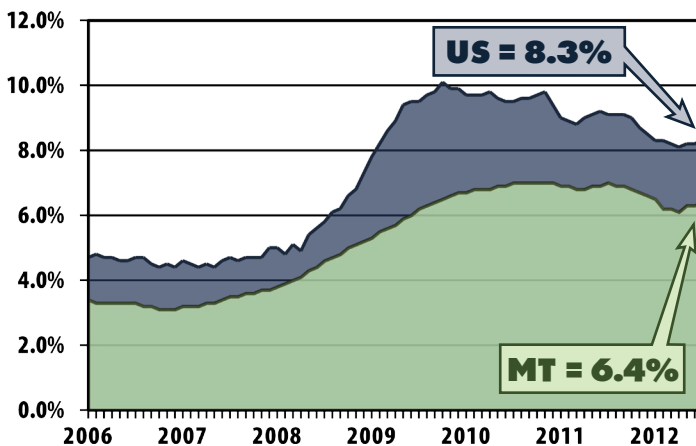


MONTANA Economy at a Glance

JULY 2012

UNEMPLOYMENT RATE

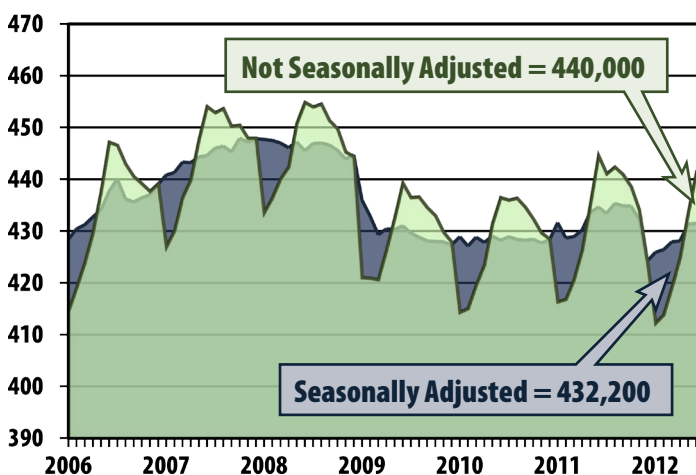
Seasonally Adjusted



Montana's seasonally-adjusted unemployment rate rose slightly to 6.4% July 2012 from 6.3% in June. The national unemployment rate also increased, moving to 8.3% from 8.2% over the month.

NON-FARM EMPLOYMENT

In Thousands



EMPLOYMENT BY INDUSTRY

In Thousands

Industry Employment	July 2012 (prelim.)	June 2012	Net Change	% Change
Total Non-Agricultural	432.2	431.5	0.7	0.2%
Natural Resources & Mining	8.0	8.0	0.0	0.0%
Construction	25.0	25.9	-0.9	-3.5%
Manufacturing	16.8	16.9	-0.1	-0.6%
Trade, Transportation & Utilities	87.2	86.7	0.5	0.6%
Information	7.5	7.4	0.1	1.4%
Financial Activities	20.8	20.8	0.0	0.0%
Professional & Business Services	43.2	43.1	0.1	0.2%
Education & Health Services	64.3	64.4	-0.1	-0.2%
Leisure & Hospitality	55.7	55.5	0.2	0.4%
Other Services	16.2	16.4	-0.2	-1.2%
Total Government	87.5	86.4	1.1	1.3%

Note: Excludes self-employed and agricultural employment

Montana's seasonally-adjusted, non-agricultural payroll employment increased by 700 (+0.2%) jobs over the month for a total of 432,200 jobs in July 2012. Total Government added the most jobs with an additional 1,100 (+1.3%) over the month. The Trade, Transportation, and Utilities sector also saw gains with 500 (+0.6%) new jobs. Construction saw the biggest drop with 900 (-3.5%) fewer jobs over the month.



Montana Department of
LABOR & INDUSTRY



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Economic Benefits of the Arts in Montana

by Matt Betcher, Economist



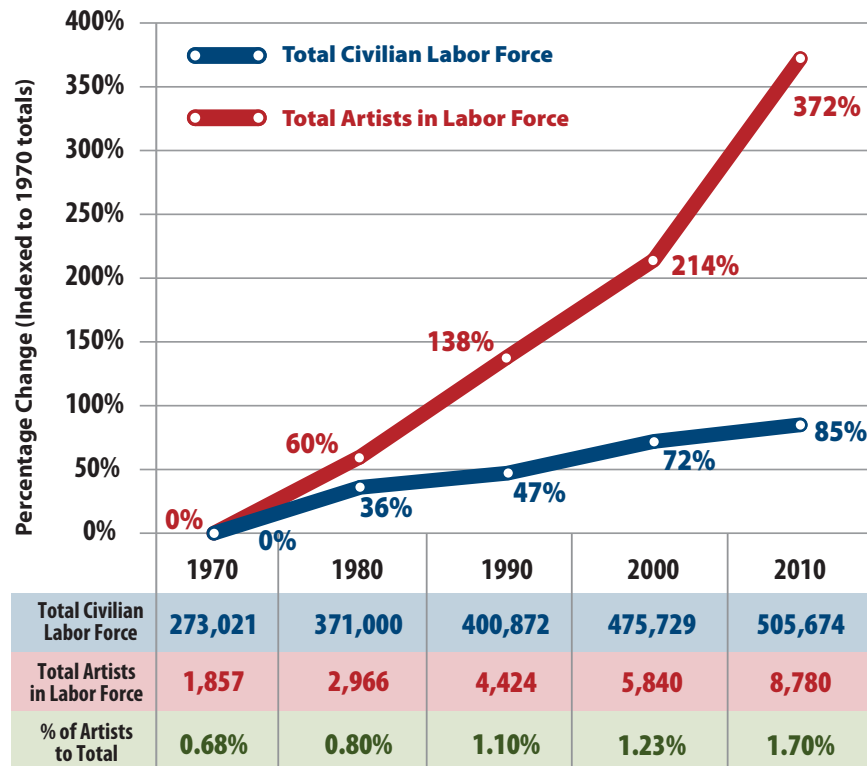
Although it may not be the first industry discussed when talking about Montana's economic growth, the arts is a vibrant industry in Montana that plays an integral role in the state's economy. The arts contribute to Montana's economy in a variety of ways, including the tangible contributions of jobs and tax revenue, as well as more abstract impacts on economic growth and quality of life. While certain areas within Montana have a relatively large concentration of artists, the arts industry has a presence in and impact on every community in Montana. This article highlights some of the contributions and strengths of the arts industry in Montana by comparing the growth rates of the artistic workforce and the total labor force, examining previous estimates of the economic impact of the arts on Montana's economy, and comparing the relative size of Montana's arts industry to that of other states.

Assessing the size of the arts industry by counting the exact number of artists in Montana is not a simple task. The first question to answer is: what occupations are counted as artists? In a previous article from the Montana Arts Council (MAC) titled "The Economic Impact of Montana Artists" (2005), artists are defined to include "crafts people, visual artists, photographers, traditional artists, performers in music, theatre and dance, and writers of all forms of literature, from cowboy poetry to fiction and screenplay writing."¹ Based on occupation titles, the following are also included in this definition of artist: architects, designers, media reporters and writers, producers and directors, entertainers, sports performers and announcers.

Using this definition along with data from the U.S. Census, the Montana Arts Council estimated the number of artists in Montana decennially from 1970 to 2000. Due to changes in how data was collected, the 2010 U.S. Census does not allow the same estimation method to be used. To estimate the number of artists in Montana in 2010, data from the Current Population Survey (CPS) was combined with data from the Occupational Employment Survey (OES) to estimate the percentage of employment classified as artists within each industry based on occupation titles. The percentages deemed "artistic" were then multiplied by 2010 employment numbers from the Quarterly Census of Employment and Wages (QCEW). Figure 1 contains the estimates

of the total number of artists in Montana compared to Montana’s civilian labor force from 1970 through 2010. In 2010, there were 8,780 artists working in Montana, which is comparable to the number of people that were employed in the information industry (7,450), or the mining, quarrying, and oil and gas extraction industry (6,862).² Roughly one out of every sixty individuals in Montana’s labor force is classified as a working artist.

Figure 1: Percentage Change in Labor Force and Artists in Montana (Indexed to 1970).



Current Population Survey(CPS), Occupational Employment Statistics(OES), Quarterly Census of Employment and Wages(QCEW), U.S.Census

Montana Arts Council, "Economic Impact of Montana Artists", 2005.

As shown in Figure 1, the sizes of Montana’s civilian labor force and the number of artists in Montana have been steadily increasing since 1970. The trend of an increasing percentage of the civilian labor force being classified as artists indicates that the growth in the number of artists has outpaced the growth of the total labor force in Montana in each of the last four decades.

The Montana Arts Council also commissioned a survey of over three thousand artists in Montana identified by the 2000 U.S. Census. This survey was designed to collect all sorts of additional information from Montana’s

artists, including income and sales data, which enabled researchers to estimate the contribution of artists to Montana’s economic well-being. In order to estimate the economic impact of all artists in Montana, the results from the survey respondents were extrapolated to represent the total number of artists in Montana. The article describes their findings as follows:

“The economic effects fall into three general categories. The direct effects are those which fall on artists and art production-related businesses. The indirect effects accrue to businesses that the artists

Figure 2: Estimated Economic Impacts of Artists by County

County	Extrapolated Sales	Economic Impact	Extrapolated Jobs	Jobs as % of Total Employment*
Big Horn	\$628,550	\$818,373	17.7	0.45%
Broadwater	\$335,489	\$436,807	13.7	1.08%
Carbon	\$3,149,490	\$4,464,402	80.5	3.26%
Cascade	\$5,716,938	\$8,403,898	146.2	0.45%
Chouteau	\$335,227	\$436,466	13.7	1.14%
Custer	\$246,033	\$322,303	10.1	0.21%
Dawson	\$469,106	\$625,553	12	0.36%
Deer Lodge	\$942,826	\$1,187,960	24.1	0.84%
Fergus	\$521,697	\$679,249	15	0.37%
Flathead	\$17,005,163	\$23,390,602	435.8	1.27%
Gallatin	\$45,475,674	\$62,551,790	1163.8	3.12%
Hill	\$497,812	\$663,832	14.5	0.23%
Jefferson	\$1,340,873	\$1,773,975	34.3	1.45%
Judith Basin	\$678,159	\$904,325	17.3	4.00%
Lake	\$2,727,688	\$3,436,887	69.7	0.85%
Lewis & Clark	\$9,924,003	\$13,546,265	254.7	0.86%
Liberty	\$678,834	\$883,842	27.8	4.77%
Lincoln	\$1,404,439	\$1,858,073	35.9	0.70%
Madison	\$1,388,114	\$1,894,776	35.5	1.79%
Missoula	\$39,205,602	\$60,102,188	1002.4	1.95%
Park	\$15,061,774	\$20,084,876	385.1	7.33%
Powell	\$579,461	\$754,458	14.8	0.68%
Ravalli	\$3,002,075	\$4,476,093	76.8	0.74%
Rosebud	\$315,061	\$420,134	8.1	0.18%
Sanders	\$273,109	\$344,117	10.8	0.36%
Silver Bow	\$818,722	\$1,212,118	21.9	0.15%
Stillwater	\$765,002	\$1,020,131	19.6	0.57%
Sweet Grass	\$394,730	\$513,938	16.2	1.41%
Teton	\$1,543,374	\$2,058,089	39.5	2.27%
Toole	\$455,699	\$607,675	11.7	0.58%
Yellowstone	\$7,423,034	\$11,925,104	191.8	0.28%
Other Counties	\$386,198	\$1,605,386	50.5	0.12%
TOTAL	\$164,368,792	\$233,403,685	4,273	1.09%

Montana Arts Council, "Economic Impact of Montana Artists", 2005, Quarterly Census of Employment and Wages (QCEW)

utilize. An example would be that as the artist has higher sales, he/she now purchases accounting services to assist in the record keeping for the business. The third type of effect is referred to as the induced effect. As businesses generate more profits, their workers and owners earn higher incomes which are spent in the economy on other types of goods and services. This additional spending generated by the higher incomes is called the induced effect."¹

These three types of economic effects were estimated using an input-output model (IMPLAN) and combined to estimate the total economic impact of artists in Montana. Figure 2 contains the estimated economic impact of artists by county for 2003.

Figure 2 indicates artists generated a total estimated economic impact of over \$233 million and 4,273 jobs in the state of Montana during 2003.¹ The last column in Figure 2 contains the number of jobs generated by artists as a percent of total employment for each county. While there are a large number of jobs generated by artists in certain counties such as Missoula and Gallatin, the arts also generate a larger portion of jobs per capita in other counties such as Liberty and Judith Basin. The survey conducted by the Arts Council indicated that "there are concentrations of artists in the western part of the state but twenty-five percent of survey respondents lived east of Lewistown."¹ There are certain counties within Montana that have relatively large artist populations, but the arts have an impact on the economy of every community in Montana.

One way to gauge the size of Montana's artist community is to compare the relative proportion of artists to that of other states. Such comparisons can be made using location quotients. In this context, location quotients are calculated by comparing the percent of the total labor force classified as artists, or sub-categories of artist, in Montana to the same ratio for the US.

Figure 3: Location Quotients of Montana Artists

Artist Sub-Category	LQ	Rank
Art Dealers	2.3	5
Radio and TV Broadcasting	1.6	4
Theater Companies and Dinner Theaters	1.5	7
Independent Artists, Writers, and Performers	1.4	4
Architectural Services	1.4	5
Musical Groups and Artists	1.3	5
Performing Arts Companies	1.2	10
Museums	1.1	16
Musical Instrument and Supplies Stores	1.1	15
Publishing Industries	0.8	32
Fine Arts Schools	0.7	33
Photographic Services	0.7	46
Motion Picture and Video Industries	0.6	23
Interior Design Services	0.6	32
Zoos and Botanical Gardens	0.5	26
Graphic Design Services	0.4	42
Historical Sites	0.3	26
Sound Recording Industries	0.2	40

National Endowment for the Arts, Research Note #105, 2011.

In 2011, the National Endowment for the Arts published a research note titled “Artists and Arts Workers in the United States.” This publication contains location quotients comparing all states to the US regarding the presence of artists and sub-categories of artists. Regarding all artists, Montana had a location quotient of 1, which indicates the proportion of artists relative to the labor force is roughly the same in Montana as it is in the US as a whole. Montana’s location quotient ranks it as the 15th highest among states. A closer look at some sub-categories of artists shows that Montana’s artistic labor force is composed differently than that of the US. Figure 3 contains location quotients for sub-categories of artists in Montana and the rank among all states.

The location quotient for Montana’s musical groups and artists industry is 1.3, indicating that employment in this sub-category is thirty percent higher than the US average, which ranks it as the fifth highest among states. On the

other hand, the location quotient for Montana’s sound recording industries is 0.2, meaning it is eighty percent below the US average and ranking only fortieth among the states.

The high rank among states regarding Radio and TV Broadcasting is most likely due to Montana’s low population density. The location quotient of 0.3 in Historical Sites is low, but the 26th place ranking indicates that the data may be skewed by a few states with large populations and very large numbers of historical sites. Montana’s overall location quotients and rankings for artists indicates that the state has a relatively large artist population and an especially large population of some “traditional” artist occupations such as: writers, performers, musical groups, and independent artists.

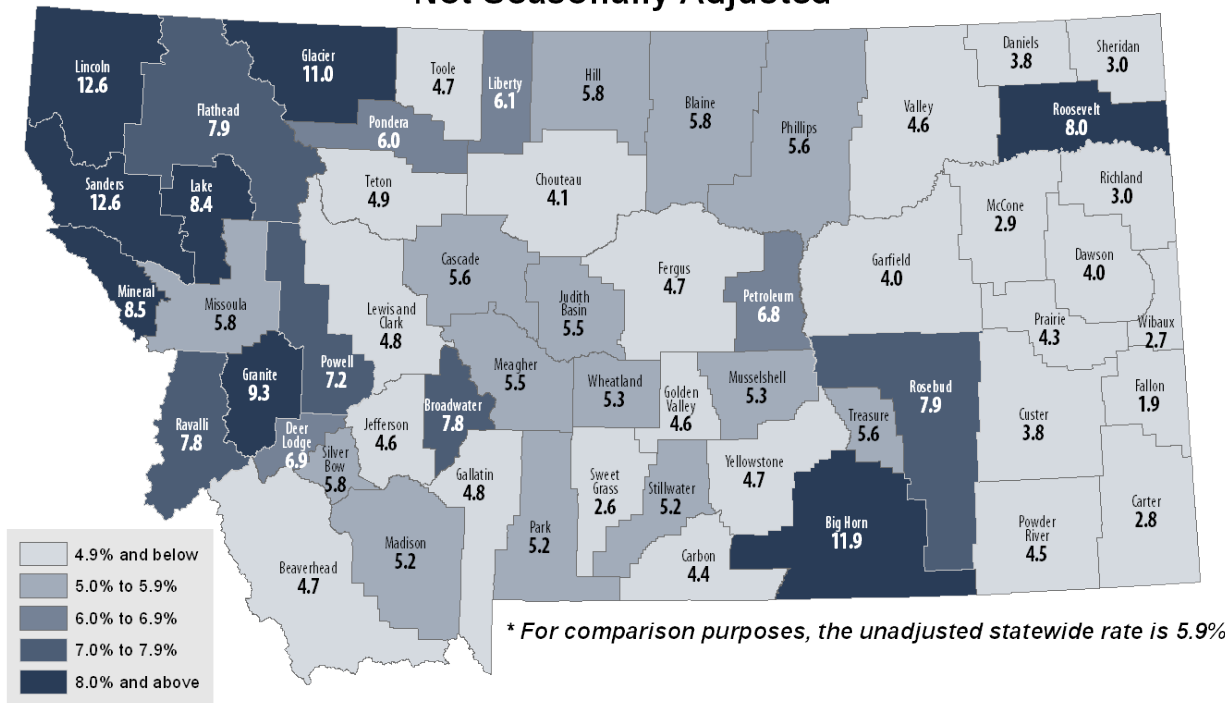
The arts are an important industry in Montana that continues to grow. The industry has a measurable effect on Montana’s economy by creating jobs, generating tax revenue, stimulating business activity, and attracting tourism dollars. The contribution of artists towards economic growth also goes beyond the traditional measures of dollars and jobs. One theory of economic growth, referred to as the amenity-driven growth model, is based on the theory that the presence of amenities can drive population and economic growth. The presence of amenities such as parks, access to open lands, quality schools, or a vibrant arts community all increase the quality of life in an area. A high quality of life attracts people to an area, which in turn, drives economic growth. While directly measuring the size of the qualitative contribution of the arts in Montana is difficult, the economic impact is certainly positive. The economic impact of the arts is sometimes overlooked, but the arts are an economic engine in Montana with a vital role in the state’s economy.

1 Montana Arts Council, “Economic Impact of Montana Artists”, 2005.

2 Current Population Survey (CPS), Occupational Employment Statistics (OES), Quarterly Census of Employment and Wages (QCEW)

County Unemployment Rates* – July 2012

Not Seasonally Adjusted



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