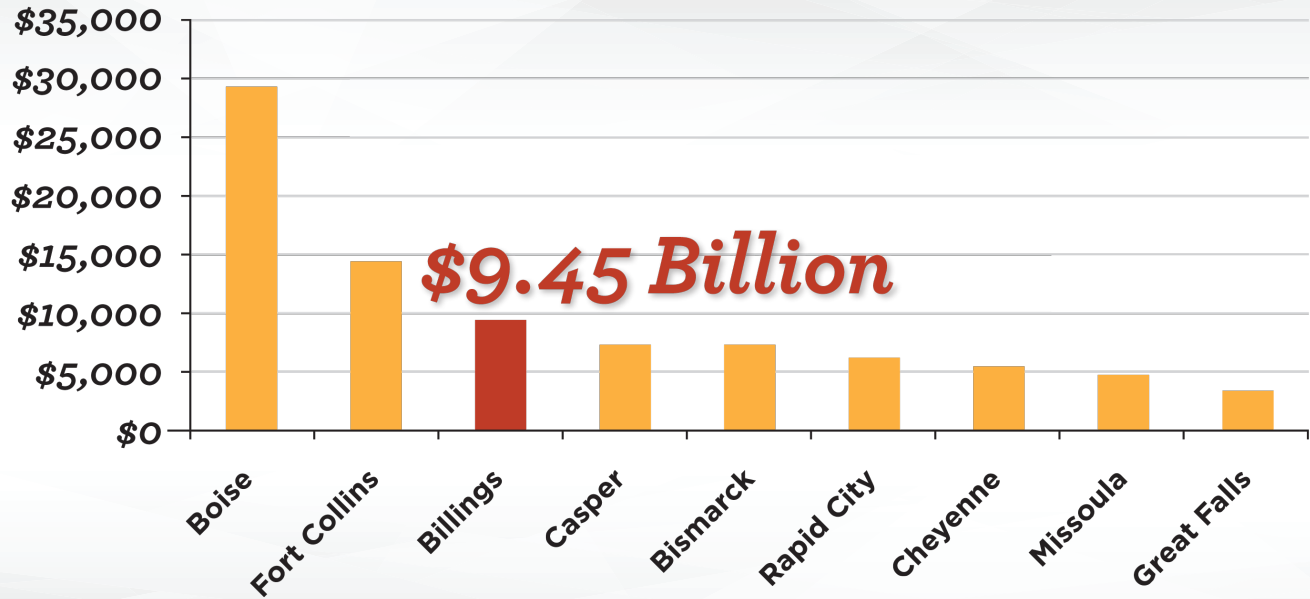
Household income and the Gini Coefficient provide insight into the monetary position of a community's citizens. Billings has a household income that is in the middle of the peer communities and a Gini Coefficient that suggests relatively well-balanced community equity.

## HOUSING AFFORDABILITY

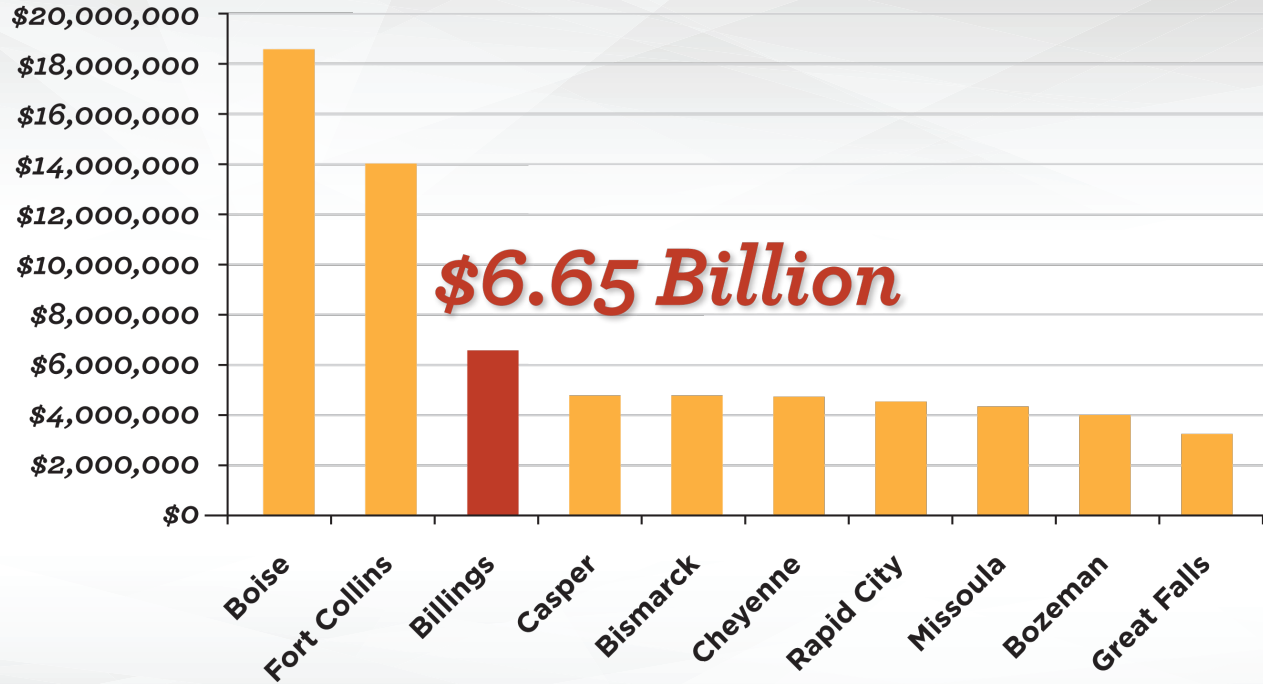
**Housing Affordability:** Average monthly housing costs are derived directly from the American Community Survey (ACS), using median selected monthly ownership costs and median gross rents. Ownership costs include: mortgage payments, real estate taxes, various insurances, utilities, fuels, mobile home 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.



## GDP, Millions of 2015 Dollars

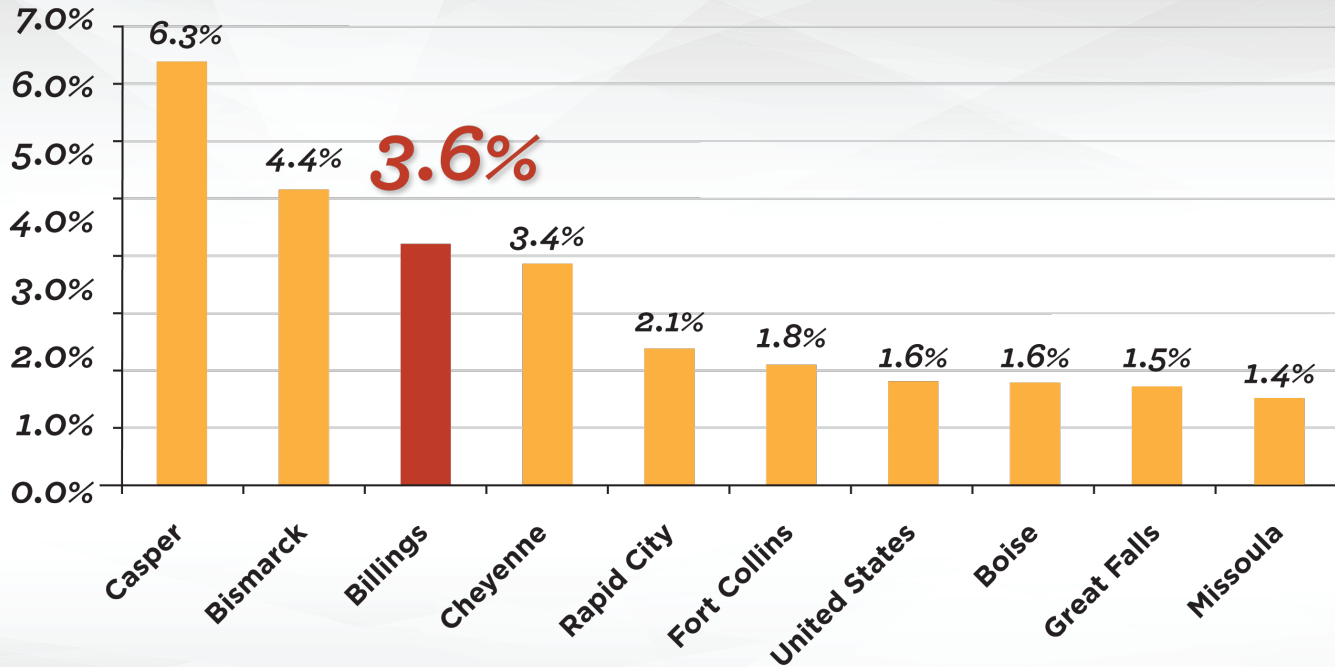


# Total Personal Income

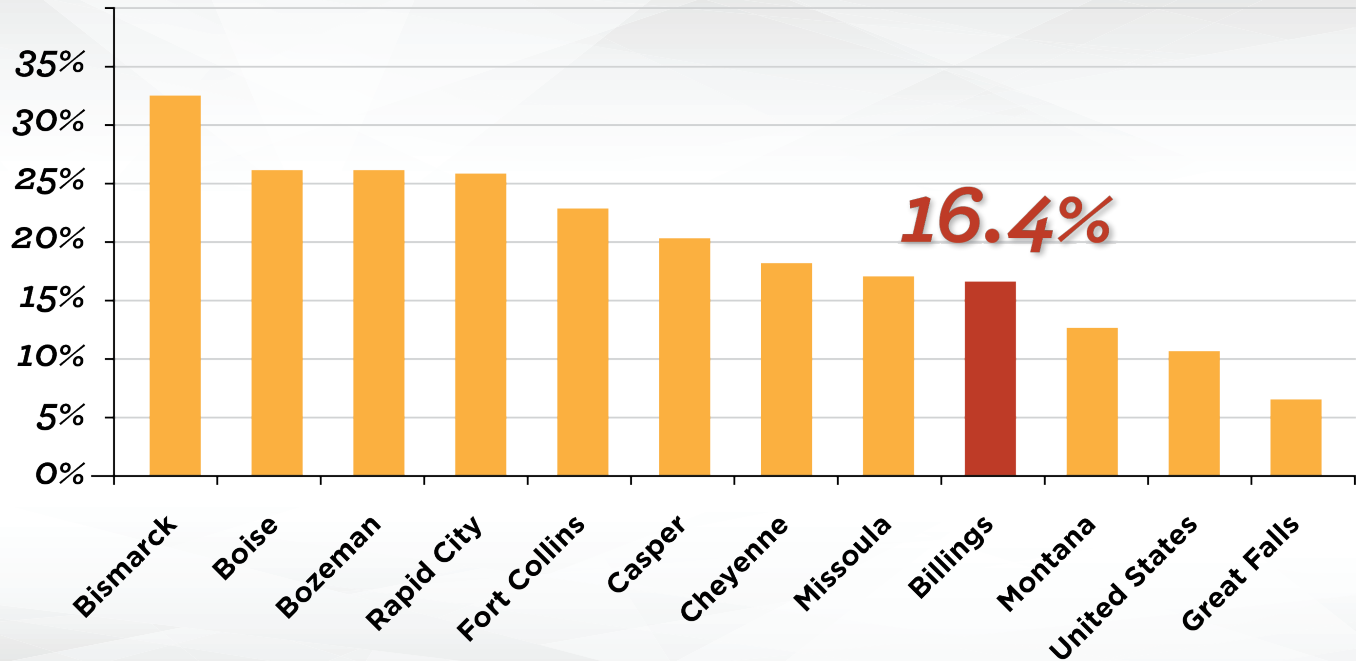




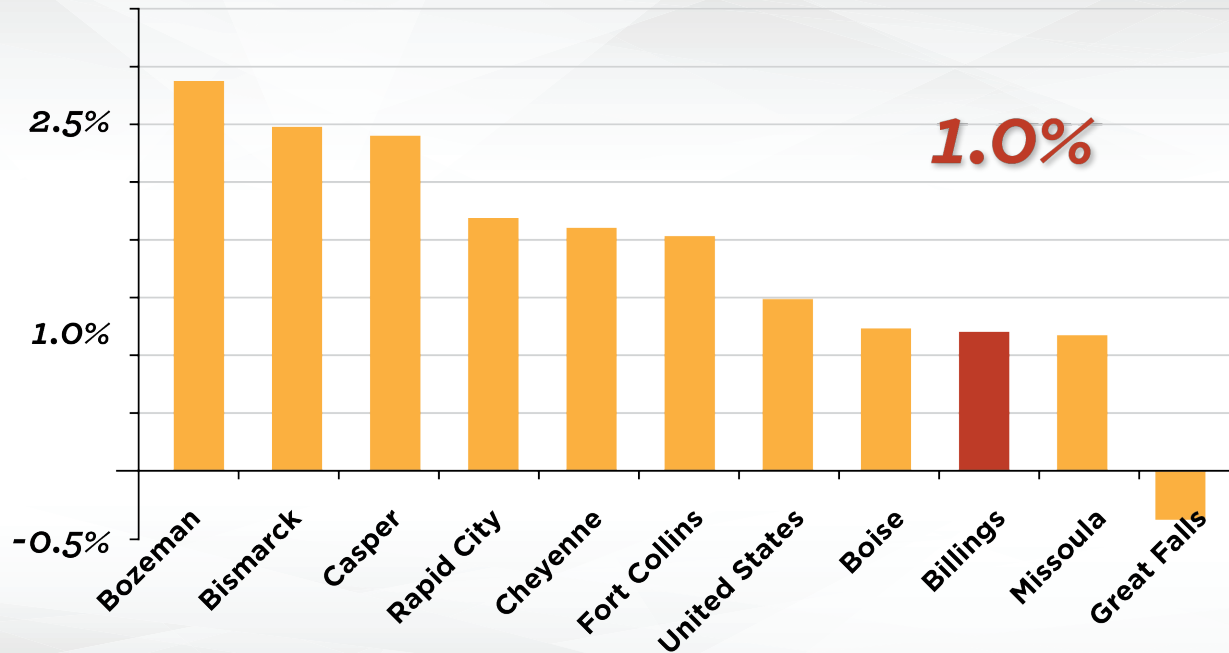
# Average Annual Percent Change Real GDP 2001-2014



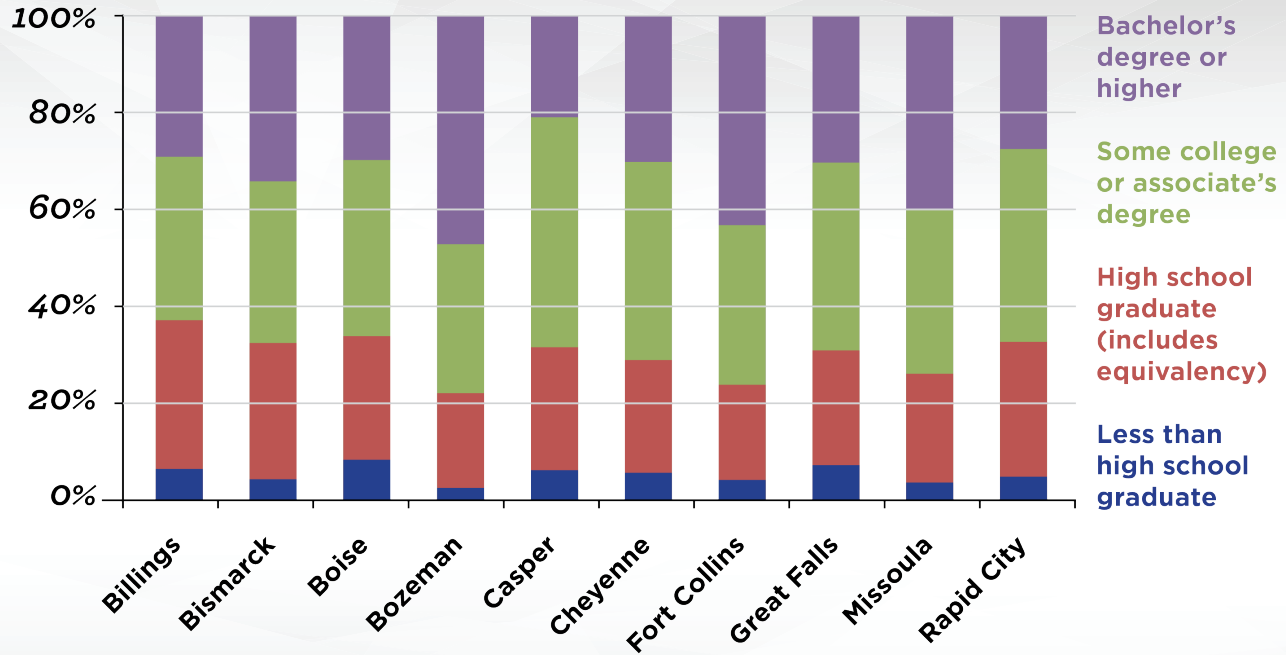
# Population Growth, 2005-2014



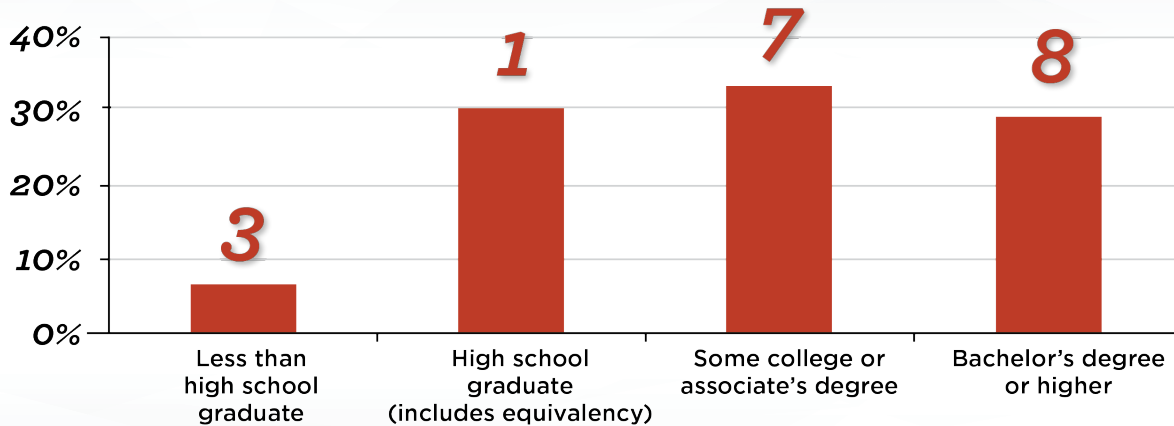
# Average Annual Change in Establishments 2001-2014



## Educational Attainment, ages 25 to 64

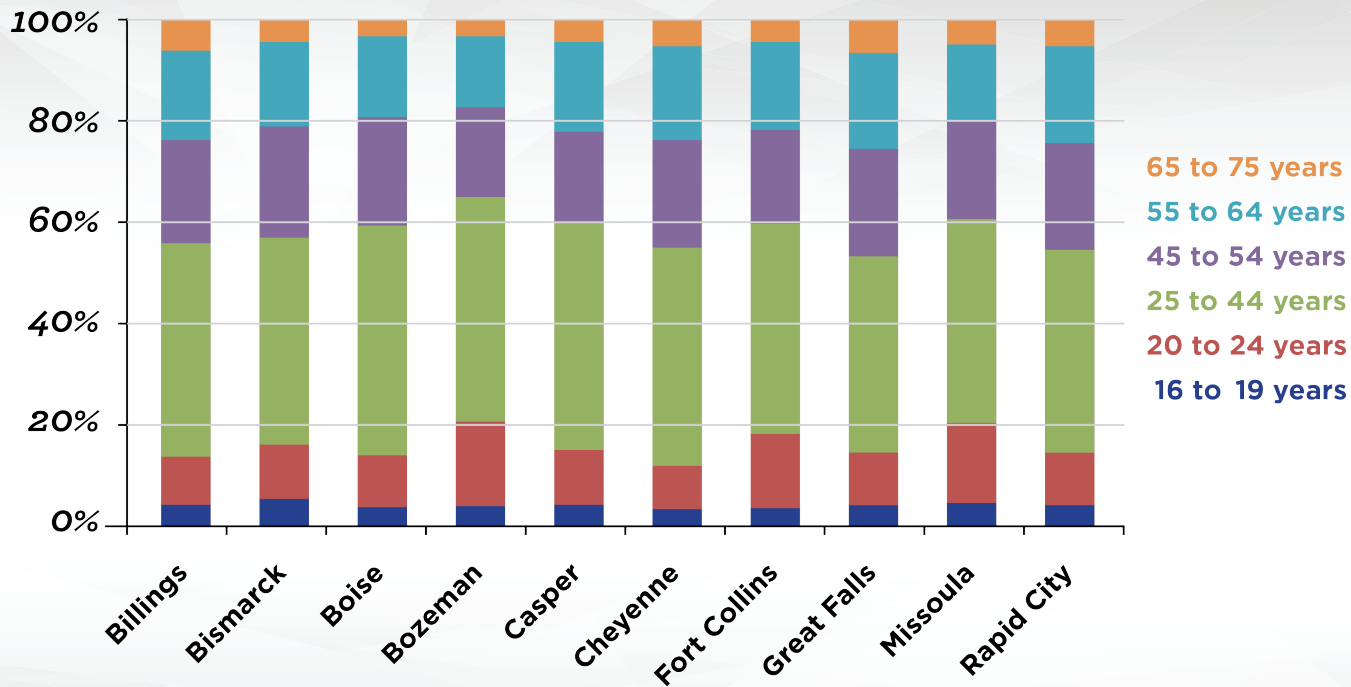


## Billings Educational Attainment Compared to Its Peer Cities\*

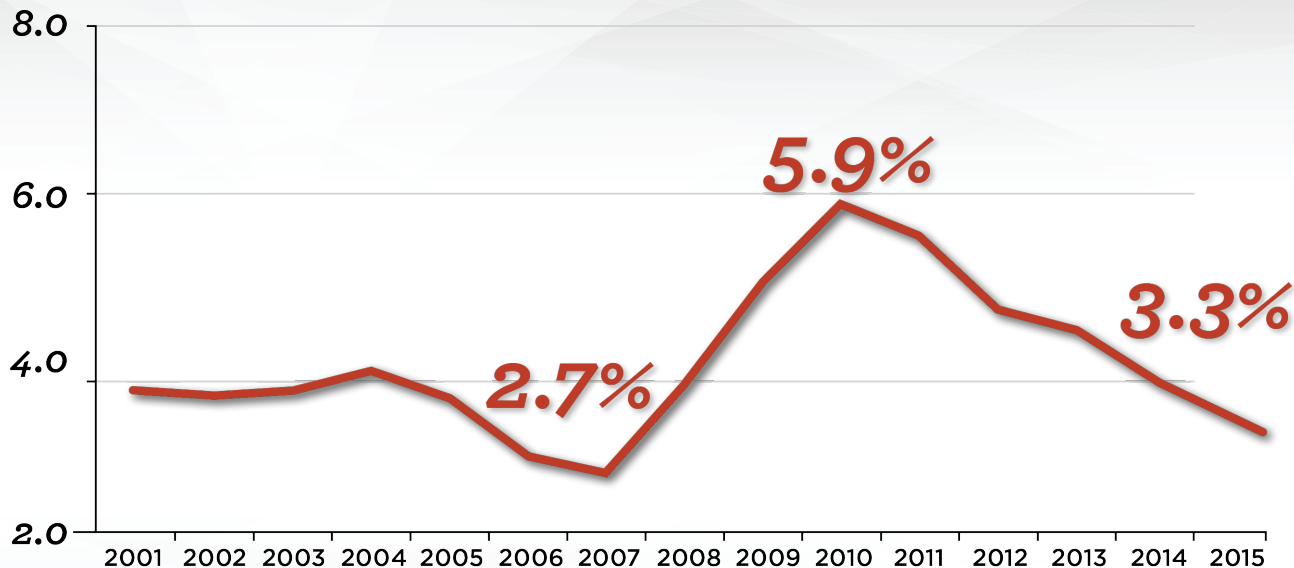


\*On a scale of 1 - 10, 1 being the highest rate.

# Employment by Age Group

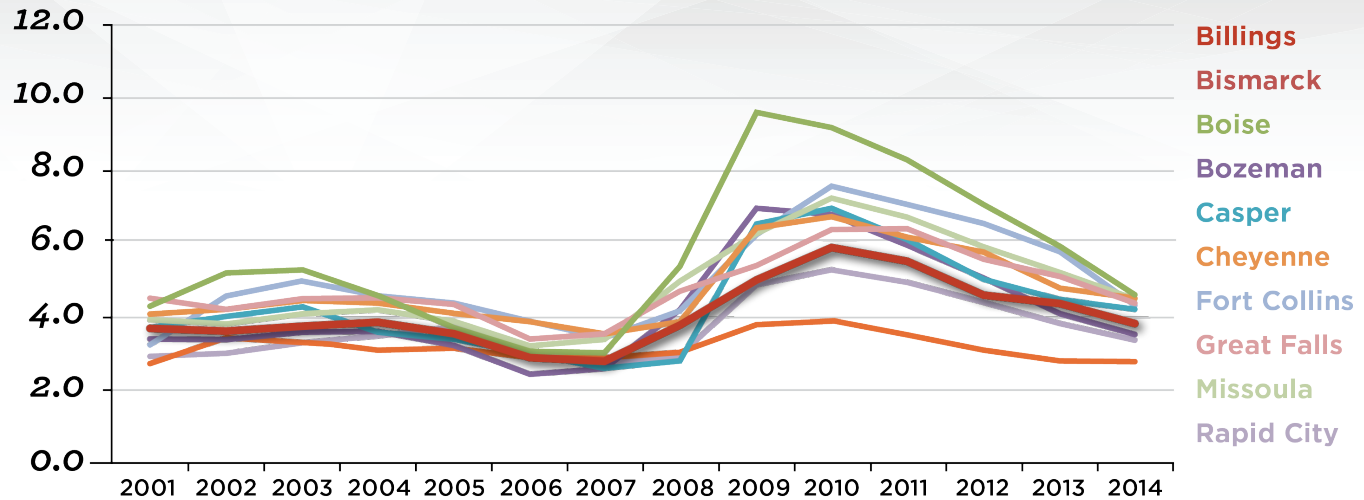


## Billings Unemployment Rate, 2001-2015



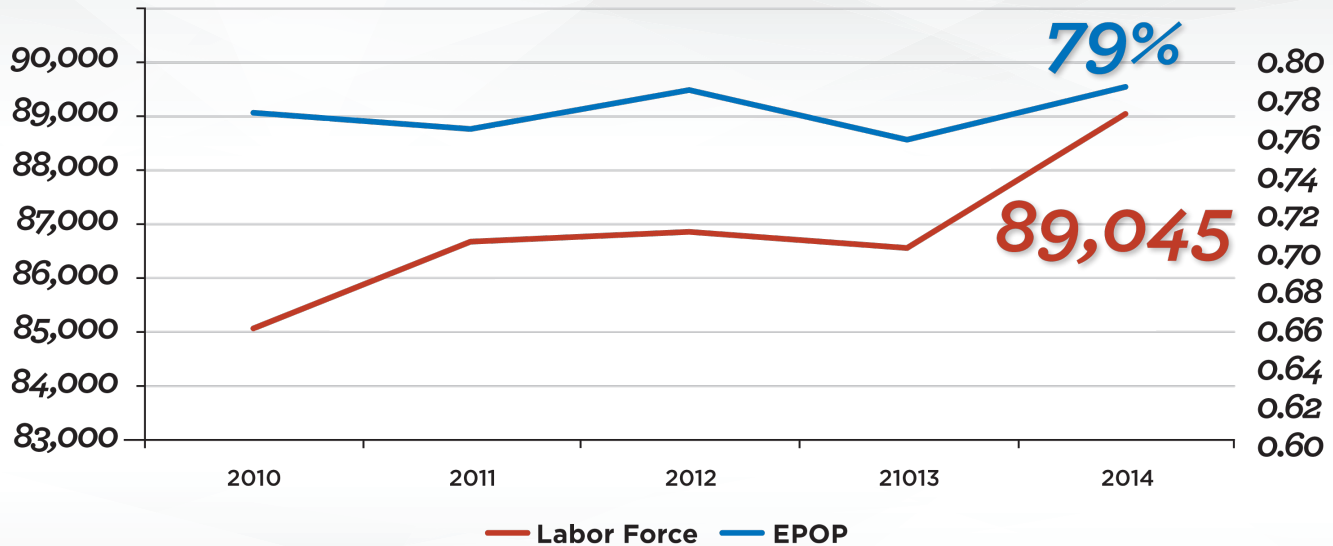
*\*Current unemployment rate: 4.0% (January 2016)*

# Unemployment Rate, 2001-2014

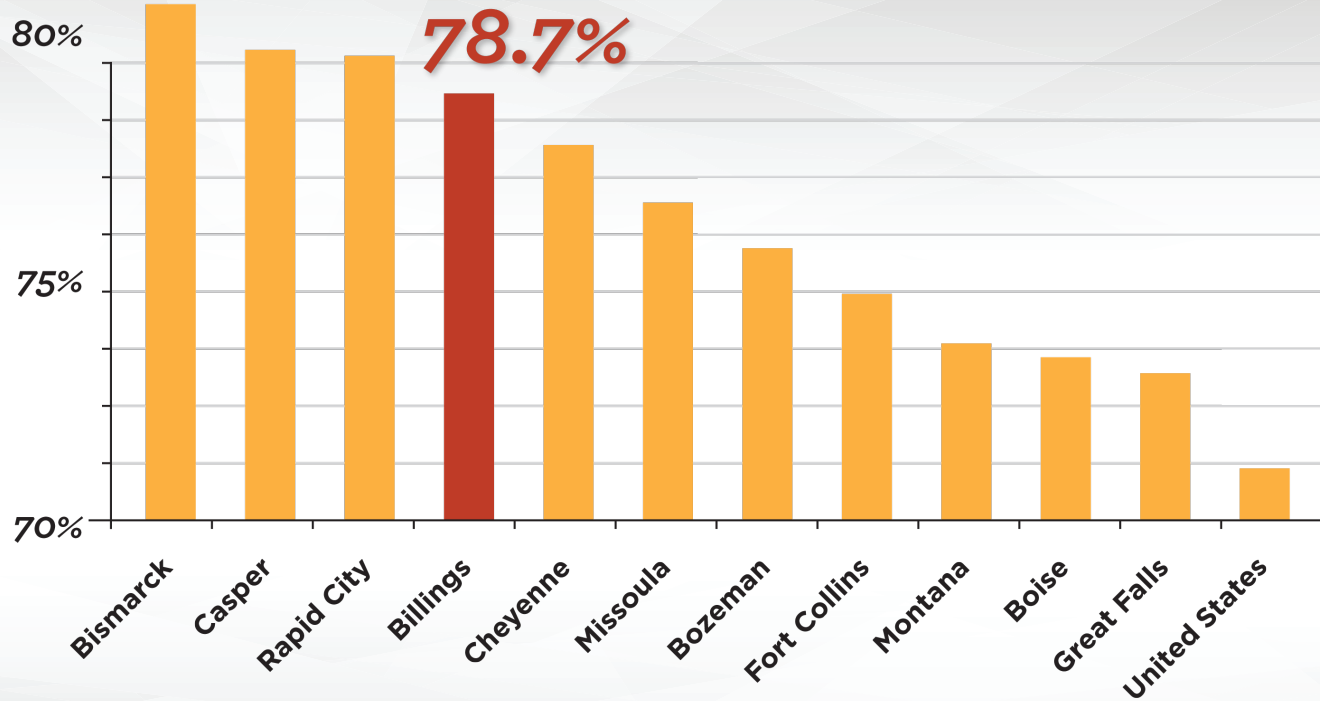




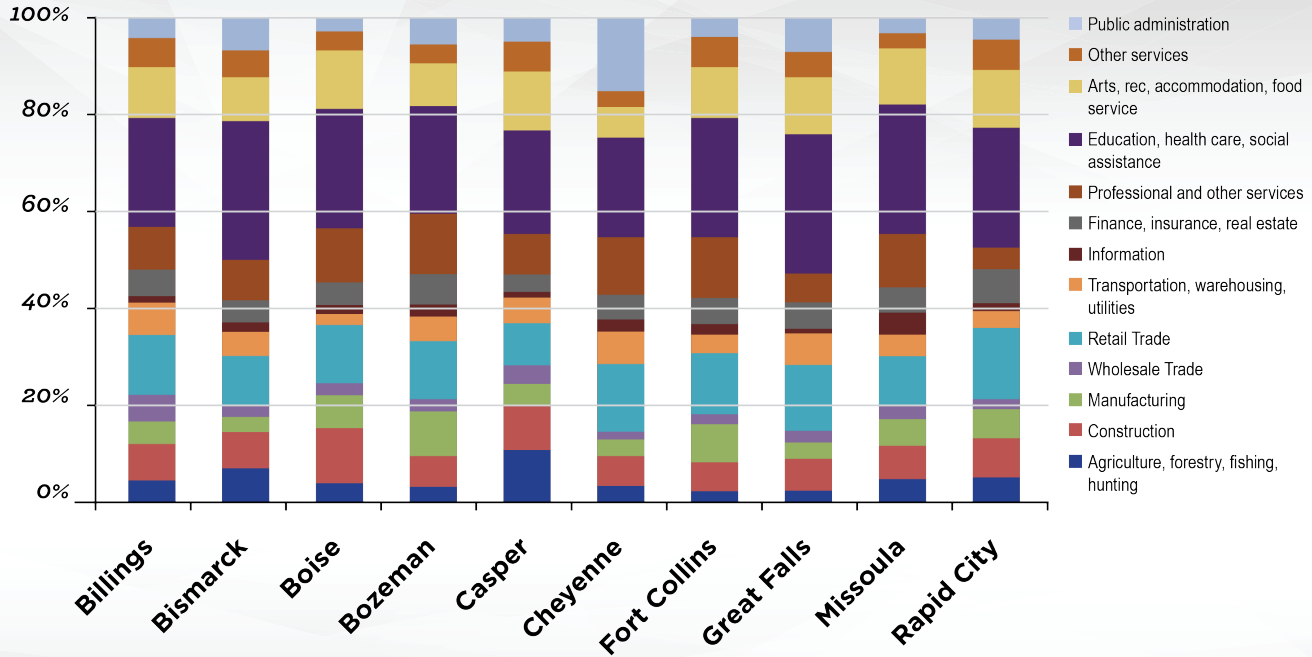
## Billings Labor Force and EPOP Ratio 2010-2014



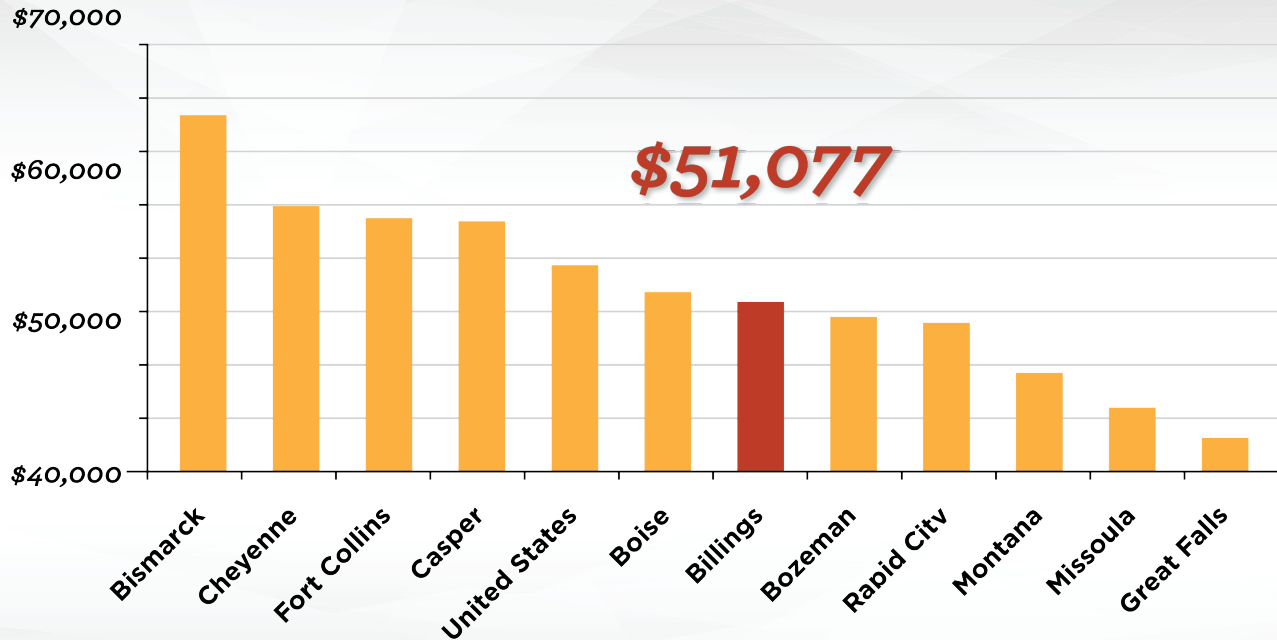
# Employment to Population Ratio, 2014



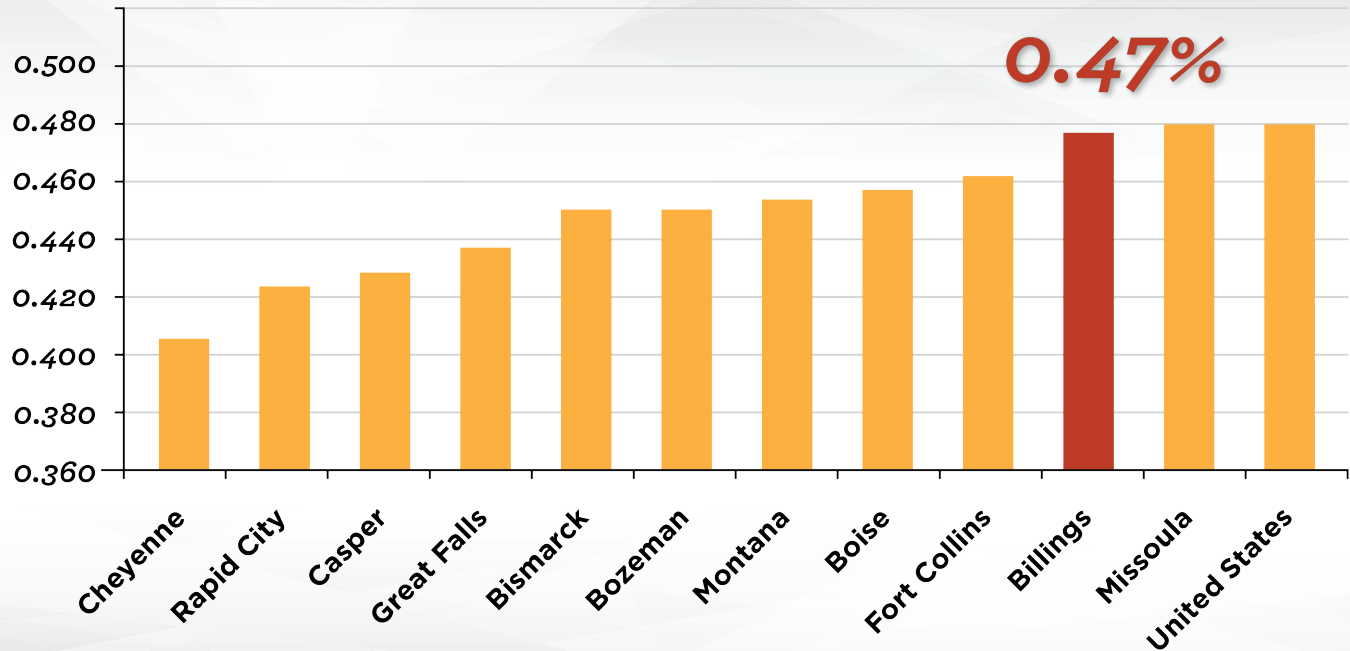
# Employment by Industry



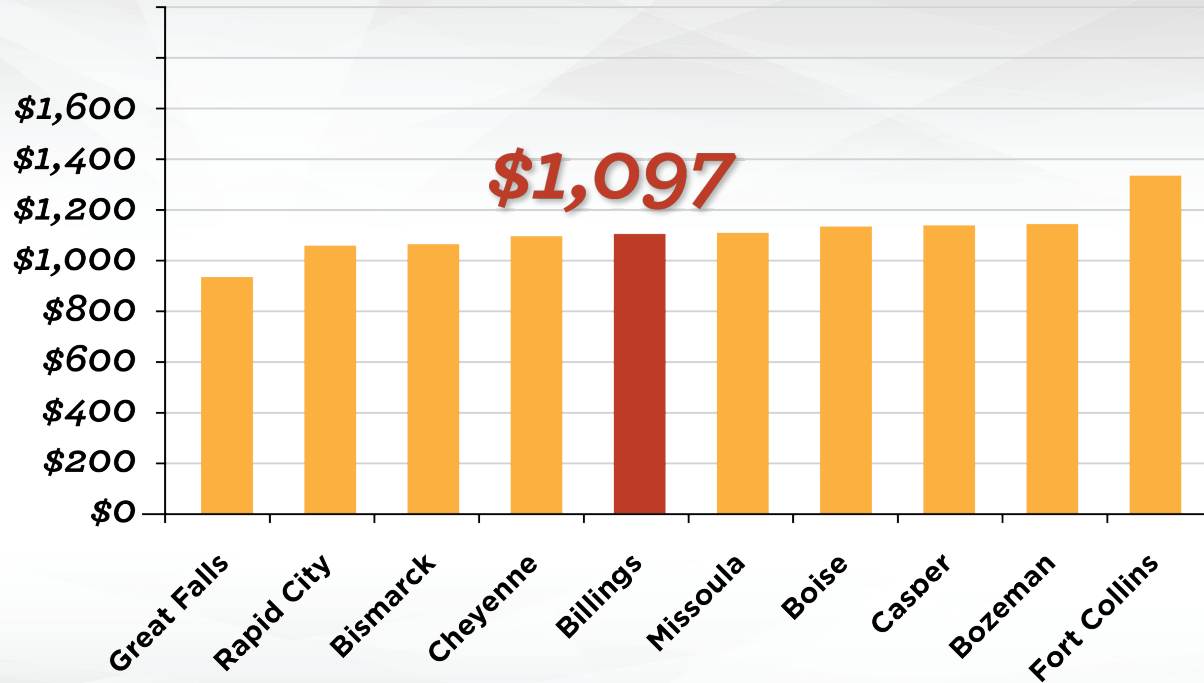
## Real Median Household Income, 2015



# Gini Coefficient for Household Income, 2014



# Housing Affordability



# Key Takeaways

## 1. The Billings economy is diverse and growing:

- 3.6% annual growth in GDP (2001-2014)
- Twice the GDP growth rate of the US economy
- Billings Labor Force currently exceeds 89,000, up 4,000 from 2010

## 2. While we have a growing economy, we need to pay attention to other key factors:

- Stable population growth at 1.5% per year, much slower than several of our peer communities
- 24% of the Billings workforce is age 55 to 74, meaning a quarter of our workforce will reach/exceed retirement age in the next 10 years
- Billings lags some of our key peer communities in bachelor-educated adults

## 3. The time is now to enhance our community through these essential “Building Remarkable” imperatives, including:

- Strategic investment in education (RMC, MSUB, City College, Career Center) to support workforce demands
- Talent attraction efforts through the BillingsWorks, *Your Dream Career is Here*, campaign
- Key community development projects - modernized airport and expanded air service, state-of-the-art convention center, continued investment in the downtown, investment in open-space (parks/trails), and planned, shovel-ready industrial space



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**ALLISON CORBYN**

Business Recruitment & Outreach Program Manager  
406.869.8420

[allison@bigskyeda.org](mailto:allison@bigskyeda.org)