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Mia Bell  
COVID Recovery Coordinator  
[Mia.bell@nrmedd.org](mailto:Mia.bell@nrmedd.org)  
406-823-9849

## Advisory # 15

### Montana Department Labor and Industry Economic Update

The full presentation can be found at <https://dli.mt.gov/town-halls> once posted. The presentation by Barb Wagner presented a good news view of Montana's economic recovery since the onset of the pandemic.

- The Montana economy continues to recover quickly.
- Close to 100% of the labor force has returned to pre-pandemic levels.
- Montana is one of the fastest states to recover, in the top 5.
- The recovery is starting to slow down but still recovering at a faster rate than every other recession since 1980
- At the current pace of recovery, we would return to pre-pandemic economy in January 2021. Forecasting with an average recovery pace, we would reach 100% of the pre-pandemic economy at the end of 2021. (Assuming vaccine distribution goes as planned)
- Unemployment benefits caused significant payroll growth that corresponds to the \$600 and \$400 supplement changes. Only 42% of stimulus checks were spent nationally with the remainder going into savings.
- The infusion of \$200M into the UI Trust Fund means that the average tax rate remains at 1.12% instead of increasing to 2.32%
- There has been a steady decline in UI claims with a recent slight bump attributable to seasonality (construction) though still much higher than prior year.
- Bankruptcies are down 31% from last year in Montana, 38% nationwide – likely attributable to PPP and perhaps meaning that we'll see an increase in delayed bankruptcies in 2021.
- 24,000 businesses received PPP through August.
- Montana has had rapid wage growth, #7 in the nation, in the last 10 years. Wages continued to grow through this recession.
- In the past year, economic growth in our areas counties has increased more than 5% in Madison County, remained flat in Gallatin County and increased at a normal rate between 1-5% in Park County.