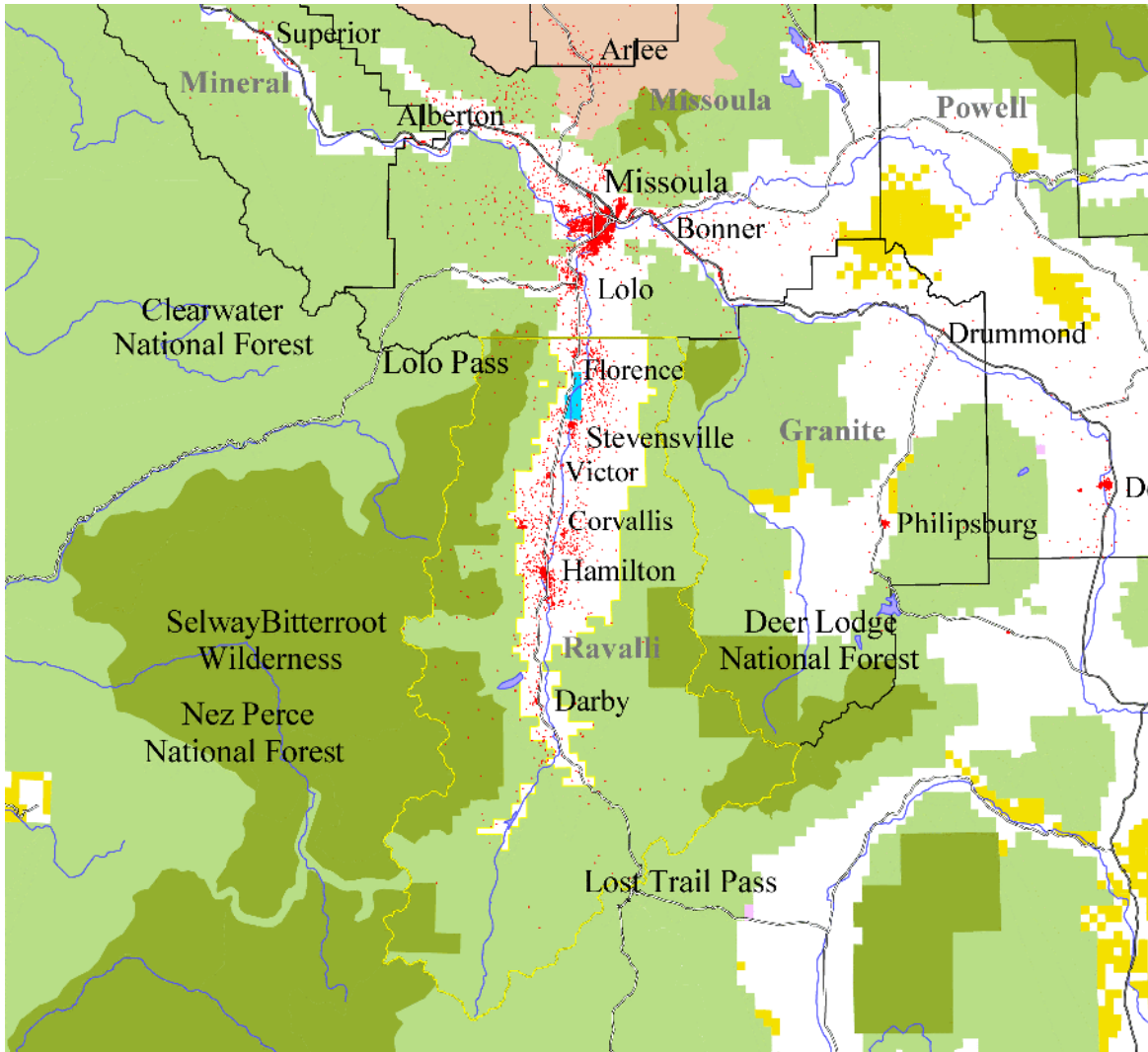




Southwestern Montana's Bitterroot Valley is the central watershed of the Bitterroot River, which flows north through the valley toward its confluence with the Clark Fork River near Missoula. This watershed is largely defined by the boundaries of Ravalli County. County boundaries also define the outer boundaries of the Bitterroot National Forest. Ravalli County's largest city is Hamilton, a city of nearly 4,000 people. Ravalli County had a population of 25,000 in 1990 (mapped above), up from 22,500 in 1980. During the 1990s, the county's population expanded to over 36,000. With this growth and accompanying change, the area is experiencing significant economic restructuring.

The Bitterroot Valley of Western Montana AREA ECONOMIC PROFILE

prepared by

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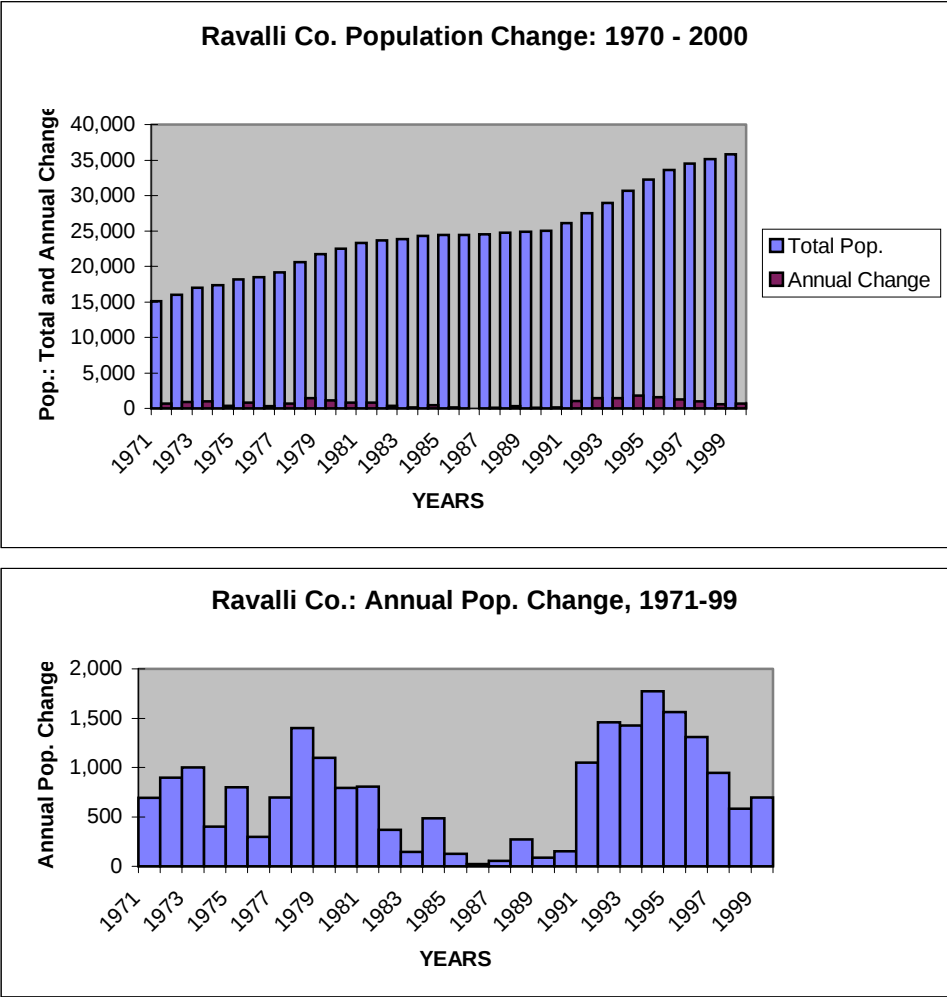
This profile provides a description and assessment of the area economy of the Bitterroot Valley of southwestern Montana. Changing conditions and trends in the area economy over the course of the last twenty to twenty-five years are examined, including trends in population and employment growth and associated income changes and economic restructuring. Changing conditions in Ravalli County and the Bitterroot Valley are compared to those for the larger Rocky Mountain West region and nation as a whole. Various measures of the Bitterroot area economy also are systematically compared to similar measures for areas throughout the western United States having similar characteristics to the Bitterroot Valley. Two types of "peer areas" are selected for this purpose: 1) non-metro areas in the West nearby small and intermediate regional centers of 30,000 to 100,000 people, and, 2) non-metro areas nearby small and intermediate regional centers that are also nearby large concentrations of Forest Service lands.

Major Findings and Observations

- 1. Population Growth** - During the 1990s, Ravalli County was the fastest growing county in Montana and became one of the fastest growing counties in the entire United States, as measured by percentage change in population. For the period from 1990 to 1999, the County's population increased from 25,010 to 35,811; an increase of 43 percent. The fastest growth occurred between 1991 and 1996, with growth each year ranging from 4 to 6 percent. Annual growth rates as high as these have not occurred in the Bitterroot

Valley since 1978 and 1979. The trend in growth can be seen in Figures 1 and 2 below. While growth was relatively high during the 1970s, it leveled off during the 1980s. Growth returned and increased each year during the early and mid-1990s. In the last three to four years, growth has slowed to about 2 percent a year. Recently released counts from the 2000 Census place Ravalli County’s population at 36,070.

Figures 1 and 2



- 2. Population Racial Profile** - The area’s population is racially non-diverse, as is the population of the larger region. Of the county’s 36,070 residents, nearly 97 percent are white. American Indians are the largest racial minority, with a total population of only 319, less than one percent of the total. The population of Hispanic or Latino origin is less than 2 percent of the population.
- 3. Population Change through Net Migration** - Population change results from both “natural change,” or the net result of births and deaths, and from “net migration,” or the net result of persons moving from the area and to the area. Net migration does not include those who have moved to the valley as part-time residents who have not made it their permanent residence. Much of the valley’s population growth has resulted from sharply higher net migration in the last decade. During the entire decade of the 1980s, net migration totaled only 1,530, which increased the area’s population by 6.8 percent. However, between 1990 and 1999, an estimated 10,380 more people moved to the valley than the number moving away, raising the valley’s population by 41.5 percent, and accounting for 96 percent of the valley population growth during the 1990s. Net migration was at its highest in the early and mid-90s when it totaled 1,300 to 1,800 per year. More recently, net migration has fallen to 600 to 700 annually. Population growth in the valley for the next decade or two will be almost entirely dictated by the rate of migration.
- 4. Population Change through Births and Deaths** - Between 1980 and 1990, there were 3,222 births and 2,235 deaths in Ravalli County, resulting in a net gain of 987 persons. This natural change raised the population of the county by 4.4 percent during the 1980s, slightly less than the 6.8 percent gain resulting from net migration. During the 1990s, births totaled 3,154 and deaths totaled 2,647, resulting in a net gain of 507 persons, pushing up the population of the area by 2 percent. Area population growth through natural change is declining because of significant declines in the area birth rate.
- 5. Influence of a Nearby Regional Population Center** - A key factor in the character and change of the Bitterroot Area economy is the county’s proximity to a mid-size regional center - the City of Missoula. During the 1980s, the county of Missoula grew from 76,016 to 78,687, an increase of only 3.5 percent. However, between

1990 and 1999, Missoula County grew by 13.5 percent. Missoula County's net migration went from a minus 4,670 persons in the 1980s to a positive 6,234 between 1990 and 1999. This net migration accounted for nearly 60 percent of Missoula County's total population increase during the 1990s. More recent estimates from the 2000 Census place Missoula County's population at nearly 96,000, which is considerably higher than the 1999 estimate of 89,344. This suggests that year-by-year population estimates for the county during the 1990s significantly underestimated the county's true growth. The incorporated area of the City of Missoula now totals over 58,000. Ravalli County's largest city, Hamilton, is less than 50 miles from Missoula and the northern portion of the Bitterroot Valley has largely become a bedroom community of Missoula. It is estimated that roughly 15 to 20 percent of those residing in Ravalli County who are employed work in Missoula County. The close proximity of Missoula influences many aspects of the Bitterroot Valley economy including population growth and levels and types of employment.

6. Influence of the Large Presence of Public Forest Lands - As clearly shown in the map on page 1, the communities of the Bitterroot Valley are located on a "peninsula" of largely private lands occupying the valley floor and mountain foothills surrounded by a "sea" of public forest lands. Within the boundaries of Ravalli County itself, there are 1,850 square miles of forest lands administered by the U.S. Forest Service, representing about 77 percent of the entire county's land base. And, beyond the perimeters of the county, these forest lands stretch for many miles. The presence of these public forest lands has heavily influenced the settlement and economic development of the Bitterroot Valley and wood products manufacturing has been a key component of the area's economic base. Historically, the economic role of these forest lands has been primarily one of a supplier of raw material for lumber processing in the area. However, the role these lands play in the area's development is changing. The Bitterroot Valley's economy is now being increasingly shaped by rapid growth spurred by in-migration. The amenities of this picturesque mountain valley with its surrounding forests appear to be the primary attraction for many of the valley's recent migrants. Similar migration patterns are occurring in non-metro forest land areas like the Bitterroot Valley throughout the West.

7. Population Trends in Peer Areas of the West - Conditions and trends in the Bitterroot Valley are compared and contrasted with other areas in the western United States having similar characteristics. Two sets of counties representing "peer areas" of the Bitterroot Valley are used for this purpose including:

- ***Non-metro Areas Nearby Large and Small Regional Centers*** - Changing migration trends for Ravalli County can be seen as part of a larger shift in the pattern of migration across the western United States. Throughout the West, largely rural or non-metro areas located nearby regional centers with county-wide populations between 30,000 and 100,000, such as is the case with Ravalli County, have seen significant alterations in population and employment trends. While growing by only 2.6 percent during the 1980s, these areas grew by 7.8 percent between 1990 and 1999. And while these areas had net out-migration of nearly 58,000 people during the 1980s, they experienced net in-migration of over 84,000 people during the 1990s. This net migration accounted for about 60 percent of their population gain. So, in part, recent migration shifts in the Bitterroot Valley can be interpreted as part of this larger pattern of change occurring in areas nearby mid-size regional population centers.

- ***Non-metro Areas Nearby Forest Lands in the West*** - Population trends in Ravalli County also should be viewed within the context of trends for non-metro areas throughout the West nearby large concentrations of forest lands. There are 409 counties in the West whose geographic center is within 30 miles of large concentrations of forest lands administered by the U.S. Forest Service, similar to those in and nearby the Bitterroot Valley, and 109 of these "Forest Land" counties have similar population characteristics to those of Ravalli County. Population growth in these 109 counties as a group increased from 7.2 percent during the 1980s to 13.8 percent between 1990 and 1999, with net migration going from 4,900 in the 80s to almost 186,000 in the 90s. This net migration of 186,000 persons during the 1990s accounted for over 70 percent of the population growth in these areas. Simply stated, migration has dramatically shifted to places like these during the last decade and this shift has similarly affected the Bitterroot Valley. Of the 109 counties

having similar population characteristics to those of Ravalli County, 23 were areas heavily dependent on wood products manufacturing in the late 1970s, including Ravalli County. Net migration for this sub-set of counties dramatically shifted from slight out-migration in the 1980s to significant in-migration in the 1990s. Nearly 49,000 more people moved to these 23 Forest Land counties than away from them in the last decade. So, the high in-migration occurring in Ravalli County can be seen as part of a larger shift in migration occurring throughout forest land areas in the West nearby mid-size regional population centers. This larger context is important in interpreting and understanding population trends in the Bitterroot Valley.

- 8. Changing Area Age Demographics** - The recent rise in population in the Bitterroot Valley has not been evenly shared by various age groups within the population. While Ravalli County's population as a whole grew by 43 percent between 1990 and 1999, the greatest growth occurred among persons in their mid-to-late 40s and 50s. The population 45 to 54 years of age increased from 2,994 persons to 6,356; a 112 percent increase in less than a decade. And the population 55 to 64 increased by 71 percent. Curiously, while this aging of the county's population occurred with large increases in the population 45 to 64 years of age, the county's 65 and older population increased by only 24 percent during this period and actually decreased as a percentage of the population between 1990 and 1999. This counters the notion that much of the Bitterroot Valley's recent in-migration is retirees. The area may in fact be losing a disproportionate number of post-65-year-olds who move away from the area, rather than actually adding to this elderly group through in-migration of retirees.

- **Relatively "Old" Population** - Ravalli County's population is relatively old by national standards. Nationwide the 65 and older population was 12.5 percent of the U.S. population in 1990 and 12.7 percent in 1999. Ravalli County's 65 and older population was 16.6 percent of the population in 1990 and 14.4 percent in 1999. The 55-to-64-age population was 8.5 percent of the U.S. population in 1990 and 8.6 percent in 1999. Ravalli County's 55-to-64 population was 12.0 percent of its population in 1999. While old by national standards, the age structure of Ravalli County's population is very similar to its two peer areas. In areas of the West nearby mid-size regional centers, the

65 and older population was 14.7 percent of the total in 1999. The 55-to-64-age population in these areas was 9.7 percent. And in similarly-populated, forest land areas throughout the West, the 65 and older population was 16.4 percent of the population and the 55-to-64 population was 11 percent in 1999. The most significant aspect of changing age structure in the Bitterroot Valley is the large increase in the pre-retirement age population; the mid-40s-to-mid-60s population.

- 9. Trends in Area Birth and Death Rates** - These shifts in the age composition of the population are translating into a significantly lower birth rate in Ravalli County over time. The birth rate, as measured by the number of births per 1,000 population, was 15.8 in 1980 in the area. It fell to 12.6 in 1990 and to 9.8 by 1999. In Ravalli County's peer group of 23 forest land counties, the birth rate fell from 17.2 in 1980 to 11.7 in 1999. And in the other peer group of non-metro counties nearby mid-size regional centers in the West, the birth rate has fallen from 17.6 in 1980 to 13.8 in 1999. So, in relation to these two peer group areas, Ravalli County's birth rate is significantly lower. Nationwide, the birth rate was 16.1 in 1980, 16.1 in 1990, and 14.6 in 1999. By this standard, the birth rate in Ravalli County is quite low and reflects the age demographics of the area population. The death rate in the valley has declined slightly over the years, falling from 10.0 deaths per 1,000 population in 1980 to 9.1 in 1999. The death rate in forest land peer counties in '99 was 11.1 and in regional center peer counties it was 10.7. The nationwide death rate was 8.9 in '80 and 8.7 in '99.

- 10. Area School Age Population** - These shifts in the age composition of Ravalli County's population, while translating into lower birth rates, also are translating into a slow-growing school age population. The population 5-to-10-years-of-age grew by only 17 percent during the 1990s while the population as a whole grew by 43 percent and the 11-to-13-years-of-age population grew by 36 percent. The pre-school age population - those under 5 years of age - grew by only 14 percent and its share of the total population fell from 6.6 percent in 1990 to 5.3 percent in 1999. Because of underlying age shifts of the area population, the school age population will continue to grow at a significantly slower rate than the population as a whole.

11. Personal Income Growth - Disposable income received by area residents is the “fuel” that powers area economic growth and vitality. Personal income of all residents of the valley totaled nearly \$594 million in 1998, up from \$367 million in 1987, which was up from \$257 million in 1977, with these amounts in 1996 inflation-adjusted dollars. This is an increase of 131 percent between 1977 and 1998. But different income sources are growing at significantly different rates in the area.

12. Changing Income Composition - The three major types of income are: 1) “labor income,” or income in the form of wages, salaries, and self-employment income; 2) “investment income,” or income in the form of rents, dividends, and interest earnings; and 3) “transfer payments income,” or income largely in the form of Social Security benefits, Medicare and Medicaid benefits, and other income support and assistance. While labor income received by area residents grew by 104 percent between 1977 and 1998, income from non-labor sources grew far faster. Investment income grew by 158 percent in inflation-adjusted dollars and transfer payment income grew by 196 percent, an almost three-fold increase. Income from these two non-labor income sources grew by nearly \$180 million over this 21 year period in the valley while labor income grew by less than \$160 million. This has resulted in a significant shift in the area’s income composition. Labor income now accounts for less than 53 percent of all personal income in Ravalli County, down from nearly 60 percent in 1977. And as the area population continues to age, labor income will fall to less than half of all income in the valley.

- **Larger Pattern of Income Shifts** - While this large shift in income from labor to non-labor sources in the Bitterroot is significant, it’s not atypical. The growing reliance of Bitterroot Valley residents on non-labor sources of income partly reflects the growing proportion of older residents, people more prone to have sources of income other than labor income. For the nation as a whole, labor income’s share of total personal income slipped from 74 percent in 1977 to 68 percent in 1998. In non-metro counties nearby mid-size regional centers across the West (“regional center peer counties”), labor income’s share of all income fell from 69 percent in 1977 to about 60 percent in 1998. And in Ravalli County’s 23 forest land peer counties, labor income’s share of all income fell from 68 percent in 1977 to 52 percent in

1998, which is very close to labor income’s share in Ravalli County. So, this income shift is occurring in other areas very similar to the Bitterroot Valley and it may be closely associated with dramatically higher migration rates into these forest land areas, combined with disproportionate growth among the mid-40s-to-mid-60s population.

- **Investment Income** - Investment income accounted for 28 percent of all income in the Bitterroot Valley in 1998, up from 25 percent in 1977, but down from 31 percent in the late 1980s. The forest land counties’ dependence on investment income was 24 percent in 1998 and only 16 percent in 1977. Nationwide, investment income accounted for less than 19 percent of all personal income, up from 14 percent in 1977. So, investment income provides a relatively large and important share of income in the Bitterroot Valley. Again, this higher share could reflect the large number of 45 and older population members. Older adults are more prone to have this type of income. This relatively high reliance on investment income has additional significance in that much of it can come from investments and sources outside of the area. Thus, as it is received by area residents and spent and re-spent, it generates additional income in the valley. In short, this growing income source can become an “economic driver” in the area’s economy.
- **Income from Transfer Payments** - Transfer payment income accounted for about 20 percent of all income in the Bitterroot Valley in 1998, up from 15 percent in 1977. This compares with 24 percent in 1998 for the forest land peer counties and 19 percent for the peer counties nearby mid-size regional centers in the West. Within this comparative context, the Bitterroot Valley’s dependence on transfer payment income cannot be considered inordinately high. However, nationwide, the percent of all personal income coming from transfer payments was 13.4 percent in 1998, up from 12 percent in 1977. So, these non-metro areas, particularly, non-metro areas nearby western forest lands, are considerably more dependent on transfer payment income than many other areas of the nation and this is an important characteristic of their area economies. However, on a per capita basis, transfer payment income in

Ravalli County totaled only \$3,304 as compared to \$3,469 nationally. This indicates that Ravalli County's dependence on transfer payment is high, not because area residents receive a disproportionate amount of this type of income, but because one of their other income sources - namely, labor income - is so small on a per capita basis in comparison to the nation as a whole: \$8,913 per person in Ravalli County in 1998 versus \$17,587 nationally. This huge gap between labor income per capita in Ravalli County and in the nation as a whole has existed for a long time. However, the gap greatly expanded during the 1980s. Per capita labor earnings in Ravalli County in 1977 was \$7,981 versus \$12,762, with the nation average 60 percent greater. Between 1977 and 1987, the measure declined in Ravalli County by 5 percent while increasing by 17 percent nationally. However, between 1987 and 1998, labor earnings per capita grew by 17 percent in Ravalli County versus 18 percent nationally.

- **Principal Types of Transfer Payments** - Transfer payment income received by Ravalli County residents totaled **over \$116 million in 1998**. Social Security and other retirement and disability insurance payments accounted for half of this at \$57 million. And various types of medical payments, including Medicare and Medicaid benefits, accounted for another third at \$37 million. Other types of income maintenance benefit payments accounted for another \$7 million, veterans benefits another \$5 million, and unemployment insurance benefits another \$3.5 million. Income in these forms also is largely from sources outside of the area, at least at the time that it is received as income by area residents. Thus, transfer payments income also is largely sustained by outside source, and as this income is received, spent, and re-spent, additional income is generated in the valley. In this way, transfer payment income can become an “economic driver” in the area economy.

13. Measures of Area Relative Prosperity and Economic Well-being - Two often used indicators of the relative economic health and prosperity of an area or region are per capita income and poverty. Per capita income is simply a mathematical average, calculated by dividing the total personal income of an area by the area's total population. While providing an estimate of “average well-being,” per capita income

tells us nothing about how income is distributed in an area, which significantly affects area well-being. Another measure, the poverty rate, tells us what proportion of an area population receives income at levels below what is considered subsistence levels - levels necessary to pay for basic needs and necessities including food and shelter. Various “poverty thresholds” are set for households of different types and applied to the population from one place to the next nationwide. Because these thresholds ignore variations in the cost of living between places, they over-estimate poverty in low-cost areas and under-estimate poverty levels in high-cost areas.

- **Per Capita Income Levels and Change** - Per capita income in the Bitterroot Valley is relatively low and has been for a very long time. In 1977 per capita income was \$13,339 (1996 inflation-adjusted dollars). This was low by national standards - per capita income nationwide was \$17,218 in 1977, but comparable to 1977 levels in other forest land peer counties - \$13,889 - and in other regional center counties - \$13,378. By 1987 per capita income in the Bitterroot Valley had risen to \$14,960, a 12 percent increase, and to **\$16,908** in 1998, a 13 percent increase between 1987 and 1998. In the forest land counties, per capita income rose to \$15,181 in 1987, a 9 percent gain, and to \$17,584 in 1998, a 16 percent gain between 1987 and 1998. So, per capita income in Ravalli County remains at a level roughly comparable to levels in these areas throughout the West. Per capita income in other regional center counties rose to \$18,751 in 1998, leaving the forest land counties and Ravalli County further behind. This suggests that income growth in the non-metro forest land areas, including Ravalli County, is more constrained than in other similar areas without this proximity to forest lands and this may associated with the underlying economic structure of these forest land area economies. Per capita income nationwide grew to \$21,625 in 1987, a 26 percent gain, and to \$25,932 in 1998, a 20 percent gain. So, Ravalli County and the other forest land peer counties are falling further behind over time in per capita income.
- **Area Poverty Rates** - Poverty rates in the Bitterroot Valley are high by national standards but roughly comparable to other peer areas in the West. Ravalli County's poverty rate rose from 16.1 percent in 1979 to 16.3 percent

in 1989, before declining to 15.6 percent in 1997. Meanwhile, the poverty rate in forest land peer counties rose from 15.7 percent, to 17.8 percent, and to 18.1 percent during this same period. In regional center counties, the poverty rates for these same years were 15.7 percent, 17.8 percent, and 15.9 percent. These rates are high in relation to the poverty rate nationwide which rose from 12.4 percent in 1979, to 13.1 percent in 1989, and to 13.3 percent in 1997. More recent estimates indicate the national poverty rate has fallen to less than 13 percent. Across the nation, poverty rates tend to be highest in central city areas and rural areas, and lowest in areas surrounding large cities.

14. Labor Force and Unemployment - A significant factor in area poverty rates is the level of area unemployment. Unemployment in Ravalli County, as estimated by the Bureau of Labor Statistics, during the last ten years has ranged from a low of 6.0 percent in 1996 to a high of 10.8 percent in 1991. The most recent unemployment rate for 1999 was 6.1 percent. These unemployment rates are slightly higher than rates nationally for these same years. Unemployment nationally during the 1990s has ranged from a low of 4.2 percent in 1999 to a high of 7.6 percent in 1992. So, the unemployment rate in the Bitterroot Valley in recent years has been roughly 2 percentage points above the national rate. This helps explain at least part of the differential in poverty rates and some of the valley's increased dependence on transfer payment income. The labor force of Ravalli County, again as estimated by BLS, has steadily grown during the last decade, rising from 11,724 in 1990 to 17,074 in 1998 and to 17,557 in 1999. The labor force includes all persons in the civilian non-institutional population who either had a job or were looking for a job in the past 12 months at the time the estimates were made - once a year during a week in March.

15. Out-of-County Employment - According to the 1990 Census, about 19 percent of Ravalli County's residents who were employed worked at jobs located outside of the county, primarily in Missoula County. The importance of out-of-county employment to Ravalli County residents also can be estimated using labor income estimates rather than employment data. In 1977 the amount of labor income received by Ravalli County residents from non-county sources totaled 18.6 percent of all labor earnings. This same estimate for 1987 was 18.5 percent. By 1998 non-county workplaces accounted for 15.6 percent of labor income received by Ravalli County residents.

This lower estimate may suggest that out-of-county employment has slightly reduced in importance to area residents in the last decade. However, Ravalli County's dependence on out-of-county employment is higher than other forest land peer counties (4.4 percent in 1987 and 5.2 percent in 1998) and other regional center counties (8.6 percent in 1987 and 9.1 percent in 1998). So, Ravalli County's regional center - Missoula - exerts a powerful influence over employment of Ravalli County workers.

16. Area Employment Trends - The Bureau of Economic Analysis of the U.S. Department of Commerce estimates average annual employment for all counties in the U.S. These estimates include the number employed in a county by area businesses and public entities. They don't include those employed outside of the county. The estimates includes both full- and part-time employment, so a person working at two part-time jobs would be counted twice in these estimates. Total employment has steadily grown in the Bitterroot Valley, increasing from 6,793 in 1977 to 9,614 in 1987 and to 16,322 in 1998. This latter increase from 1987 to 1998 represents a 70 percent increase in employment. This compares with a 43 percent increase in total population during this same period. Employment growth far in excess of population growth is suggestive of a growing incidence of part-time employment, but also partly reflects a rising population share at ages of employment in the county. Among forest land peer counties, total employment rose by 30 percent between 1987 and 1998, while population rose by 15 percent. And among regional center counties, employment rose by 29 percent while population grew by only 8 percent. Nationwide, employment increased by 23 percent during this period while population grew by 12 percent. So, the disproportionate increase in employment in Ravalli County over population growth is reflected similarly nationwide and among peers. It is part of a nationwide pattern.

17. Growth among Categories of Employment - Total employment estimates are broken down into a number of different categories. Employment change for different categories of employment greatly differs, reflecting fundamental economic change.

■ **Wage and Salary Employment versus Proprietor Employment** - The two major categories of employment are "wage and salary employment" (those

employed by others and paid a wage or salary) and “self-employment” or “proprietor employment” (those who are self-employed or are business owners). In Ravalli County, wage and salary employment grew by 71 percent between 1987 and 1998, increasing by 3,955, while proprietor employment grew by 68 percent, increasing by 2,753. Wage and salary workers represented 63 percent of all employment in the county in 1977, 58 percent in 1987, and 58 percent in 1998. Wage and salary employment shares are significantly higher in forest land county peers: 75 percent, 71 percent, and 69 percent for these years, and in regional center county peers: 73 percent, 72 percent, and 73 percent. Wage and salary employment was 83 percent of total employment nationwide in 1998. So, the share of wage and salary employment in Ravalli County’s is very low in relation to peers and very low in relation to the national norm.

- **Proprietor Employment** - Ravalli County has a considerably greater reliance on self-employment or proprietor employment than its two peer areas. Proprietor employment is over 40 percent of all employment in the county and this may be one of the most defining features of the area’s economy. In recent years proprietor employment is growing at roughly the same rate as wage and salary employment in the county. Non-farm proprietors accounted for 84 percent of all proprietor employment in Ravalli County in 1998, up from 69 percent in 1977.
- **Average Annual Labor Earnings of Wage and Salary Workers** - High levels of proprietor employment sometimes are considered indicative of entrepreneurial economies. But, they also typify economies of areas where wage and salary employment opportunities may be limited or not fully sustaining for many holding these jobs. Average annual earnings per wage and salary worker in Ravalli County was \$18,938 in 1977 in inflation-adjusted 1996 dollars. This average fell considerably to \$16,202 in 1987. Part of this decline reflects rising female participation in the work force during the 80s. Since the 80s, per worker earnings has gradually increased reaching \$17,803 in 1995 and \$19,060 in 1998. These levels are below norms for forest land peer counties throughout this period. In these 23

counties, average annual earnings of wage and salary workers averaged \$21,813 in ’77, \$20,159 in ’87, \$19,660 in ’95, and \$20,034 in ’98. This most recent estimate is only 5 percent above the estimate for Ravalli, indicating that these earnings in Ravalli County are now at a par with other forest land peer areas. The same estimate for regional center peer counties in ’98 was \$20,520. These wage and salary estimates include both full- and part-time workers, which vary in proportion from area to area and thereby skew annual averages of this type. They also include wage and salary workers in both the private and public sectors. The typical wage and salary worker nationwide in 1998 earned \$29,837, so wage and salary average earnings levels in these non-metro areas are considerably below national levels.

- **Average Annual Labor Earnings for Non-farm Proprietors** - The typical non-farm proprietor in Ravalli County received \$22,397 in 1977. This fell to only \$16,063 in 1987, and to \$14,080 in 1998. In forest land peer counties, non-farm proprietors averaged \$21,466 in 1977 and \$14,669 in 1998, levels and a trend very comparable to those of Ravalli County. In regional center peers, they averaged \$21,613 in ’77 and \$14,123 in ’98. So, this large decline in average annual earnings by non-farm proprietors has occurred throughout these peer groups. Nationally, the typical non-farm proprietor earned \$24,163 in ’77, \$20,461 in ’87, \$21,793 in ’95, and \$22,821 in ’98. This indicates that the same erosion in average earnings isn’t occurring to the same degree among non-farm proprietors as a whole nationally.

18. Private Sector Employment versus Government Employment - The balance between government employment or public sector employment and private sector employment varies considerably from one area to the next. In some areas, government or public employment may be growing more rapidly than private employment, while in others, the reverse is true. In Ravalli County, private non-farm employment of all types grew by 195 percent over the 21-year period from 1977 to 1998 while all types of government employment grew by only 38 percent. This is resulting in a shift in the underlying employment mix of the area. In 1977 the private sector’s share of non-farm employment was 76 percent but in 1998 this had increased

to 87 percent. Conversely, the government share of non-farm employment in the county went from 24 percent in 1977 to 13 percent in 1998. This relatively low share for government employment is somewhat surprising, given the large presence of public lands in the area and area employment of federal land managers, adding to those employed in local government and public education. The reliance on private employment in the county is higher than among forest land peer counties (80 percent in 1977 and 82 percent in 1998) and than among regional center peers (78 percent and 82 percent). Nationally, the private share of non-farm employment in 1998 was 86 percent, up from 83 percent in 1977. Private sector employment is growing more rapidly than public sector employment in most areas, including the Bitterroot Valley.

■ **Average Annual Labor Earnings of Private Non-farm Workers** - The typical private non-farm worker, both proprietors and wage and salary workers, in Ravalli County earned \$19,940 in 1977. This fell considerably by 1987 to \$17,486 and declined further to \$16,726 in 1995 before rising to \$17,415 in 1998. These workers in forest land peer counties earned \$23,886 in '77 and \$18,773 in '98. In regional center peer counties they earned \$22,213 in '77 and \$20,112 in '98. So, earnings levels among non-farm private workers are considerably lower in forest land areas, including Ravalli County, and the level in Ravalli County remains below the norm for forest land peers, even though this gap has decreased significantly over time. The typical private non-farm worker nationwide earned \$31,100 in '98.

■ **Typical Annual Earnings of Government Workers** - Among government employees, the typical worker in Ravalli County earned \$28,399 in '77 and this gradually rose to \$29,732 in '98. Among the forest land peer counties government workers averaged \$26,201 in '77 and \$30,364 in '98. In the regional center peers, these were \$24,045 and \$27,723, respectively. Nationwide, government workers of all types averaged \$30,887 in '77 and \$36,953 in '98. So, average annual labor earnings levels for both non-farm private workers and government workers in Ravalli County and in other forest land areas have lost considerable ground in relation to national levels over time. This is another defining characteristic of the area economy.

■ **Average Annual Earnings of Local Government Workers** - Local government includes employees of municipal and county government and persons working for local public education. The typical local government worker in Ravalli County received \$21,623 in 1980, which rose to \$23,936 in 1987, and to \$24,618 in 1998. These levels are slightly lower than those for forest land peer counties which were \$22,382, \$24,582, and \$26,142, respectively. These levels in Ravalli County are more comparable to those in the regional center peers which were \$21,287, \$24,082, and \$24,995, respectively. Nationwide, the typical local government employee received \$26,931 in '80 and \$33,719 in '98.

19. Employment Shifts among Major Sectors - There are ten major sectors of the private sector including production agriculture (farm and ranch), agricultural services (including forestry services), mining, manufacturing, construction, wholesale trade, retail trade, services trade, transportation and public utilities, and finance, insurance, and real estate (or the F.I.R.E. sector). And there are four major segments of the government sector including federal civilian government, U.S. military, state government, and local government, which includes public schools. Employment has been growing at vastly different rates from one sector to the next, reflecting restructuring and change in the area economy and restructuring and change in the larger regional and national economies. Sectors are rank ordered below according to employment growth in Ravalli County during the 1987 to 1998 period.

■ **#1 Service Sector** - The service sector includes all types of businesses providing services to households, individuals, and other businesses. These include health care, amusement and recreation services, hotels and other lodging establishments, auto repair services, and various types of social and personal services, but also include business services, engineering and management services, and legal services. This sector added over 1,900 jobs between 1987 and 1998, an increase of 84 percent and accounting for 28 percent of all new jobs in the county during this period (which totaled 6,708). Labor income received by service sector employees in the county grew by 106 percent during this same period, increasing by over \$33.5 million to a total of \$65 million. Health care services accounted for \$25 million of this and business and engineering services nearly \$20 million. This growth in services

accounted for 27 percent of all labor income gains in the county. This sector's share of non-farm private employment grew from 26 percent in 1977 to 33 percent in 1987 and it remains at roughly this same share today. For the forest land county peers, this same figure was 21 percent in 1977 and 34 percent in 1998. For regional center county peers, these figures were 24 and 31 percent. So, the service sector in Ravalli County has a growing share of employment and its share of area employment is very similar to peer areas. Nationwide, services accounted for 37 percent of all private non-farm employment in 1998, up from 26 percent in 1977.

- Service sector workers are some of the highest paid workers in the area as well as some of the lowest paid. But, on average for the entire sector, the typical service worker in Ravalli County earned \$17,231 in 1977, \$13,805 in 1987, and \$15,524 in 1998. This compares with \$17,208, \$15,113, and \$16,438 in the forest land peer counties and \$16,319, \$15,225, and \$16,534 for service workers in the regional center peers. So, while comparable to peer levels in '77, these per worker earnings levels in Ravalli County are now significantly lower than peer areas. Nationwide, the typical service worker earned \$28,718 in '98.

- **#2 Retail Trade** - The retail trade sector includes food stores, hardware and building material stores, auto dealers and service stations, eating and drinking places, and apparel stores. The sector added 1,630 jobs between 1987 and 1998, 24 percent of the total increase in the county. This represented a 113 percent increase in retail employment in the area during the period. Labor earnings by retail workers increased by only \$13.9 million or 67 percent during the period. Of the more than \$34 million in labor earnings, food stores, drug stores, and eating and drinking places accounted for \$21 million. Retail's share of private non-farm employment in the county has fallen from 26 percent in 1977 to just over 23 percent in 1998. This is the same share of employment as in the forest land county peers. In regional center county peers, the share was 22 percent in '98. Nationwide, retail trade accounted for 20 percent of all private non-farm employment, about the same share as in 1977 and in 1987.

- The typical retail trade worker in Ravalli County earned \$16,443 in 1977. But this has declined since, falling to \$14,281 in '87 and \$11,216 in '98. These levels compare with \$17,323 in '77 and \$13,219 in '98 in the forest land peers and \$16,195 and \$12,573, respectively, in the regional center county peers. So, again, average annual earnings by workers in the Bitterroot Valley are significantly below peers. Nationally, the typical retail trade worker earned \$16,587 in '98, down from \$18,188 in '77.

- **#3 Construction** - The construction sector includes special trade contractors and general building and heavy construction contractors. Special trade contractors account for nearly 60 percent of the sector's labor earnings, general contractors a third, and heavy construction contractors the other 8 percent. In Ravalli County construction employment increased by 160 percent between 1987 and 1998, an increase of 940 jobs which represented 14 percent of all new jobs in the county. This large increase in construction employment exceeded the county's increased population growth and in-migration. In 1998 construction employment accounted for 11.6 percent of all private non-farm jobs in the county, up from 8.5 in 1987 and 8.7 in 1977. These shares are significantly higher than for the forest land peer counties - 7.8 percent in 1998 and 6.0 in 1987 - and for the regional center peers - 8.1 percent in 1998 and 7.0 in 1987. Nationwide construction employment accounted for 6.5 percent of all private non-farm employment in 1987 and in 1998. So, construction in Ravalli County and its peer counties has a much higher share of employment.

- The typical construction worker in Ravalli County earned \$27,717 in '77, \$24,940 in '87, \$20,951 in '95, and \$21,686 in '98. So, up until recently, per worker earnings have undergone a steady slide. In forest land peers, these workers averaged \$31,785 in '77 and \$22,359 in '98. In regional center peers, they averaged \$30,180 in '77 and \$23,892 in '98. Again, annual average earnings in the Bitterroot Valley are significantly below peer areas. Nationwide, construction workers averaged \$32,737 in '98, down from \$35,814 in '77.

- **#4 Manufacturing** - This sector includes employment in all types of durable and non-durable goods manufacturing, including wood products manufacturing. The

manufacturing sector added 594 jobs between 1987 and 1998 in the county. This was a 60 percent increase and represented 9 percent of all job gains in the county during this period. Labor earnings in the sector increased by over \$15 million or 71 percent during this period. The wood products sector is the largest manufacturing sub-sector, accounting for over \$27 million of the entire sector's labor income of \$37 million in '98. This is 73 percent of Ravalli County's manufacturing sector. In 1977, wood products manufacturing accounted for 85 percent of area manufacturing labor income. The next largest manufacturing sub-sector is fabricated metal products with over \$5 million in labor earnings in '98. Manufacturing share of total private non-farm employment in the county was 15 percent in '77, 14 percent in '87, and 12 percent in '98. This compares with a share of 29 percent in '77 and 16 percent in '98 in the forest land peers and 21 percent and 19 percent in the regional center peers. So, manufacturing's share of employment in the Bitterroot Valley is significantly less than its share for peer areas. Nationwide, manufacturing employment accounted for 14.5 percent of private non-farm employment in '98, down from 24 percent in '77.

- The typical manufacturing worker in Ravalli County earned an average of \$25,398 in '77, \$21,805 in '87, \$21,076 in '95 and \$23,303 in '98. These levels compare with \$33,230 in '77 and \$26,904 in '98 in forest land peers and \$28,743 and \$29,447, respectively, in regional center peers. Again, labor earning levels in the area are significantly below levels in comparable peer areas. Nationwide, manufacturing workers averaged \$35,964 in '77 and \$43,415 in '98, levels significantly above those in both Ravalli County and its peers.

- **#5 Finance, Insurance and Real Estate (F.I.R.E.)** - The F.I.R.E. sector includes banking and credit institutions and other non-depository institutions and businesses involved in money management, insurance, and real estate. Ravalli County's F.I.R.E. sector added 520 jobs between 1987 and 1998, an 80 percent increase, accounting for about 8 percent of all new jobs in the valley. Labor earnings of these workers grew by over \$15 million, a whopping increase of nearly 240 percent during the period. This large increase in part reflects the valley's strong real estate market and construction sector during the last decade. Of the sector's more than \$21 million in labor earnings in 1998, \$10.4 million was received by those working in the

sector's real estate segment. Another \$6.6 million was received by employees of depository and other credit institutions in the valley. The F.I.R.E. sector accounted for 9 percent of private non-farm employment in '98, which is down slightly from its share in '87. The sector's share in the forest land peers was 6.6 percent in '98. In the regional center peers it was 6.3 percent. So, the valley is significantly more dependent on this sector than peer areas. Nationwide, the F.I.R.E. sector accounted for 9.1 percent of private non-farm employment.

- The typical F.I.R.E. worker in Ravalli County earned \$18,324 in '98, up from \$16,375 in '95, and up from a very low \$9,760 in '87. In forest land peers, these workers earned \$15,046 in '98 and \$10,596 in '87 and in regional center peers they earned \$16,243 and \$12,594 in these years, respectively. So, in this case, recent Ravalli County earnings levels significantly exceed those of peers, a notable exception to the previously discussed sectors. This is largely attributable to the vitality of the valley real estate sector.

- **#6 Local Government** - Local government includes municipal and county government and local public education. This sector added 420 jobs between 1987 and 1998, a 55 percent increase. Labor earnings received by workers in this sector increased by \$10.9 million, a 45 percent increase. As mentioned previously, average annual earnings of those employed in local government in the valley are slightly lower than peer areas.
- **#7 Wholesale Trade** - Businesses in the valley engaged in various aspects of wholesale trade increased their employment by 282 jobs between 1987 and 1998, an increase of 165 percent. Earnings by these workers rose by \$12.5 million, a 291 percent increase. So, this segment of the Bitterroot Valley economy has seen considerable growth. It accounts for 3.4 percent of all private non-farm employment in the valley which compares with 2.6 percent in the forest land peers and 4.4 percent in the regional center peers. Workers in this sector averaged \$37,194 in '98, up from \$25,211 in '87.

- **#8 Agricultural and Forestry Services** - This sector includes services used on farms and ranches and in forests that are purchased by agricultural producers and forest managers. This sector added 230 jobs between 1987 and 1998, an increase of over 100 percent. Labor earnings grew by \$836,000, a 27 percent increase, and totaled nearly \$4 million in 1998. Of this \$4 million in labor income for the sector as a whole, most was for those providing agricultural services. Only \$234,000 was for those employed in forestry services. Average annual earnings were \$8,687 in '98, down considerably from \$13,806 in '87.
- **#9 Transportation and Public Utilities** - This sector includes railroads, trucking and warehousing businesses, communication firms, and private utilities like electrical suppliers. It also includes local transportation providers. The sector added 168 jobs between 1987 and 1995, a 33 percent gain. However, labor earnings by those employed in this sector declined by \$1.5 million, an 8 percent fall. Of total sector labor earnings of nearly \$17 million in 1998, \$9.5 million was paid to workers employed in trucking and warehousing. Another \$3.5 million was received by electric, gas, and sanitary services workers. The typical T.P.U. worker in the county earned \$36,470 in '87, but this fell to \$25,107 in '98.
- **#10 U.S. Military** - This includes those residing in the county who are employed by some segment of the U.S. military. This segment added 23 positions between 1987 and 1998, a 13 percent gain. Labor earnings went from \$2.0 million to \$2.3.
- **#11 State Government** - This includes all those residing in the area who are employed by some department of state government. This included 69 workers in '98, up from 59 in '87. Labor earnings grew from \$1.8 million to \$2.3 million. These workers earned an average of \$33,884 in '98.
- **#12 Federal Civilian Government** - This includes all persons residing in Ravalli County that are employed by some agency of the U.S. government, aside from those in the military. These workers totaled 455 in 1987 and 464 in 1998. They earned \$19.3 million in '87 and \$23.1 million in '98. Average per worker earnings in '98 were \$49,703, up from \$42,516 in '87.

- **#13 Production Agriculture (Farm and Ranch)** - There were 855 "farms" (USDA definition) in Ravalli County in 1978 and at the time of the last census in 1997 there were 1,080. But, while the number of farms has increased the amount of land within the county held and managed by these farming operations has decreased, falling from nearly 273,000 acres in 1982 to less than 184,000 acres in 1997. Of the 1,080 farms in '97, only 338 had sales of \$10,000 or more and these farms operated on 144,456 acres. These farms averaged 427 acres in size. The rest of the county's farms - those with agricultural sales under \$10,000, totaling 742 farms - averaged only 53 acres in size. There were 1,232 persons employed on area farms and ranches in '98, which compares with 1,241 in '87 and 1,216 in '82.. Of these 1,232 workers, 1,119 were farm proprietors. The remainder were non-proprietor farm workers, totaling only 113. Farms in Ravalli County received nearly \$28 million in income and receipts from all sources in 1998, down \$7 to \$10 million from levels in the 80s and late 70s. Cash receipts from farm marketing accounted for \$22.7 million of the \$28 million total, with \$16.5 million from livestock marketing and the rest from crops. Receipts from livestock marketing totaled over \$36 million in 1980 and most of the decline to current levels occurred during the 1980s. After production expenses were paid, which totaled over \$30 million, net farm income was negative in '98 - minus \$144,000. It was also negative in '97 and '96, as well as in many earlier years in the mid- and late-80s. These income trends parallel trends nationwide in the farm sector.
- **#14 Mining** - This sector is very small in the county, employing only 29 persons in 1998, down from 60 in 1987. Labor earnings in '98 totaled \$186,000, down from \$382,000 in '87. Of the \$186,000 in labor earnings, \$167,000 were associated with some type of oil and gas exploration or extraction. The rest was small sand and gravel operations.

20. Fastest Growing Sub-Sectors of the Area Economy - Just as the economy and employment can be subdivided into fourteen different major sectors (as discussed above), it can be further subdivided into about 70 different sub-sectors that fall within these major sectors. In evaluating area economic change, it is useful to identify and examine where the greatest growth is occurring in the economy. This helps us to understand the direction the area economy seems to be headed. It helps us understand pinpoint where fundamental restructuring may be occurring in the

economy. The sub-sectors below are the ten fastest-growing sub-sectors of the Bitterroot Valley area economy and these are rank ordered by the amount of growth in labor earnings between 1987 and 1998. In the overall area economy of the Bitterroot, labor earnings from all sources increased by \$124 million and 77 percent during this period. Personal income grew by \$227 million and 62 percent. Each of the sub-sectors discussed below are the only ones increasing by more than \$3 million during this period.

- **#1 Health Care Services** - This sub-sector of the larger services sector has grown over time from \$6.8 million in labor earnings in '77 to \$11.6 million in '87 to \$23 million in '95 and to \$24.8 million in '98. Growth between '87 and '98 totaled \$13.2 million, an increase of 113 percent. This single sub-sector of the area economy accounted for nearly 11 percent of all labor income gains and nearly 6 percent of all personal income gains in the county during this period. A larger population and an increasingly older population require more and more health care and the health care sub-sector will continue to grow at a relatively fast pace.
- **#2 F.I.R.E Sub-sectors, other than credit and depository institutions** - This sub-sector includes mainly real estate and insurance firms and money managers. Labor earnings by those employed in this sub-sector grew by nearly \$13.2 million between 1987 and 1998, an eight-fold increase and matching gains in health care services. About \$10 million of this gain was in the real estate segment of this sub-sector, businesses and persons employed in buying, selling, developing, or managing real estate. With more people moving to the Bitterroot Valley, there is more home construction and population turnover, resulting in considerable activity in real estate sales, marketing, and development. This sub-sector and health care services together accounted for over 20 percent of all labor income gains in the county during the period.
- **#3 Wholesale Trade** - The valley's wholesale trade sector, which is not divided into sub-sectors, grew by over \$12.5 million between 1987 and 1998, an increase of over 290 percent or nearly three-fold. Wholesale trade includes businesses largely selling goods or products to other businesses that then resell them to consumers or other users. Growth in wholesale trade, once largely relegated to more urban and metro

areas, spreading to many non-metro areas during the last decade. Growth in this segment of the economy is evidence of expanding breadth in an area economy.

- **#4 Lumber and Wood Products Manufacturing** - While this industry has seen considerable decline in employment and labor earnings throughout the larger region and in forest land peer counties, this industry in Ravalli County is as large as at any time in its history. Labor earnings of those employed in this industry in Ravalli County grew by over \$12 million between 1987 and 1998, increasing from \$15.2 million in '87 to \$27.3 million in '98, a 79 percent gain. Ravalli County was one of only a handful of forest land peer counties where lumber manufacturing actually saw growth. This can largely be attributed to adaptation by this area industry to changing market and supply conditions as represented by the development of the Bitterroot Valley's log home industry. This adaptation has kept this sector growing in the area, while generally declining elsewhere.
- **#5 Special Trade Construction Contractors** - Labor earnings by these workers, largely employed in the construction of homes, grew by \$11.3 million between 1987 and 1998, increasing from a total of \$8.3 million to over \$19.6 million, a 136 percent gain. Special trade contractors are involved in all aspects of construction, but their expansion in the Bitterroot is largely the result of population growth through immigration as well as an increase in the number of part-time residents in the valley.
- **#6 Local Government** - This sector includes city and county workers as well as those employed in local public schools. Their labor earnings grew by \$10.9 million between 1987 and 1998, a 60 percent gain. Local government largely involves a variety of service activities, including provision of public schools. Services performed by local government expand as population expands.
- **#7 General Building Contractors** - This sub-sector of the construction industry increased its labor earnings by \$5.2 million between '87 and '98, a 93 percent gain.
- **#8 Engineering and Management Services** - The labor earnings of persons in the county employed in various types of engineering services and other business and professional services grew by \$5.1 million during the period, an increase of 137

percent. Demands for engineering services increase with increased construction activity and commercial and residential development.

- **#9 Food Stores** - This sub-sector primarily includes those who work in grocery stores and their income increased by \$4.3 million between 1987 and 1998, a 91 percent gain.
- **#10 Eating and Drinking Places** - This sub-sector includes restaurants and bars and the income of those employed in this segment of the area economy increased by \$3.1 million between 1987 and 1998, an 83 percent gain. This segment of the economy is growing as a result of both population growth and population aging, with more frequent dining out by area residents and visitors to the valley.

These ten fast-growing sub-sectors together grew by nearly \$91 million between 1987 and 1998, accounting for about 73 percent of all labor income gains in the county. Growth in five of the ten is directly or heavily associated with construction growth in the valley, and growth in several others is directly attributable to the area's fast rate of population growth, which has spurred this increase in construction. This strongly indicates that the valley economy has developed a very strong dependency on the area's real estate and construction industry, an industry prone to dramatic fluctuations.

In the 23 forest land peer counties, the ten fastest growing sub-sectors of the economy by order of growth were: local government, health services, state government, special trade contractors, F.I.R.E sub-sectors other than depositories, federal civilian government, wholesale trade, eating and drinking places, hotels and other lodging places, and food stores. With some exceptions, this list is very similar to the list of fast-growing sub-sectors in the Bitterroot Valley.

In the larger economy of the Rocky Mountain West region (including Colorado, Utah, Idaho, Wyoming, and Montana), the fastest-growing sub-sectors were: health care, business services, special trade contractors, other F.I.R.E., engineering and management services, wholesale trade, local government, communications, state government, eating and drinking places, and amusement and recreation services. Again, the trends of the larger region are heavily reflected in trends in the valley. These type of gains are

reflective of an economy that is becoming much more service sector oriented and this trend will continue in the larger region. Trends in the valley and larger region, which is also fast-growing, also are reflective of changing migration patterns in the West and relatively high rates of in-migration. Finally, these trends are being increasingly influenced by an increasingly older population.

The greatest declines in labor earnings across this large five-state region have been in many of the natural resource industry sub-sectors including production agriculture, oil and gas exploration and extraction, and coal mining. Railroads also have continued to contract in employment and labor earnings.

21. Area Economic Change and Restructuring - Large variations in sector and sub-sector growth are indications of on-going economic change and restructuring of the Bitterroot Valley economy. This is not surprising. This type of restructuring is happening to area economies throughout the region. And economic restructuring is greatest in areas where there are large declines or stagnation in the longstanding "basic" industries of an area, while overall income and employment continue to grow. With growth continuing in the face of area declines in certain underlying industries, area economies essentially grow away from their previous, more narrow dependencies on particular industries. An area's economic base is composed of sectors that are chiefly responsible for bringing "outside income" to the area. A careful analysis of the underlying economic base of the Bitterroot Valley and how it has changed over time is contained in Table 1 which is shown in the next several pages of this report. Particular attention is given to how the area economic base has restructured over the ten years between 1987 and 1999, a period of considerable economic change and restructuring throughout the West.

- **Gains in Non-labor Income Sources: Transfer Payments** - Income coming to the area from outside sources can be received as labor income. But, it can also come in non-labor forms, e.g., as investment income and transfer payments income. Much of the income in the form of "transfer payments income" comes from external sources at the time it is received, such as in the receipt of Social Security benefits and Medicare and Medicaid support. Transfer payment income grew by \$45.5 million between 1987 and 1997 in the Bitterroot Valley, a 67 percent increase. Government

payments to individuals accounted for over \$43 million of this increase. Social Security payments accounted for \$18.6 million of this increase and Medicare/Medicaid payments accounted for \$20.2 million. These are fast-growing areas, again, because of both increases in population and steady aging of the population. Transfer payment income now constitutes about 20 percent of the valley's total personal income base, up from 18 percent in '87 and 15 percent in '77.

- **Investment Income** - Between 1987 and 1997, investment income grew by \$44.6 million, a 39 percent increase and its share of personal income has gone from 25 percent in '77, to 31 percent in '87, before falling back to 28 percent in '97. A significant portion of "investment income" also can come from outside sources, such as in the receipt of stock dividend payments, rent on property, and interest earnings from savings. However, the amount of investment income received by Ravalli County residents coming from outside sources cannot be determined.
- **Area Implications** - Because households headed by older individuals are more likely to have sources of investment income as well as transfer payments than those headed by younger adults, these non-labor income sources will continue to grow and, in the process, continue to shift the underlying income orientation and economic base of the area. As this occurs, the area's income base itself will increasingly be a product of the people who choose to live there and their income sources. Conversely, the area's income base will have less and less to do with the make-up and structure of area industry and employment. This is a much different orientation for the Bitterroot Valley economy than in the past when area economic vitality was largely governed by ups and downs in manufacturing, agriculture, and other traditional industries.
- **Basic Components of Labor Income** - Several sectors of the economy are essentially treated as entirely "basic" in that most of their sales are considered to be tied to outside markets and customers. All of an area's manufacturing sector is commonly treated as basic. The same is true with production agriculture and mining. Labor earnings by those employed by federal and state government who reside in an area also are treated as basic because these area workers are largely paid from sources beyond the local area.

- **Area Manufacturing Base** - The manufacturing base in the Bitterroot Valley has continued to steadily grow with labor earnings increasing from \$17.3 million in '77 to \$22.1 million in '87 and to \$34.1 million in '97. The rate of growth from 1987 to 1997 matched overall growth in personal income keeping manufacturing's share of area personal income at about 6 percent. This share is down only slightly from what this sector contributed to the area base in '77. As mentioned previously, the manufacturing base of the area has diversified. Wood products manufacturing, which once accounted for over 85 percent of the area's manufacturing now accounts for about 73 percent. And the wood products manufacturing sub-sector itself has adapted and grown into new areas, primarily log home manufacturing.
- **Farm and Ranch and Ag Services** - Because of significant declines in the incomes of agricultural producers, this segment of the area's economic base has largely eroded. If you look back in time far enough, you can see that agriculture once contributed significantly to the area's economy. As shown in Table 1, farm labor earnings in 1972 were \$14.6 million, accounting for 7.5 percent of personal income. More recently, this sector's share of income has slipped to less than one percent.
- **Mining** - The mining industry is very small in the area with labor income totaling less than \$200,000 in recent years.
- **Federal and State Government** - Labor earnings of those employed in federal and state government have grown slowly from \$23.5 million in '77 to \$23.7 million in '87 and to \$26.5 million in '97. Because this growth is slower than income growth overall, this segment's share of the income base of the valley has declined from 9 percent in '77 to 5 percent in '97.
- **Labor income received from employers outside of the county** - Ravalli County residents working outside of the county, primarily in Missoula County, bring millions of dollars each year back to their county of residence from their work. This source of out-of-county income has grown from \$28 million in 1977 to \$35 million in 1987 and to over \$47 million in 1997. But

Table 1: Ravalli County Underlying Economic Structure and Base: Major Income Sources

An area's economic base includes all sectors providing income to area residents from non-local or external sources. Income from external sources can be received as "investment income" in the form of rent, interest earnings, or dividends; as "transfer payments income," such as Social Security and Medicare/Medicaid payments; and as labor income paid from non-local sources.

Thous. of 1996 dollars	- "benchmarked" data or three-year averages around each year, except for '98 -							Change: 1977-87		Change: 1987-97	
Benchmark Years/a	1972B	1977B	1982B	1987B	1992B	1997B	1998	amt.	%	amt.	%
Total Personal income	\$196,076	\$261,258	\$315,165	\$369,096	\$452,944	\$570,320	\$593,739	\$107,838	41%	\$201,223	55%
Personal Income by Major Source (Non-labor and Labor Sources)											
Dividends, interest, and rent 6/ share of tot. pers. income	\$43,702 22%	\$65,424 25%	\$103,943 33%	\$113,256 31%	\$128,341 28%	\$157,853 28%	\$164,740 28%	\$47,832	73%	\$44,597	39%
Transfer payments share of tot. pers. income	\$27,481 14%	\$39,208 15%	\$55,360 18%	\$68,251 18%	\$91,478 20%	\$113,671 20%	\$116,032 20%	\$29,044	74%	\$45,419	67%
Labor earnings by residence share of tot. pers. income	\$124,893 64%	\$156,626 60%	\$155,862 49%	\$187,589 51%	\$233,124 51%	\$298,795 52%	\$312,967 53%	\$30,962	20%	\$111,207	59%
Derivation of Labor Earnings by place of work											
Subtract: Adjust. for residence 15 share of lab. inc. by residence	\$15,415 12%	\$28,372 18%	\$32,821 21%	\$34,835 19%	\$41,450 18%	\$47,374 16%	\$48,743 16%	\$6,464	23%	\$12,539	36%
Add: Personal contrib. for social ins. 14 share of lab. inc. by workplace	\$4,004 4%	\$5,392 4%	\$6,539 5%	\$10,058 6%	\$14,965 7%	\$21,028 8%	\$21,990 8%	\$4,666	87%	\$10,970	109%
Equals: Earnings by workplace	\$113,482	\$133,646	\$129,581	\$162,811	\$206,640	\$272,449	\$286,214	\$29,165	22%	\$109,638	67%
Total full- & part-time employment	5,605	6,868	7,795	9,593	12,034	15,878	16,322	2,725	40%	6,285	66%
Estimated Sector Contributions to the Area's Economic Base (components of sector labor earnings from non-local sources)											
Manufacturing	\$12,969	\$17,319	\$16,222	\$22,088	\$26,004	\$34,130	\$37,029	\$4,769	28%	\$12,042	55%
Federal & State Govt.	\$21,228	\$23,470	\$23,963	\$23,678	\$24,709	\$26,461	\$27,780	\$208	1%	\$2,783	12%
Agriculture	\$14,626	\$6,037	\$2,036	\$3,137	\$8,696	\$3,328	\$3,927	-\$2,900	-48%	\$191	6%
Mining	\$357	\$650	\$1,120	\$415	\$513	\$191	\$191	-\$235	-36%	-\$224	-54%
Transpt. & Public Utilities	n.a.	n.a.	n.a.	\$293	-\$2,898	-\$8,435	-\$8,659	n.a.	n.a.	-\$8,728	-
Construction	n.a.	n.a.	n.a.	-\$429	\$2,308	\$6,555	\$6,397	n.a.	n.a.	\$6,984	-
Wholesale Trade	n.a.	n.a.	n.a.	-\$5,277	-\$5,307	\$1,264	\$818	n.a.	n.a.	\$6,541	-
Services	n.a.	n.a.	n.a.	-\$3,989	-\$5,945	-\$5,142	-\$6,186	n.a.	n.a.	-\$1,153	-
Finance, Insur. & Real Estate	n.a.	n.a.	n.a.	-\$830	\$871	\$6,850	\$7,783	n.a.	n.a.	\$7,681	-
Retail Trade	n.a.	n.a.	n.a.	-\$4,332	-\$2,994	-\$3,864	-\$4,104	n.a.	n.a.	\$468	-
Totals of all positive amounts share of lab. inc. by workplace share of tot. pers. income	\$49,180 43% 25%	\$47,476 36% 18%	\$43,341 33% 14%	\$49,611 30% 13%	\$63,101 31% 14%	\$78,780 29% 14%	\$83,925 29% 14%	\$2,135	4%	\$29,169	59%

Non-labor sources of area personal income grew rapidly between 1977 and 1987; with investment income increasing by 73% and transfer payment income increasing by 74%. Labor income grew by only 20% and shrank from 60% of all income to 51%. Today, non-labor income sources account for nearly half of all area personal income. Labor income received by workers residing in Ravalli County is converted to labor income by place of employment by subtracting the adjustment for residence. In recent years, 16% of labor income received by area residents is from employers located outside of Ravalli County. Estimated sector contributions to the area "economic base" are shown at the left. The area's largest contributor to basic labor income is manufacturing, followed by federal and state government. The F.I.R.E. and Construction sectors have become major contributors to basic labor income in recent years.

Source: Data from the U.S. DOC, Bureau of Economic Analysis, with analysis by the O'Connor Center for the Rocky Mountain West, University of Montana (READ System).

Table 1: Ravalli County Economic Base: Largely Basic Sectors (Manufacturing, Fed. & State Govt., Prod. Agriculture, & Mining)

Sectors that largely pay area workers from sales to non-local buyers or from revenues from external sources and are treated as entirely basic

Thous. of 1996 dollars - "benchmarked" data or three-year averages around each year, except for '98 -								Change: 1977-87		Change: 1987-97	
Benchmark Years/a	1972B	1977B	1982B	1987B	1992B	1997B	1998	amt.	%	amt.	%
Manufacturing											
Labor Income	\$12,969	\$17,319	\$16,222	\$22,088	\$26,004	\$34,130	\$37,029	\$4,769	28%	\$12,042	55%
share of tot. pers. income	7%	7%	5%	6%	6%	6%	6%				
Employment	524	673	697	992	1,258	1,544	1,589	319	47%	552	56%
share of total employment	9%	10%	9%	10%	10%	10%	10%				
Major Manufacturing Sub-sectors: labor income											
Durable goods	\$11,961	\$15,705	\$13,969	\$21,016	\$24,760	\$32,129	\$34,966	\$5,311	34%	\$11,112	53%
Lumber and wood products	\$11,101	\$14,524	\$11,251	\$16,003	\$18,729	\$24,692	\$27,323	\$1,479	10%	\$8,689	54%
Non durable goods	\$1,007	\$1,614	\$2,253	\$1,071	\$1,244	\$2,001	\$2,063	-\$543	-34%	\$930	87%
Federal & State Government											
Labor Income	\$21,228	\$23,470	\$23,963	\$23,678	\$24,709	\$26,461	\$27,780	\$208	1%	\$2,783	12%
share of tot. pers. income	11%	9%	8%	6%	5%	5%	5%				
Employment	659	687	713	677	714	705	731	-10	-1%	28	4%
share of total employment	12%	10%	9%	7%	6%	4%	4%				
Major Govt. Sub-sectors: labor income											
Federal civilian	\$20,459	\$22,573	\$20,442	\$19,755	\$20,514	\$21,756	\$23,062	-\$2,818	-12%	\$2,002	10%
U.S. military	\$769	\$897	\$1,177	\$1,981	\$2,146	\$2,345	\$2,379	\$1,084	121%	\$364	18%
State govt.	n.a.	n.a.	\$2,344	\$1,943	\$2,050	\$2,360	\$2,338	n.a.	n.a.	\$417	21%
Farm and Ag. & For. Services ('98 figures for ag services are estimates)											
Labor Income	\$14,626	\$6,037	\$2,036	\$3,137	\$8,696	\$3,328	\$3,927	-\$2,900	-48%	\$191	6%
share of tot. pers. income	7.5%	2.3%	0.6%	0.9%	1.9%	0.6%	0.7%				
Employment	982	1,048	1,384	1,468	1,500	1,652	1,689	420	40%	184	13%
share of total employment	18%	15%	18%	15%	12%	10%	10%				
Major Agriculture Sectors: labor income and employment											
Labor Income, net farm income	\$13,212	\$4,172	\$682	\$362	\$5,026	-\$743	-\$144	-\$3,810	-91%	-\$1,105	-305%
Labor Income, ag. & for. services	\$1,414	\$1,865	\$1,354	\$2,775	\$3,670	\$4,071	\$4,071	\$910	49%	\$1,296	47%
Mining: Metals, Non-metals, Coal, Oil & Gas ('98 figures are estimates)											
Labor Income	\$357	\$650	\$1,120	\$415	\$513	\$191	\$191	-\$235	-36%	-\$224	-54%
share of tot. pers. income	0.2%	0.2%	0.4%	0.1%	0.1%	0.0%	0.0%				
Employment	27	18	35	49	58	29	29	31	172%	-20	-41%
share of total employment	0.5%	0.3%	0.4%	0.5%	0.5%	0.2%	0.2%				

The area's manufacturing sector has grown steadily since the early 1970s, but its share of total personal income has slightly shrank from 7% to 6%. As an employer, manufacturing employs 10% of the area's workers.

Manufacturing in the area is primarily durable goods (94% of manufacturing labor income in 1998), and Lumber and Wood Products manufacturing is over three-fourths of durable mfg.

Labor earnings received by federal and state government employees residing in the area have steadily risen, but slower than overall growth and this sector's share of income has fallen from 11% (1972) to 5%.

The Farm and Ag and Forestry services sector accounts for 10% of employment, but less than 1% of personal income. Net farm income in recent years is negative.

Mining is a small industry in the area, accounting for only a fraction of income and employment.

Source: Data from the Bureau of Economic Analysis, U.S. DOC, with analysis by the O'Connor Center for the Rocky Mountain West, University of Montana (READ System).

Table 1: Ravalli County Economic Base: Basic Components of Largely Non-Basic Utility, Wholesale Trade, & Construction Sectors

Sectors which are ordinarily largely non-basic, but can have basic components in that they may expand to produce and sell beyond the local or area market

Thous. of 1996 dollars	- "benchmarked" data or three-year averages around each year, except for '98 -							Change: 1977-87		Change: 1987-97	
Benchmark Years/a	1972B	1977B	1982B	1987B	1992B	1997B	1998	amt.	%	amt.	%
Transportation & Public Utilities: railroads, transportation, communications, and utilities											
Labor Income	\$9,500	\$12,771	\$10,894	\$16,787	\$17,104	\$16,411	\$16,872	\$4,016	31%	-\$376	-2%
labor inc. per \$20 mil. t.p.l.	\$959	\$995	\$701	\$916	\$753	\$575	\$568				
norm: lab. inc. per \$20 mil. t.p.l.*	n.a.	n.a.	n.a.	\$900	\$880	\$870	\$860				
Location Quotient	n.a.	n.a.	n.a.	1.02	0.86	0.66	0.66				
Basic Component or Share	n.a.	n.a.	n.a.	\$293	-\$2,898	-\$8,435	-\$8,659	n.a.	n.a.	-\$8,728	-
share of tot. pers. income	n.a.	n.a.	n.a.	0.1%	-0.6%	-1.5%	-1.5%				
Employment	267	306	364	481	523	660	672	175	57%	179	37%
Basic Component or Share	n.a.	n.a.	n.a.	8	-89	-339	-345	n.a.	n.a.	-348	-
share of total employment	n.a.	n.a.	n.a.	0%	-1%	-2%	-2%				
Construction: heavy construction, general contractors, special trade contractors											
Labor Income	\$5,896	\$10,888	\$8,307	\$14,233	\$20,491	\$31,402	\$33,115	\$3,345	31%	\$17,169	121%
labor inc. per \$20 mil. t.p.l.	\$595	\$849	\$534	\$777	\$902	\$1,100	\$1,115				
norm: lab. inc. per \$20 mil. t.p.l.*	n.a.	n.a.	n.a.	\$800	\$800	\$870	\$900				
Location Quotient	n.a.	n.a.	n.a.	0.97	1.13	1.26	1.24				
Basic Component or Share	n.a.	n.a.	n.a.	-\$429	\$2,308	\$6,555	\$6,397	n.a.	n.a.	\$6,984	-
share of tot. pers. income	n.a.	n.a.	n.a.	-0.1%	0.5%	1.1%	1.1%				
Employment	254	401	453	588	953	1,470	1,527	187	47%	882	150%
Basic Component or Share	n.a.	n.a.	n.a.	-18	107	307	295	n.a.	n.a.	325	-
share of total employment	n.a.	n.a.	n.a.	0%	1%	2%	2%				
Wholesale Trade											
Labor Income	\$1,214	\$2,388	\$3,149	\$4,253	\$6,512	\$16,400	\$16,849	\$1,865	78%	\$12,147	286%
labor inc. per \$20 mil. t.p.l.	\$123	\$186	\$203	\$232	\$286	\$574	\$568				
norm: lab. inc. per \$20 mil. t.p.l.*	n.a.	n.a.	n.a.	\$520	\$520	\$530	\$540				
Location Quotient	n.a.	n.a.	n.a.	0.45	0.55	1.08	1.05				
Basic Component or Share	n.a.	n.a.	n.a.	-\$5,277	-\$5,307	\$1,264	\$818	n.a.	n.a.	\$6,541	-
share of tot. pers. income	n.a.	n.a.	n.a.	-1.4%	-1.2%	0.2%	0.1%				
Employment	45	99	112	164	245	432	453	65	66%	268	163%
Basic Component or Share	n.a.	n.a.	n.a.	-203	-200	33	22	n.a.	n.a.	237	-
share of total employment	n.a.	n.a.	n.a.	-2%	-2%	0%	0%				

Source: Data from the Bureau of Economic Analysis, U.S. DOC, with analysis by the O'Connor Center for the Rocky Mountain West, University of Montana (READ System).

Note: Location Quotients are calculated by dividing sector labor earnings per \$20 mil. in total personal income in the area by an average ("norm") of the same measure for peer areas throughout the western U.S. (READ).

L. Q.'s are calculated for each sector by dividing the amount of sector labor income per \$20 mil. in total personal income in the area by an average of the same measure for selected "peer" areas throughout the western U.S. An L.Q. greater than 1.00 suggests that the sector produces and sells beyond the local market area, while an L.Q. less than 1.00 suggests that the sector is a net importer from outside to supply local demand.

The area's construction industry has grown considerably since the late 1980s, increasing by 121% or more than doubling in labor income between 1987 and 1997. In the process, the sector grew beyond local demand and now has a basic labor income component generally estimated at about \$6.4 million.

The L.Q. for wholesale trade has increased from 0.45 in '87 to more than 1.00 in recent years, indicating that it's now contributing to the area's economic base.

Table 1: Ravalli County Economic Base: Basic Components of Largely Non-Basic Service, Finance, & Retail Trade Sectors
Sectors which are ordinarily largely non-basic, but can have basic components in that they may expand to produce and sell beyond the local or area market

Thous. of 1996 dollars	- "benchmarked" data or three-year averages around each year, except for '98 -							Change: 1977-87		Change: 1987-97	
Benchmark Years/a	1972B	1977B	1982B	1987B	1992B	1997B	1998	amt.	%	amt.	%
Services: health care, business, legal, engineering & management, personal, social, amusement & recreational, etc.											
Labor Income	\$14,467	\$19,994	\$22,223	\$32,848	\$44,059	\$63,399	\$65,063	\$12,853	64%	\$30,551	93%
labor inc. per \$20 mil. t.p.i.	\$1,461	\$1,558	\$1,430	\$1,792	\$1,938	\$2,220	\$2,192				
norm: lab. inc. per \$20 mil. t.p.i.*	n.a	n.a	n.a	\$2,010	\$2,200	\$2,400	\$2,400				
Location Quotient	n.a	n.a	n.a	0.89	0.88	0.92	0.91				
Basic Component or Share	n.a	n.a	n.a	-\$3,989	-\$5,945	-\$5,142	-\$6,186	n.a	n.a	-\$1,153	29%
share of tot. pers. income	n.a	n.a	n.a	-1.1%	-1.3%	-0.9%	-1.0%				
Employment	878	1,166	1,404	2,285	2,997	4,144	4,191	1,119	96%	1,859	81%
Basic Component or Share	n.a	n.a	n.a	-278	-404	-336	-398	n.a	n.a	-59	21%
share of total employment	n.a	n.a	n.a	-3%	-3%	-2%	-2%				
Finance, Insurance & Real Estate: depository institutions and non-depository entities (insurance, real estate, brokers, etc.)											
Labor Income	\$3,781	\$4,741	\$6,107	\$6,134	\$10,190	\$19,702	\$21,439	\$1,393	29%	\$13,568	221%
labor inc. per \$20 mil. t.p.i.	\$382	\$370	\$393	\$335	\$448	\$690	\$722				
norm: lab. inc. per \$20 mil. t.p.i.*	n.a	n.a	n.a	\$380	\$410	\$450	\$460				
Location Quotient	n.a	n.a	n.a	0.88	1.09	1.53	1.57				
Basic Component or Share	n.a	n.a	n.a	-\$830	\$871	\$6,850	\$7,783	n.a	n.a	\$7,681	-
share of tot. pers. income	n.a	n.a	n.a	-0.2%	0.2%	1.2%	1.3%				
Employment	415	544	588	656	807	1,121	1,170	112	21%	465	71%
Basic Component or Share	n.a	n.a	n.a	-89	69	390	425	n.a	n.a	479	-
share of total employment	n.a	n.a	n.a	-1%	1%	2%	3%				
Retail Trade: food stores, gen. merchandise stores, home furnishings, eating & drinking places, auto dealers, etc.											
Labor Income	\$17,598	\$19,806	\$19,419	\$20,959	\$27,235	\$33,262	\$34,489	\$1,152	6%	\$12,303	59%
labor inc. per \$20 mil. t.p.i.	\$1,777	\$1,544	\$1,249	\$1,144	\$1,198	\$1,165	\$1,162				
norm: lab. inc. per \$20 mil. t.p.i.*	n.a	n.a	n.a	\$1,380	\$1,330	\$1,300	\$1,300				
Location Quotient	n.a	n.a	n.a	0.83	0.90	0.90	0.89				
Basic Component or Share	n.a	n.a	n.a	-\$4,332	-\$2,994	-\$3,864	-\$4,104	n.a	n.a	\$468	-11%
share of tot. pers. income	n.a	n.a	n.a	-1.2%	-0.7%	-0.7%	-0.7%				
Employment	981	1,205	1,306	1,467	2,056	2,983	3,075	262	22%	1,516	103%
Basic Component or Share	n.a	n.a	n.a	-303	-226	-347	-366	n.a	n.a	-43	14%
share of total employment	n.a	n.a	n.a	-3%	-2%	-2%	-2%				

Source: Data from the Bureau of Economic Analysis, U.S. DOC, with analysis by the O'Connor Center for the Rocky Mountain West, University of Montana (READ System).
 Note: Location Quotients are calculated by dividing sector labor earnings per \$20 mil. in total personal income in the area by an average ("norm") of the same measure for peer areas throughout the western U.S. (READ).

Location quotients for the services sector as a whole and retail trade are both less than 1.00 suggesting that the area is a net importer of both services and retail goods. This is common of retail and service trade sectors of areas nearby and closely-linked to regional centers like Missoula.

However, the location quotient for the F.I.R.E. sector grew from 0.88 in '87 to 1.09 in 1992, indicating it was developing into a net exporter, providing services beyond the area's income base. This fast growth has continued and, today, over 36% of Ravalli County's F.I.R.E. sector can be considered "basic" (.57 divided by 1.57 = 36.3%)

In 1998, the F.I.R.E. sector distributed labor income to sector employees totaling over \$21 mil. with near.y \$7.8 mil. of this attributable to sector activity tied to external markets or income sources.

- this growth has been slower than growth in overall personal income. So, this source of income from outside the county has slightly declined as a share of total personal income, falling from 10.9 percent in 1977 to 8.3 percent in 1997.
- **Diversification of Sources of Basic Labor Income** - Just as there are new “drivers” in the Bitterroot Valley economy in the form of non-labor income sources, there are several emerging new drivers in the area economy from labor income sources. Several other sectors of the Bitterroot Valley economy have grown to where they have become contributors to the area’s economic base. These are:
 - **F.I.R.E. Sector** - Because of high growth in the real estate industry segment of the finance, insurance, and real estate sector, this sector of the area economy has developed a basic component. Between 1987 and 1997 the F.I.R.E. sector as a whole grew from \$6.1 million to \$19.7 million in labor earnings. Of these \$19.7 million in labor earnings, \$6.85 million or 35 percent of the sector is estimated to be basic in nature, that is, it’s attributable to income and demand beyond the local income base.ⁱⁱ The source of this external income would be income from recent migrants and part-time residents of the valley. In 1998 the F.I.R.E. sector grew to \$21.4 million, with \$7.8 million of these labor earnings estimated to be basic in nature.
 - **Construction** - Labor earnings in the construction industry of the area grew from \$14.2 million in 1987 to \$31.4 million in 1997 and, in the process, this sector of the area economy grew beyond local area demand by over 20 percent, amounting to \$6.55 million in labor income. While an area’s construction sector can become partly basic in nature with rapid growth, this basic component of construction can be difficult for an area to sustain.
 - **Wholesale Trade** - The area’s wholesale trade sector grew from \$4.3 million in labor earnings in 1987 to \$16.4 million in 1997 and in the process also recently became a contributor to the area’s economic base. Approximately \$1.3 million of this \$16.4 million is estimated to be basic in nature.

21. The Emerging Economic Base of the Bitterroot Valley Economy - The economy of the area has become more diversified in a variety of ways over the course of the last ten to twenty years. External sources of income, which constitute the area’s economic base and heavily influence the functioning of the area economy and its growth and change, are increasing in number and diversity. A comparison of these sources for 1997 and twenty years earlier, 1977, illustrates this:

Components of the Area’s Economic Base and External Income Sources

Sector	1977	1997
#1 Transfer Payments	\$39.2 (15%)	\$113.7 (20%)
#2 Investment Income*	\$19.6 (8%)	\$ 47.4 (8%)
#3 Out-of-County Labor Inc.	\$28.3 (11%)	\$ 47.4 (8%)
#4 Manufacturing	\$17.3 (7%)	\$ 34.1 (6%)
#5 Fed/State Government	\$23.5 (9%)	\$ 26.5 (5%)
#6 F.I.R.E. (Real Estate)	\$ 0 (0%)	\$ 6.9 (1%)
#7 Construction	\$ 0 (0%)	\$ 6.6 (1%)
#8 Agriculture	\$ 6.0 (2%)	\$ 3.3 (0.6%)
#9 Wholesale Trade	\$ 0 (0%)	\$ 1.3 (0.2%)
Total	\$134 (51%)	\$287.2 (50%)

* Basic component of investment income estimated at 30 percent for both years.

As indicated at the bottom of the table, about half of the income received in the form of personal income by valley residents is estimated to be from external sources and, thereby, considered basic in nature. The largest contributors to the area’s economic base are as follows:

- **#1 Transfer Payment Income** - Transfer payments - primarily Social Security payments and medical benefits - are the largest source of external income for area residents in 1997, as they were twenty years earlier. However, their share of total personal income has increased from 15 to 20 percent. Over the course of the next decade, this source of external income will continue to grow as the area’s

population continues to age. This growth will probably accelerate as a larger population reaches ages of retirement.

- **#2 & #3 Investment Income and Out-of-County Labor Earnings** - It should first be noted that the amount of investment income received by Ravalli County residents originating with outside sources cannot be definitively estimated. For this reason, it is simply assumed that roughly 30 percent is from external sources in both years. Using this assumption, investment income is estimated to supply roughly 8 percent of the total external income received by area residents in both 1997 and 1977. Investment income's share of externally-supplied income should grow as the population continues to age. Out-of-county labor earnings - labor income earned by residents of Ravalli County working outside the county - have declined as a share of all personal income, but remain tied with investment income as a source of external income.
- **#4 Manufacturing** - Manufacturing in Ravalli County has continued to grow, with some diversification within it away from the area's narrow dependence on wood products manufacturing. It remains as an important contributor to the area's economic base.
- **#5 Federal and State Government** - This sector, which is primarily employees of the federal government, has been a consistent source of externally-supplied income into the area. However, the share of income from this source has declined significantly, falling from 9 percent in 1977 to 5 percent in 1997. Increasing constraints on program spending by the U.S. government, primarily in expenditures by the U.S. Forest Service, may further reduce this sector's contribution to the area's economy.
- **#6 Construction** - Because of the large increases in construction activity associated with high levels of in-migration into the area, this sector has grown beyond strictly local demand and become a recent contributor to the area's economic base. However, this may be difficult to sustain. The contribution to the area's economic base is small; \$6.6 million or about 1 percent of personal income.

- **#8 Agriculture** - Net income from farming and ranching and labor earnings by those employed in agriculture services are contributing an increasingly smaller share to the area's economic base. However, agricultural producers spent over \$30 million each year in recent years and this spending is important to the area's economy. It is difficult to maintain, however, when agricultural returns are so low, which is a perennial problem in agriculture.

- **#9 Wholesale Trade** - This sector has expanded rapidly in recent years and now contributes to the area's economic base, although at only a small level.

Sources of income received by area residents have become more diversified with growth in transfer payments and investment income. In future years, over half of the area's personal income will come from non-labor sources. And, among labor income sources, there is a greater diversity of external income sources. And, finally, within the largest source of basic labor income - manufacturing - diversification is occurring, with a gradual reduction in the share of earnings from wood products manufacturing.

22. Probable Future Trends in the Area's Economy -

- **Continued population growth** - Ravalli County and the Bitterroot Valley will in all likelihood be one of Montana's fastest growing counties over the course of the current decade as they were in the last decade. Population growth will be almost entirely governed by the rate of in-migration to the valley. The type of growth occurring in the valley is similar to what is occurring in other non-metro areas of the West having characteristics common to the Bitterroot Valley: 1] very scenic with close proximity to larger tracts of undeveloped open space (public forest lands), 2] proximity to a regional center with good air service, educational and medical care services, and sources of entertainment and social interaction. The factor most affecting future growth is what will happen to perceptions of the valley's attractiveness as this fast growth continues and increasingly takes its toll on the very thing

enticing more people to move to the valley - the area's scenic qualities and rural character.

- **Continued aging of the population** - While the population of the valley is fast-growing, the population of certain age groups is "very fast-growing," particularly those between their mid-40s and early 60s who have doubled in size in just the last ten years. The number of people 55 to 64 is 60 percent greater than those 65 to 74, and the number 45 to 54 is nearly 50 percent greater than those 55 to 64. So, aging of the population will accelerate.
- **Continuing shift in the area's income composition** - These changes will drive many future changes in the area's economy. Nearly half of the area's personal income now comes from non-labor sources. By the end of the current decade, well over half will come from non-labor sources. This income shift will provide some stability to overall income levels in the valley, but expenditure patterns will increasingly reflect an older population who controls a larger share of the area's income.
- **Steadily rising but slowly rising per capita income** - Per capita income levels for valley residents are much lower than what they are nationally. But, this has been the case for a long time and it will continue to be the case because these income levels are much lower in non-metro areas of the West than they are nationally, which are largely the product of higher income, highly populated places. The biggest factor in why per capita income as a whole is low in the valley by national standards is low levels of labor earnings per worker and per capita. However, in sharp contrast to the 1980s, per capita labor earnings in the valley grew at about the same rate as nationally during the last decade (17% versus 18% from 1987 to 1998).
- **Continuing shifts in the area's employment mix** - The services sector accounted for nearly 30 percent of all job growth in the valley between 1987 and 1998. Job growth in retail trade was close behind. Growth in these sectors follows growth in population and income. As such, continued growth

in these sectors will follow future population and income growth. This should be expected rather than viewed with consternation.

- **Continuing restructuring in the area's economy** - A major factor in recent restructuring of the area's economy has been the rapid population growth and its resulting impacts on construction activity and activity in real estate development and sales, combined with the changing composition of income. The fast pace of this activity has become both a blessing and a curse; a blessing for the income and employment it generates and a curse for the difficulty this presents in terms of maintaining these relatively high levels of activity. Real estate markets and construction activity are inherently volatile, and thereby destabilizing to local economies. This challenge is shared by all area economies that have become economically dependent upon relatively high rates of population growth.
- **Biggest Economic Development Challenge** - The Bitterroot Valley economy has a large proportion of relatively low-paying jobs and an excessive dependence on self-employment and part-time employment. But, it's important to realize that the slippage in per worker earnings largely occurred during the 1980s, not during the last decade. In fact, per worker earnings by all wage and salary workers in the valley rose by 18 percent between 1987 and 1998 while falling by 14 percent between 1977 and 1987. The valley has gone through some very difficult economic restructuring during the last twenty years, with considerable damage inflicted during the 1980s and considerable progress made more recently. Prescriptions for economic improvement are not self-apparent. And the correct prescriptions most assuredly are not ones that call for returning to the past. What is required is adaptation to the present and to the future. Those working to improve the valley economy have to become as astute as possible on emerging trends and patterns of change in the larger national and regional economies of which the Ravalli economy is a part. And they must work to determine how to prepare and position the valley and its economy for these trends and patterns; attempting to take advantage of some while reducing the possible negative effects of others.

A. Components of a *READ* Area Economic Profile

This profile of the Bitterroot Area economy is organized and conducted using information and analysis contained in the *Regional Economies Assessment Database* or *READ System*. *READ* was designed and constructed by Dr. Larry Swanson with the O'Connor Center for the Rocky Mountain West at The University of Montana and is maintained and distributed via the Internet at <www.readsystem.net>.

The *READ System* was devised to facilitate the careful assessment of area and sub-state regional economies throughout the western United States using a large number of indicators of population, income, and employment change. Various types of profiles have been prepared in tabular form in *READ* permitting area economies to be examined segment by segment. These tabular profiles show area conditions over the last twenty-to-twenty-five years, allowing both historical and more recent trends in the direction and pace of change to be revealed and evaluated.

READ is utilized in assessing the following aspects of the Bitterroot Valley economy:

1. **Area Characterization** - "What type of area is the Bitterroot Valley and what role does it play in the larger regional and national economy?" This focuses on the defining features of an area that heavily influence the nature of its economy including population size characteristics, area proximity to major cities and regional centers, proximity or presence of other important distinguishing features of the area, and underlying area dependencies on various "basic industries," or sectors of the economy largely responsible for bringing outside income to an area. Area characterizations are meant to provide context for understanding the role or place of an area within the larger economy. Areas are characterized using a broad-based area classification system developed for use in the *READ System*.
2. **Underlying Area Economic Base** - "What are the key industries and segments of the Bitterroot Valley economy and how are they changing?" The underlying economic base of an area is composed of industries and sectors that bring "outside income" to the area or income from persons and businesses not residing in the area. Income from outside the area once received in some fashion gets re-spent, thereby

generating additional income in the area (this process is sometimes referred to as the "income multiplier"). So, economic base sectors are "income generators." The economic base includes area businesses whose receipts largely come from sales of goods or services to external markets. Area industries primarily selling to outside markets are commonly referred to as "basic industries." And an industry's contribution to an area's economic base is ordinarily measured by the money they pay to their employees, including proprietor income, from these receipts. Income received by Bitterroot Valley households largely from sources outside of the area also can come in the form of investment income (dividends, interest earnings, rent receipts, etc.) and transfer payments (Social Security benefits, Medicare and Medicaid, etc.). An examination of the underlying economic base of the Bitterroot Valley and how it has changed over time is contained in Table 1.

3. **Population Profile** - "What are recent trends in the growth and change of the area's population and how do these compare to other areas?" Many area economic conditions and trends are heavily influenced by rates and directions of population change. Population trends are identified and assessed for specified periods in time; including the last ten years and the decade of the '80s. This examination of population trends includes components of change, including births and deaths ("natural change") and net migration in Table A.1 in this report.
4. **Population Age Demographics** - "How is the age composition of the area changing and how does this compare to other areas?" The U.S. population is "aging" overtime. The median age of the population is increasing and percentages of the population in older age groupings and categories is growing in relation to the population as a whole, while younger age groupings decline as a share of the total population. These shifts in the age composition of the population affect needs and trends in housing, income composition, transportation, education, consumption patterns, and many other aspects of area economies. The pace and complexion of this aging pattern varies widely from place to place. The changing age structure and birth and death rates for Ravalli County are examined in Table A.2. Detailed breakdowns of Ravalli County population by single age categories and age groupings also are contained in the Appendix.

5. **Personal Income Profile** - “Is the ‘income pie’ of the area growing adequately or at a par with other areas and, if so, what accounts for this growth? If not, what may account for this lack of growth? How is the composition of income changing and what are the implications of these changes?” Income received by area residents is the “fuel” that propels or runs an area economy. If income declines, area economy activity usually decline as well and if this persists, overall area economic vitality suffers. It is important to examine and assess both the pace of change in total personal income. It also is important to examine the changing composition of area personal income, or the shares of income from its three major sources: labor earnings, investment income, and transfer payments. Further examination of personal income trends includes relating income to the size of the total population that’s dependent on this income. This measure is per capita income. However, per capita income is only an average and doesn’t tell us how evenly income is distributed, nor does this measure take into account area variations in the cost of living. The area poverty rate tells us the percent of the population in households receiving income at levels below federally-designated “poverty thresholds.” It’s important to note that these poverty thresholds do not take into consideration area variations in the cost of living. So, they can over-estimate poverty in areas where the cost of living is relatively low and under-estimate poverty in areas where the cost of living is relatively high. A personal income profile for Ravalli County is shown in Table B.1 (poverty estimates are from A.6, which is not included in this report)
6. **Transfer Payments Income Profile** - “What is the area’s dependence on various forms of transfer payment income and how does this compare with other areas?” As the U.S. population ages and the age distribution of the population changes, so does the composition of income. This is reflected in a general increase in the importance of transfer payments income in overall area income. Transfer payments include income received by individuals in the form of such things as Social Security, Medicare, and Medicaid. They also include public job training and welfare assistance as well as other sources of public income assistance. Table B.2 provides a transfer payments profile for Ravalli County.
7. **Labor Income Profile** - “Is the labor income component of area income growing adequately? How is it changing in terms of wage and salary income versus proprietor income? How do these trends compare to other areas?” Although a decreasing share of total personal income, income received by individuals in the form of wages, salaries, and self-employment income is the largest income source for most areas of the United States. This income is simply referred to as labor income and is profiled for Ravalli County in Table B.3.
8. **Overall Employment Profile** - “What is the pace of job creation in the area and how does employment growth vary from one category to the next?” Area variations in population and income growth and demographic change can affect the pace and direction of change in the size of an area’s labor force and in the rate of employment. Employment is measured according to a variety of categories, including wage and salary employment versus self-employment, farm versus non-farm employment, and private versus government employment. An overall employment profile for Ravalli County is shown in Table B.4.
9. **Sector-by-Sector Analysis** - “How are various individual sectors of the area’s economy changing? What are the relative balances in the area economy between the various sectors, or what are the shares of employment and labor earnings accounted for by each sector? What are average annual per worker earnings among the various sectors and how are these changing over time? “ An area economy can be subdivided into eleven major sectors including production agriculture (farm and ranch), ag services, mining, manufacturing, construction, wholesale trade, retail trade, services trade, transportation and public utilities, government, and finance, insurance, and real estate. Employment and labor income growth and change overtime for each of these is examined in *READ* Table B.5. The employment and labor income shares accounted for by each sector are shown in Table B.6. And average annual per worker earnings are calculated and shown in Table B. 7.
10. **Area Income Growth and Decline** - “Where is the greatest growth and the greatest decline occurring in area income? What is the changing structure and make-up of the area economy? Where is the greatest economic change occurring?” It is often instructive in assessing an area economy to focus on where the greatest change is occurring. By doing so, we can identify and examine the dominant dynamics of change. And this type of analysis can help describe what direction an area economy

seems to be headed. Table B.8 shows income growth and change in the Bitterroot Valley economy since the late 1980s. Income growth is examined source-by-source, sector-by-sector, and subsector-by-subsector. There are about 70 different subsectors of the economy and these are rank-ordered in the last section of Table B.8 according to magnitude of labor income growth among these between 1987 and 1995 - a period of critical economic restructuring in many regions of the western United States, including the Bitterroot Valley.

B. Area Characterization: Defining features of the Bitterroot Valley heavily influencing the nature of its economy

One of the most important features of the *READ System* is its utility for placing economic data for one type of area into a larger context. Many types of economic and population data do not have great meaning simply “on their face.” They have to be interpreted and this is facilitated by comparing and contrasting key data for one area to similar measures for other areas. It is important to compare area conditions and trends in the Bitterroot Valley to other areas of the West with similar underlying and defining characteristics and to norms and standards for the larger region and nation.

This type of analysis, developed and incorporated into the design of *READ*, is referred to as an area “peer review.” Peer reviews are often used by businesses and other organizations to gauge and assess their performance. For example, a modest-size business producing and selling a particular type of product in particular types of markets will identify other similar-size businesses producing and selling similar types of products in similar types of markets. The business will then compare various measures of its performance, such as sales activity and growth, employee compensation, management practices, and other indicators to similar measures for these comparable firms. These comparisons provide a way of gauging performance and interpreting change.

Universities do the same thing. They select comparable-size and comparably funded educational institutions and make comparisons across these, such as in gauging enrollment growth and composition, tuition rates, faculty salaries, and similar indicators of change and performance.

This same logic embodied in peer reviews of businesses and universities can be applied in assessing and evaluating area economies like that of the Bitterroot Valley. Conditions and trends and measures of performance for one area economy can be placed into context and interpreted by comparing these indicators and measures to those of other similarly situated areas and regions. In this profile conditions and trends in the Bitterroot Valley are selectively compared to those for larger categories of area types that include Ravalli County. Two peer areas have been selected for this purpose.

- **“Forest Land Counties”** - Areas in the West nearby U.S. Forest Service lands having no place greater than 50,000 population that are nearby and closely-linked to mid-size regional population centers and that were economically dependent upon wood products manufacturing in the late 1970s
- **“Regional Center Counties”** - Non-metro areas in the Rocky Mountain West closely-linked to regional centers of 60,000 to 100,000 people

C. Areas in the West Nearby Moderate-Size Regional Centers

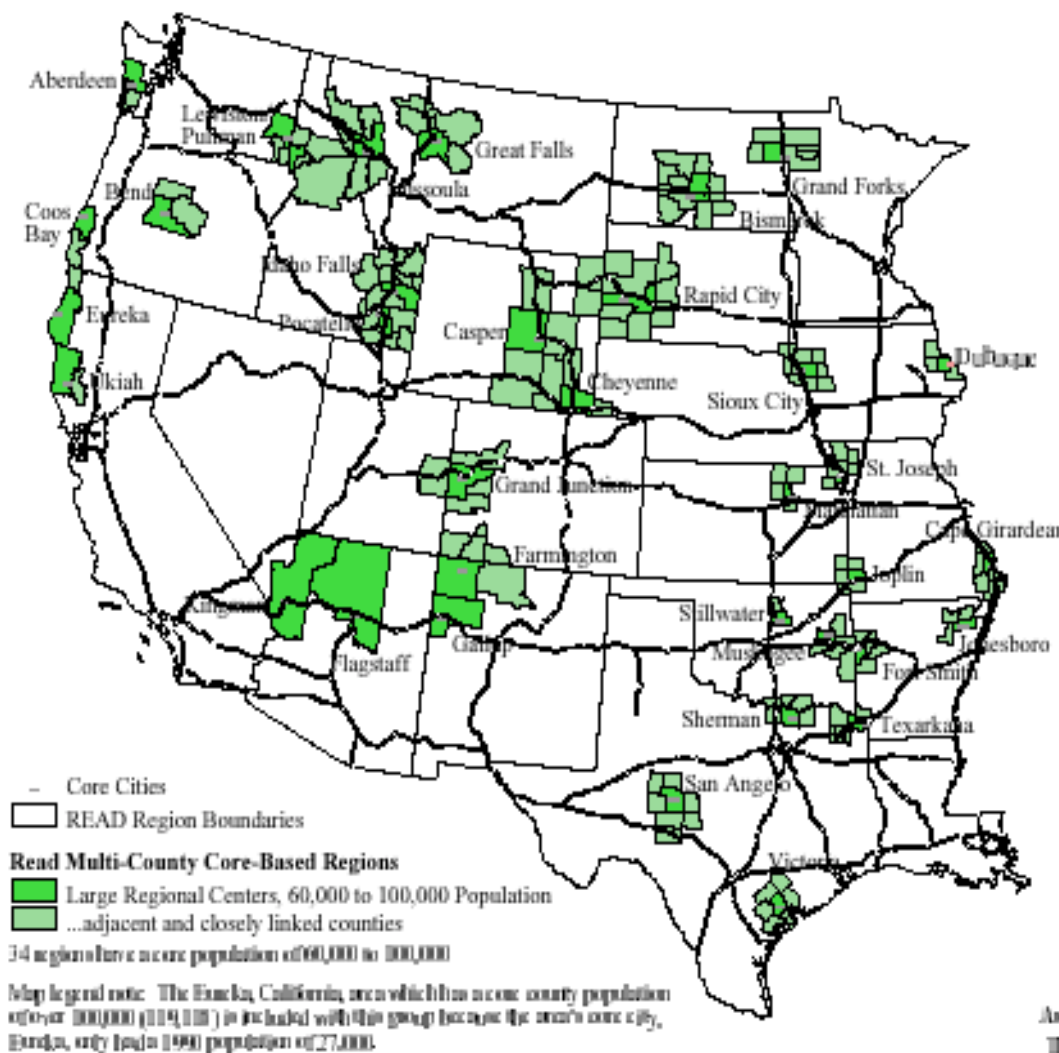
One of the most important factors influencing conditions and trends in the Bitterroot Valley is the proximity of this largely rural and non-metropolitan area to the mid-size regional center of Missoula. Missoula’s incorporated area population reached nearly 58,000 in 2000 and the countywide population of Missoula grew from 79,000 in 1990 to nearly 96,000 in 2000. Although Ravalli County’s population is large by some non-metro standards and growing, its largest city has a population of less than 4,000 people. Thus, the area’s economy is heavily influenced by trends in the larger trade center county of Missoula.

A framework has been devised in *READ* for identifying and classifying regional population centers throughout the western United States and for identifying adjacent and nearby counties that are closely-linked to these centers economically. This framework is briefly described in the Appendix to this report. The map on the following page shows sub-state, multi-county regions of the West whose area economies are centered around regional population centers of 60,000 to 100,000 people. These are regional centers

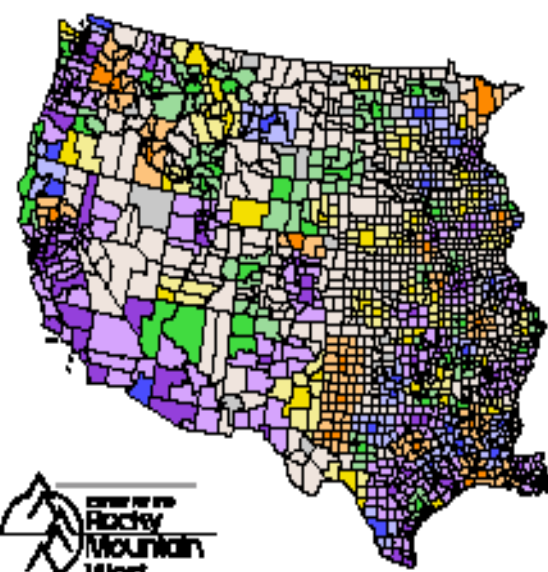
READ Region "Peer Review"

Large Regional Trade Center Regions

Regions with core populations between 60,000 and 100,000 people and their surrounding closely-linked counties



There are 34 "Large Regional Trade Center" regions in the West with core populations between 60,000 and 100,000 people (although Eureka with a core county population of over 100,000 is included). The region with the smallest core county population is Bismarck at just over 60,000 people. Regionwide populations including both core and surrounding area populations range from 61,000 (Gallup) to as high as 265,000 for Ft. Smith, Arkansas. The economies of these "peer" regions are compared and assessed using multiple indicators of economic change and performance from the READ database.



Center for the Rocky Mountain West
Regional Economics
Assessment Database (READ)
The University of Montana, 2000

Economic conditions and trends vary widely among sub-state regional economies. Regional centers vary widely in population size and economic complexity and the trade, service and market areas surrounding these centers vary in geographic size, population density and underlying economic dependencies. It is at this level - the level of READ sub-state, city-centered, economic regions - that efforts are increasingly being focused on economic improvement, business development, and community vitality.

An important tool in evaluating the health and vitality of regional economies and marketplaces is what is referred to as region "peer review." In gauging how well an area economy is doing, important indicators of area economic conditions and trends must be compared to similar measures for other similar areas, or "peers." This type of analysis can help establish norms and realistic expectations for area economies. It also can indicate areas where a local economy is performing at "high" levels or "low" levels relative to peers. And, in time, constant monitoring of area conditions and trends using a well-designed peer review can be very useful in identifying possible "strengths" and "weaknesses" in an economy, which is vital in devising possible strategies for area economic improvement.

In READ, the first criterion for identifying peer regions is the size of the region's core area population; the criterion used in generally placing city-centered, sub-state regions within classes or groups. The map shows a general class or group of regions that can be considered peers. Other criteria also can be used to refine and improve the identification of peer regions.

comparable in size to Missoula. There are 34 of these “large regional trade center regions” in the 22 contiguous states largely west of the Mississippi River. They include sub-state, multi-county regions centered around places like Missoula, Idaho Falls, Pocatello, Rapid City, Grand Junction, Bend, and Grand Forks. In the map, the counties in dark green are the region “core” counties where the regional population center is located. The light green counties are those that are “closely-linked” to these regional centers. There are 147 counties in the West that are these type of closely-linked counties and, of these, 84 have populations exceeding 10,000. These 84 similarly-situated counties closely-linked to mid-size population centers of this size range include Ravalli County and Lake County in Montana and they are treated as a Ravalli County peer group for purposes of evaluating conditions and trends in the Bitterroot Valley area economy. The full list of 84 counties is shown in the Appendix. In the peer review later in this report, these 84 counties are simply referred to as “Regional Center Counties.”

During the 1980s, the combined population of these 84 counties grew by less than 3 percent and experienced net out-migration of over 57,000 people. During the 1990s, population growth, once focused in metro areas, spread and these counties experienced much more population growth including net in-migration of over 80,000 people. Areas surrounding regional population centers of this size in the West are becoming attractive places for more and more persons migrating from one location to another.

D. Areas of the West Nearby U.S. Forest Service Lands

The economies of many areas of the West are heavily influenced by their proximity to lands managed by the U.S. Forest Service. As the illustration on the first page of this report shows, Ravalli County is centered within a large concentration of Forest Service lands. The map on the following page shows national forest and wilderness lands administered by the U.S. Forest Service throughout the West. Counties nearby these lands are screened in gray and stratified into three groups based upon the size of a county’s largest city, using 1990 Census figures. Counties in the dark screen are those nearby Forest Service lands having at least one city greater than 150,000 people. Across the West, there are 13 of these “Code 1” counties. These counties are mainly in California (6), Washington (2), and Colorado (2). The largest city of counties

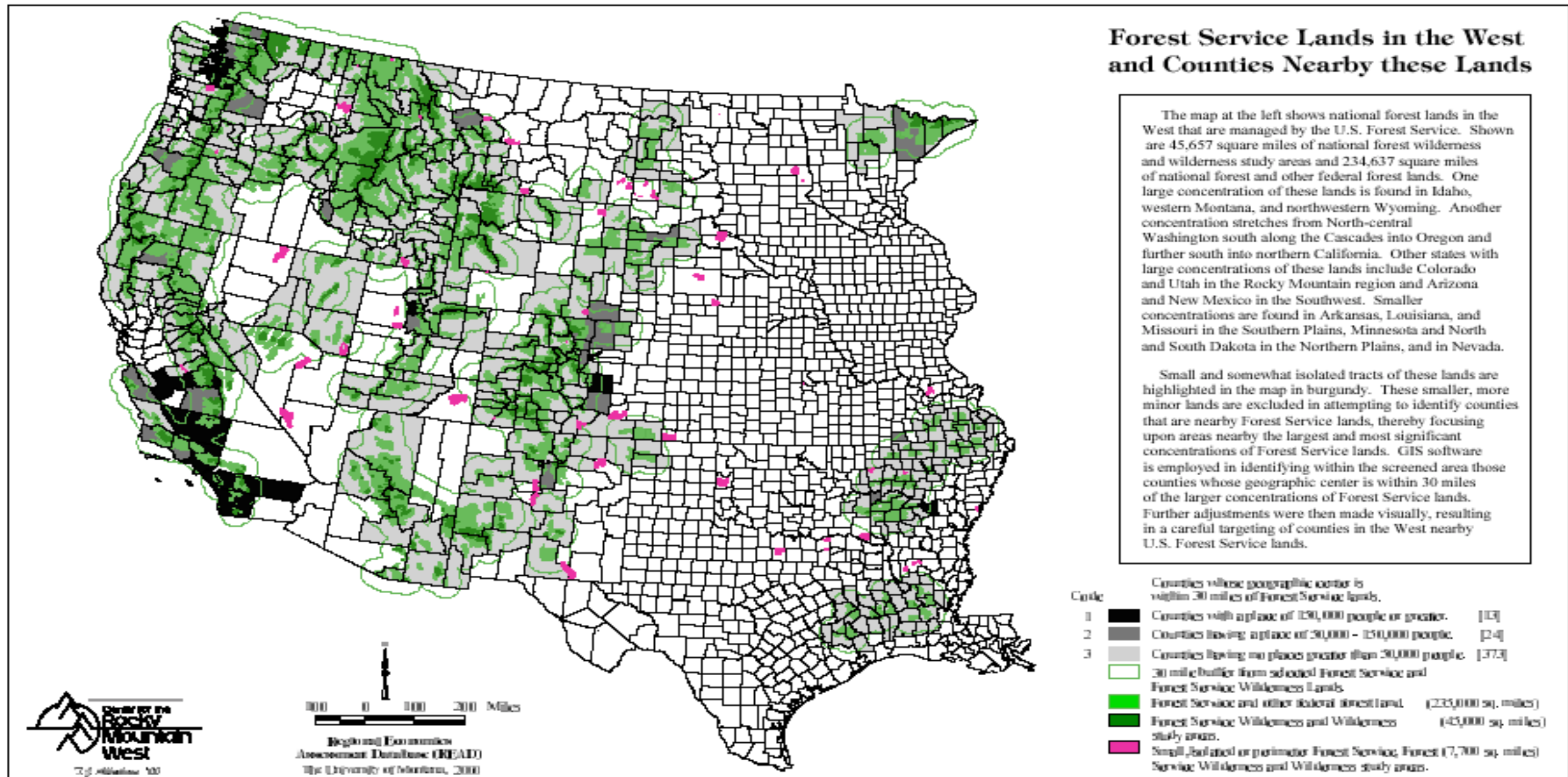
designated as “Code 2” counties (the middle screen) is between 50,000 and 150,000. There are 24 of these counties scattered widely across the West.

The last and by far the largest category of counties nearby Forest Service lands in the West are those having no incorporated place with a 1990 population greater than 50,000. There are 372 of these less populated counties, designated as “Code 3”. These counties are largely non-metro in character, like Ravalli County. But, they differ in how rural or isolated they are as measured by their proximity to counties or areas with larger cities. The *READ urban-to-rural classification system* is used in further classifying these 372 counties according to their proximity or closeness to larger cities or metro areas.

Code 3 Counties (those with no city over 50,000 population nearby Forest Service lands in the West) by Proximity to Larger Cities or Metro Areas

1. GROUP 1: These are counties nearby major metropolitan areas of 250,000 or more (*READ* Codes 11a, 12a, 12b, 21, and 22). The economies of these areas are heavily influenced simply by their close proximity to large metro centers. They appear in light purple in the *READ* regions map in the Appendix. (121 counties)
2. GROUP 2: These counties, while having no incorporated place greater than 50,000, are still high in population in relation to the regions where they are located and serve as “regional centers” with county populations of 30,000 to 160,000 people. These counties have *READ* Codes 31, 41, and 51 and are included in the counties shown in dark blue, dark green, and dark yellow, respectively, in the *READ* map. (29 counties)
3. GROUP 3: Counties with no place greater than 50,000 people that are both nearby Forest Service lands and nearby or adjacent to counties with small-to-large “regional trade centers” or counties having the dominant trade center of a region with county-wide populations of 30,000 to 160,000 people, such as those in Group 2. These have *READ* codes 32, 42, and 52 and are shown in light blue, light green, and light yellow in the *READ* regions map. (109 counties)
4. GROUP 4: Counties that are both rural and isolated in that they have small populations and are not nearby a small-to-large regional center, as in the case of Group 3. These counties have *READ* codes 61, 62a, and 62b and are shown in

dark and light gray in the *READ* regions map. (113 counties)



Because there are no large metro centers of 250,000 people or more in Montana, none of the 121 counties in the first group are in the state. However, ten of the counties are in Idaho, including Kootenai (Coeur D’alene), Bonner (Sandpoint), Shoshone (Kellogg), Benewah, Elmore (Mountain Home), Gem, Washington, Valley, Boise, and Adams.

The 29 counties in Group 2 vary in total population from as low as 34,000 to as high as 146,000 (1990 populations). The group includes Missoula, Flathead, Gallatin, Lewis and Clark, and Silver Bow which contain the regional centers of Missoula, Kalispell, Bozeman, Helena, and Butte, respectively. Four of the counties are in Idaho, including Bonneville, Bannock, Nez Perce, and Twin Falls containing the regional centers of Idaho Falls, Pocatello, Lewiston, and Twin Falls.

The third group of 109 counties vary in population from 2,000 to 97,000 and include many counties scattered throughout Texas, Louisiana, Arkansas, and Missouri. However, most are in Idaho, Montana, Oregon, Washington, Utah, Colorado, and Wyoming. The group includes several Montana counties: Carbon (Red Lodge area), Stillwater (Columbus), Sweet Grass (Big Timber), Wheatland (Harlowton), **Ravalli** (the Bitterroot valley), Lake (the southern Flathead valley), Sanders (Thompson Falls), Pondera (Conrad), Mineral (Superior), Granite (Phillipsburg), Judith Basin, Lincoln (Libby), Park (Livingston), Deer Lodge (Anaconda), Beaverhead (Dillon), Jefferson (Boulder), Powell (Deer Lodge), Madison (Ennis), Broadwater (Townsend), and Meagher (White Sulfur Springs). Fifteen of the counties are in Idaho: Bingham (Blackfoot), Madison (Rexburg), Idaho (Grangeville), Fremont (St. Anthony), Franklin (Preston), Clearwater (Orofino), Power (American Falls), Caribou (Soda Springs), Bear Lake (Montpelier), Oneida (Malad City), Teton (Driggs), Butte (Arco), Clark (Dubois), Cassia (Burley), and Jerome (Jerome). These are all non-metro counties nearby modest-size regional centers that are also nearby U.S. Forest Service lands. The fourth group of 113 counties vary in population from under 1,000 to nearly 35,000 and are scattered throughout the West. It includes four in Montana: Wibaux, Glacier, Fallon, and Powder River and five counties in Idaho: Blaine, Boundary, Lemhi, Custer, and Camas.

Part of interpreting and understanding economic change in Montana’s Bitterroot Valley involves examining changes occurring in places like the Bitterroot Valley throughout the West. Are changes occurring in the Bitterroot part of a larger pattern of change? Are important changes occurring in the Bitterroot area economy significantly different from those largely occurring in similar areas? The 109 counties in Group 3 are similar to the Bitterroot Valley in general population characteristics, proximity to a large regional center, and nearness to large public forest lands administered by the U.S. Forest Service. For these reasons, they could serve as a good peer group for the Bitterroot Valley area in comparing and contrasting economic conditions and trends in the area.

However, another defining characteristic of the Bitterroot Valley economy has been its dependence on wood products manufacturing and changes in this industry significantly affect the economies of non-metro areas heavily dependent on it. The 109 counties in Group 3 were evaluated in terms of their dependence on wood products manufacturing with dependency measured by the share of area labor earnings accounted for by those employed in some aspect of wood products manufacturing. Because of the need to track and evaluate economic change among areas dependent on this industry for many years, dependency was determined for a three-year period in the late 1970s.

Those counties where labor income received by area workers in wood products manufacturing, including logging and lumber and wood products production, accounted for 10 percent or more of all area labor income during the 1976-77-78 period were classified as “wood products industry dependent.” Twenty-three of the 109 counties in Group 3 were included in this sub-group. Among these is Ravalli County, where wood products manufacturing workers earned about \$14.5 million a year in labor income during this period, accounting for over 11 percent of all area labor earnings. Sanders, Mineral, and Lincoln Counties in Montana also are in this sub-group, along with Clearwater and Idaho Counties in Idaho. A full list of the 23 counties in this sub-group is contained in the Appendix. This sub-group of “Forest Land” counties is used as a peer group in evaluating economic conditions and trends in the Bitterroot Valley.

Population Trends Among Forest Land Counties

On the following page is a table showing population trends among the counties contained in Groups 2, 3, and 4 described above. Figures at the left side of the table include all counties in these three groups, while the figures at the right side of the table include only those counties from the three groups that were “wood products industry

Table 2: Population Change in Non-Metro Areas Nearby Forest Service Lands in the West*

All counties in each group										Counties in each group "Lumber & Wood Products Mfg. Dependent" in late '70s /a													
Population in thousands					1980-90 Change				1990-99 Change		Population in thousands					1980-90 Change				1990-99 Change			
1975	1980	1985	1990	No.	%	1995	1999	No.	%	1975	1980	1985	1990	No.	%	1995	1999	No.	%				
Non-metro Counties with Large and Small Regional Centers										Non-metro Counties with Large and Small Regional Centers													
GROUP 2	1,635	1,828	1,895	1,998	170.0	9.3%	2,200	2,295	297.0	14.9%	GROUP 2	679	772	787	831	59.0	7.6%	912	948	117.0	14.1%		
Codes 31,41,51				natural change		natural change		116.4		5.8%		Codes 31,41,51				natural change		natural change		26.8		3.2%	
29 counties				net migration		net migration		180.1		9.0%		11 counties				net migration		net migration		93.0		11.2%	
						residual adjust.		0.3		0.0%								residual adjust.		-2.7		-0.3%	
These counties include Missoula, Flathead (Kalispell), Gallatin (Bozeman), Lewis and Clark (Helena), and Silver Bow (Butte) in Montana and Bonneville (Idaho Falls), Bannock (Pocatello), Nez Perce (Lewiston), and Twin Falls in Idaho. As a group, these 29 counties had net in-migration of about 7,600 in the 1980s. During the 1990s, net in-migration shot up to 180,000.										Of the 29 counties in Group 2, 11 were "wood products manufacturing dependent" in the late 1970s, including Missoula and Flathead in Montana and Nez Perce in Idaho. Net migration to these counties rose from 9,100 during the 80s to 93,000 during the 90s, increasing the population base of these counties by over 11% in less than ten years.													
Non-metro Counties Nearby Large and Small Regional Centers										Non-metro Counties Nearby Large and Small Regional Centers													
GROUP 3	1,560	1,753	1,853	1,879	126.1	7.2%	2,055	2,138	258.5	13.8%	GROUP 3	323	367	377	383	16.2	4.4%	422	435	52.4	13.7%		
Codes 32,42,52				natural change		natural change		75		4.0%		Codes 32,42,52				natural change		natural change		4.5		1.2%	
109 counties				net migration		net migration		185.6		9.9%		23 counties				net migration		net migration		48.7		12.7%	
						residual adjust.		-3.3		-0.2%								residual adjust.		-0.8		-0.2%	
These counties include Ravalli, Carbon, Stillwater, Lake, Sanders, Mineral, Lincoln, Park, Deer Lodge, Beaverhead, Powell, and Madison, among others, in Montana. Net in-migration during the 80s totaled almost 5,000 people. In the 1990s, net in-migration has increased dramatically in these areas that are adjacent to Group 2 counties, rising to 186,000.										Twenty-three of the 109 counties in Group 3 were "wood products dependent" in the late 1970s, including Ravalli, Sanders, Mineral, and Lincoln in Montana and Idaho and Clearwater in Idaho. The 23 counties had net out-migration during the 80s; a loss of 1,300. A complete reversal of this trend occurred in 90s with net in-migration of nearly 49,000.													
Isolated Rural Counties with small populations										Isolated Rural Counties with small populations													
GROUP 4	1,107	1,215	1,274	1,272	57.2	4.7%	1,377	1,431	158.4	12.5%	GROUP 4	107	118	123	125	7.6	6.5%	134	140	14.9	11.9%		
Codes 61,62a,62b				natural change		natural change		47.2		3.7%		Codes 61.62a,62b				natural change		natural change		4.5		3.6%	
113 counties				net migration		net migration		115.7		9.1%		9 counties				net migration		net migration		10.9		8.7%	
						residual adjust.		-4.5		-0.4%								residual adjust.		-0.4		-0.3%	
These counties include Wibaux, Glacier, Fallon, and Powder River in Montana. The 113 isolated rural counties as a whole had nearly 32,000 more people move out of them than in to them during the 1980s. However, during the 1990s, net in-migration rose to almost 116,000 people.										Only 9 of the 113 counties in Group 4 were "wood products manufacturing dependent" in the late 70s. These 9 counties include Boundary and Camas in Idaho. None of the counties is in Montana. While losing 200 people through net out-migration during the 80s, these 9 counties added 10,900 through net in-migration during the 90s.													
Total	4,302	4,796	5,021	5,149	353.3	7.4%	5,631	5,863	713.9	13.9%	Total	1,110	1,256	1,287	1,339	82.8	6.6%	1,468	1,523	184.3	13.8%		
All Codes				natural change		natural change		238.6		4.6%		All Codes				natural change		natural change		35.8		2.7%	
251 counties				net migration		net migration		481.4		9.3%		43 counties				net migration		net migration		152.6		11.4%	
						residual adjust.		-7.5		-0.1%								residual adjust.		-3.9		-0.3%	
The 251 counties comprising Groups 2, 3, and 4 above lost nearly 19,000 people through net out-migration during the 1980s. However, their population rose by over 7% during the decade because of natural change (births exceeding deaths by 373,000). In the 1990s, birth rates have fallen while death rates have risen, reducing population growth through natural change. However, net migration went from a negative to a positive of over 481,000.										The rate of net in-migration to lumber manufacturing dependent counties is slightly greater than for other counties nearby Forest Service lands, with net migration alone during the 90's increasing their population by 11.4%..													
										*/ Counties in the West whose geographic center is within 30 miles of Forest Service national forest and wilderness lands, which also had no place greater than 50,000 population in 1990.													
										a/ Counties where lumber and wood products manufacturing accounted for 10% or more of total labor income for the period 1976, 1977, and 1978 (three-year average).													
Source: U.S. Census Bureau data and analysis by the O'Connor Center for the Rocky Mountain West.																							

Source: U.S. Census Bureau data and analysis by the O'Connor Center for the Rocky Mountain West.

dependent” in the late 1970s. For the full group of 109 counties in Group 3, which includes Ravalli County, overall population grew from 1,753,000 people in 1980 to 1,879,000 in 1990. This growth of 126,100 people or 7.2 percent occurred through both net migration and natural change (births - deaths). Most of the growth resulted from natural change (121,100 of the 126,100 total population growth). The remainder, 4,900 in growth, resulted from net migration, or more people moving to these areas than away during the 1980s. However, during the 1990s, while population growth through natural change declined, over 186,000 more people moved to these 109 counties than moved away, pushing their overall growth during the 1990s to nearly 14 percent. And in the three groups of counties at the left in the table as a whole, net migration went from a minus 19,100 in the 1980s to over 481,000 in the 1990s. This shift in both the direction and magnitude of migration in these largely non-metro areas nearby western forest lands is dramatic.

In the counties which were dependent on wood products manufacturing, shown at the right, net migration has had an even greater impact on population growth during the 1990s. In the 1980s, the 23 counties in Group 3, which includes Ravalli, lost about 1,300 people through net out-migration. But, in the 1990s, they added nearly 49,000 people through net migration. And for the 43 wood products industry dependent counties in all three groups, net migration went from 7,600 during the 1980s to nearly 153,000 during the 1990s.

Trends in Wood Products Manufacturing

Throughout their history, many of the national forests in the West have been heavily managed to supply timber for area wood products manufacturing. Over the course of the last 20 years, labor earnings by those employed in wood products manufacturing in the 43 dependent counties fell from over \$3.1 billion in 1978 to less than \$1.8 billion in 1991, a decrease of more than \$1.3 billion. In the process, area economies have become much less dependent on this industry. The wood products industry’s share of total labor earnings in these counties fell from 22 percent in the late 70s to less than 9 percent in 1998. For the entire 251 non-metro counties nearby these forest lands, the industry’s share of total labor earnings has fallen from 7.5 percent in the late 70s to 3.2 percent in

1998. Clearly, for the majority of counties nearby these forest lands, this industry has become almost a minor facet of their economy.

In the 23 wood products dependent counties in Group 3, which includes Ravalli County, labor earnings by wood products manufacturing workers has fallen from nearly \$900 million a year in the late 1970s to about \$635 million in 1987 and to \$560 million in 1992; a \$340 million decline over the entire period - a more than 35 percent decline. The industry in these counties continued this decline through the rest of the decade, falling below \$450 million by 1998.

The wood products manufacturing industry in Ravalli County has stood up to these larger area trends and actually grown. Labor earnings by those employed in this industry in the county stood at \$18.1 million in 1978. They declined for a while in the 1980s, reaching \$15.2 million in 1987. However, they steadily rose in the 90s reaching \$27.3 million in 1998. So, this underlying industry of the Bitterroot Valley has countered the larger pattern of industry decline in its Forest Land peers. This may be attributed to the industry’s adaptation and growth of the valley’s log home manufacturing sector.

The composition of personal income of those residing in the 23-county peer group has dramatically changed. In 1977, 67 percent of all income came from the work place in the form of labor earnings. In 1997, twenty years later, labor income’s share of total personal income had fallen to 52 percent, with almost half of all income coming from non-labor sources, including investment income and transfer payments.

E. Underlying Economic Base of the Bitterroot Valley

There are certain segments of an area’s economy that have particular importance in that they are primarily responsible for bringing “outside income” to an area, or income from sources outside of the area. When dollars flow into a local area from outside and move into area households, these “new” dollars are spent. A portion of these that are spent locally then are re-spent and so forth. Through this process, income is generated in a local economy above and beyond the initial infusion of outside dollars into the area. On the other hand, “non-basic” economic activity are those that largely operate within the local market and use local dollars. A local dollar spent on one thing cannot be spent on

another, so spending of local dollars is self-limiting - there's only so much area disposable income and it will only go so far. That's why so much emphasis in economic development is placed on expanding area businesses that bring additional outside dollars to an area.

As the structure of the economy changes so does the nature of basic activity. In earlier times, it has many times been a relatively straightforward matter to identify elements of an area's economic base, particularly in rural or non-metro areas where local economies were largely built upon and narrowly based upon one or two extractive industries (farming, ranching, logging, mining, etc.). However, this is becoming more difficult as area economies become more integrated with larger regional economies, more technologically sophisticated, and more service sector oriented. It's also becoming more complicated because of the changing composition of personal income, with more and more income coming from non-labor sources, which oftentimes can be traced to sources outside of the area. The changing economic base of Ravalli County is evaluated in Table 1.

F. Selected Peer Review of the Bitterroot Valley Area Economy

As mentioned previously, it's important to compare and relate measures of economic performance for one area to similar measures for similar types of areas if area economic performance is to be properly gauged. Local area estimates of economic activity are often compared with state-level and national averages in interpreting area economic activity. However, evaluating how well an area economy may be doing, particularly a non-metro area economy, by comparing it to state and national norms sorely lacks precision. National level statistics are heavily skewed by the dominance of metropolitan areas. Selected indicators of conditions and trends in the Bitterroot Valley are compared and contrasted with two types of areas that may be considered Ravalli County peer areas:

- **“Forest Land Counties”** - Areas in the West nearby National Forest lands having no place greater than 50,000 pop. economically dependent upon wood products manufacturing, represented by 23 counties in the West, including Ravalli County

- **“Regional Center Counties”** - Non-metro counties in the West with populations over 10,000 that are closely-linked to regional centers of 60,000 to 100,000 people, represented by 84 counties in the West, including Ravalli County

Conditions and trends in Ravalli County also are compared to those in Missoula County - the county where the dominant regional population and employment center of the region that the Bitterroot Valley is a part is located. Conditions and trends in Ravalli County and among its two peer areas are further compared with conditions in the larger region - the Rocky Mountain West, represented by the five states of Colorado, Utah, Idaho, Wyoming, and Montana - and in the nation as a whole.

- **Missoula County** - home of the regional population center to which the Bitterroot Valley and Ravalli County are closely linked, both in terms of geographic proximity and economic interdependence
- **Rocky Mountain West** - The larger region of the United States of which the Bitterroot Valley of Montana is a part, represented by the states of Colorado, Utah, Idaho, Wyoming, and Montana
- **Nation as a whole**

The data used in this peer review are taken from the data tables compiled in *READ*, which are compiled from secondary sources or derived using these sources. The first comparison to be made is in the rate of population growth. The figures below show the amounts and rates of population growth for Ravalli County, its peer areas, Missoula County (home of the area's regional population center), the five-state Rocky Mountain West, and the nation as a whole for the 1980s and 1990s through 1999. During the 1980s Ravalli County grew by over 11 percent, which was roughly the same rates as for the Rocky Mountain West region as a whole. However, Ravalli's growth was much higher than growth in its two peer areas. The Forest Land counties grew by only 4 percent and the Regional Center counties grew by less than 3 percent. Growth in Ravalli County during the 1980s was about three times faster than in the area's regional center county of Missoula - 11.2% versus 3.8%. In the 1990s, Ravalli County's population growth rate increased nearly four-fold. Growth rates also increased for both peer areas, but not by nearly as much. The larger Rocky Mountain West became one of the fastest growing multi-state regions in the U.S.

during the 1990s, with growth between 1990 and 1999 of nearly 21 percent, compared with less than 10 percent growth nationally. Therefore, Ravalli County can be considered a “fast-growing” area in a “fast-growing” region. In fact, Ravalli County became one of the 100 fastest growing counties in the U.S. during the 1990s. The Rocky Mountain West is projected to continue to be fast-growing over the course of the next ten to fifteen years, with most of this growth fueled by high rates of net in-migration. If Ravalli County continues growing at the same rate as it did during the 1990s, its population will exceed 50,000 by 2010.

Figure F.1: Overall Population Growth: 1980 - 90 and 1990 - 1999

	1980	1990	1999	1980 - 90		1990 - 99	
				amt.	%	amt.	%
Ravalli Co.	22,493	25,010	35,811	2,517	11.2%	10,801	43.2%
Peer Areas							
Forest Land Cos.	366,700	382,900	435,300	16,200	4.0%	52,400	13.7%
Reg. Center Cos.	1,774,617	1,819,905	1,961,493	45,288	2.6%	141,588	7.8%
Regional Center Core County							
Missoula Co.	76,016	78,936	89,344	2,920	3.8%	10,408	13.1%
Larger Region and Nation							
Rocky Mt. West	-	-	-	-	11.1%	-	20.9%
Nation	-	-	-	-	9.8%	-	9.6%

The figure below shows levels of net migration during the 1980s and 1990s and also shows the percentage change in population resulting from net migration during each period. Ravalli County had net migration of 1,530 during the 1980s and this increase in population raised its area population by 6.8 percent. Counties in both peer areas experienced net out-migration during the 1980s. This pattern sharply reversed in the 1990s with both peer areas seeing considerable net in-migration, but at rates significantly below that of Ravalli County. Missoula County also experienced a dramatic reversal in migration, losing 4,670 people through net out-migration during the 1980s while gaining 22,856 people through net in-migration during the 1990s. This rate of in-migration for Missoula County, however, is paled in comparison to what Ravalli County experienced. Net migration increased the population of Ravalli County by nearly 42 percent during the 1990s, and this can be considered a high rate of migration.

Figure F.2: Population Change through Net Migration: 1980 - 90 and 1990 - 99 Amount of net migration during the period and percentage change in population resulting from the net migration

	1980 - 90		1990 - 99	
	amt.	%	amt.	%
Ravalli Co.	1,530	6.8%	10,380	41.5%
Peer Areas				
Forest Land Cos.	-1,300	-0.4%	48,700	12.7%
Reg. Center Cos.	-57,738	-3.3%	84,120	4.6%
Regional Center Core County				
Missoula Co.	-4,670	-6.1%	22,856	29.0%
Larger Region				
Rocky Mt. West	-130,718	-2.0%	795,662	10.9%

The birth rate of the U.S. population began to fall in the 1990s as the large “baby boom” population - those born between the years of 1946 and 1964 - began to reach ages of 40 and older, ages where population fertility rates fall dramatically. In 1980 and 1990, the number of births per 1,000 population nationwide was 16.1. But, by 1996 this had fallen to 14.8 and fell further to 14.6 in 1999. This decline will continue over the course of the next decade.

The birth rate in Ravalli County was 15.8 in 1980, slightly below the national birth rate of 16.1. But, population changes during the 1980s reduced the birth rate in Ravalli County to 12.6, which was over 20 percent below the nationwide rate. By 1999 Ravalli’s birth rate had fallen to 9.8 births per 1,000 population, nearly 33 percent below the nationwide rate of 14.6 and nearly 40 percent below the rate of 16.3 for the fast-growing Rocky Mountain West region. Ravalli County’s birth rates also are considerably lower than those of its two peer areas, even though birth rates in these peer areas are significantly lower than regionally and nationally. Ravalli County’s relatively low birth rate is one of the more curious features of the area population. It suggests that the county’s population is disproportionately large at ages where fertility rates are low, which characterizes areas with older populations.

Figure F.3: Area Birth Rates Over Time
Total number of births during selected years per 1000 population

	1980	1990	1996	1999	1980 - 90 %	1990 - 99 %
Ravalli Co.	15.8	12.6	11.7	9.8	-20%	-22%
<i>Peer Areas</i>						
Forest Land Cos.	17.2	14.1	11.8	11.7	-18%	-17%
Reg. Center Cos.	17.6	14.5	13.5	13.8	-18%	- 5%
<i>Regional Center Core County</i>						
Missoula Co.	18.7	14.0	12.2	11.8	-25%	-16%
<i>Larger Region and Nation</i>						
Rocky Mt. West	21.2	17.2	16.0	16.3	-19%	- 5%
Nation	16.1	16.1	14.8	14.6	0 %	- 9%

The number of deaths in Ravalli County per 1,000 population in 1980 was 10.0, which was 12 percent higher than the death rate nationally (8.9). It fell to 9.1 in 1999, which was 4.6 percent higher than the national rate of 8.7. As the population of an area ages, death rates usually rise, which is what is happening nationwide and in the Rocky Mountain West region during the 1990s. The death rates of Ravalli County’s two peer areas also rose during the 1990s.

Figure F.4: Area Death Rates Over Time
Total number of deaths during selected years per 1000 population

	1980	1990	1996	1999	1980 - 90 %	1990 - 99 %
Ravalli Co.	10.0	9.3	9.5	9.1	- 7%	- 2%
<i>Peer Areas</i>						
Forest Land Cos.	9.9	10.6	11.3	11.1	+ 7%	+ 5%
Reg. Center Cos.	10.0	10.0	10.6	10.7	0%	+ 7%
<i>Regional Center Core County</i>						
Missoula Co.	6.6	6.5	6.8	6.5	- 2%	0%
<i>Larger Region and Nation</i>						
Rocky Mt. West	6.8	6.5	6.8	6.9	- 4%	+ 6%
Nation	8.9	8.6	8.8	8.7	- 3%	+ 1%

By comparing an area’s birth rate to its death rate, it is possible to gauge the relative contribution to population growth that may come through natural change. At a ratio of “1.00”, births and deaths would be equal and there is no change in the population through natural change. Ravalli County’s briths-to-deaths ratio fell from 1.35 in 1990 to 1.07 in 1999. As a consequence, natural population growth between 1990 and 1999 in the county totaled only 507, accounting for only 2 percent of the area’s total population growth. Continuing decline in this ratio may result in deaths exceeding births over the course of the current decade and negative natural population change. This phenomena has become increasingly common in many areas of the United States with slow-growing or declining populations, but it can also occur in fast-growing areas because of dramatic shifts in the age composition of the population.

While Ravalli County’s 1999 ratio of 1.07 is low in comparison to the nation as a whole (1.68) and to the five-state region (2.36), it is about the same as that of its Forest Lands peer counties (1.06). This suggests that there are similarities in the age characteristics of recent migrants to these forest land areas.

Figure F.5: Area Births-to-Deaths Ratios for Selected Years Over Time

	1980	1990	1996	1999	1980 - 90 %	1990 - 99 %
Ravalli Co.	1.59	1.35	1.23	1.07	- 15%	-21%
<i>Peer Areas</i>						
Forest Land Cos.	1.75	1.73	1.05	1.06	- 1%	-38%
Reg. Center Cos.	1.76	1.45	1.27	1.29	-18%	-11%
<i>Regional Center Core County</i>						
Missoula Co.	2.85	2.15	1.78	1.81	- 25%	-16%
<i>Larger Region and Nation</i>						
Rocky Mt. West	3.12	2.60	2.35	2.36	- 17%	- 9%
Nation	1.82	1.85	1.67	1.68	+ 2%	- 9%

A detailed year-by-year examination of population in Ravalli County for each age in contained in the appendix to this report. The county’s changing age demographics are startling and are highlighted within this peer evaluation in Figures F.6 through F.9. The age composition of Ravalli County’s population is first examined by isolating the population 65 years of age and older. This population group can be more simply referred

to as the “retirement age” population. The apparent aging occurring among the area’s population may lead one to presume that the retirement age population in the county is growing more rapidly than other age segments. While Ravalli County’s total population grew by 11.5 percent during the 1980s, its 65 and older population grew by 39 percent. But, during the 1990s when population growth in the county swelled to 43 percent, the 65 and older population grew by only 24 percent. This suggests that population growth must have been disproportionately large among an older population, but not by those 65 and older. Figure F.6 also shows the percent of the population that’s 65 and older overtime. In 1999 14.4 percent of Ravalli’s total population was 65 and older, which is higher than for the nation as a whole (12.7%) and for the Rocky Mountain West region (10.3%). But, it is comparable to Ravalli’s Regional Center county peers (14.7%) and less than Ravalli’s Forest Land county peers (16.4%).

Figure F.6: Area Age Demographics:
Retirement Age Population: 65 Years of Age and Older

	1980	1990	1999	1980 - 90		1990 - 99	
				amt.	%	amt.	%
Ravalli Co.	2,989	4,162	5,147	1,173	+39%	985	+24%
share of the total	13.3%	16.6%	14.4%				
Peer Areas							
Forest Land Cos.	49,631	64,231	71,582	14,600	+29%	7,351	+11%
share of the total	13.5%	16.7%	16.4%				
Reg. Center Cos.	246,319	280,709	289,256	34,390	+14%	8,547	+ 3%
share of the total	13.9%	15.4%	14.7%				
Missoula Co.	6,134	8,136	9,639	2,002	+33%	1,503	+18%
share of the total	8.1%	10.3%	10.8%				
Larger Region and Nation							
Rocky Mt. West	-	-	-	-	11.1%	-	20.9%
share of the total	8.7%	10.4%	10.3%				
Nation	-	-	-	-	9.8%	-	9.6%
share of the total	11.3%	12.5%	12.7%				

The rapid growth in “older” population segments of Ravalli County is apparent in isolating older populations under 65 years of age. Figure F.7 shows population growth for the population 55 to 64 years of age. While this population segment grew by only 11

percent during the 1980s in the county, it grew by over 70 percent during the 1990s. This is a significantly higher rate than nationally (11%), but growth in the age segment was disproportionately high in the larger Rocky Mountain region, where it grew at almost twice the rate as population growth as a whole. Growth in this age segment also has been high in nearby Missoula County (35% growth versus 13% growth in overall population). So, it must be concluded that a disproportionate amount of the area’s population growth is being accounted for by growth in this older “pre-retirement” age segment. If this population segment is retained in the current decade, it will result in fairly rapid growth in the retirement age population, or those 65 and older.

Figure F.7: Area Age Demographics:
Pre-retirement Age Population: 55-to-64 Years of Age

	1980	1990	1999	1980 - 90		1990 - 99	
				amt.	%	amt.	%
Ravalli Co.	2,264	2,518	4,307	254	+11%	1,789	+71%
share of the total	10.1%	10.1%	12.0%				
Peer Areas							
Forest Land Cos.	39,533	39,391	48,063	- 142	-0.4%	8,672	+22%
share of the total	10.8%	10.3%	11.0%				
Reg. Center Cos.	173,149	164,361	190,542	-8,788	- 5%	26,181	+16%
share of the total	9.8%	9.0%	9.7%				
Missoula Co.	5,257	5,395	7,280	138	+ 3%	1,885	+35%
share of the total	8.1%	10.3%	10.8%				
Larger Region and Nation							
Rocky Mt. West	-	-	-	-	+ 5%	-	+38%
share of the total	7.8%	7.4%	8.5%				
Nation	-	-	-	-	- 3%	-	+11%
share of the total	9.6%	8.5%	8.6%				

Figure F.8 isolates population growth for the population segment 45 to 54 years of age. This population segment is heavily composed of what are sometimes referred to as “empty nesters” - older adults and couples with children who are reaching ages beyond high school. This segment of the population grew by 37 percent during the 1980s in Ravalli County, over three times the overall rate of population growth, and by a whopping 112 percent during the 1990s, over two-and-a-half times the overall

population growth rate of 43 percent. Growth in this population segment also has been very high nationwide (42% versus under 10% for the total population during the 1990s) and very high for the Rocky Mountain West region. And it is high in Ravalli’s two peer areas and in Missoula County. The pervasiveness of growth in this segment indicates this growth is occurring almost everywhere in the baby-boom population segment. In the current decade, this population segment will swell the size of the population 55 to 64, the pre-retirement age population.

Figure F.8: Area Age Demographics:
“Empty Nester” Age Population: 45-to-54 Years of Age

	1980	1990	1999	1980 - 90		1990 - 99	
				amt.	%	amt.	%
Ravalli Co.	2,179	2,994	6,356	815	+37%	3,362	+112%
share of the total	9.7%	11.9%	17.7%				
Peer Areas							
Forest Land Cos.	36,408	41,366	64,229	4,958	+14%	22,863	+55%
share of the total	9.9%	10.8%	14.8%				
Reg. Center Cos.	166,147	180,508	260,475	14,361	+ 9%	79,967	+44%
share of the total	9.4%	9.9%	13.3%				
Missoula Co.	6,410	7,740	12,829	1,330	+21%	5,089	+66%
share of the total	8.4%	9.8%	14.4%				
Larger Region and Nation							
Rocky Mt. West	-	-	-	-	+21%	-	+71%
share of the total	8.7%	9.6%	15.6%				
Nation	-	-	-	-	+11%	-	+42%
share of the total	10.1%	10.1%	13.1%				

As the proportion of the population over 45 years of age grows, this reduces the fertility rate (as discussed previously) and will result in a gradual decline in the proportion of the population at school ages (5 to 17) and at “pre-school” ages (under 5). The pre-school population is isolated in Figure F.9. This population segment actually declined in size during the 1980s (down 2%), and during the 1990s when overall population growth in Ravalli County went to 43 percent, the under 5 population grew by only 14 percent. And while representing 7.5 percent of the area population in 1980, the pre-school population now represents 5.3 percent of the population and this gradual decline should continue in

the current decade. Because of the overall aging in the population even areas with fast-growing populations, like Ravalli County, will have slow-growing pre-school and school age populations. Areas with modest overall growth rates, like Missoula County, may experience actual declines in pre-school and some school age populations (pre-school population down 10 percent during the 1990s). The fast-growing Rocky Mountain West region as a whole experienced a 10 percent decline in its pre-school population.

Figure F.9: Area Age Demographics:
“Pre-School Age” Population: Under 5 Years of Age

	1980	1990	1999	1980 - 90		1990 - 99	
				amt.	%	amt.	%
Ravalli Co.	1,694	1,665	1,898	- 29	- 2%	233	+14%
share of the total	7.5%	6.6%	5.3%				
Peer Areas							
Forest Land Cos.	28,996	27,215	26,268	-1,781	- 6%	- 947	- 3%
share of the total	7.9%	7.1%	6.0%				
Reg. Center Cos.	142,012	132,932	128,899	-9,080	- 6%	-4,033	- 3%
share of the total	8.0%	7.3%	6.6%				
Missoula Co.	5,609	5,843	5,271	234	+ 4%	- 572	-10%
share of the total	7.4%	7.4%	5.9%				
Larger Region and Nation							
Rocky Mt. West	-	-	-	-	+0.3%	-	-10%
share of the total	9.3%	8.4%	7.7%				
Nation	-	-	-	-	+15%	-	+0.5%
share of the total	7.2%	7.6%	6.9%				

One of the most heavily used indicators of area economic well-being is per capita income, which is determined by simply dividing an area’s total personal income or all income of all types received by area residents over the course of a given year by its total population. Only “permanent residents” of an area and their income is included in this calculation. Per capita income in Ravalli County is low by national standards and it has been so for a very long time. At \$13,339 in 1977 it was 77 percent of the national norm of \$17,218 and at \$16,908 in 1998 it had dropped to 65 percent of nationwide per capita income. However, per capita income levels are differentiated in a fairly straightforward fashion in going from very urban places to very rural ones. As such, per capita income

levels in Ravalli County closely parallel levels in other comparable areas as indicated by the two peer areas. Ravalli County’s per capita income was 96.0 percent of the average for its Forest Land peer counties in 1977 and 96.2 percent of this average in 1998. Per capita income for Ravalli County has fallen slightly in relation to its other peer group - Regional Center peer counties.

Figure F.10: Per Capita Income Levels and Change for Selected Years Over Time

1996 Inflation-adjusted dollars					
	1977	1987	1998	'77-'87 %	'87-'98 %
Ravalli Co.	\$13,339	\$14,960	\$16,908	+12%	+13%
Ratio of Ravalli Co.-to- Peers					
Forest Lands peers	0.960	0.985	0.962		
Reg. Center peers	0.997	0.953	0.902		
Peer Areas					
Forest Land Cos.	\$13,889	\$15,181	\$17,584	+ 9%	+16%
Reg. Center Cos.	\$13,378	\$15,691	\$18,751	+17%	+20%
Regional Center Core County					
Missoula Co.	\$15,858	\$17,773	\$22,149	+12%	+25%
Larger Region and Nation					
Rocky Mt. West	\$16,084	\$18,665	\$24,579	+16%	+32%
Nation	\$17,218	\$21,625	\$25,932	+26%	+20%

The poverty rate in Ravalli County in 1977 was nearly 4 percentage points higher than the national poverty rate (16.1% versus 12.4%). Twenty years later in 1997, Ravalli County’s poverty rate of 15.6 percent was less than two and a half percentage points higher than the national rate of 13.3 percent.

Area poverty rates in excess of 35 percent are considered “extreme,” while rates of 20 to 35 percent are classified as “high”. The incidence of poverty in the county rose slightly during the 1980s, reaching 16.3 percent in 1989. The poverty rate of Ravalli County is consistently below that of its Forest Lands peer counties. It also is slightly lower than the norm for Regional Center peer counties in 1997.

Figure F.11: Area Poverty Rates for Selected Years Over Time
Based upon national poverty definitions and thresholds

	1979	1989	1997
Ravalli Co.	16.1%	16.3%	15.6%
Peer Areas			
Forest Land Cos.	15.7%	17.8%	18.1%
Reg. Center Cos.	15.7%	17.8%	15.9%
Regional Center Core County			
Missoula Co.	11.6%	17.0%	15.3%
Larger Region and Nation			
Rocky Mt. West	10.6%	12.3%	11.2%
Nation	12.4%	13.1%	13.3%

An area’s personal income base is composed of three basic sources: labor earnings or income received by households as wages, salaries, and self-employment or proprietor income; investment earnings or income received in the form of rent, dividends, and interest on savings; and transfer payment income received as Social Security benefits, Medicare and Medicaid payments, and other types of assistance and retirement income. Largely as a consequence of the gradual aging of the population, income from transfer payments and investments has been increasing more rapidly than income from labor. Nationally, labor income’s share of total personal income has slipped from 74 percent in 1977 to 68 percent in 1998, and this decline will continue.

Figure F.12: Labor Income Share of Total Personal Income Over Time
Labor Earnings: wages, salaries, and self-employment income

	1977	1987	1998
Ravalli Co.	59.8%	50.9%	52.7%
Peer Areas			
Forest Land Cos.	67.7%	55.5%	52.0%
Reg. Center Cos.	69.0%	61.2%	60.5%
Regional Center Core County			
Missoula Co.	74.1%	66.2%	65.5%
Larger Region and Nation			
Rocky Mt. West	74.2%	68.6%	69.7%
Nation	74.1%	68.9%	67.8%

This income shift from labor to non-labor sources is much further along in Ravalli County where labor income’s share has fallen from about 60 percent in 1977 to 53 percent in 1998. It is probably that over the course of the next ten years, labor earnings as a percent of all personal income in the county will fall below 50 percent. It is interesting to note that labor income’s share of personal income in Ravalli County is on par with other Forest Lands peer areas.

Figure F.13 shows shares of total personal income represented by investment income. This is a significantly more important source of income in Ravalli County than for the nation as a whole (27.7% of all income in 1998 versus 18.8% nationally), and a significantly more important source for Ravalli County than for its nearby core county of Missoula. Also, significantly investment income’s share of personal income has gradually declined in the county since the late 1980s, falling from 30.5 percent in 1987 to 27.7 percent in 1998.

Figure F.13: Investment Income Share of Total Personal Income Over Time Investment Income: stock dividends, interest earnings, rent receipts, etc.

	1977	1987	1998
Ravalli Co.	24.9%	30.5%	27.7%
Peer Areas			
Forest Land Cos.	15.8%	24.2%	23.8%
Reg. Center Cos.	15.7%	21.6%	20.3%
Regional Center Core County			
Missoula Co.	15.3%	20.5%	21.3%
Larger Region and Nation			
Rocky Mt. West	13.8%	18.1%	19.6%
Nation	13.9%	19.2%	18.8%

While important in relative terms as expressed as a share of total personal income in Figure F.13, investment income also is important in absolute terms for Ravalli County residents as expressed as a per capita amount as in Figure F.14. Ravalli County residents received an average of \$4,692 per person in 1998. This is comparable to what is received nationally (\$4,876), but is a much higher share of total personal income in

Ravalli County because of the county’s much lower overall per capita income level. It’s important to note that per capita investment income growth was very high during the 1977-87 period and much lower during the 1987-98 period.

Figure F.14: Per Capita Investment Income Levels for Selected Years Over Time

	1996 Inflation-adjusted dollars			'77-'87	'87-'98
	1977	1987	1998	%	%
Ravalli Co.	\$3,322	\$4,561	\$4,692	+37%	+ 3%
Ratio of Ravalli Co.-to- Peers					
Forest Lands peers	1.51	1.24	1.12		
Reg. Center peers	1.58	1.35	1.23		
Peer Areas					
Forest Land Cos.	\$2,200	\$3,672	\$4,183	+67%	+14%
Reg. Center Cos.	\$2,099	\$3,382	\$3,810	+61%	+13%
Regional Center Core County					
Missoula Co.	\$2,432	\$3,639	\$4,710	+50%	+29%
Larger Region and Nation					
Rocky Mt. West	\$2,220	\$3,372	\$4,811	+52%	+43%
Nation	\$2,396	\$4,150	\$4,876	+73%	+17%

Transfer payment income accounted for 19.5 percent of all personal income in Ravalli County in 1998, which is about 6 percentage points higher than transfer payment income’s share of personal income nationally. So, in relation to the national norm, Ravalli County would appear to be heavily reliant on transfer payments as a source of income. However, in Forest Lands peer areas, transfer payment income has grown to over 24 percent of all income, significantly higher than in Ravalli County. And Ravalli County’s reliance on transfer payments is very close to what is common among its Regional Center county peers (19.2% of income in 1998). Transfer payment income will continue to grow in direct correspondence with the growth in the retirement population who tap into Social Security and medical assistance programs heavily. And because there is a large population at pre-retirement ages, transfer payment income will grow more rapidly as they reach ages of retirement.

Figure F.15: Transfer Payments Share of Total Personal Income Over Time Transfer Payments: Social Security, Medicare, Medicaid, other govt. assistance

	1977	1987	1998
Ravalli Co.	15.3%	18.6%	19.5%
Peer Areas			
Forest Land Cos.	16.4%	20.3%	24.2%
Reg. Center Cos.	15.3%	17.2%	19.2%
Regional Center Core County			
Missoula Co.	10.6%	13.4%	13.2%
Larger Region and Nation			
Rocky Mt. West	12.0%	13.3%	10.8%
Nation	12.0%	11.9%	13.4%

Transfer payment income on a per capita basis for Ravalli County and its peers is shown below. This source of income totaled \$3,304 per person in 1998, which is slightly less than the national norm of \$3,469. It’s also less than the norm in Forest Lands peer areas (\$4,264) as well as Regional Center peers (\$3,602).

Figure F.16: Per Capita Transfer Payment Income Levels for Selected Years Over Time

1996 Inflation-adjusted dollars					
	1977	1987	1998	‘77-‘87 %	‘87-‘98 %
Ravalli Co.	\$2,036	\$2,784	\$3,304	+22%	+19%
Ratio of Ravalli Co.-to- Peers					
Forest Lands peers	0.893	0.902	0.775		
Reg. Center peers	0.994	1.031	0.917		
Peer Areas					
Forest Land Cos.	\$2,281	\$3,086	\$4,264	+35%	+38%
Reg. Center Cos.	\$2,049	\$2,700	\$3,602	+32%	+33%
Regional Center Core County					
Missoula Co.	\$1,680	\$2,374	\$2,931	+41%	+23%
Larger Region and Nation					
Rocky Mt. West	\$1,929	\$2,486	\$2,647	+29%	+ 6%
Nation	\$2,060	\$2,568	\$3,469	+25%	+35%

So, while transfer payment income is rising in Ravalli County, it is rising elsewhere as well and the county’s dependence on this source of income should not be considered excessive or inordinately high.

The area where income in Ravalli County is particularly low relative to the national norm is labor income. In 1998 labor earnings in Ravalli County on a per capita basis totaled only \$8,913. This is much lower than the national average of \$17,587 as well as the norm for the Rocky Mountain West region (\$17,121). However, it is typical of Forest Land peer areas as a whole (\$9,137).

Figure F.17: Per Capita Labor Income Levels for Selected Years Over Time

1996 Inflation-adjusted dollars				‘77-‘87 %	‘87-‘98 %
	1977	1987	1998		
Ravalli Co.	\$7,981	\$7,615	\$8,913	- 5%	+17%
Ratio of Ravalli Co.-to- Peers					
Forest Lands peers	0.848	0.904	0.975		
Reg. Center peers	0.865	0.793	0.786		
Peer Areas					
Forest Land Cos.	\$9,408	\$8,423	\$9,137	-11%	+ 8%
Reg. Center Cos.	\$9,231	\$9,608	\$11,340	+ 4%	+18%
Regional Center Core County					
Missoula Co.	\$11,748	\$11,759	\$14,508	+ 0%	+23%
Larger Region and Nation					
Rocky Mt. West	\$11,935	\$12,806	\$17,121	+ 7%	+34%
Nation	\$12,762	\$14,908	\$17,587	+17%	+18%

As mentioned previously in this report, approximately 15 to 20 percent of those residing in Ravalli County who work are employed outside of the county, largely in Missoula County. This is reflected in the ratios of total “in-county” employment to total population that are calculated in Figure F.18. This ratio was 0.35 in 1977 for Ravalli County and has risen to 0.46 in 1998. This is significantly lower than the same ratio for Missoula County (0.52 in 1977 and 0.72 in 1998), which imports from outside of the county some of those who are employed in the county. The 1998 ratio for the nation as a whole is 0.59 and this ratio subsumes areas which both import and export workers

between counties. This national ratio of total employment to total population has been gradually increasing, reflecting the rise in part-time employment in the United States economy and the growing participation of women in the workforce. The aging of the U.S. population will slowly remove older citizens from the workforce through retirement and this ratio will stabilize. This ratio for Ravalli County in 1998 is the same as for Forest Land peer areas, but is slightly below the ratio for Regional Center peers (0.54).

Figure F.18: Ratio of Total In-County Employment-to-Total Resident Population Over Time

Total employment includes both full- and part-time employment by employers located within the county and is an annual estimate derived from quarterly estimates by the U.S. Dept. of Commerce (REIS)

	1977	1987	1998	1987 -98 Change
Ravalli Co.	0.35	0.39	0.46	0.63
Peer Areas				
Forest Land Cos.	0.41	0.41	0.46	0.80
Reg. Center Cos.	0.43	0.45	0.54	1.68
Regional Center Core County				
Missoula Co.	0.52	0.56	0.72	1.85
Larger Region and Nation				
Rocky Mt. West	0.50	0.54	0.65	1.20
Nation	0.49	0.54	0.59	1.07

The next set of figures provide important comparisons of an area’s employment mix; in particular, the relative balance in employment between self-employment or proprietor employment and wage and salary employment (those who work for someone and are paid a wage or salary for doing so). Between 1977 and 1987 wage and salary employment went from 62.5 percent of all employment in Ravalli County to 57.8 percent, but it has essentially maintained this balance since with wage and salary employment and proprietor employment growing at roughly the same rate since the late 1980s. Reliance on wage and salary employment in Ravalli County is much lower than the national norm (83.4% in 1998). It is much lower than the norm for the larger Rocky Mountain region (79.7%) and it is much lower than this ratio for both of its area peers. This is a significant differentiating characteristic of the employment mix of Ravalli

County - lower dependence on wage and salary employment and much greater dependence on self-employment.

Figure F.19: Area Employment Mix:
“Wage and Salary” Employment versus “Proprietor” Employment

	1977	1987	1998	1987 - 98 Change amt.	%
Ravalli Co.					
Proprietor Employmt.	2,744	4,057	6,810	+2,753	+68%
Wage & Salary Emp.	4,249	1,665	1,898	+3,955	+71%
Wage & Salary employment share of the total employment.					
Ravalli Co.	62.5%	57.8%	58.3%	59.0%	
Peer Areas					
Forest Land Cos.	75.0%	70.7%	69.2%		
Reg. Center Cos.	73.3%	71.5%	72.9%		
Regional Center Core County					
Missoula Co.	82.5%	78.9%	79.7%		
Larger Region and Nation					
Rocky Mt. West	82.0%	79.6%	79.7%		
Nation	85.6%	84.5%	83.4%		

Because Ravalli County relies more heavily upon proprietor employment than wage and salary employment, it’s important to note per worker earnings of proprietors in the county. The figures below are estimates of average annual labor earnings per worker for all non-farm proprietors. In Ravalli County these earnings have been steadily declining, falling from \$22,397 in 1977 to \$14,080 in 1998.

This decline is part of a larger pattern and is typical of both of Ravalli’s peer areas. But, these trends are somewhat at odds with trends nationwide and in the larger Rocky Mountain region where per worker earnings for non-farm proprietors are much higher and have, in fact, increased since the late 1980s, countering the trend in decline. Per worker earnings for non-farm proprietors also are declining in Missoula County, falling from \$23,626 in 1977 to \$19,635 in 1987 and to \$16,258 in 1998.

Figure F.20: Per Worker Labor Earnings Levels for Selected Years Over Time All Nonfarm Proprietors in 1996 Inflation-adjusted dollars

	1977	1987	1998	'77-'87 %	'87-'98 %
Ravalli Co.	\$22,397	\$16,063	\$14,080	-28%	-12%
<i>Ratio of Ravalli Co.-to- Peers</i>					
<i>Forest Lands peers</i>	1.043	0.910	0.960		
<i>Reg. Center peers</i>	1.036	1.008	0.997		
<i>Peer Areas</i>					
Forest Land Cos.	\$21,466	\$17,650	\$14,669	-18%	-17%
Reg. Center Cos.	\$21,613	\$15,928	\$14,123	-26%	-11%
<i>Regional Center Core County</i>					
Missoula Co.	\$23,626	\$19,635	\$16,258	-17%	-17%
<i>Larger Region and Nation</i>					
Rocky Mt. West	\$22,536	\$16,309	\$18,285	-28%	+12%
Nation	\$24,163	\$20,461	\$22,821	- 15%	+12%

Whereas the typical proprietor in Ravalli County earned more than the typical wage and salary worker in 1977, this relationship reversed over the course of the 1980s and the gap in average earnings between these two types of employment widened in the 1990s. In 1998 the typical wage and salary worker in Ravalli County earned \$19,060 while the typical proprietor earned \$14,080. Again, it’s important to keep in mind that these estimates incorporate both full- and part-time workers. What’s more, a single individual who works two jobs - one as a salaried employee and the other as a proprietor - would be counted twice within these employment estimates. A more accurate and direct comparison of area wage and compensation rates can be gained by looking at estimates for hourly wage rates. However, these data do not exist at the county level.

Per worker average annual earnings for wage and salary workers in Ravalli County sagged in the 1980s, falling from an average of \$18,938 in 1977 to \$16,198 in 1987. But, have improved in the 1990s reaching \$19,060 in 1998. This 1998 level is very close to levels in the two peer areas (\$20,034 in Forest Land peers and \$20,520 in Regional Center peers). However, these rates are much lower than those for the nation and larger region. This reflects much higher rates of compensation in more urban or metropolitan areas than in rural and non-metro areas like the Bitterroot Valley.

Figure F.21: Per Worker Labor Earnings Levels for Selected Years Over Time All Wage and Salary Workers in 1996 Inflation-adjusted dollars

	1977	1987	1998	'77-'87 %	'87-'98 %
Ravalli Co.	\$18,938	\$16,198	\$19,060	-14%	+18%
<i>Ratio of Ravalli Co.-to- Peers</i>					
<i>Forest Lands peers</i>	0.868	0.804	0.951		
<i>Reg. Center peers</i>	0.956	0.829	0.929		
<i>Peer Areas</i>					
Forest Land Cos.	\$21,813	\$20,159	\$20,034	- 8%	- 1%
Reg. Center Cos.	\$19,808	\$19,547	\$20,520	- 1%	+ 5%
<i>Regional Center Core County</i>					
Missoula Co.	\$23,221	\$21,743	\$21,691	- 6%	- 0%
<i>Larger Region and Nation</i>					
Rocky Mt. West	\$24,047	\$24,959	\$26,917	+ 4%	+ 8%
Nation	\$25,501	\$27,222	\$29,837	+ 7%	+10%

Another important aspect of an area economy is the relative dependence on public employment or government employment versus private sector employment. Private sector employment in Ravalli County has been growing much more rapidly than public sector employment during the last two decades. Between 1987 and 1998, while public employment in Ravalli County grew by 38 percent, private employment almost doubled (up 195%).

As a result of these differences in rates of growth, the share of total non-farm employment accounted for by private workers has grown from 76.4 percent in 1977 to 87.3 percent in 1998. This reliance on private sector employment is higher than norms for both peer areas and is slightly higher than for the regional core county of Missoula. The area’s reliance on private sector employment is also greater than the national norm (86 percent in 1998), but the difference here is very small. This feature of the Ravalli area economy may have been unexpected, given the presence of federal government workers in the valley who are associated with the U.S. Forest Service.

Figure F.22: Area Employment Mix:
“Public or Government” Employment versus “Private Sector” Employment*

	1977	1987	1998	1987 - 98 Change	
				amt.	%
Ravalli Co.					
Private Non-farm Emp.	4,474	6,922	13,177	+8,703	+195%
All Govt. Employmt.	1,382	1,451	1,913	+ 531	+ 38%
<i>Private employment share of the total non-farm employment.</i>					
Ravalli Co.	76.4%	82.7%	87.3%		
<i>Peer Areas</i>					
Forest Land Cos.	79.8%	80.5%	82.1%		
Reg. Center Cos.	78.4%	79.0%	82.1%		
<i>Regional Center Core County</i>					
Missoula Co.	79.2%	82.3%	85.1%		
<i>Larger Region and Nation</i>					
Rocky Mt. West	79.4%	81.5%	85.2%		
Nation	82.5%	84.3%	86.0%		

*Includes nonfarm employment only.

There are nine major sectors of the private non-farm economy and figures F.23 through F.28 examine the relative contribution of six of these sectors to private non-farm employment overtime. These measures of sector shares give us insight into the relative “balance” of an area economy - the proportion of the area private economy that may be focused in manufacturing versus retail trade or other sectors. We know that some area’s can be “over retailed” or “under retailed” or can have under-developed service sectors and these measures help us gauge this.

Figure F.23 shows shares of private non-farm employment accounted for by manufacturing. Nationwide, manufacturing employment has been declining as a share of total employment, falling from 24 percent in 1977 to less than 15 percent in 1998. In Ravalli County, manufacturing’s share of private non-farm employment has only gradually declined, falling from 15 percent in 1977 to 12 percent in 1998. Manufacturing accounts for much higher shares of employment in Ravalli’s two peer

areas - 16 percent in the Forest Land peers and nearly 19 percent in the Regional Center peers.

Figure F.23: Sector Share of Private Non-farm Employment Over Time
Manufacturing Sector: all durable goods and nondurable goods mfg.

	1977	1987	1998
Ravalli Co.	15.0%	14.4%	12.1%
<i>Peer Areas</i>			
Forest Land Cos.	29.4%	23.2%	16.0%
Reg. Center Cos.	20.5%	19.1%	18.6%
<i>Regional Center Core County</i>			
Missoula Co.	15.5%	12.5%	7.3%
<i>Larger Region and Nation</i>			
Rocky Mt. West	14.2%	12.5%	10.4%
Nation	24.1%	18.2%	14.5%

The service sector has accounted for a large portion of employment gains in the last decade. The relative size of Ravalli County’s service sector is very close to its two peer areas - at or around one-third of the private non-farm employment base is in services. These are slightly lower shares than for the nation and larger region where services dominate employment growth.

Figure F.24: Sector Share of Private Non-farm Employment Over Time
Services: health care, business & legal services, other social & personnel services, hotels and motels, etc.

	1977	1987	1998
Ravalli Co.	25.9%	33.0%	31.8%
<i>Peer Areas</i>			
Forest Land Cos.	20.7%	27.7%	33.5%
Reg. Center Cos.	24.3%	29.1%	31.0%
<i>Regional Center Core County</i>			
Missoula Co.	27.6%	35.4%	39.1%
<i>Larger Region and Nation</i>			
Rocky Mt. West	26.8%	32.8%	36.1%
Nation	26.2%	31.7%	36.9%

Ravalli’s retail sector also is in close conformance with its peer areas in terms of employment shares. It is sometimes asserted that employment in retail trade is growing too rapidly in some areas, adding an undue number of low-paying jobs in the area economy. While some may assume that retail trade is adding to its employment share overtime, its share of private employment in 1998 in Ravalli County is less than this share in 1977 (26.1% versus 23.3%). In the regional center core county of Missoula, however, retail trade is adding to its share of employment, increasing from 21.7 percent of all private non-farm employment in 1977 to 25 percent in 1998.

Nationwide, retail trade has maintained a fairly constant share of total private nonfarm employment - roughly 20 percent.

Figure F.25: Sector Share of Private Non-farm Employment Over Time
Retail Trade: food stores, merchandise & clothing stores, building materials and furniture stores, auto dealers and service stations, eating places, etc.

	1977	1987	1998
Ravalli Co.	26.1%	20.9%	23.3%
<i>Peer Areas</i>			
Forest Land Cos.	20.8%	21.9%	22.6%
Reg. Center Cos.	22.5%	22.0%	22.0%
<i>Regional Center Core County</i>			
Missoula Co.	21.7%	23.7%	25.0%
<i>Larger Region and Nation</i>			
Rocky Mt. West	22.4%	21.3%	21.3%
Nation	19.7%	20.0%	19.8%

Wholesale trade is a small sector, but can be an important one in adding to the diversity and breadth of an area economy. Wholesale trade accounted for only slightly over 2 percent of private non-farm employment in Ravalli County in the late 1970s, but has added to this contribution overtime, rising to 3.4 percent in 1998. This is a higher share than for Ravalli’s Forest Land peers, but lower than for its Regional Center peers.

Nationwide, wholesale trade accounted for 5.4 percent of this employment in 1998, down from 6.2 percent in the late 1970s. Similarly, in the larger Rocky Mountain region, wholesale trade’s share of private employment is gradually declining.

Figure F.26: Sector Share of Private Non-farm Employment Over Time
Wholesale Trade: businesses primarily selling products to other businesses that are retailers or other wholesalers

	1977	1987	1998
Ravalli Co.	2.1%	2.5%	3.4%
<i>Peer Areas</i>			
Forest Land Cos.	3.0%	2.9%	2.6%
Reg. Center Cos.	5.1%	4.6%	4.4%
<i>Regional Center Core County</i>			
Missoula Co.	5.9%	5.0%	4.9%
<i>Larger Region and Nation</i>			
Rocky Mt. West	6.2%	5.5%	5.0%
Nation	6.2%	5.9%	5.4%

The finance, insurance and real estate or F.I.R.E. sector accounted for a relatively high share of Ravalli’s private non-farm economy in the late 1970s; high in relation to peer areas and the nation and larger region. This share declined significantly during the 1980s, falling to 9.4 percent in 1987 and, in spite of growth in labor earnings by this sector during the 1990s, declined further to 8.9 percent of employment in 1998. Despite this decline, this sector share remains high in Ravalli County in comparison to its peer areas and is roughly comparable to this sector’s employment share nationally.

Figure F.27: Sector Share of Private Non-farm Employment Over Time
Finance, Insurance & Real Estate (FIRE): banks and other lending institutions and depositories, insurance carriers and agents, real estate brokers and agents, etc.

	1977	1987	1998
Ravalli Co.	12.7%	9.4%	8.9%
<i>Peer Areas</i>			
Forest LandsCos.	7.5%	6.4%	6.6%
Reg. Center Cos.	7.4%	6.7%	6.3%
<i>Regional Center Core County</i>			
Missoula Co.	10.1%	8.8%	8.0%
<i>Larger Region and Nation</i>			
Rocky Mt. West	10.6%	10.9%	10.0%
Nation	9.6%	9.7%	9.1%

Reflecting relatively high in-migration during the 1990s, the share of private employment accounted for the construction sector in Ravalli County rose from 8.5 percent in 1987 to 11.6 percent in 1998. This reliance on construction as an area employer is much higher than nationally where construction accounts for 6.5 percent of private non-farm employment and much higher than for the larger Rocky Mountain region. It’s also much higher than the shares for Ravalli County’s peer areas. This reliance on construction as an employer may be so high in Ravalli County that it will be difficult to sustain.

Figure F.28: Sector Share of Private Non-farm Employment Over Time
Construction: special trade contractors, general contractors, heavy construction

	1977	1987	1998
Ravalli Co.	8.7%	8.5%	11.6%
<i>Peer Areas</i>			
Forest Land Cos.	5.8%	6.0%	7.8%
Reg. Center Cos.	8.6%	7.0%	8.1%
<i>Regional Center Core County</i>			
Missoula Co.	9.0%	5.1%	7.0%
<i>Larger Region and Nation</i>			
Rocky Mt. West	8.6%	6.5%	7.0%
Nation	6.1%	6.5%	6.5%

Major Highlights from a Peer Review of the Bitterroot Valley economy

- **Population Growth** - Population growth in the Bitterroot Valley should be considered “fast” - much faster than the nation as a whole and much faster than the rate for one of the nation’s fastest growing regions, the Rocky Mountain West. In short, the Bitterroot Valley is a fast-growing sub-region in a fast-growing region of the United States and this population growth should continue.
- **Birth Rate** - The Bitterroot Valley population has a very low birth rate - less than 10 births a year per 1,000 population as compared to a national rate of 14.6. This birth rate has been falling and the births-to-deaths ratio is approaching 1.00. This means that population change in the valley over the next decade will be almost entirely determined by net migration.

- **Aging Population** - While some might believe that the recent aging of the area population of the Bitterroot is resulting in or the result of a disproportionate growth in the number of retirees in the valley, this isn’t the case. In fact, during the last decade the share of the total population that is 65 and older actually declined. The fastest growing age group in the valley is 45-to-54 years of age, this population age group more than doubled in size in the last decade.
- **School Age Population** - A rapidly increasing population of “empty nesters” and “pre-retirees” in the valley helps explain the valley’s low birth rate. It also helps explain why the school age population is growing at a slowly rate, particularly the early grade and pre-school populations. This slowing in the rate of growth of the school age population will continue.
- **Per Capita Income** - Per capita income in the Bitterroot Valley is significantly lower than nationally, but this has been the case for a very long time. Per capita income levels are progressively higher in more urban and metropolitan areas and progressively lower in more rural and non-metropolitan areas, like the Bitterroot Valley. The area’s per capita income is commensurate with other areas like it that are nearby western forest lands.
- **Poverty** - The area’s poverty rate rose slightly during the 1980s, but declined during the 1990s, falling to 15.6 percent in 1997. While higher than the national poverty rate of 13.3 percent, the area’s poverty rate is lower than or at a par with poverty levels in similar types of areas in the West.
- **Personal Income Composition** - The Bitterroot Valley economy relies much more heavily on non-labor sources of personal income than the national and larger regional economies. In fact, non-labor sources of income, like investment income and transfer payment income, account for almost half of all personal income in the valley. While high, this is typical of non-metro areas of the West nearby forest lands.
- **Transfer Payment Income** - While transfer payments account for a relatively high share of total personal income in Ravalli County, on a per capita basis, area transfer

payments are slightly less than the national norm and considerably less than levels in peer areas of the West.

- **Investment Income** - Per capita investment income in the valley is much higher than levels in peer areas and only slightly below the level nationwide.
- **Labor Income** - The area where personal income in the valley is particularly low is labor income. Labor income on a per capita basis in the Bitterroot was only \$8,913 in 1998, much lower than the national norm of \$17,587 and even less than among forest land peer areas (\$9,137). While low, this measure saw recent improvement, rising by 17 percent between 1987 and 1998, reversing a downward trend previously.
- **Subsidiary Role in the Region** - The area economy of the Bitterroot is inextricably linked to the economy of the region's largest population center, Missoula. Approximately 15 to 20 percent of those residing in Ravalli County who work are employed in Missoula County. Non-metro areas in the West with relatively small populations that are nearby middle-size population centers like Missoula, tend to be growing more rapidly than more isolated rural places. But, as the regional centers grow, these surrounding areas tend to become "bedroom communities" and "commuter zones".
- **Area Self-employment** - The Bitterroot economy has a very high incidence of self-employment or proprietor employment among its workforce. About 42 percent of all employment in the valley is proprietor employment, rather than wage and salary employment. Nationally, about 17 percent of all employment is proprietors, with about 30 percent among western peer areas. This is one of the more striking features of the Bitterroot Valley economy.
- **Per Worker Earnings** - Labor earnings on a per worker basis for both proprietors and wage and salary workers in the valley, while low by national standards, are roughly comparable to average earning levels in western peer areas. Average labor earnings for wage and salary workers rose considerably during the 1990s after falling in the 1980s, while average earnings of proprietors fell markedly in both periods.

- **Employment Growth** - Employment growth in the valley's private sector is occurring at a much faster rate than in the public sector or in government. Private employment now accounts for over 87 percent of all non-farm employment in the valley, five percentage points higher than the level in western peer areas.
- **Sector "Balance" or Proportionality** - When compared to peer areas of the West, some sectors of the Bitterroot Valley economy are relatively large while others are small. The construction and F.I.R.E. sectors both account for larger shares of private non-farm employment in the valley than in peer areas. The construction sector is particularly large, accounting for 11.6 percent of private non-farm employment in the valley versus 8 percent among peers and 6.5 percent nationally. This high employment share for construction is higher than historical levels and is probably not sustainable. The high employment share for F.I.R.E. is heavily associated with the "real estate" business portion of the sector, also tied to construction and home-building in the valley. Retail trade's share of private non-farm employment is at a par with what typifies peer areas, as is the case with the services sector. Manufacturing share was 12 percent in 1998, lower than peer areas, but not by as much as in past years. Ravalli County is largely retaining its manufacturing sector at this level while large declines are occurring among peers and nationally, where manufacturing's share of private non-farm employment fell from 24 percent in 1977 to 14.5 percent in 1998.

ⁱ Larry Swanson is a Ph.D. economist and regionalist scientist who has extensive experience in examining and assessing community and regional economic trends and patterns in the West. He designed and developed a web-based information and analysis system for evaluating sub-state regional economies throughout the western United States, including economies of areas nearby the National Forests and other federal lands in the West. The system is referred to as *READ*, which stands for the Regional Economies Assessment Database <readsystem.net>. This study and report was done for the Rocky Mountain Research Station of the U.S. Forest Service in Missoula, Montana.

ⁱⁱ See "Technical Note: Estimating the Export or Basic Component of Area Trade and Service Activity Using *READ*," which is included in the Appendix to this report for an explanation of how the basic components of local trade and service activity are estimated using "location quotients." Location quotients are calculations that can be used to estimate how much sector or sub-sector activity in a particular area may be attributed to demand or income outside of the local area.

Appendix: The Bitterroot Valley Area Economic Profile

- Map showing *READ* Regions in the West
- Map of Population Distribution in the West
- *READ* System County “Urban-to-Rural Hierarchy” (table)
- Table A.1: Average Sector Labor Earnings Per Given Income and Population Bases
- Technical Note: Estimating the Export or Basic Component of Area Trade and Service Activity Using *READ*
- List of “Regional Center Counties” (Ravalli Peer Group)
- List of “Forest Land Counties” (Ravalli Peer Group)
- *READ* Tables for Ravalli County (selected tables from the web site used in the analysis)
 - A.1 Population Profile: Components of Population Change
 - A.2 Population Profile: Population Age Demographics
 - Ravalli County’s Population by Age
 - A.6 Poverty Among Individuals and Families
 - B.1 Personal Income Profile
 - B.2 Transfer Payments Profile
 - B.3 Labor Income Profile
 - B.4 Overall Employment Profile
 - B.5 Labor Earnings and Employment by Major Sector
 - B.6 Sector Shares of the Area Economy
 - B.7 Estimates of Annual Per Worker Labor Earnings by Major Sector
 - B.8 Income Growth and Decline in the Economy

Major Population Centers or Region "Cores" and Their "Closely-Linked" Counties in the West

READ Multi-County City-Centered Economic Regions

"Hub" Places by Size *

- 100,000 Population and Greater
- 20,000 to 100,000 Population
- 10,000 to 20,000 Population
- 5,000 to 10,000 Population
- Interstate Highways

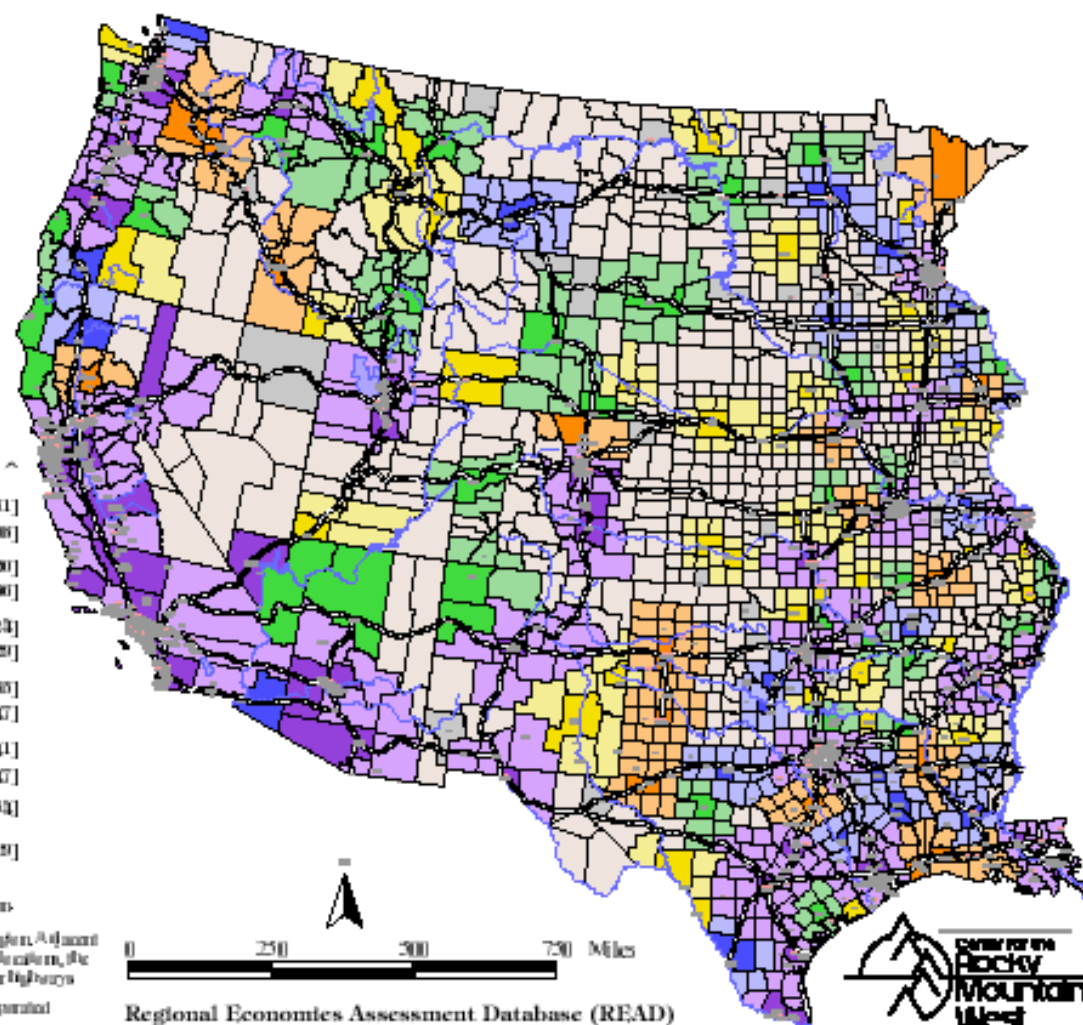
Read Multi-County Core-Based Regions ^

- Major Metro Cores, 100,000+ Pop. [01]
- adjacent and closely linked counties [000]
- 2nd/Tier Metro Cores of 100,000 to 200,000 [00]
- adjacent and closely linked counties [100]
- 3rd/Tier Metro Cores of 100,000 to 100,000 [00]
- adjacent and closely linked counties [100]
- Large Regional Trade Centers, 50,000 to 100,000 [00]
- adjacent and closely linked counties [100]
- Small Regional Trade Centers, 10,000 to 50,000 [00]
- adjacent and closely linked counties [100]
- Isolated Rural Centers (Counties under 10,000 with places of 10,000 to 20,000 pop.) [00]
- Small Isolated Rural Counties Under 10,000 [00]

* Classification based on population in the 1990 Census of Population.

^ "Core" counties contain the largest population center of a region. Adjacent and nearby counties are assigned to them based upon their relative location, the size and influence of core counties, and physical location of major highways.

— "Core" counties greater than 20,000 population also having incorporated places greater than 20,000 (1990 Census).



Regional Economies Assessment Database (READ)
Swarren, The University of Montana, 2000



There's no single way to determine or gauge the size and reach of an area economy. But, it's clear, regional economies at the sub-state level are organized around major population centers and their surrounding, sometimes far-flung trade and service areas. And the articulation of regional economies around major population centers is being steadily magnified by the growing service-sector orientation of the economy as a whole. Cities are the centers of service activity and the marketplaces for most service activity are regionally defined.

A methodology was devised for identifying the dominant centers of each area of the West and then further identifying adjacent and nearby counties that are closely-linked to these centers, both economically and socially, by their proximity. A "top-down," step-by-step approach was used beginning with the very largest cities and their surrounding counties and then moving to progressively smaller centers. This process extended to areas that lie just beyond the reach of the very largest centers and to smaller centers that dominate the regional economies of increasingly less-populated areas.

A "hierarchy" of regional centers is visualized, an urban-rural continuum of region types, ranging from major metro cores and surrounding closely-linked counties to 2nd and 3rd "Tier" metro centers and further to progressively smaller, largely non-metro, large and small regional trade centers. Sparsely-populated areas at great distances from these centers are classified as "isolated rural counties."

Population Distribution in the West

Mapping at the "Tract" level using 1990 Census of Population Figures.

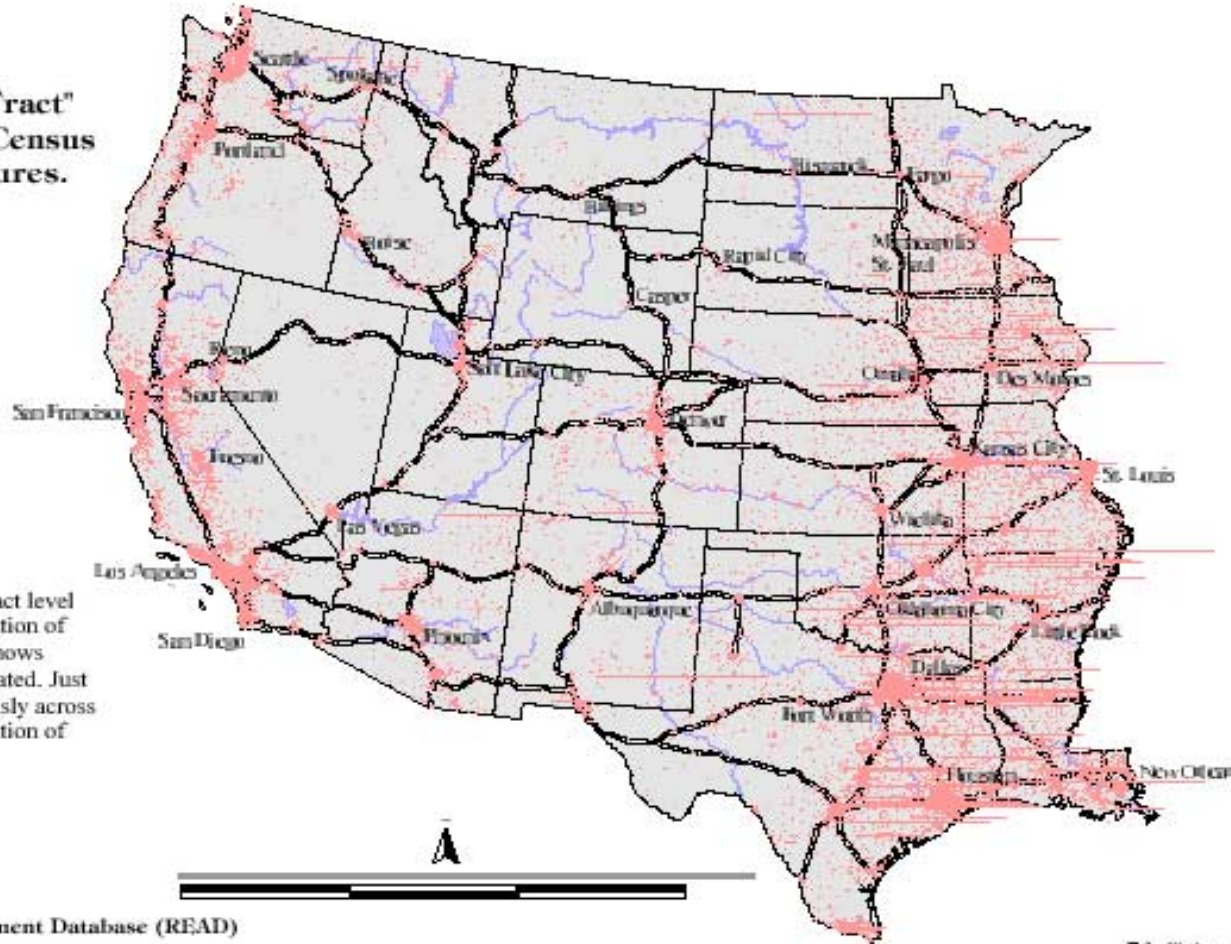
Each dot represents
1,500 people.

== Enter state 1-6 @ 400000

Mapping population at the tract level illustrates the uneven distribution of population in the West and shows where population is concentrated. Just as population varies enormously across the West, so does the distribution of economic activities.



Regional Economies Assessment Database (READ)
The University of Montana, 2000



Because of the vast differences between settlement patterns in the East and West, the initial development of the READ System has focused on the western U.S. With some notable exceptions, much of the West has only a few major cities or large metropolitan areas and these are oftentimes far apart. Highly urbanized areas have developed in the Seattle and Portland areas, the San Francisco Bay and Sacramento areas, the Los Angeles and San Diego areas, and in a series of urban areas from Minneapolis-St. Paul south to Houston.

Major concentrations of people represent large concentrations of business activity and large labor forces. They are centers of economic activity. Just as with population, the types and levels of economic activity distribute themselves in uneven, irregular, and ever-changing patterns across this large landscape. Markets and market thresholds determining the feasibility of different types of businesses vary greatly from place-to-place depending upon area populations, incomes, and other factors.

While aspects of the larger economy operate almost without geographic bounds, many types of economic activity only take place within certain geographic limits or ranges. Sub-state regional economies are formed within the overlay of many different regionally-defined marketplaces, and the variability of these marketplaces is heavily reflected in the pattern of population distribution.

<i>READ</i> "Urban-to-Rural" Regional Hierarchy*								
<i>READ</i> region types/1	County Pop. Ranges	Pop. Tier/2	<i>READ</i> county type/3	County Code:	No. of counties	Amer.Ind. Depend./4	Prod. Ag. Dep./5	Total '90 Pop.
PURPLE REGIONS			region cores	11a	51			47,204,134
Major Metros	500,000+ pop.	0+	large closely-linked	12a	3			3,257,809
500,000+ core pop.	100,000 - 500,000	1,2,3	med. periph.	12a	38			7,984,864
	35,000 - 100,000	4,5	small periph.	12a	63			3,614,755
Regions #1 - 28: 28 total	less than 35,000	6,7,8,9	small periph.	12a	122			2,095,732
PURPLE REGIONS			region cores	11b	10			3,500,840
Major Metros	250,000+ pop.	1+	large closely-linked	12b	0			0
250,000 - 500,000	100,000 - 250,000	2,3	med. periph.	12b	1			217,162
core populations	35,000 - 100,000	4,5	small periph.	12b	26			1,637,702
Regions #29 - 38: 10 total	less than 35,000	6,7,8,9	small periph.	12b	55	2		911,619
ORANGE REGIONS		2,3,4,5	region cores	21	21			3,507,830
Large "2nd Tier" Metros	100,000+ pop.	3+	large closely-linked	22	2			322,909
160,000 - 250,000	35,000 - 100,000	4,5	med. periph.	22	21			1,258,077
core populations	20,000 - 35,000	6	small periph.	22	28			737,798
Regions #39 - 56: 18 total	less than 20,000	7,8,9	small periph.	22	84			845,509
BLUE REGIONS		3,4,5	region cores	31	24			2,802,763
Small "3rd Tier" Metros	60,000+ pop.	4+	large closely-linked	32	6			470,191
100,000 - 160,000	20,000 - 60,000	5,6	med. periph.	32	47	1		1,483,402
Regions #57 - 78: 22 total	less than 20,000	7,8,9	small periph.	32	77	3		920,483
GREEN REGIONS		3,4,5,6	region cores	41	35	3		2,682,693
Large Regional Centers	35,000+ pop.	5+	large periph.	42	8			341,194
60,000 - 100,000 pop.	10,000 - 35,000	6,7	med. periph.	42	76	1		1,478,623
Regions #79 - 112: 34 total	less than 10,000	8,9	small periph.	42	63	4		336,357
YELLOW REGIONS		5,6	region cores	51	41			1,802,812
Small Regional Centers	20,000+ pop.	6+	large periph.	52	18			542,654
30,000 - 60,000 pop.	5,000 - 20,000	7,8	med. periph.	52	91			962,899
Regions #113 - 153: 37 total	less than 5,000	9-	small periph.	52	38			111,295
GRAY: Isolated Rural Centers (61 total)	Under 35,000 with places greater than 10,000 pop.	5,6,7	isolated rural center	61	33		2	779,257
LIGHT GRAY: Small Isolated Rural Counties	10,000+ pop. (with I.H. acc.)	7+	iso. rural cos.	62a	38	2	7	700,578
	1 - 10,000 (with I.H. access)	8,9	iso. rural cos.	62a	76	3	44	405,033
	10,000+ pop. (no I.H. acc.)	7+	iso. rural cos.	62b	100	4	17	1,625,473
(Interstate Highway Access)	1 - 10,000 (no I.H. acc.)	8,9	iso. rural cos.	62b	204	7	117	979,801
Totals for West					1,500	30	187	95,522,248

* A top-down hierarchical method is used in identifying region "core" counties and their surrounding "closely-linked" periphery counties. At the top of this hierarchy are the most "urban" areas, while at the bottom are the most "rural" sparsely-populated and isolated areas.

1/ General descriptors for each READ region type are given based upon the size of a region's core county or counties ('90 populations). At the top are regions centered around major metropolitan centers with county-wide populations greater than 500,000 people.

2/ Counties have been placed into "tier" classes based upon their 1990 populations as follows:

Tier 0: 500,000 and more

Tier 1: 250,000 - 500,000

Tier 2: 160,000 - 250,000

Tier 3: 100,000 - 160,000

Tier 4: 60,000 - 100,000

Tier 5: 30,000 - 60,000

Tier 6: 20,000 - 30,000

Tier 7: 10,000 - 20,000

Tier 8: 5,000 - 10,000

Tier 9: less than 5,000 pop.

3/ Counties within READ regions are either "core" counties (region centers) or what is referred to as "closely-linked" periphery counties. Some regions have "joint" cores or more than one core county.

4/ "American Indian dependent" counties are ones in which their '90 populations were 25% or more American Indian.

5/ "Ag dependent" counties are rural ones (codes 61 or 62) where the farm sector accounts for 15% or more of area labor income ('92 benchmark).

- **Larry Swanson, O'Connor Center for the Rocky Mountain West, U. of Montana, 2000**

Table A.1: Average Sector Labor Earnings Per Given Income and Population Bases by Area and Region Type Over Time

In thousands of 1996 dollars <i>READ County Type Groupings</i> READ County Code - Pop. Tiers	T.P.U. Lab.Inc. per \$20 mil. T.P.I.				T.P.U. Lab.Inc. per 1000 Pop.				Const. Lab.Inc. per \$20 mil. T.P.I.				Const. Lab.Inc. per 1000 Pop.			
	1987B	1992B	1995B	1998	1987B	1992B	1995B	1998	1987B	1992B	1995B	1998	1987B	1992B	1995B	1998
11a - All Tiers	\$1,151	\$1,187	\$1,243	\$1,282	\$1,371	\$1,473	\$1,608	\$1,806	\$1,035	\$808	\$852	\$921	\$1,233	\$1,002	\$1,102	\$1,296
12a - Tiers 0-3	\$611	\$591	\$572	\$553	\$670	\$655	\$652	\$681	\$949	\$789	\$804	\$868	\$1,045	\$875	\$917	\$1,069
12a - Tiers 4-9	\$802	\$747	\$712	\$709	\$683	\$669	\$667	\$717	\$840	\$730	\$793	\$856	\$714	\$655	\$744	\$873
11b - All Tiers	\$1,084	\$975	\$954	\$955	\$1,151	\$1,119	\$1,151	\$1,224	\$1,032	\$994	\$1,083	\$1,117	\$1,096	\$1,141	\$1,307	\$1,431
12b - Tiers 0-5	\$707	\$640	\$592	\$572	\$614	\$601	\$585	\$607	\$971	\$888	\$936	\$950	\$843	\$835	\$925	\$1,006
12b - Tiers 6-9	\$809	\$744	\$684	\$700	\$678	\$666	\$644	\$694	\$675	\$694	\$771	\$790	\$561	\$610	\$718	\$788
21 - All Tiers	\$1,204	\$1,111	\$1,078	\$1,151	\$1,153	\$1,158	\$1,189	\$1,361	\$994	\$957	\$1,020	\$1,080	\$953	\$997	\$1,125	\$1,276
22 - Tiers 0-5	\$812	\$735	\$711	\$727	\$649	\$640	\$652	\$709	\$805	\$710	\$801	\$913	\$643	\$618	\$734	\$898
22 - Tiers 6-9	\$872	\$808	\$797	\$823	\$710	\$703	\$712	\$767	\$760	\$620	\$705	\$747	\$618	\$540	\$630	\$701
31 - All Tiers	\$1,025	\$955	\$948	\$960	\$926	\$926	\$968	\$1,048	\$904	\$848	\$896	\$945	\$817	\$822	\$914	\$1,017
32 - Tiers 0-6	\$951	\$849	\$802	\$768	\$789	\$754	\$752	\$773	\$791	\$768	\$798	\$834	\$656	\$682	\$749	\$848
32 - Tiers 7-9	\$796	\$737	\$721	\$718	\$622	\$611	\$621	\$650	\$605	\$574	\$597	\$678	\$470	\$478	\$515	\$621
41 - All Tiers	\$1,190	\$1,062	\$1,021	\$987	\$1,062	\$1,008	\$1,011	\$1,041	\$945	\$884	\$945	\$1,003	\$843	\$839	\$937	\$1,072
42 - 0-7	\$850	\$788	\$789	\$778	\$667	\$660	\$695	\$732	\$718	\$723	\$783	\$856	\$564	\$606	\$690	\$801
42 - 8-9	\$1,235	\$1,169	\$1,196	\$1,271	\$966	\$986	\$1,013	\$1,117	\$711	\$579	\$718	\$778	\$556	\$486	\$617	\$690
51 - All Tiers	\$1,217	\$1,138	\$1,108	\$1,153	\$1,059	\$1,053	\$1,071	\$1,180	\$967	\$814	\$898	\$941	\$843	\$752	\$867	\$964
52 - Tiers 0-8	\$922	\$860	\$855	\$928	\$785	\$770	\$803	\$913	\$593	\$586	\$662	\$742	\$505	\$526	\$623	\$741
52 - Tier 9	\$792	\$734	\$754	\$766	\$718	\$720	\$722	\$789	\$368	\$307	\$421	\$490	\$331	\$298	\$399	\$493
61 - All Tiers	\$1,136	\$1,023	\$973	\$929	\$973	\$938	\$947	\$957	\$782	\$737	\$816	\$841	\$669	\$676	\$794	\$866
62a/I.HwyAccess/Tiers 0-7	\$1,265	\$1,088	\$973	\$937	\$936	\$870	\$818	\$824	\$1,098	\$861	\$924	\$1,086	\$812	\$713	\$777	\$1,005
62a/I.HwyAccess/Not ag dep./Tiers 8-9	\$1,072	\$1,047	\$1,024	\$1,132	\$859	\$891	\$901	\$1,057	\$863	\$678	\$939	\$790	\$691	\$572	\$824	\$748
62a/I.HwyAccess/ag dep./Tiers 8-9	\$869	\$810	\$867	\$885	\$752	\$749	\$832	\$926	\$529	\$476	\$494	\$644	\$459	\$439	\$475	\$681
62b/No I.HwyAccess/Tiers 0-7	\$886	\$790	\$762	\$757	\$707	\$675	\$690	\$728	\$729	\$701	\$786	\$854	\$583	\$599	\$711	\$830
62b/No I.HwyAccess/Not ag dep./Tiers 8-9	\$909	\$780	\$784	\$784	\$688	\$622	\$643	\$690	\$620	\$576	\$733	\$763	\$470	\$458	\$603	\$683
62b/No I.HwyAccess/ag dep./Tiers 8-9	\$759	\$729	\$760	\$760	\$652	\$671	\$699	\$749	\$495	\$397	\$469	\$583	\$425	\$365	\$431	\$576
22-State West	\$1,033	\$1,020	\$1,039	\$1,064	\$1,089	\$1,131	\$1,200	\$1,331	\$967	\$802	\$851	\$915	\$1,020	\$889	\$983	\$1,149

Source: *Regional Economies Assessment Database*, Center for the Rocky Mountain West, University of Montana Note: *READ* region "core" county groupings are screened in gray.

* These "norms" are calculated across groups of counties classified according to the *READ* County Classification Scheme and indicate the average size of each sector as measured by labor earnings, for a given area income base (per \$20 million in total personal income) and population base (per 1,000 population). They are used in calculating area industry "location quotients," or measures of the relative concentration of a particular industry or sector in specific classes and categories of area or region types. Benchmark years are used in calculating 3-year averages.

Table A.1: Average Sector Labor Earnings Per Given Income and Population Bases by Area and Region Type Over Time (Page 2)

In thousands of 1996 dollars READ County Type Groupings READ County Code - Pop. Tiers	Wholesale Lab.Inc. per \$20 mil. T.P.I.				Wholesale Lab.Inc. per 1000 Pop.				Services Lab.Inc. per \$20 mil. T.P.I.				Services Lab.Inc. per 1000 Pop.			
	1987B	1992B	1995B	1998	1987B	1992B	1995B	1998	1987B	1992B	1995B	1998	1987B	1992B	1995B	1998
11a - All Tiers	\$1,171	\$1,132	\$1,117	\$1,155	\$1,395	\$1,405	\$1,444	\$1,627	\$4,152	\$4,709	\$4,852	\$5,169	\$4,946	\$5,845	\$6,274	\$7,280
12a - Tiers 0-3	\$456	\$518	\$554	\$615	\$500	\$574	\$632	\$757	\$2,117	\$2,531	\$2,606	\$2,705	\$2,324	\$2,806	\$2,972	\$3,332
12a - Tiers 4-9	\$374	\$399	\$397	\$416	\$318	\$357	\$372	\$421	\$1,686	\$1,913	\$1,966	\$2,008	\$1,435	\$1,708	\$1,837	\$2,021
11b - All Tiers	\$1,021	\$1,011	\$1,025	\$1,092	\$1,085	\$1,160	\$1,237	\$1,399	\$4,009	\$4,386	\$4,391	\$4,522	\$4,259	\$5,032	\$5,297	\$5,794
12b - Tiers 0-5	\$344	\$378	\$370	\$390	\$298	\$356	\$366	\$415	\$2,178	\$2,420	\$2,443	\$2,516	\$1,890	\$2,274	\$2,414	\$2,666
12b - Tiers 6-9	\$415	\$376	\$382	\$426	\$346	\$332	\$357	\$436	\$2,076	\$2,294	\$2,282	\$2,261	\$1,733	\$2,054	\$2,152	\$2,289
21 - All Tiers	\$857	\$856	\$851	\$877	\$821	\$892	\$938	\$1,037	\$3,299	\$3,762	\$3,824	\$3,920	\$3,160	\$3,919	\$4,217	\$4,632
22 - Tiers 0-5	\$494	\$515	\$522	\$525	\$395	\$448	\$479	\$516	\$2,085	\$2,285	\$2,353	\$2,443	\$1,666	\$1,990	\$2,160	\$2,404
22 - Tiers 6-9	\$455	\$450	\$446	\$469	\$370	\$390	\$399	\$442	\$1,459	\$1,566	\$1,614	\$1,687	\$1,188	\$1,363	\$1,441	\$1,577
31 - All Tiers	\$808	\$805	\$805	\$811	\$730	\$781	\$821	\$885	\$3,269	\$3,663	\$3,707	\$3,886	\$2,954	\$3,551	\$3,783	\$4,238
32 - Tiers 0-6	\$510	\$508	\$500	\$560	\$423	\$451	\$469	\$571	\$1,934	\$2,192	\$2,296	\$2,445	\$1,603	\$1,946	\$2,154	\$2,438
32 - Tiers 7-9	\$453	\$442	\$437	\$486	\$355	\$367	\$377	\$443	\$1,375	\$1,494	\$1,607	\$1,670	\$1,069	\$1,238	\$1,383	\$1,521
41 - All Tiers	\$658	\$651	\$654	\$663	\$588	\$619	\$648	\$699	\$2,975	\$3,320	\$3,443	\$3,563	\$2,655	\$3,153	\$3,412	\$3,758
42 - 0-7	\$466	\$476	\$486	\$496	\$366	\$399	\$428	\$462	\$1,826	\$2,020	\$2,121	\$2,209	\$1,432	\$1,693	\$1,869	\$2,071
42 - 8-9	\$470	\$448	\$462	\$526	\$366	\$375	\$390	\$468	\$2,014	\$2,216	\$2,449	\$2,715	\$1,575	\$1,867	\$2,068	\$2,392
51 - All Tiers	\$696	\$712	\$668	\$655	\$607	\$659	\$644	\$671	\$2,566	\$2,891	\$3,000	\$3,086	\$2,236	\$2,665	\$2,896	\$3,157
52 - Tiers 0-8	\$585	\$596	\$597	\$652	\$497	\$533	\$561	\$647	\$1,743	\$1,874	\$1,937	\$2,037	\$1,483	\$1,678	\$1,819	\$2,018
52 - Tier 9	\$532	\$460	\$551	\$667	\$480	\$458	\$540	\$725	\$1,145	\$1,135	\$1,197	\$1,251	\$1,028	\$1,102	\$1,134	\$1,271
61 - All Tiers	\$660	\$682	\$671	\$673	\$565	\$625	\$653	\$692	\$2,554	\$2,777	\$2,870	\$3,016	\$2,187	\$2,546	\$2,793	\$3,105
62a/I.HwyAccess/Tiers 0-7	\$401	\$419	\$414	\$459	\$297	\$336	\$347	\$424	\$2,149	\$2,434	\$2,560	\$2,754	\$1,590	\$1,946	\$2,152	\$2,433
62a/I.HwyAccess/Not ag dep./Tiers 8-9	\$428	\$463	\$436	\$497	\$341	\$392	\$385	\$467	\$1,989	\$1,814	\$1,898	\$2,044	\$1,602	\$1,547	\$1,683	\$1,905
62a/I.HwyAccess/ag dep./Tiers 8-9	\$734	\$752	\$793	\$852	\$637	\$694	\$765	\$892	\$1,456	\$1,553	\$1,671	\$1,684	\$1,266	\$1,432	\$1,607	\$1,748
62b/No I.HwyAccess/Tiers 0-7	\$559	\$541	\$547	\$574	\$449	\$463	\$495	\$546	\$2,257	\$2,466	\$2,456	\$2,532	\$1,805	\$2,107	\$2,222	\$2,432
62b/No I.HwyAccess/Not ag dep./Tiers 8-9	\$422	\$398	\$426	\$488	\$320	\$317	\$355	\$429	\$1,696	\$1,956	\$2,060	\$2,176	\$1,290	\$1,560	\$1,695	\$1,908
62b/No I.HwyAccess/ag dep./Tiers 8-9	\$576	\$562	\$606	\$658	\$495	\$518	\$560	\$661	\$1,395	\$1,460	\$1,535	\$1,575	\$1,197	\$1,345	\$1,415	\$1,570
22-State West	\$907	\$894	\$888	\$931	\$957	\$991	\$1,025	\$1,168	\$3,369	\$3,822	\$3,922	\$4,154	\$3,554	\$4,236	\$4,529	\$5,191

Source: *Regional Economies Assessment Database*, Center for the Rocky Mountain West, University of Montana Note: READ region "core" county groupings are screened in gray.

* These "norms" are calculated across groups of counties classified according to the READ County Classification Scheme and indicate the average size of each sector as measured by labor earnings, for a given area income base (per \$20 million in total personal income) and population base (per 1,000 population). They are used in calculating area industry "location quotients," or measures of the relative concentration of a particular industry or sector in specific classes and categories of area or region types. Benchmark years are used in calculating 3-year averages.

Table A.1: Average Sector Labor Earnings Per Given Income and Population Bases by Area and Region Type Over Time (Page 3)

In thousands of 1996 dollars <i>READ County Type Groupings</i> READ County Code - Pop. Tiers	F.I.R.E. Lab.Inc. per \$20 mil. T.P.I.				F.I.R.E. Lab.Inc. per 1000 Pop.				Retail Lab.Inc. per \$20 mil. T.P.I.				Retail Lab.Inc. per 1000 Pop.			
	1987B	1992B	1995B	1998	1987B	1992B	1995B	1998	1987B	1992B	1995B	1998	1987B	1992B	1995B	1998
11a - All Tiers	\$1,308	\$1,325	\$1,360	\$1,541	\$1,558	\$1,645	\$1,758	\$2,171	\$1,557	\$1,412	\$1,409	\$1,398	\$1,855	\$1,753	\$1,823	\$1,969
12a - Tiers 0-3	\$462	\$550	\$588	\$655	\$508	\$609	\$670	\$812	\$1,249	\$1,199	\$1,203	\$1,166	\$1,370	\$1,330	\$1,372	\$1,435
12a - Tiers 4-9	\$335	\$345	\$378	\$415	\$285	\$309	\$353	\$421	\$1,156	\$1,086	\$1,094	\$1,076	\$984	\$973	\$1,024	\$1,086
11b - All Tiers	\$1,097	\$1,112	\$1,179	\$1,304	\$1,165	\$1,276	\$1,422	\$1,671	\$1,630	\$1,510	\$1,520	\$1,497	\$1,732	\$1,733	\$1,834	\$1,918
12b - Tiers 0-5	\$391	\$438	\$477	\$514	\$339	\$412	\$472	\$544	\$1,384	\$1,331	\$1,315	\$1,296	\$1,201	\$1,250	\$1,299	\$1,373
12b - Tiers 6-9	\$356	\$387	\$396	\$424	\$297	\$344	\$371	\$423	\$1,065	\$990	\$959	\$949	\$885	\$878	\$898	\$952
21 - All Tiers	\$738	\$722	\$775	\$880	\$707	\$753	\$855	\$1,040	\$1,626	\$1,490	\$1,498	\$1,497	\$1,558	\$1,552	\$1,652	\$1,769
22 - Tiers 0-5	\$417	\$430	\$458	\$495	\$333	\$374	\$420	\$487	\$1,269	\$1,194	\$1,201	\$1,206	\$1,014	\$1,040	\$1,102	\$1,186
22 - Tiers 6-9	\$316	\$326	\$360	\$399	\$257	\$284	\$322	\$375	\$1,153	\$1,061	\$1,079	\$1,075	\$938	\$923	\$965	\$1,009
31 - All Tiers	\$686	\$732	\$783	\$872	\$620	\$710	\$799	\$959	\$1,695	\$1,646	\$1,616	\$1,605	\$1,531	\$1,596	\$1,650	\$1,751
32 - Tiers 0-6	\$425	\$452	\$485	\$528	\$353	\$402	\$455	\$531	\$1,432	\$1,390	\$1,412	\$1,472	\$1,187	\$1,234	\$1,325	\$1,485
32 - Tiers 7-9	\$335	\$339	\$347	\$377	\$261	\$281	\$299	\$345	\$1,043	\$952	\$908	\$882	\$811	\$790	\$782	\$804
41 - All Tiers	\$559	\$594	\$643	\$703	\$498	\$564	\$638	\$743	\$1,651	\$1,591	\$1,606	\$1,580	\$1,473	\$1,511	\$1,591	\$1,666
42 - 0-7	\$337	\$374	\$410	\$452	\$265	\$313	\$361	\$426	\$1,261	\$1,215	\$1,190	\$1,183	\$990	\$1,018	\$1,049	\$1,109
42 - 8-9	\$346	\$348	\$378	\$440	\$271	\$294	\$325	\$396	\$1,128	\$1,045	\$1,050	\$1,074	\$881	\$881	\$887	\$947
51 - All Tiers	\$488	\$512	\$542	\$585	\$425	\$473	\$523	\$599	\$1,551	\$1,517	\$1,537	\$1,516	\$1,352	\$1,403	\$1,484	\$1,553
52 - Tiers 0-8	\$410	\$436	\$440	\$428	\$349	\$391	\$413	\$420	\$1,168	\$1,125	\$1,105	\$1,092	\$994	\$1,008	\$1,038	\$1,081
52 - Tier 9	\$305	\$324	\$330	\$370	\$276	\$312	\$313	\$377	\$826	\$702	\$678	\$620	\$742	\$681	\$642	\$627
61 - All Tiers	\$464	\$471	\$510	\$578	\$397	\$432	\$496	\$592	\$1,580	\$1,503	\$1,470	\$1,453	\$1,353	\$1,378	\$1,430	\$1,496
62a/I.HwyAccess/Tiers 0-7	\$401	\$496	\$565	\$695	\$297	\$397	\$475	\$637	\$1,481	\$1,415	\$1,412	\$1,433	\$1,096	\$1,133	\$1,185	\$1,264
62a/I.HwyAccess/Not ag dep./Tiers 8-9	\$373	\$394	\$428	\$504	\$298	\$335	\$384	\$485	\$1,348	\$1,304	\$1,295	\$1,348	\$1,079	\$1,110	\$1,150	\$1,265
62a/I.HwyAccess/ag dep./Tiers 8-9	\$429	\$438	\$451	\$465	\$373	\$405	\$435	\$480	\$1,124	\$1,026	\$975	\$952	\$975	\$946	\$936	\$990
62b/No I.HwyAccess/Tiers 0-7	\$435	\$473	\$512	\$568	\$349	\$405	\$463	\$555	\$1,368	\$1,341	\$1,333	\$1,302	\$1,095	\$1,147	\$1,206	\$1,250
62b/No I.HwyAccess/Not ag dep./Tiers 8-9	\$336	\$385	\$439	\$503	\$255	\$311	\$362	\$453	\$1,273	\$1,222	\$1,199	\$1,150	\$963	\$975	\$983	\$1,005
62b/No I.HwyAccess/ag dep./Tiers 8-9	\$366	\$394	\$421	\$449	\$314	\$362	\$388	\$440	\$994	\$891	\$882	\$848	\$854	\$820	\$812	\$839
22-State West	\$957	\$984	\$1,019	\$1,159	\$1,010	\$1,091	\$1,177	\$1,455	\$1,472	\$1,362	\$1,360	\$1,345	\$1,552	\$1,508	\$1,570	\$1,679

Source: *Regional Economies Assessment Database*, Center for the Rocky Mountain West, University of Montana Note: *READ* region "core" county groupings are screened in gray.

* These "norms" are calculated across groups of counties classified according to the *READ* County Classification Scheme and indicate the average size of each sector as measured by labor earnings, for a given area income base (per \$20 million in total personal income) and population base (per 1,000 population). They are used in calculating area industry "location quotients," or measures of the relative concentration of a particular industry or sector in specific classes and categories of area or region types. Benchmark years are used in calculating 3-year averages.

TECHNICAL NOTE: Estimating the Export or Basic Component of Area Trade and Service Activity Using *READ*

An important and somewhat complicated task in conducting an area economic assessment is estimating an area's "economic base." The economic base of an area includes those economic activities that are chiefly responsible for bringing outside income to the area.¹ Ordinarily, the identification of basic activity in an area is done sector by sector. All manufacturing activity in an area is customarily treated as part of an area's economic base, based upon the assumption that most area manufacturing produces goods intended for distribution and sale in markets largely beyond the local area economy. Similarly, farm and ranch production and mining production are treated as largely basic. While there can be major portions of these industries that are not basic in nature, for simplicity, they are treated as basic in the approach recommended here unless there is readily available information suggesting otherwise.

Area employment of federal and state government is treated as basic as well because the source of funds for paying these area governmental employees is statewide or nationwide and, therefore, beyond the local area.

It is much more difficult to estimate the amount, if any, of local area trade and service activity that should be treated as basic, or that part of local trade activity associated with serving outside demand. It is sometimes customary to treat all of retail trade or service trade activity in a local area as purely "residential," or economic activity solely associated with serving local or area demand. But, this is overly simplistic. In some areas, local construction activity can be in part spurred by new residents building new homes with income brought to the region from outside or by part-time residents building area homes with income they largely earn elsewhere. Where there is significant traffic through an area by non-residents, retail and service trade can benefit from purchases they make as they pass through. Certain types of specialized health care, business and financial services, recreation services, or other services in an area can be sought out by residents from outside of the local area and travelers.

Economists know that this type of export demand for area services and trade exists at many different regional and community scales and exists for both metro and non-metro area economies. However, it is oftentimes not properly assessed for non-metro areas because of the techniques and methodologies used. What we are trying to estimate is how much area trade and service activity may be occurring because of market demand external to the local area. And, ordinarily, economists estimate this by calculating the amount of area activity in relation to the area population and income base being served then relating this to a similar calculation for the nation as a whole or for the larger region.

Where the nation is used as the reference area, the assumption is that it can be thought of as a total economy largely closed to the outside. Therefore, the ratio between the level of trade or service activity and population or income is one where no outside demand is being served. As such, whatever this ratio is supplies us with an estimate of how much of a particular activity is needed to meet just the demands of the area's population. If this ratio is higher than the national norm for some area, then any amount greater than the national norm can be considered "basic," that is, it is area activity associated with serving demand outside of the local area. An area with a ratio below the national norm would be a net "importer" of the trade or service activity in question.

Because many types of trade and service activity are more concentrated in large regional centers and metropolitan areas, and because the overall population of the U.S. is heavily concentrated in these large centers and their surrounding areas, national ratios relating trade and service activity to income and population are commonly much higher than what is common in smaller population centers and non-metro areas. Therefore, these much higher national norms obscure and overwhelm the smaller norms for the non-metro areas, even for areas where we know some area trade and service activity is basic in nature.

What is needed is a way of determining norms for levels of trade and service activity that are appropriate to the particular area or sub-state region in question. If the ratio of area activity to area income and population is significantly above the "norm" for similar types

of areas in the larger economy, it is probable that much of this additional activity beyond the norm can be attributed to external or extra-area demand and should, therefore, be considered “basic”. Before discussing how this can be done, it’s necessary to explain a method for estimating area norms for trade and service activity.

Understanding and Using “Location Quotients”

A common formulation for estimating the “export” or basic component of area trade or service sector activity is what is referred to as the “location quotient.” In technical terms, a location quotient is a statistical measure of the degree to which any two area quantitative characteristics are dissimilarly distributed between two areas. For example, we may be examining the level of retail trade activity in an area in relation to area income or population and then relating this to similar measures for another area being used as a “reference area,” or area for establishing the “norm” for this relationship. The formulation for calculating a location quotient is as follows:

$$L.Q. = X_a/Y_a \text{ divided by } X_b/Y_b$$

In this formulation, X_a represents the amount of characteristic X (sales, employment, labor income, etc., for a particular sector or sub-sector) in area “a”, Y_a represents the amount of characteristic Y (total population, total employment, total personal income, etc.) in area “a”, X_b represents the amount of characteristic X in area “b”, and Y_b represents the amount of characteristic Y in area “b”. Area “a” is the local area of interest and area “b” is the reference area being used to establish a base or norm for the particular relationship in question. If an L.Q. calculation results in a number greater than 1.00, this indicates that area “a” has a greater concentration of the particular sector activity than the reference area and that this difference may be considered basic or associated with external demand. An L.Q. less than 1.00 implies that area “a” is an importer of this activity, that local activity in this sector is inadequate to meet local area demand, let alone supply external demand. And, if the L.Q. is 1.00, this implies that the level of sector activity in area “a” is exactly equivalent to local demand; it is neither a net exporter or net importer of the activity.

Approach Used in *READ*

Again, many times, the nation as a whole is used as the reference area in establishing the norm used in this calculation. However, in *READ* the *READ* “urban-to-rural hierarchy” of region and area types is used in identifying comparable reference areas for establishing appropriate norms for estimating export-base trade and service activity.^{II} This permits one to use one norm that is appropriate to, say, non-metro areas that are closely-linked to relatively small regional centers, another norm that is appropriate to core areas of very large metropolitan centers, and another norm for isolated rural areas.

The way in which the *READ* urban-to-rural hierarchy and classification scheme is used for this purpose is demonstrated in Table A.1. Table A.1 shows calculations of average sector labor earnings in thousands of 1996 inflation-adjusted dollars for two separate area base characteristics: total personal income and total population. Calculations are made of sector labor earnings (the “X” characteristic) per \$20 million in total personal income (the “Y” characteristic) and per 1,000 population (an alternative “Y” characteristic) for selected years over time by *READ* region and area type. What these calculations show is the level or amount of sector activity, as measured by labor earnings, per \$20 million in area total personal income and per 1,000 area population for selected years over time. Three-year annual averages are calculated for the “benchmark years” 1987 (an average for 1976, 1977, and 1978), 1992, and 1995 and a single-year estimate is calculated for 1998.

County-level figures are used in these calculations for six different sectors: 1) transportation and public utilities or T.P.U., 2) construction, 3) wholesale trade, 4) services, 5) finance, insurance, and real estate or F.I.R.E., and 6) retail trade. The hierarchy of county and area types are listed top to bottom at the left in the table and separate calculations are made for counties within each grouping of area types. As shown in the calculations for the services sector on the second page of the table, the estimates vary in a systematic way as one moves from the highest level in the urban-to-rural hierarchy to lower levels. The services sector is more heavily concentrated in the very largest metro core areas (County Code 11a) where services labor income in 1998 per \$20 million in total personal income was \$5,169,000. This means that among counties of this type across the West, there is over \$5.1 million in area services labor earnings for every \$20 million in total personal income. In areas surrounding these very large centers, this

norm drops to \$2.7 million for counties with populations in excess of 100,000 (Tiers 0 - 3) and to \$2.0 million for those with populations under 100,000 (Tiers 4 - 9). Regional centers at the next tier down (Code 11b) had \$4.5 million in services labor earnings per \$20 million in income. For regional centers at the next lowest tier (Code 21), this figure is \$3.9 million, and so forth.

This calculation for the 22 contiguous western states is shown at the bottom of the table (\$4.1 million). If the West as a whole is used as the reference area in setting a norm for services activity, it would imply that regional center core counties having populations between 160,000 and 250,000 (Code 21) don't have any service sector exports since its ratio of service activity to income (\$3.9 million) is less than the norm for the West as a whole (\$4.1 million). However, large regional centers of this type are obviously exporters of services, as suggested by the much lower figures for their surrounding areas: \$2.4 million in surrounding areas with more than 20,000 people and \$1.7 million in surrounding areas with less than 20,000 people.

At each level in the hierarchy, there are ordinarily some services occurring in any particular area that flow to users up the hierarchy (to larger places) and to users down the hierarchy (to smaller places). And regional centers at each level have larger concentrations of service activity than their surrounding closely-linked areas.

You can note that even in the more rural and isolated areas, there is logic to the differentiation of these calculations among area types. Small isolated rural centers (isolated counties under 35,000 population with places greater than 10,000, Code 61) have \$3.0 million in services labor earnings per \$20 million in total personal income, while all other isolated rural areas have lower ratios. Among isolated rural areas with more than 10,000 people, those on the Interstate Highway have a ratio of \$2.75 million (Code 62a/I.HwyAccess/Tiers 0 - 7) while those without immediate Interstate Highway access have a ratio of \$2.53.

The pattern of differentiation and variation in the level of activity per level of income and population vary from one sector to the next, as you can see in the table. Construction labor earnings are more evenly distributed among region center types. In the case of retail

trade, the ratio of labor earnings-to-income sometimes increases in going from larger regional center types to smaller ones (such as in going from 11a to 11b centers and from 21 to 31 centers). Whereas in the case of the F.I.R.E. sector, these ratios drop off systematically (from \$1,541,000 per \$20 million in total personal income in '98 for 11a centers, to \$1,304,000 for 11b, to \$880,000 for 21, to \$872,000 for 31, to \$703,000 for 41, and to \$585,000 for 51). This is indicative of the hierarchical organization of this particular sector; each successively higher order center has successively higher order functionality with regard to this area of the economy. You can also see in the table that figures for surrounding areas are always significantly below levels found in the regional centers.

You'll note that the figures in the table also vary in systematic ways in the columns that use population as the base in the ratio. A population base of 1,000 is used in the calculations. If these 1,000 people received per capita income of \$20,000 a year, this would be equivalent to a personal income base of \$20 million, which is the other base. It's sometimes useful to evaluate how a particular area stacks up in relation to its peer areas using both sets of calculations, both those with income as the base and those with population bases. But, it is recommended that the calculations using the income base be ordinarily used in evaluating area activity. The size and extent of area trade and service activity will develop in relation to the size of the area population. But, their growth will always be constrained by the amount of area personal income.

Also, you'll note that the calculations in the table are for entire sectors rather than more detailed sub-sector categories. In estimating the export or basic component of a particular segment of an area's trade and service economy, it would be desirable to focus on sub-sectors rather than whole sectors. As has been noted, "Location quotients are likely to lead to an underestimate of a region's exports, since they are necessarily applied to whole industries or even industry groups. Within any industry classification (or for that matter, within any single firm or establishment), there are different specific products, and the region may be importing some and exporting others. Since the quotient estimates only the *net* surplus of output over regional consumption, it may seriously understate the gross exports of products of that industry"^{III} However, since there is a large amount of "data suppression" at the county-level for sub-sectors, entire sectors are used in these

calculations. In doing so, it should be kept in mind that the results of using these in estimating the basic component of area trade and service activity will oftentimes understate the actual amount of basic activity.

Determining the Appropriate Norm to Use in Estimating Basic Components of Local Area Trade and Service Activity

In determining the appropriate norm to use in evaluating the export base of trade and service activity for a particular area, you need to consider a variety of factors including the particular activity involved, the area or region type of interest and whether it is a region core area, closely-linked area or isolated rural area, the appropriate characteristic (income or population) to use as a base, and other factors.

If an area is a region “core” area, you can expect that significant portions of the area’s trade and service sectors are associated with serving not only the core area itself but surrounding closely-linked periphery areas, not to mention trade with other regions. This is the nature of region cores. They serve as economic centers of both the core area and their surrounding areas. If an area is a periphery area of a regional center, you can expect that it is a net importer of trade and service activities from the regional core. This is the nature of periphery areas closely-linked to regional centers. However, these areas still can have some trade and service activity that is associated with serving non-residents of the periphery area itself.

At any level in the *READ* urban-to-rural hierarchy for a given region type, you have both a core area and periphery areas. The norm for gauging the extent of basic trade and service activity in the core should be *less* than the average found for peer areas of the core as a whole. This is because this average includes both non-basic activity and a basic component characteristic of these regional centers. On the other hand, the norm for gauging the extent of basic trade and service activity, if any, in a particular periphery area should be *greater* than the average found for peer areas of this periphery area as a whole. We know that such periphery areas of all types are ordinarily net importers of trade and service activities from their nearby core areas. But if the average level of trade and service activity in a periphery area is significantly above the average for its peer areas, we

can attribute all or part of this difference to basic activity. Also, the particular norm selected for estimating area basic activity should never exceed the average of the larger region or nation. The average for the larger region or nation should establish the maximum for this ratio.

Selecting Norms for Evaluating Trade and Service Activity in Ravalli County

Within the *READ* urban-to-rural hierarchy, Ravalli County is a closely-linked periphery county of a large regional center (a regional center in a county with a population of 60,000 to 100,000). Ravalli County’s county code is “42” and the code of its regional center, Missoula, is “41”. The table below shows estimates of sector labor earnings per \$20 million in total personal income for Ravalli County and its western peer areas (“42” areas with populations over 10,000), as well as the same estimates for Missoula County and its peer areas (“41” areas) and for the West as a whole (the 22 contiguous states largely west of the Mississippi River). The first sector shown is the Transportation and Public Utilities (T.P.U.) sector. Estimates are given for three-year benchmark years (such as 1987B which is an average for 1986, 1987, and 1988, etc.) and for 1998. The T.P.U. estimates for Ravalli County are consistently lower than peer levels for each year except 1987B.

The next sector is construction. Here estimates of sector labor earnings per \$20 million in total personal income for Ravalli County are significantly higher than for peers, particularly in the more recent years. The construction estimates for Ravalli County in the last two years also are higher than those of its regional center county, Missoula. They’re also higher than the norms for the West as a whole. Together, this is significant evidence of a fairly sizeable basic component for the county’s construction sector. If we assume that all sector activity above the peer area level could be considered “basic,” we would calculate the location quotient as follows:

Ravalli Construction L.Q. for 1998 = \$1,115 divided by \$856 = 1.30

Sector Labor Earnings Per \$20 Million in Total Personal Income

	1987B	1992B	1995B	1998
<i>Transportation and Public Utilities (T.P.U.)</i>				
Ravalli County	\$ 916	\$ 753	\$ 613	\$ 568
<i>READ</i> Peer Areas*	\$ 850	\$ 788	\$ 789	\$ 778
<i>10% Above Peers</i>	\$ 935	\$ 867	\$ 868	\$ 856
Missoula County	\$1,600	\$1,350	\$1,570	\$1,490
<i>READ</i> Peer Areas^	\$1,190	\$1,062	\$1,021	\$ 987
West as a whole	\$1,033	\$1,020	\$1,039	\$1,064
<i>Construction</i>				
Ravalli County	\$ 777	\$ 902	\$1,113	\$1,115
<i>READ</i> Peer Areas*	\$ 718	\$ 723	\$ 783	\$ 856
<i>10% Above Peers</i>	\$ 790	\$ 795	\$ 861	\$ 942
Missoula County	\$ 940	\$1,090	\$1,050	\$1,090
<i>READ</i> Peer Areas^	\$ 945	\$ 884	\$ 945	\$1,003
West as a whole	\$ 967	\$ 802	\$ 851	\$ 915
<i>Wholesale Trade</i>				
Ravalli County	\$ 232	\$ 286	\$ 487	\$ 568
<i>READ</i> Peer Areas*	\$ 466	\$ 476	\$ 486	\$ 496
<i>10% Above Peers</i>	\$ 513	\$ 524	\$ 535	\$ 546
Missoula County	\$ 690	\$ 640	\$ 700	\$ 720
<i>READ</i> Peer Areas^	\$ 658	\$ 651	\$ 654	\$ 663
West as a whole	\$ 907	\$ 894	\$ 888	\$ 931

*Peer areas or areas in the western United States with similar population and urban-rural characteristics to those of Ravalli County (*READ System: “closely-linked periphery counties of large regional trade centers, population tier 7, county code 42”*).

^Peer areas or areas in the western United States with similar population and urban-rural characteristics to those of Missoula County (*READ System: “large regional center core counties with populations between 60,000 and 100,000, county code 41”*).

From this L.Q. calculation, we can surmise that 23 percent [1.30 - 1.00 divided by 1.30] of construction sector labor earnings in Ravalli County in 1998 is associated with external income or non-resident demand. However, a more conservative approach would be to use some level slightly above the peer average to set as a norm in making this estimate.

So, in the table are also shown calculations of norms 10 percent above the average for peer areas of Ravalli County.

Sector Labor Earnings Per \$20 Million in Total Personal Income

	1987B	1992B	1995B	1998
<i>Services</i>				
Ravalli County	\$1,792	\$1,938	\$2,221	\$2,192
<i>READ</i> Peer Areas*	\$1,826	\$2,020	\$2,121	\$2,209
<i>10% Above Peers</i>	\$2,009	\$2,222	\$2,333	\$2,430
Missoula County	\$3,580	\$4,050	\$4,210	\$4,410
<i>READ</i> Peer Areas^	\$2,975	\$3,320	\$3,443	\$3,563
West as a whole	\$3,369	\$3,822	\$3,922	\$4,154
<i>Finance, Insurance, Real Estate (F.I.R.E.)</i>				
Ravalli County	\$ 335	\$ 448	\$ 617	\$ 722
<i>READ</i> Peer Areas*	\$ 337	\$ 374	\$ 410	\$ 452
<i>10% Above Peers</i>	\$ 371	\$ 411	\$ 451	\$ 497
Missoula County	\$ 620	\$ 700	\$ 860	\$ 950
<i>READ</i> Peer Areas^	\$ 559	\$ 594	\$ 643	\$ 703
West as a whole	\$ 957	\$ 984	\$1,019	\$1,159
<i>Retail Trade</i>				
Ravalli County	\$1,144	\$1,198	\$1,210	\$1,162
<i>READ</i> Peer Areas*	\$1,261	\$1,215	\$1,190	\$1,183
<i>10% Above Peers</i>	\$1,387	\$1,337	\$1,309	\$1,301
Missoula County	\$1,830	\$2,000	\$1,890	\$1,840
<i>READ</i> Peer Areas^	\$1,651	\$1,591	\$1,606	\$1,580
West as a whole	\$1,472	\$1,362	\$1,360	\$1,345

Using these estimates as parameters, the following reference area norms were adopted for use in evaluating the basic component of trade and service activity in Ravalli County, which are used in Table 1 of this report:

Norms: Sector Labor Earnings Per \$20 Million in Total Personal Income

	1987B	1992B	1995B	1998
<i>Transportation and Public Utilities (T.P.U.)</i>				
Ravalli County	\$ 916	\$ 753	\$ 613	\$ 568
<i>Peer-based Norm</i>	<i>\$ 900</i>	<i>\$ 880</i>	<i>\$ 880</i>	<i>\$ 860</i>
<i>Construction</i>				
Ravalli County	\$ 777	\$ 902	\$1,113	\$1,115
<i>Peer-based Norm</i>	<i>\$ 800</i>	<i>\$ 800</i>	<i>\$ 840</i>	<i>\$ 900</i>
<i>Wholesale Trade</i>				
Ravalli County	\$ 232	\$ 286	\$ 487	\$ 568
<i>Peer-based Norm</i>	<i>\$ 520</i>	<i>\$ 520</i>	<i>\$ 530</i>	<i>\$ 540</i>
<i>Services</i>				
Ravalli County	\$1,792	\$1,938	\$2,221	\$2,192
<i>Peer-based Norm</i>	<i>\$2,010</i>	<i>\$2,200</i>	<i>\$2,300</i>	<i>\$2,400</i>
<i>Finance, Insurance, Real Estate (F.I.R.E.)</i>				
Ravalli County	\$ 335	\$ 448	\$ 617	\$ 722
<i>10% Above Peers</i>	<i>\$ 380</i>	<i>\$ 410</i>	<i>\$ 430</i>	<i>\$ 460</i>
<i>Retail Trade</i>				
Ravalli County	\$1,144	\$1,198	\$1,210	\$1,162
<i>10% Above Peers</i>	<i>\$1,380</i>	<i>\$1,330</i>	<i>\$1,300</i>	<i>\$1,300</i>

of the region’s overall development. [. .] The argument advanced for this approach is that a region, like a household or a business firm, must earn its livelihood by producing something that others will pay for. Activities that simply serve the regional market are there *as a result of* whatever level of income and demand the region may have achieved: They are passive participants in growth but not prime movers. A household, a neighborhood, a firm, or a region cannot get richer by simply ‘taking in its own washing’; it must sell something to others in order to get more income. Consequently, exports are viewed as providing the economic base of a region’s growth.” p. 316

^{II}A methodology and underlying rationale for estimating location quotients at levels within a hierarchy of area and place types is set forth in a paper by Robert Gilmer (TVA), Stanley Keil (Ball State U.), and Richard Mack (Central Washington U.) entitled, “The Service Sector in a Hierarchy of Rural Places: Potential for Export Activity,” October 1988. The authors note: “Although official data accurately document the extent of service activity outside of metropolitan areas, much less is known about how rural and urban services complement each other, or how the mix of services changes at different levels of a hierarchy of rural services. Understanding the function of rural places as exporters of services to both higher or lower level places in the hierarchy is essential to answering .. policy questions .. This article develops and applies a simple empirical methodology based on the location quotient to identify the existence, direction, and nature of service trade within a hierarchy of places. Our methodology rests upon the well known foundations of central place theory set forth by Christaller. It assumes: a hierarchy of places in which the market area of each place is nested in the market area of the next highest order place; an extent of trade within the hierarchy that is dominated by agglomerative economies; and a flow of agglomerative services from higher to lower levels (Baskin, 1966). [..] Unlike the models of urban hierarchy that constrain service sector activities to some mix of residentiary production and sales in the immediate hinterland, our model of basic imports and exports allows basic service activities to arise throughout the hierarchy.” pp. 1 - 2

^{III} Hoover and Giarratani, op.cit, pp. 317 - 318

¹ As noted by Hoover and Giarratani in their book *An Introduction to Regional Economics, Third Edition*: “The essential idea is that some activities in a region are peculiarly *basic* in the sense that their growth *leads and determines* the region’s overall development; while other (*nonbasic*) activities are simply *consequences*

Counties in the West by READ "Urban-Rural" Code and Population Tier: Area Identifiers & Classifiers																				
County	Counties in the West by READ Region	ST.	READ Region	Largest City		AREA 1990 POPULATION			Land area and population density		Area personal income		Area Industry Dependencies			Hotel/food labor inc.	American Indian		READ CODE	
FIPS				Each count	Each	TOTALS	Area	Density	Annual ave. for 3 yrs.		Share of area '92 labor inc.			1990 pop	Population	TYPE	Tier			
No.				County Name	No.	City's Pop.			Urban Pop.	Rural Pop.	Total Pop.	Total (th. \$)	Per Capita					Fed. & St.	Manufac- turing	Product.
16065	MADISON COUNTY	ID	100	Rexburg	14,302	14,302	9,372	23,674	473	50	\$263,547	\$11,079	2.5%	12.2%	11.8%	\$20	106	0%	42	6
06015	DEL NORTE COUNTY	CA	79	Crescent City	4,380	8,233	15,227	23,460	1,230	23	\$389,443	\$14,734	28.9%	6.9%	4.2%	\$139	1,473	6%	42	6
19149	PLYMOUTH COUNTY	IA	82	Le Mars	8,454	8,454	14,934	23,388	864	27	\$453,452	\$19,125	2.0%	20.5%	14.1%	\$12	14	0%	42	6
46093	MEADE COUNTY	SD	92	Sturgis	5,330	9,660	12,218	21,878	3,483	6	\$383,185	\$16,731	21.1%	5.0%	4.8%	\$59	392	2%	42	6
29147	NODAWAY COUNTY	MO	90	Maryville	10,663	10,663	11,046	21,709	878	25	\$338,136	\$15,859	14.2%	30.2%	6.2%	\$0	42	0%	42	6
20021	CHEROKEE COUNTY	KS	88	Jaxter Springs	4,351	10,927	10,447	21,374	591	36	\$324,085	\$14,989	3.6%	26.2%	3.4%	\$0	756	4%	42	6
30047	LAKE COUNTY	MT	94	Poison	3,283	3,283	17,758	21,041	1,654	13	\$346,080	\$15,580	6.3%	11.0%	4.0%	\$26	4,479	21%	42	6
08029	DELTA COUNTY	CO	86	Delta	3,789	3,789	17,191	20,980	1,149	18	\$347,357	\$15,544	8.0%	5.7%	6.9%	\$25	127	1%	42	6
46081	LAWRENCE COUNTY	SD	92	Spearsfish	6,966	10,598	10,057	20,655	800	26	\$381,870	\$17,848	7.5%	8.1%	0.4%	\$470	534	3%	42	6
05083	LOGAN COUNTY	AR	80	Booneville	3,804	7,478	13,079	20,557	732	28	\$311,657	\$15,070	9.0%	35.3%	10.5%	\$8	119	1%	42	6
19097	JACKSON COUNTY	IA	89	Maquoketa	6,111	6,111	13,839	19,950	650	31	\$333,244	\$16,631	3.9%	20.3%	1.7%	\$15	23	0%	42	7
41015	CURRY COUNTY	OR	111	Brookings	4,400	4,400	14,927	19,327	1,989	12	\$366,717	\$18,356	7.8%	16.8%	1.0%	\$264	458	2%	42	7
19043	CLAYTON COUNTY	IA	89	Guttenberg	2,428	-	19,054	19,054	793	24	\$318,666	\$16,934	3.4%	17.5%	19.6%	\$21	16	0%	42	7
48057	CALHOUN COUNTY	TX	97	Port Lavaca	10,886	10,886	8,167	19,053	1,032	34	\$325,484	\$16,331	1.3%	50.0%	1.4%	\$60	33	0%	42	7
05067	JACKSON COUNTY	AR	102	Newport	7,459	7,230	11,714	18,944	641	30	\$296,421	\$15,642	4.3%	28.1%	9.8%	\$20	66	0%	42	7
53049	PACIFIC COUNTY	WA	106	Raymond	2,901	2,901	15,981	18,882	1,224	20	\$337,728	\$17,299	8.1%	22.1%	4.6%	\$194	500	3%	42	7
48123	DE WITT COUNTY	TX	97	Cuero	6,700	8,854	9,986	18,840	911	21	\$306,477	\$16,655	6.2%	17.8%	4.2%	\$22	22	0%	42	7
48285	LAVACA COUNTY	TX	97	Yoakum	5,611	6,175	12,515	18,690	970	19	\$330,882	\$17,768	4.3%	28.5%	3.8%	\$0	20	0%	42	7
08083	MONTEZUMA COUNTY	CO	87	Cortez	7,284	7,284	11,388	18,672	2,040	9	\$323,969	\$16,544	8.5%	5.1%	1.0%	\$265	2,134	11%	42	7
27055	HOUSTON COUNTY	MIN	LaCrosse	La Crescent	4,311	7,571	10,926	18,497	569	33	\$351,118	\$18,699	3.4%	11.2%	14.8%	\$31	48	0%	42	7
19055	DELAWARE COUNTY	IA	89	Manchester	5,137	5,174	12,861	18,035	579	31	\$301,925	\$16,543	4.3%	22.1%	16.3%	\$0	15	0%	42	7
53003	ASOTIN COUNTY	WA	99	Clarkston	6,753	13,498	4,107	17,605	641	27	\$341,457	\$18,416	5.6%	7.5%	0.8%	\$0	256	1%	42	7
05075	LAWRENCE COUNTY	AR	102	Walnut Ridge	4,388	7,064	10,393	17,457	592	29	\$241,074	\$13,845	5.2%	23.5%	15.0%	\$15	126	1%	42	7
20005	ATCHISON COUNTY	KS	90	Atchison	10,656	10,656	6,276	16,932	435	39	\$281,779	\$17,051	5.3%	29.3%	3.1%	\$11	84	0%	42	7
40091	MCINTOSH COUNTY	OK	103	Checotah	3,290	5,942	10,837	16,779	712	24	\$229,472	\$13,334	8.4%	9.5%	0.6%	\$0	3,072	18%	42	7
19047	CRAWFORD COUNTY	IA	82	Denison	6,604	6,604	10,171	16,775	715	23	\$295,516	\$17,785	4.5%	27.3%	7.1%	\$29	32	0%	42	7
31043	DAKOTA COUNTY	NE	82	Homer	584	10,915	5,827	16,742	267	63	\$294,036	\$17,051	2.3%	48.8%	3.8%	\$136	302	2%	42	7
56007	CARBON COUNTY	WY	98	Rawlins	9,380	9,380	7,279	16,659	7,964	2	\$324,705	\$20,025	9.5%	10.8%	5.6%	\$217	133	1%	42	7
29157	PERRY COUNTY	MO	107	Perryville	6,933	6,933	9,715	16,648	484	34	\$280,783	\$16,583	2.2%	39.4%	1.6%	\$12	28	0%	42	7
16051	JEFFERSON COUNTY	ID	100	Ribby	2,681	2,681	13,862	16,543	1,106	15	\$249,323	\$14,305	5.5%	11.3%	24.2%	\$0	122	1%	42	7

Counties in the West by READ "Urban-Rural" Code and Population Tier: Area Identifiers & Classifiers																				
County FIPS	Counties in the West by READ Region	ST.	Largest City			AREA 1990 POPULATION			Land area and population density		Area personal income		Area Industry Dependencies			Metropolitan	American		READ	
			READ Region	Each count (bottom row: code pop)	Each City's 90 Pop.	Urban Pop.	Rural Pop.	Total Pop.	Area (sq.mi.)	Density (per sq.mi.)	Annual ave. for 3 yrs.		Share of area '92 labor inc.			labor inc.	Indian Population	CODE		
											(91/92/93) in '96 dollars		Fed. & St.	Manufac- turing	Product. Agricul.	1000 pop (tho. 1990)		TYPE	Tier	
											Total (tho.\$)	Per Capita								
No.	County Name		No.	and code to of tot. pop	90 Pop.	Pop.	Pop.			Total (tho.\$)	Per Capita	Govt.					'90 total	pop %		
05047	FRANKLIN COUNTY	AR	80	Ozark	3,330	3,330	11,567	14,897	620	24	\$229,783	\$15,097	10.6%	19.9%	15.6%	\$0	98	1%	42	7
29003	ANDREW COUNTY	MO	90	Savannah	4,352	6,112	8,520	14,632	437	34	\$251,262	\$16,912	6.0%	3.2%	11.0%	\$0	41	0%	42	7
29133	MISSISSIPPI COUNTY	MO	107	Charleston	5,085	8,501	5,941	14,442	429	34	\$205,220	\$14,511	4.4%	15.7%	12.4%	\$31	26	0%	42	7
48387	RED RIVER COUNTY	TX	91	Clarksville	4,311	4,311	10,006	14,317	1,058	14	\$211,682	\$15,126	4.5%	25.0%	11.9%	\$0	75	1%	42	7
41013	CROOK COUNTY	OR	96	Prineville	5,355	5,355	8,756	14,111	2,988	5	\$255,297	\$16,844	11.4%	37.9%	-3.1%	\$58	216	2%	42	7
19035	CHEROKEE COUNTY	IA	82	Cherokee	6,026	6,026	8,072	14,098	577	24	\$251,877	\$18,019	10.7%	20.3%	14.1%	\$34	37	0%	42	7
05081	LITTLE RIVER COUNTY	AR	91	Ashdown	5,150	5,150	8,816	13,966	565	25	\$223,091	\$16,265	2.4%	53.5%	5.3%	\$0	116	1%	42	7
38099	WALSH COUNTY	ND	101	Grafton	4,840	4,840	9,000	13,840	1,294	11	\$247,555	\$17,794	16.3%	3.4%	26.9%	\$22	97	1%	42	7
16049	IDAHO COUNTY	ID	99	Grangeville	3,226	3,226	10,557	13,783	8,503	2	\$215,869	\$15,279	18.9%	26.0%	5.0%	\$57	343	2%	42	7
41031	JEFFERSON COUNTY	OR	96	Madras	2,235	3,443	10,233	13,676	1,791	8	\$233,709	\$16,076	5.5%	29.7%	1.9%	\$38	2,662	19%	42	7
27113	PENNINGTON COUNTY	MN	101	Chief River Falls	8,010	8,010	5,296	13,306	618	22	\$234,314	\$17,487	6.2%	18.0%	1.7%	\$0	98	1%	42	7
48343	MORRIS COUNTY	TX	91	Davengertfield	2,572	2,572	10,628	13,200	259	51	\$206,116	\$15,793	2.2%	55.6%	2.9%	\$0	70	1%	42	7
46027	CLAY COUNTY	SD	82	Vermillion	10,034	10,034	3,152	13,186	417	32	\$201,956	\$13,232	41.9%	1.8%	11.1%	\$39	393	3%	42	7
48239	JACKSON COUNTY	TX	97	Edna	5,343	5,343	7,696	13,039	857	15	\$244,252	\$18,698	2.9%	8.6%	14.8%	\$5	30	0%	42	7
20117	MARSHALL COUNTY	KS	104	Marysville	3,359	3,359	8,346	11,705	904	13	\$216,114	\$18,956	3.6%	15.6%	11.0%	\$30	34	0%	42	7
29011	BARTON COUNTY	MO	88	Lamar	4,168	4,168	7,144	11,312	597	19	\$184,460	\$16,017	3.1%	44.9%	1.9%	\$7	108	1%	42	7
58009	CONVERSE COUNTY	WY	109	Douglas	5,076	5,076	6,052	11,128	4,265	3	\$206,216	\$18,163	4.1%	2.1%	6.4%	\$90	100	1%	42	7
40103	NOBLE COUNTY	OK	108	Perry	4,978	4,978	6,067	11,045	743	15	\$176,322	\$15,838	6.6%	33.0%	4.6%	\$0	931	8%	42	7
27089	MARSHALL COUNTY	MN	101	Warren	2,105	-	10,993	10,993	1,813	6	\$165,358	\$15,384	5.2%	6.8%	14.7%	\$0	50	0%	42	7
40081	HASKELL COUNTY	OK	103	Stigler	2,574	2,574	8,366	10,940	625	17	\$144,934	\$13,282	7.5%	4.0%	6.2%	\$5	1,590	15%	42	7
16043	FREMONT COUNTY	ID	100	St. Anthony	3,010	3,010	7,927	10,937	1,896	6	\$155,522	\$13,696	17.3%	9.5%	27.5%	\$64	66	1%	42	7
40095	MARSHALL COUNTY	OK	84	Madill	3,069	3,069	7,760	10,829	427	25	\$168,898	\$15,055	6.5%	29.4%	1.2%	\$10	1,087	10%	42	7
29017	BOLLINGER COUNTY	MO	107	Lutesville	865	-	10,619	10,619	621	17	\$136,793	\$12,675	6.1%	21.2%	5.1%	\$0	31	0%	42	7
38055	MCLEAN COUNTY	ND	112	Garrison	1,830	-	10,457	10,457	2,328	4	\$176,573	\$17,556	6.2%	0.9%	18.7%	\$13	560	5%	42	7
05127	SCOTT COUNTY	AR	80	Waldron	3,024	3,024	7,181	10,205	898	11	\$142,979	\$13,835	5.7%	37.0%	20.3%	\$22	106	1%	42	7
46127	UNION COUNTY	SD	82	North Sioux City	1,992	2,019	8,170	10,189	467	22	\$223,981	\$21,419	1.7%	43.6%	17.2%	\$25	34	0%	42	7
19133	MONONA COUNTY	IA	82	Onawa	2,936	2,936	7,098	10,034	699	14	\$167,588	\$16,899	4.9%	7.3%	10.6%	\$20	26	0%	42	7
Sub-group Total						748,732	1,071,898	1,819,617	112,296	16	\$30,300,833	\$1,267,358					73,548			

Counties in the West Nearby U.S. Forest Service Lands: Area Identifiers & Classifiers																						
			Largest City		AREA 1990 POPULATION TOTALS			Land area and		Presence of			Other	Area Industry Dependencies			Nonforest	American		READ		Forest
	Counties in the West		in each county	Each				population density		F.S. Lands in			Fed.	Share of area '92 labor inc.			labor inc.	Indian		CODE	Service	
County	by READ Region		(cities in bold are in	City's	Urban	Rural	Total	Area	Density	County (sq.mi.)	Share of	Lands	Fed. & St.	Manufac-	Product.	'1990 pop	Population		Co.	Pop	Lands	
FIPS	County Name	ST.	region "cores")	90 Pop.	Pop.	Pop.	Pop.	(sq.mi.)	(per sq.mi.)	non-wild.	wild.	all lands	(sq.mi.)	Govt.	turing	Agricul.	(tho. 1988)	'90 total	pop %	TYPE	Thr	Code
Counties from above that are most economically dependent upon the Lumber and Wood Products industry Counties that are closely-linked to region core areas with populations between 50,000 & 150,000 (READ county codes: 32, 42, 52): 23 counties WOOD PRODUCTS INDUSTRY DEPENDENT, Lumber & Wood Prod. Mfg. accounted for 10% or more of area labor income, '77 Benchmark 23 counties																						
41033	JOSEPHINE COUNTY	OR	Grants Pass	17,488	25,172	37,477	62,649	1,642	38	578	72	40%	451	5.3%	19.1%	0.5%	\$87	854	1%	32	4	3
06093	SISKIYOU COUNTY	CA	Yreka	6,948	13,470	30,061	43,531	6,348	7	3,417	684	65%	335	10.9%	10.0%	4.9%	\$134	1,784	4%	32	5	3
48419	SHELBY COUNTY	TX	Center	4,950	4,950	17,084	22,034	835	26	269	0	32%	-	3.3%	29.3%	15.2%	\$29	36	0%	32	6	3
22003	ALLEN PARISH	LA	Oakdale	6,832	6,832	14,394	21,226	766	28	0	0	0%	-	24.5%	12.9%	3.6%	\$7	294	1%	32	6	3
22127	WINN PARISH	LA	Winnfield	6,138	6,138	10,131	16,269	957	17	328	0	34%	-	4.9%	43.4%	1.0%	\$0	64	0%	32	7	3
22059	LA SALLE PARISH	LA	Jena	2,626	2,626	11,036	13,662	662	21	0	0	0%	10	3.3%	26.9%	-0.3%	\$0	80	1%	32	7	3
06105	TRINITY COUNTY	CA	Weaverville	2,787	5,975	7,088	13,063	3,208	4	1,945	787	85%	108	14.3%	20.2%	-1.9%	\$112	618	5%	32	7	3
48403	SABINE COUNTY	TX	Hemphill	1,353	-	9,586	9,586	577	17	408	0	71%	7	5.3%	32.1%	2.4%	\$52	10	0%	32	8	3
30081	RAVALLI COUNTY	MT	Hamilton	2,737	2,737	22,273	25,010	2,400	10	1,277	573	77%	11	10.2%	13.1%	2.5%	\$42	279	1%	42	6	3
06015	DEL NORTE COUNTY	CA	Crescent City	4,380	8,233	15,227	23,460	1,230	23	602	120	59%	78	28.9%	6.9%	4.2%	\$139	1,473	6%	42	6	3
41015	CURRY COUNTY	OR	Brookings	4,400	4,400	14,927	19,327	1,989	12	751	278	52%	102	7.8%	16.8%	1.0%	\$264	458	2%	42	7	3
41013	CROOK COUNTY	OR	Prineville	5,355	5,355	8,756	14,111	2,988	5	850	27	29%	770	11.4%	37.9%	-3.1%	\$58	216	2%	42	7	3
16049	IDAHO COUNTY	ID	Grangeville	3,226	3,226	10,557	13,783	8,503	2	3,698	3350	83%	422	18.9%	26.0%	5.0%	\$57	343	2%	42	7	3
41031	JEFFERSON COUNTY	OR	Madras	2,235	3,443	10,233	13,676	1,791	8	518	53	32%	430	5.5%	29.7%	1.9%	\$38	2,662	19%	42	7	3
29017	BOLLINGER COUNTY	MO	Lutesville	865	-	10,619	10,619	621	17	15	0	2%	-	6.1%	21.2%	5.1%	\$0	31	0%	42	7	3
30089	SANDERS COUNTY	MT	Thompson Falls	1,478	-	8,669	8,669	2,790	3	1,507	58	56%	721	11.2%	18.2%	7.3%	\$40	469	5%	42	8	3
16035	CLEARWATER CO.	ID	Orfino	2,868	2,868	5,637	8,505	2,488	3	1,210	0	49%	147	23.7%	33.1%	-0.3%	\$39	177	2%	42	8	3
46033	CUSTER COUNTY	SD	Custer	1,830	-	6,179	6,179	1,559	4	850	5	55%	50	27.5%	7.6%	0.4%	\$494	155	3%	42	8	3
08007	ARCHULETA COUNTY	CO	Pagosa Springs	1,331	-	5,345	5,345	1,355	4	761	69	61%	295	4.8%	4.0%	1.6%	\$754	107	2%	42	8	3
30061	MINERAL COUNTY	MT	Superior	1,054	-	3,315	3,315	1,223	3	1,108	0	91%	-	13.6%	30.7%	0.5%	\$207	79	2%	42	9	3
30053	LINCOLN COUNTY	MT	Libby	2,532	2,532	14,949	17,481	3,675	5	2,947	221	86%	47	13.4%	30.1%	-0.5%	\$56	278	2%	52	7	3
41037	LAKE COUNTY	OR	Lakeview	2,526	2,526	4,660	7,186	8,359	1	2,089	27	25%	4,427	22.3%	16.5%	14.2%	\$64	190	3%	52	8	3
49017	GARFIELD COUNTY	UT	Panguitch	1,343	-	3,980	3,980	5,209	1	1,653	38	32%	3,012	16.2%	9.1%	6.6%	\$1,691	72	2%	52	9	3
Sub-group Total					100,483	282,183	382,666	61,174	6	26,781	6362	54%	11429	11.7%	20.6%	3.0%	\$117	10,729	3%			

Counties in the West Nearby U.S. Forest Service Lands: Area Wood Products Industry Changes and Overall Personal Income Change																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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Population

County Fips: 30081

A.1 Pop - Components of Change

Ravalli County, MT

Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County

County Code: Light Green, 42, '90 County Pop.: 25,010

A.1 Population Profile: Components of Population Change

Annual estimates of an area's population on July 1 are made by the Census Bureau. Since 1990, these annual estimates also contain information on the "components of population change" – change resulting from net births and deaths, or what is referred to as "natural change," versus change resulting from net migration, or differences in the number of people moving to an area versus out of the area. Net migration estimates are broken down into several categories; including international migration (movement of people between the area and other nations), net federal movement (relocation of federal employees), and net domestic movement (people within the U.S. changing residential locations).

																1980-90 Change		1990-96 Change		1996-99 Change	
Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999	No.	%	No.	%	No.	%
Resident population (July estimates except 1980)	18,158	19,236	22,493	23,668	24,424	24,500	25,081	27,515	28,942	30,713	32,276	33,583	34,528	35,114	35,811	2,588	11.5%	8,502	33.9%	2,228	6.6%
Previous year population estimate (Included for calculation purposes)	-	18,468	21,713	23,297	24,299	24,448	24,859	26,057	27,515	28,942	30,713	32,276	33,583	34,528	35,114	-	-	-	-	-	-
Census Pop. Counts (April 1 Census estimates for 1980 and 1990)			22,493				25,010					33,583	33,583	33,583	33,583	2,517	11.2%	8,573	34.3%	2,228	6.6%

Population Change Components (For the year preceeding the pop. estimates at the top)																Cummulative Change in Population by Component					
																1980-90		1990-96		1996-99	
Births during the year (July through July)	234	0	344	368	322	318	313	341	308	335	357	377	345	366	343	3,222	-23.0%	2,100	42.3%	1,054	-9.0%
Deaths during the year	190	0	217	205	248	221	222	246	276	267	284	307	311	316	321	2,235	6.5%	1,699	32.9%	948	4.6%
Natural change (births minus deaths)	44	0	127	163	74	97	34	95	32	68	73	70	34	50	22	987	4.4	401	1.6	106	0.3

Net Migration
The other major component of population change is "net migration." If more people move to an area (in-migration) than move away (out-migration), the area population will be increased by net migration. These people who are moving must also change their permanent primary residences to be counted in these estimates. Migration patterns vary widely across the United States and migration is the biggest factor in patterns of population growth or decline.

Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999	1980-90 Change		1990-96 Change		1996-99 Change	
																No.	%	No.	%	No.	%
Net international migration (into & out of country)								11	8	6	9	5	3	10	2	-	-	48	-	15	-
Net federal employee movement								1	1	1	0	0	0	0	0	-	-	3	-	0	-
Net domestic migration (within the country)								1,375	1,419	1,741	1,476	1,236	904	524	660	-	-	8,226	-	2,088	-
Total net migration during the year								1,387	1,428	1,748	1,485	1,241	907	534	662	1,530	6.8%	8,277	33.1%	2,103	6.3%
Residual (statistical adjustment)								-24	-33	-45	5	-4	4	2	13	-	-	-105	-	19	-
Total annual population change	-	768	780	371	125	52	222	1,458	1,427	1,771	1,563	1,307	945	586	697	2,517	11.2%	8,573	34.3%	2,228	6.6%
Annual pop. growth rate	-	4.2%	3.6%	1.6%	0.5%	0.2%	0.9%	5.6%	5.2%	6.1%	5.1%	4.0%	2.8%	1.7%	2.0%	-	-	-	-	-	-

Population ▼	County Fips: 30081	A.1 Pop - Components of Change ▼																																																								
Ravalli County, MT Largest City: Hamilton County type: Large Regional Trade Center Closely Linked County County Code: Light Green, 42, '90 County Pop.: 25,010																																																										
Area rates, shares and proportions To gain perspective, area birth and death figures are related to the size of the population base by generating estimates of births and deaths per 1,000 population. The birth-to-death ratio, which tends to be decreasing over time in most areas, is calculated.		<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="2" style="text-align: left;">1980-90 Change</th> <th colspan="2" style="text-align: left;">1990-96 Change</th> <th colspan="2" style="text-align: left;">1996-99 Change</th> </tr> <tr> <th>No.</th><th>%</th><th>No.</th><th>%</th><th>No.</th><th>%</th></tr> </thead> <tbody> <tr> <td>Births per 1000 population</td><td>-</td><td>0</td><td>15.8</td><td>15.8</td><td>13.3</td><td>13.0</td><td>12.6</td><td>13.1</td><td>11.2</td><td>11.6</td><td>11.6</td><td>11.7</td><td>10.3</td><td>10.6</td><td>9.8</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr> <tr> <td>Deaths per 1000 population</td><td>-</td><td>0</td><td>10.0</td><td>8.8</td><td>10.2</td><td>9.0</td><td>9.3</td><td>9.4</td><td>10.0</td><td>9.2</td><td>9.2</td><td>9.5</td><td>9.3</td><td>9.2</td><td>9.1</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr> </tbody> </table>	1980-90 Change		1990-96 Change		1996-99 Change		No.	%	No.	%	No.	%	Births per 1000 population	-	0	15.8	15.8	13.3	13.0	12.6	13.1	11.2	11.6	11.6	11.7	10.3	10.6	9.8	-	-	-	-	-	-	Deaths per 1000 population	-	0	10.0	8.8	10.2	9.0	9.3	9.4	10.0	9.2	9.2	9.5	9.3	9.2	9.1	-	-	-	-	-	-
1980-90 Change		1990-96 Change		1996-99 Change																																																						
No.	%	No.	%	No.	%																																																					
Births per 1000 population	-	0	15.8	15.8	13.3	13.0	12.6	13.1	11.2	11.6	11.6	11.7	10.3	10.6	9.8	-	-	-	-	-	-																																					
Deaths per 1000 population	-	0	10.0	8.8	10.2	9.0	9.3	9.4	10.0	9.2	9.2	9.5	9.3	9.2	9.1	-	-	-	-	-	-																																					
Relative shares and proportions		<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tbody> <tr> <td>Births-to-Deaths Ratio</td><td>1.23</td><td>0</td><td>1.59</td><td>1.80</td><td>1.30</td><td>1.44</td><td>1.15</td><td>1.39</td><td>1.12</td><td>1.25</td><td>1.26</td><td>1.23</td><td>1.11</td><td>1.16</td><td>1.07</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr> <tr> <td>Net migration as a percent of total population</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>5.0%</td><td>4.8%</td><td>5.5%</td><td>4.6%</td><td>3.7%</td><td>2.6%</td><td>1.5%</td><td>1.9%</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr> </tbody> </table>	Births-to-Deaths Ratio	1.23	0	1.59	1.80	1.30	1.44	1.15	1.39	1.12	1.25	1.26	1.23	1.11	1.16	1.07	-	-	-	-	-	-	Net migration as a percent of total population								5.0%	4.8%	5.5%	4.6%	3.7%	2.6%	1.5%	1.9%	-	-	-	-	-	-												
Births-to-Deaths Ratio	1.23	0	1.59	1.80	1.30	1.44	1.15	1.39	1.12	1.25	1.26	1.23	1.11	1.16	1.07	-	-	-	-	-	-																																					
Net migration as a percent of total population								5.0%	4.8%	5.5%	4.6%	3.7%	2.6%	1.5%	1.9%	-	-	-	-	-	-																																					
Footnotes	Maps ▼ Analysis ▼																																																									

Population

County Fips: 30081

A.2 Pop - Age Demographics

Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
 County Code: Light Green, 42, '90 County Pop.: 25,010

A.2 Population Profile: Population Age Demographics

Annual estimates of area populations made by the Census Bureau also contain estimates of the population 65 years of age and older. The U.S. population as a whole is aging and some areas are aging more rapidly than others and this has implications for their local economies. More detailed but less frequent population estimates for other age group categories are provided in the '80 and '90 Population Censuses. These permit a more detailed examination of school age and working age populations.

																1980-90 Change		1990-96 Change		1996-99 Change	
Indicator	1975	1977	1980 Cen.	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999	No.	%	No.	%	No.	%
Resident population (July estimates)	18,158	19,236	22,493	23,668	24,424	24,500	25,081	27,515	28,942	30,713	32,276	33,583	34,528	35,114	35,811	2,588	11.5%	8,502	34.3%	2,228	6.6%
Population 65 years of age and older	0	0	2,989	0	0	0	4,162	4,472	4,597	4,733	4,857	5,003	5,071	5,113	5,147	1,173	39.2%	841	20.1%	144	2.9%
Percent of the population 65 and older	0	0	13.3%	0	0	0	16.6%	16.3%	15.9%	15.4%	15.0%	14.9%	14.7%	14.6%	14.4%	3.3	24.9%	-1.7	-10.6%	-0.5	-3.5%
Population under 65 years of age	0	0	19,504	0	0	0	20,919	23,043	24,345	25,980	27,419	28,580	29,457	30,001	30,664	1,415	7.3%	7,661	36.7%	2,084	7.3%
'80 & '90 Census Counts																					
Resident population (STF-1C)	0	0	22,493	0	0	0	25,010	0	0	0	0	0	0	0	0	2,517	11.2%	-25,010	0	0	0
Median age	0	0	32	0	0	0	38	0	0	0	0	0	0	0	0	6	18.8%	-38	0	0	0
Persons by Age Groups																					
Persons under 5 years	0	0	1,694	0	0	0	1,665	1,729	1,778	1,833	1,844	1,868	1,869	1,876	1,898	-29	-1.7%	203	12.2%	30	1.6%
Persons 5 to 14 years	0	0	3,741	0	0	0	4,058	4,466	4,672	4,897	5,016	5,094	5,109	5,123	5,126	317	8.5%	1,036	25.5%	32	0.6%
Persons 15 to 17 years	0	0	1,485	0	0	0	1,188	1,372	1,471	1,594	1,711	1,808	1,878	1,909	1,931	-297	-20.0%	620	52.2%	123	6.8%
Percent of population under 18 years of age	0	0	30.8%	0	0	0	27.6%	27.5%	27.4%	27.1%	26.6%	26.1%	25.6%	25.4%	25.0%	-	-	-	-	-	-
Persons 18 years and over	0	0	15,573	0	0	0	18,170	19,948	21,021	22,389	23,705	24,813	25,672	26,206	26,856	2,597	16.7%	6,643	36.6%	2,043	8.2%
Persons 18 to 24 years	0	0	1,824	0	0	0	1,554	1,711	1,853	2,007	2,174	2,282	2,382	2,465	2,516	-270	-14.8%	728	46.8%	234	10.3%
Persons 25 to 34 years	0	0	3,390	0	0	0	2,925	2,869	2,863	2,905	2,931	2,952	2,924	2,876	2,878	-465	-13.7%	27	0.9%	-74	-2.5%
Percent of nonulation	0	0	23.2%	0	0	0	17.9%	16.6%	16.3%	16.0%	15.8%	15.6%	15.4%	15.2%	15.1%	-	-	-	-	-	-

18 to 34 years of age																						
Persons 35 to 44 years	0	0	2,927	0	0	0	4,012	4,545	4,825	5,162	5,470	5,665	5,752	5,709	5,655		1,085	37.1%	1,653	41.2%	-10	-0.2%
Persons 45 to 54 years	0	0	2,179	0	0	0	2,994	3,556	3,935	4,398	4,859	5,281	5,705	5,976	6,356		815	37.4%	2,287	76.4%	1,075	20.4 %
Percent of population 35 to 54 years of age	0	0	22.7%	0	0	0	28.0%	29.4%	30.3%	31.1%	32.0%	32.6%	33.2%	33.3%	33.5%		-	-	-	-	-	-
Persons 55 to 64 years	0	0	2,264	0	0	0	2,518	2,794	2,949	3,179	3,413	3,628	3,838	4,065	4,307		254	11.2%	1,110	44.1%	679	18.7 %
Percent of population 55 to 64 years of age	0	0	10.1%	0	0	0	10.0%	10.2%	10.2%	10.4%	10.6%	10.8%	11.1%	11.6%	12.0%		-0.1	-0.3%	0.8	7.3%	1.2	11.3 %
Persons 65 and over (STF-1C)	0	0	2,989	0	0	0	4,167	4,473	4,596	4,738	4,858	5,005	5,071	5,115	5,144		1,178	39.4%	838	20.1%	139	2.8%
Percent of population 65 years of age & older	0	0	13.3%	0	0	0	16.6%	16.3%	15.9%	15.4%	15.1%	14.9%	14.7%	14.6%	14.4%		3.3	25.0%	-1.7	-10.6%	-0.5	-3.6%
Footnotes	Maps Analysis																					

Ravalli County's Population by Age: 1990 to 1999

Data Source: U.S. Census Bureau

prepared by Du-Larry P. Swanson, Assoc. Director, McCombs Center for the Rocky Mountain West, II, of MT

Peak populations during the 1990-99 period are indicated by screens.

AGE	1990	1991	1992	1993	1994
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Pre-School Population: Under 5 years of age

The Current Population Survey												
Under 1	311	298	310	317	323	333	341	338	339	348	37	12%
Age 1	306	316	317	329	337	339	346	352	351	352	46	15%
Age 2	354	358	380	378	396	395	395	402	408	407	53	15%
Age 3	324	325	337	357	355	365	364	360	365	371	47	15%
Age 4	370	373	385	397	422	412	422	417	413	420	50	14%
Under 5 years	1,665	1,670	1,729	1,778	1,833	1,844	1,866	1,869	1,876	1,898	233	14%
% of total pop.	6.6%	6.4%	6.3%	6.1%	6.0%	5.7%	5.6%	5.4%	5.3%	5.3%		
Annual Change		0.3%	3.5%	2.8%	3.1%	0.6%	1.3%	0.1%	0.4%	1.2%		

The under 5 population has grown in size throughout the decade, increasing by 14% or 233 persons during the nine years.

However, this age group isn't growing as fast as the population of the county as a whole and is declining as a share of the total.

Elementary School Age Population: Ages 5 to 10

Age 5	356	354	368	374	393	407	398	403	404	399	43	12%
Age 6	385	401	407	419	430	440	455	438	446	440	55	14%
Age 7	403	401	429	433	449	452	460	474	454	464	61	15%
Age 8	410	414	425	449	459	465	467	470	483	464	54	13%
Age 9	449	473	495	502	535	535	540	538	542	556	107	24%
Age 10	436	440	476	493	502	527	525	525	525	525	89	20%
Ages 5 to 10	2,439	2,483	2,600	2,670	2,768	2,826	2,845	2,848	2,854	2,848	409	17%
% of school pop.	46.5%	45.4%	44.5%	43.5%	42.6%	42.0%	41.2%	40.8%	40.6%	40.4%		
Annual Change		1.8%	4.7%	2.7%	3.7%	2.1%	0.7%	0.1%	0.2%	-0.2%		

The elementary school population has been increasing, but at a decreasing rate over time, with a negative rate in '99. While increasing by 17% over the decade, the total population grew by 43%, resulting in a decline in this group's share of the total.

Middle School Age Population: Ages 11 to 13

Age 11	431	461	485	519	539	544	567	558	561	557	126	29%
Age 12	390	419	461	477	515	529	525	543	537	536	146	37%
Age 13	405	418	461	505	523	556	564	561	577	571	166	41%
Ages 11 to 13	1,226	1,298	1,407	1,501	1,577	1,629	1,656	1,662	1,675	1,664	438	36%
% of school pop	23.4%	23.7%	24.1%	24.4%	24.3%	24.2%	24.0%	23.8%	23.8%	23.6%		
Annual Change		5.9%	8.4%	6.7%	5.1%	3.3%	1.7%	0.4%	0.8%	-0.7%		

The middle school population grew by more than the elementary school population during the period: 36% versus 17%.

High School Age Population: Ages 14 to 17

Age 14	393	432	459	501	552	561	593	599	594	614	221	56%
Age 15	371	382	432	454	497	537	547	572	581	575	204	55%
Age 16	424	458	484	537	564	606	651	654	682	687	263	62%
Age 17	393	416	456	480	533	568	610	652	646	669	276	70%
Ages 14 to 17	1,581	1,688	1,831	1,972	2,146	2,272	2,401	2,477	2,503	2,545	964	61%
% of school pop.	30.1%	30.9%	31.4%	32.1%	33.1%	33.8%	34.8%	35.5%	35.6%	36.1%		
Annual Change		6.8%	8.5%	7.7%	8.8%	5.9%	5.7%	3.2%	1.0%	1.7%		

The high school age population grew by over 60% during the decade, increasing its share of the total school population from 30% to 36%. However, the annual rate of growth in this age group is slowing, falling to under 2% annually.

Tot. School Age Pop.	5,246	5,469	5,838	6,143	6,491	6,727	6,902	6,987	7,032	7,057	1,811	35%
% of total pop.	20.9%	21.0%	21.2%	21.2%	21.1%	20.8%	20.6%	20.2%	20.0%	19.7%		
Annual Change		4.3%	6.7%	5.2%	5.7%	3.6%	2.6%	1.2%	0.6%	0.4%		
Total Population	25,081	26,057	27,515	28,942	30,713	32,276	33,583	34,528	35,114	35,811	10,730	43%
Annual Change		3.9%	5.6%	5.2%	6.1%	5.1%	4.0%	2.8%	1.7%	2.0%		

The school age population, those under 18 years of age, has grown throughout the 1990s, as has the county's total population.

However, in recent years, the total population has grown at a faster rate than the school age population. Given underlying demographic shifts, growth in the county's school age population will plateau and begin to decline in future years.

Post High School / College Age / Early Work Force Entry Population: Ages 18 to 24

Age 18	296	309	325	358	381	428	441	469	493	486	190	64%
Age 19	271	268	287	311	344	366	400	409	427	448	177	65%
Age 20	228	241	250	269	289	320	331	355	358	372	144	63%
Age 21	224	242	264	271	296	315	336	344	360	364	140	63%
Age 22	162	170	186	208	214	228	241	253	257	267	105	65%
Age 23	165	168	184	200	221	231	242	249	263	261	96	58%
Age 24	208	210	215	236	262	285	291	303	307	318	110	53%
Ages 18 to 24	1,554	1,608	1,711	1,853	2,007	2,174	2,282	2,382	2,465	2,516	962	62%
% of total pop.	6.2%	6.2%	6.2%	6.4%	6.5%	6.7%	6.8%	6.9%	7.0%	7.0%		
Annual Change		3.5%	6.4%	8.3%	8.3%	8.3%	5.0%	4.4%	3.5%	2.1%		

The population ages 18 to 24 grew by over 60% during the 1990s, just as with the high school age population. This segment of the population will continue to grow, but at a gradually slowing rate.

Ravalli County's Population by Age: 1990 to 1999										Data Source: U.S. Census Bureau		
prepared by: Dr. Larry D. Swanson, Assoc. Director, U.S. Census Center for the Rocky Mountain West, U. of MI										PAGE 2		
Peak populations during the 1990-99 period are indicated by screens.										Change '90-'99		
AGE	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	no.	%
Young Work Force Entry / High Migration Rate / Family Formation Population: Ages 25 to 34												
Age 25	196	186	188	195	213	233	252	251	253	260	64	33%
Age 26	230	216	206	213	220	238	257	269	265	269	39	17%
Age 27	246	236	224	215	224	229	245	258	268	265	19	8%
Age 28	271	260	254	243	236	242	247	260	269	281	10	4%
Age 29	291	291	283	275	269	259	263	264	273	286	-3	-1%
Age 30	308	295	298	292	290	281	267	266	267	277	-31	-10%
Age 31	318	319	311	316	316	310	295	280	273	276	-42	-13%
Age 32	336	333	342	332	344	341	331	311	289	287	-49	-15%
Age 33	367	370	374	386	380	391	384	368	342	320	-47	-13%
Age 34	362	377	389	396	413	407	411	397	377	355	-7	-2%
Ages 25 to 34	2,925	2,883	2,869	2,863	2,905	2,931	2,952	2,924	2,876	2,878	-47	-2%
% of total pop.	11.7%	11.1%	10.4%	9.9%	9.5%	9.1%	8.8%	8.5%	8.2%	8.0%		
Annual Change		-1.4%	-0.5%	-0.2%	1.5%	0.9%	0.7%	-0.9%	-1.6%	0.1%		
Within this overall age grouping, population change during the 1990s moves from small growth to small decline in progressing from populations ages 25 through 34. The group as a whole is a declining share of the total population.												
Mature, "More Settled In," Mid-Life, Child-rearing, Adult Population: Ages 35 to 44												
Age 35	421	424	451	465	478	497	482	483	460	441	20	5%
Age 36	396	403	411	439	457	469	480	460	455	438	42	11%
Age 37	415	435	451	461	498	518	522	528	499	498	83	20%
Age 38	396	415	443	457	477	513	523	522	520	497	101	26%
Age 39	426	466	501	534	564	582	614	617	608	606	180	42%
Age 40	426	442	496	528	568	592	605	633	629	620	194	46%
Age 41	440	464	494	564	596	641	666	662	680	679	239	54%
Age 42	361	380	410	435	494	530	562	567	560	579	218	60%
Age 43	414	404	431	466	500	563	592	622	620	618	204	49%
Age 44	317	460	457	486	531	565	629	658	678	679	362	114%
Ages 35 to 44	4,012	4,293	4,545	4,825	5,162	5,470	5,665	5,752	5,709	5,655	1,643	41%
% of total pop.	16.0%	16.5%	16.6%	16.7%	16.8%	16.9%	16.9%	16.7%	16.3%	15.8%		
Annual Change		7.0%	6.9%	6.2%	7.0%	6.0%	3.6%	1.5%	-0.7%	-0.9%		
This segment of the population represents adults entering the prime of their working careers, where incomes and stability grow.												
Early "Aging" Population, Mature Workforce Members, Adults of Households with declining numbers: Ages 45 to 54												
Age 45	331	338	497	492	535	580	610	669	685	714	383	116%
Age 46	346	356	370	545	545	586	630	653	704	726	380	110%
Age 47	376	369	390	404	597	598	635	672	684	746	370	98%
Age 48	277	323	325	341	360	634	523	648	568	586	309	112%
Age 49	293	322	381	382	407	424	615	600	618	648	355	121%
Age 50	312	333	371	441	446	473	485	702	668	694	382	122%
Age 51	292	311	338	375	451	455	473	480	682	655	363	124%
Age 52	278	295	317	344	388	464	461	476	473	679	401	144%
Age 53	243	263	282	304	334	378	443	434	441	444	201	83%
Age 54	246	261	285	307	335	367	406	471	453	464	218	89%
Ages 45 to 54	2,994	3,171	3,556	3,935	4,398	4,859	5,281	5,705	5,976	6,356	3,362	112%
% of total pop.	11.9%	12.2%	12.9%	13.6%	14.3%	15.1%	15.7%	16.5%	17.0%	17.7%		
Annual Change		5.9%	12.1%	10.7%	11.8%	10.5%	8.7%	8.0%	4.8%	6.4%		
The county's 45 to 54 population more than doubled in size during the decade, with the greatest growth by those ages 49 to 52.												
Pre-Retirement Population, Mature Workforce Members, "Empty Nesters": Ages 55 to 64												
Age 55	241	249	270	294	322	350	377	412	468	456	215	89%
Age 56	266	288	299	320	359	387	416	443	474	546	290	113%
Age 57	237	250	282	295	322	358	384	404	422	458	221	93%
Age 58	231	232	249	284	298	324	364	372	390	410	179	77%
Age 59	249	248	253	268	311	328	353	378	393	412	163	65%
Age 60	275	283	285	291	315	362	373	397	419	440	165	60%
Age 61	264	275	286	287	300	322	364	371	390	413	149	56%
Age 62	248	259	272	282	288	297	315	353	355	375	127	51%
Age 63	263	283	299	313	329	334	341	355	391	395	132	50%
Age 64	254	274	299	315	335	351	351	353	363	402	148	58%
Ages 55 to 64	2,518	2,641	2,794	2,949	3,179	3,413	3,628	3,838	4,065	4,307	1,789	71%
% of total pop.	10.0%	10.1%	10.2%	10.2%	10.4%	10.6%	10.8%	11.1%	11.6%	12.0%		
Annual Change		4.9%	5.8%	5.5%	7.8%	7.4%	6.3%	5.8%	5.9%	6.0%		
Retirement, "Seniors" Population												
Ages 65 to 74	2,409	2,461	2,513	2,554	2,595	2,631	2,682	2,685	2,689	2,675	266	11%
% of total pop.	9.6%	9.4%	9.1%	8.8%	8.4%	8.2%	8.0%	7.8%	7.7%	7.5%		
Annual Change		2.2%	2.1%	1.6%	1.6%	1.4%	1.9%	0.1%	0.1%	-0.5%		
75 and older	1,758	1,881	1,960	2,042	2,143	2,227	2,323	2,386	2,426	2,489	711	40%
% of total pop.	7.0%	7.1%	7.1%	7.1%	7.0%	6.9%	6.9%	6.9%	6.9%	6.9%		
Annual Change		5.9%	5.3%	4.2%	4.9%	3.9%	4.3%	2.7%	1.7%	1.8%		

Population	County Fips: 30081	A.6 Pop - Poverty Among Individuals & Families
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Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
County Code: Light Green, 42, '90 County Pop.: 25,010

A.6 Poverty Among Individuals and Families										
				1979-89 Change		1989-97 Change				
Indicator	1979	1989	1997	No.	%	No.	%	Indicator	1989 only	1996 Dollars
Overall Poverty Among the Population								Poverty Among Individuals by Race		
Persons for whom poverty status was determined	22,288	24,720	35,487	2,432	10.9%	10,767	43.6%	White Persons		
Persons above poverty level	18,706	20,698	n	1,992	10.6%	n/a	n/a	White persons for whom poverty was determined	24,284	
Persons below poverty level	3,582	4,022	5,536	440	12.3%	1,514	37.6%	White persons below poverty level	3,838	
Poverty rate among individuals	16.1%	16.3%	15.6%	0.2%	1.2%	-0.7%	-4.1%	Poverty rate among whites	15.8%	
Poverty Among the Elderly								Per capita income - whites; nominal & in 1996 dollars	10,184	12,465
Persons 65 yrs old and over for whom poverty status has been determined	2,801	4,003	n	1,202	42.9%	n/a	n/a	Black Persons		
Persons 65 yrs old over above poverty level	2,324	3,538	n	1,214	52.2%	n/a	n/a	Black persons for whom poverty was determined	18	
Persons 65 yrs old over below poverty level	477	465	n	-12	-2.5%	n/a	n/a	Black persons below poverty level	13	
Poverty rate among the elderly	17.0%	11.6%	n/a	-5.4%	-31.8%	0	n/a	Poverty rate among blacks	72.2%	
Poverty Among Related Children Under 18								Per capita income - blacks; nominal & in 1996 dollars	7,222	8,840
Number for whom poverty status was determined	6,778	6,668	n	-110	-1.6%	n/a	n/a	Am. Indian, Eskimo, or Aleut		
Number above the poverty level	5,649	5,170	n	-479	-8.5%	n/a	n/a	Persons for whom poverty status was determined	305	
Number below the poverty level	1,129	1,498	n	369	32.7%	n/a	n/a	Am. indian, eskimo, or aleut below poverty level	130	
Poverty rate among children	16.7%	22.5%	n/a	5.8%	34.9%	0	n/a	Poverty rate among indians, eskimos & aleuts	42.6%	
Poverty Among Families								Per capita income - Am. indian, eskimo, or Aleut	7,796	9,542
Number of Families; 1979 & 1989 (STF-3C)	6,232	6,932		700	11.2%			Asian or Pacific Islanders		
Families below poverty level	804	769	n	-35	-4.4%	n/a	n/a	Persons for whom poverty status was determined	65	
Percent of families below the poverty level	12.9%	11.1%		-1.8%	-14.0%			Asian or pacific islander below poverty level	8	
Female householder families, no spouse present								Poverty rate among Asians or pacific islanders	12.3%	
Number of female single householder families	383	512		129	33.7%			Per capita income - Asian or pacific islander	5,686	6,960
Female single householder families below poverty	154	227	n	73	47.4%	n/a	n/a	Poverty Among Hispanic Individuals		
Percent of these families below the poverty level	40.2%	44.3%		4.1%	10.3%			Hispanic Persons		
Percent of all families in poverty with a female single	19.2%	29.5%	n/a	10.4%	54.1%	0	n/a	Hispanic persons for whom poverty status has been	229	

householder									determined		
									Hispanic persons below poverty level	70	
									Poverty rate among hispanics	30.6%	
									Per capita income - hispanic; nominal & in 1996 dollars	6,169	7,551
Footnotes	Maps Analysis										

Income and Employment

County Fips: 30081

B.1 Personal Income

Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
 County Code: Light Green, 42, '90 County Pop.: 25,010

B.1 Personal Income Profile

Personal income is the money income received by all individuals residing in an area from all sources; including income from work (labor income), income from private investments (dividends, interest earnings, rent) and income through government and some business "transfer payments" (Social Security retirement and disability payments, Medicare and Medicaid payments, etc.). The table shows levels of personal income by type and on a per capita basis (per person) over time. All dollar figures are in 1996 inflation-adjusted amounts.

*Historical & Recent
Trends
% Change*

Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999	77-87	87-95	95-99
Personal income (thousands of dollars) 45R/	219,939	256,608	310,449	310,914	359,859	366,537	401,451	454,577	482,793	505,935	522,677	546,043	563,706	591,373	604,283	42.8%	42.6%	15.6%
Population (number of persons) 3/ 47R/	18,159	19,237	22,663	23,668	24,426	24,501	25,081	27,515	28,942	30,713	32,276	33,583	34,528	35,114	35,811	27.4%	31.7%	11.0%
Per capita personal income (dollars) 48R/	12,113	13,339	13,699	13,136	14,732	14,960	16,006	16,521	16,681	16,473	16,194	16,260	16,326	16,842	16,875	12.2%	8.2%	4.2%
Personal Income by Major Source																		
Net earnings by place of residence or labor income by residence	128,187	153,534	168,765	150,605	182,193	186,579	198,883	233,244	253,416	268,068	271,792	285,759	289,057	307,593	320,548	21.5%	45.7%	17.9%
Dividends, interest, and rent or investment income 6/ 52R/	55,529	63,900	93,071	104,847	114,237	111,749	123,675	129,552	130,121	137,797	144,042	148,614	161,263	168,212	168,719	74.9%	28.9%	17.1%
Transfer payments income 53R/	36,224	39,174	48,613	55,463	63,430	68,208	78,893	91,782	99,256	100,070	106,843	111,670	113,386	115,568	115,016	74.1%	56.6%	7.6%
Personal Income by Nonfarm & Farm Sources																		
Nonfarm personal income	217,261	254,882	307,905	308,953	360,335	367,181	397,144	450,587	477,113	504,590	522,236	547,336	563,430	590,433	603,424	44.1%	42.2%	15.5%
Farm income 2/ 46R/	2,679	1,726	2,544	1,961	-476	-644	4,307	3,990	5,680	1,346	441	-1,293	276	940	860	-137.3%	-168.5%	95.0%
Labor Earnings by Place of Work and Residence																		
Earnings by place of work or labor income by workplace 49R/	113,861	130,188	137,173	125,420	155,651	161,834	172,120	206,743	226,436	242,934	246,468	259,741	262,177	280,124	292,533	24.3%	52.3%	18.7%
Personal contrib. for social insurance 4/ 50R/	4,684	5,276	6,241	6,380	8,623	9,807	11,968	15,205	16,529	18,316	19,160	20,261	19,993	20,795	21,912	85.9%	95.4%	14.4%
Adjustment for residence 5/ 51R/	19,011	28,622	37,832	31,564	35,165	34,552	38,732	41,706	43,510	43,450	44,484	46,279	46,873	48,264	49,928	20.7%	28.7%	12.2%
Net earnings by place of	128,187	153,534	168,765	150,605	182,193	186,579	198,883	233,244	253,416	268,068	271,792	285,759	289,057	307,593	320,548	21.5%	45.7%	17.9%

residence or labor income by residence																		%	
Relative Shares and Proportions																			
Per capita personal income (dollars) 48R/	12,113	13,339	13,699	13,136	14,732	14,960	16,006	16,521	16,681	16,473	16,194	16,260	16,326	16,842	16,875		12.2%	8.2%	4.2%
Per capita labor earnings	7,059	7,981	7,447	6,363	7,459	7,615	7,930	8,477	8,756	8,728	8,421	8,509	8,372	8,760	8,951		-4.6%	10.6%	6.3%
Per capita investment income	3,058	3,322	4,107	4,430	4,677	4,561	4,931	4,708	4,496	4,487	4,463	4,425	4,670	4,790	4,711		37.3%	-2.2%	5.6%
Per capita transfer payment	1,995	2,036	2,145	2,343	2,597	2,784	3,146	3,336	3,429	3,258	3,310	3,325	3,284	3,291	3,212		36.7%	18.9%	-3.0%
Labor vs. Nonlabor Sources of Income																			
Labor income share of total pers. income	58.3%	59.8%	54.4%	48.4%	50.6%	50.9%	49.5%	51.3%	52.5%	53.0%	52.0%	52.3%	51.3%	52.0%	53.0%		-14.9%	2.2%	2.0%
Investment income share of total pers.income	25.2%	24.9%	30.0%	33.7%	31.7%	30.5%	30.8%	28.5%	27.0%	27.2%	27.6%	27.2%	28.6%	28.4%	27.9%		22.4%	-9.6%	1.3%
Transfer payment income share of tot. pers. inc.	16.5%	15.3%	15.7%	17.8%	17.6%	18.6%	19.7%	20.2%	20.6%	19.8%	20.4%	20.5%	20.1%	19.5%	19.0%		21.9%	9.8%	-6.9%
Nonfarm vs. Farm Sources of Income																			
Personal income from nonfarm sources	98.8%	99.3%	99.2%	99.4%	100.1%	100.2%	98.9%	99.1%	98.8%	99.7%	99.9%	100.2%	100.0%	99.8%	99.9%		0.9%	-0.3%	-0.1%
Personal income from farm sources	1.2%	0.7%	0.8%	0.6%	-0.1%	-0.2%	1.1%	0.9%	1.2%	0.3%	0.1%	-0.2%	0.0%	0.2%	0.1%		-126.1%	-148.0%	68.7 %
Export or Import of Labor Earnings into the Area																			
Labor income share from non-county workplaces	14.8%	18.6%	22.4%	21.0%	19.3%	18.5%	19.5%	17.9%	17.2%	16.2%	16.4%	16.2%	16.2%	15.7%	15.6%		-0.7%	-11.6%	-4.8%
Footnotes	Maps Analysis																		

Income and Employment

County Fips: 30081

B.2 Transfer Payments

Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
 County Code: Light Green, 42, '90 County Pop.: 25,010

B.2 Transfer Payments

Transfer payments are various types of payments to individuals for which they do not perform a current service. These payments are made by government or business to individuals and nonprofit institutions. Transfer payments include social security benefits and other types of retirement and income maintenance benefits, disability and unemployment insurance benefits, veterans benefits, medical care payments, and federal education and training assistance payments. The table shows levels of transfer payments received in the area by type, as shares of total personal income, and on a per capita basis (average per person) over time.

*Historical & Recent
Trends
% Change*

Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999	77-87	87-95	95-99
Total transfer payments (thousands of dollars)	36,224	39,174	48,613	55,463	63,430	68,208	78,893	91,782	99,256	100,070	106,843	111,670	113,386	115,568	115,016	74.1%	56.6%	7.6%

Transfer Payments by Major Types

Government payments to individuals	34,384	36,940	45,589	52,416	59,611	64,080	75,001	87,575	94,797	94,965	101,190	104,943	107,489	109,468	108,720	73.5%	57.9%	7.4%
Payments to nonprofit institutions 57R/	1,103	1,401	1,839	1,614	1,875	1,989	1,928	2,180	2,544	3,038	3,338	4,366	3,429	3,602	3,767	42.0%	67.8%	12.9%
Business payments to individuals 12/ 58R/	737	833	1,184	1,433	1,944	2,139	1,964	2,026	1,915	2,067	2,315	2,361	2,468	2,498	2,529	156.8%	8.2%	9.2%

Govt. Payments to Individuals by Type

Retirement & disability insur. benefit pymts.	19,926	22,371	27,690	31,028	35,054	37,806	44,242	47,554	49,340	51,062	53,310	54,903	56,503	57,377	58,780	69.0%	41.0%	10.3%
Medical payments	4,505	5,977	7,522	9,778	11,420	14,392	18,590	24,757	29,135	28,985	32,717	33,262	34,501	35,652	33,085	140.8%	127.3%	1.1%
Income maintenance benefit payments	1,945	2,225	3,334	3,333	4,532	4,718	5,275	6,394	6,562	6,869	7,403	8,009	7,672	7,526	7,726	112.0%	56.9%	4.4%
Unemployment insurance benefit payments	3,621	2,712	3,420	4,172	4,190	3,181	2,900	4,925	5,467	3,561	3,110	3,659	3,484	3,475	3,395	17.3%	-2.2%	9.2%
Veterans benefit payments	3,774	3,541	3,334	3,620	3,994	3,724	3,597	3,543	3,965	3,931	4,090	4,525	4,587	4,827	5,109	5.2%	9.8%	24.9%
Fed ed.& train. assist. payments (excl vets)	0	0	272	428	346	187	295	266	240	276	429	374	612	499	486	23.8%	129.4%	13.3%

9/																		
Other payments to individuals 10/ 56R/	508	0	0	0	75	72	102	135	88	281	131	211	129	113	140	0	81.9%	6.9%
Relative Shares and Proportions																		
Transfer payments share of total pers. income	16.5%	15.3%	15.7%	17.8%	17.6%	18.6%	19.7%	20.2%	20.6%	19.8%	20.4%	20.5%	20.1%	19.5%	19.0%	21.9%	9.8%	-6.9%
Transfer payments per capita (entire pop.)	1,995	2,036	2,145	2,343	2,597	2,784	3,146	3,336	3,429	3,258	3,310	3,325	3,284	3,291	3,212	36.7%	18.9%	-3.0%
Transfer payments per capita (pop. 65 & older)	0	0	16,264	0	0	0	18,933	20,519	21,596	21,121	21,993	22,312	22,360	22,594	22,359	0	0	1.7%
Govt. Payments to Individuals by Type																		
Ret. & disab. insur. benefit payments share	58.0%	60.6%	60.7%	59.2%	58.8%	59.0%	59.0%	54.3%	52.0%	53.8%	52.7%	52.3%	52.6%	52.4%	54.1%	-2.6%	-10.7%	2.6%
Medical payments share	13.1%	16.2%	16.5%	18.7%	19.2%	22.5%	24.8%	28.3%	30.7%	30.5%	32.3%	31.7%	32.1%	32.6%	30.4%	38.8%	44.0%	-5.9%
Income maint. benefit payments share	5.7%	6.0%	7.3%	6.4%	7.6%	7.4%	7.0%	7.3%	6.9%	7.2%	7.3%	7.6%	7.1%	6.9%	7.1%	22.2%	-0.6%	-2.9%
Unemployment insur. benefit payments share	10.5%	7.3%	7.5%	8.0%	7.0%	5.0%	3.9%	5.6%	5.8%	3.7%	3.1%	3.5%	3.2%	3.2%	3.1%	-32.4%	-38.1%	1.6%
Veterans benefit payments share	11.0%	9.6%	7.3%	6.9%	6.7%	5.8%	4.8%	4.0%	4.2%	4.1%	4.0%	4.3%	4.3%	4.4%	4.7%	-39.4%	-30.4%	16.3%
Footnotes	Maps Analysis																	

Income and Employment	County Fips: 30081	B.3 Labor Income
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Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
 County Code: Light Green, 42, '90 County Pop.: 25,010

B.3 Labor Income Profile																			
Labor income or labor earnings is income received by individuals in the form of wages, salaries, and self-employment or proprietors' income (income received by persons through their own self-employment). Labor income is the largest source of personal income. The table shows levels of labor income for the area by type and as shares of total personal income over time.																Historical & Recent Trends % Change			
Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999		77-87	87-95	95-99
Earnings by place of work or labor income by workplace 49R/	113,861	130,188	137,173	125,420	155,651	161,834	172,120	206,743	226,436	242,934	246,468	259,741	262,177	280,124	292,533		24.3%	52.3%	18.7%
Labor Earnings by Major Type																			
Wage and salary disbursements 59R/	73,616	80,466	90,566	84,311	95,932	99,035	107,261	123,153	130,913	145,473	151,891	162,445	170,374	181,403	190,183		23.1%	53.4%	25.2%
Other labor income 60R/	8,682	11,619	13,385	13,067	15,908	16,544	17,909	21,560	23,045	25,519	25,286	26,049	25,613	26,748	27,190		42.4%	52.8%	7.5%
Proprietors' income 7/ 61R/	31,563	38,102	33,223	28,042	43,810	46,255	46,950	62,031	72,478	71,941	69,292	71,247	66,190	71,972	75,160		21.4%	49.8%	8.5%
Proprietors' Income by Nonfarm & Farm																			
Nonfarm proprietors' income	33,300	39,016	33,759	28,989	46,546	48,704	44,998	60,203	69,060	73,204	71,413	74,805	68,146	73,276	76,457		24.8%	46.6%	7.1%
Farm proprietors' income 62R/	-1,737	-914	-536	-947	-2,737	-2,449	1,952	1,828	3,418	-1,263	-2,121	-3,558	-1,956	-1,303	-1,297		167.9%	-13.4%	-38.8%

Labor Earnings by Farm & Nonfarm Sources																			
Farm earnings 63R/	2,679	1,726	2,544	1,961	-476	-644	4,307	3,990	5,680	1,346	441	-1,293	276	940	860		-137.3%	-168.5%	95.0%
Nonfarm earnings	111,182	128,462	134,630	123,459	156,127	162,478	167,812	202,753	220,756	241,588	246,028	261,034	261,901	279,184	291,673		26.5%	51.4%	18.6%
Nonfarm Labor Earnings by Private & Govt. Sources																			
Private earnings	73,542	89,213	93,836	84,181	113,566	121,041	126,203	156,709	173,233	190,373	195,974	208,705	207,896	221,924	234,171		35.7%	61.9%	19.5%
Government and government enterprises 43R/	37,639	39,248	40,794	39,278	42,561	41,437	41,610	46,044	47,522	51,216	50,053	52,329	54,005	57,260	57,502		5.6%	20.8%	14.9%
Relative Shares and Proportions																			
Wages & Salary vs. Proprietors' Earnings																			
Wages & salaries share of total labor income	64.7%	61.8%	66.0%	67.2%	61.6%	61.2%	62.3%	59.6%	57.8%	59.9%	61.6%	62.5%	65.0%	64.8%	65.0%		-1.0%	0.7%	5.5%
Proprietors' income share of total labor income	27.7%	29.3%	24.2%	22.4%	28.1%	28.6%	27.3%	30.0%	32.0%	29.6%	28.1%	27.4%	25.2%	25.7%	25.7%		-2.3%	-1.6%	-8.6%
Nonfarm vs. Farm Proprietors' Earnings																			
Nonfarm proprietors' share of all proprietors' inc.	105.5%	102.4%	101.6%	103.4%	106.2%	105.3%	95.8%	97.1%	95.3%	101.8%	103.1%	105.0%	103.0%	101.8%	101.7%		2.8%	-2.1%	-1.3%
Farm proprietors' share of all proprietors' inc.	-5.5%	-2.4%	-1.6%	-3.4%	-6.2%	-5.3%	4.2%	2.9%	4.7%	-1.8%	-3.1%	-5.0%	-3.0%	-1.8%	-1.7%		120.7%	-42.2%	-43.6%
Private vs. Government Labor Earnings																			
Private sources share of nonfarm earnings	66.1%	69.4%	69.7%	68.2%	72.7%	74.5%	75.2%	77.3%	78.5%	78.8%	79.7%	80.0%	79.4%	79.5%	80.3%		7.3%	6.9%	0.8%
Govt. sources share of nonfarm earnings	33.9%	30.6%	30.3%	31.8%	27.3%	25.5%	24.8%	22.7%	21.5%	21.2%	20.3%	20.0%	20.6%	20.5%	19.7%		-16.5%	-20.2%	-3.1%

[Footnotes](#)

Maps

▼

Analysis

▼

Income and Employment

▼

County Fips: 30081

B.4 Overall Employment

▼

Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
County Code: Light Green, 42, '90 County Pop.: 25,010

B.4 Overall Employment Profile																			
The employment figures in this table include all types of full- and part-time employment in the area and include both wage and salary workers (workers employed by others and paid a wage or salary) and proprietors (self-employed workers). The employment estimates represent the average annual number of jobs; again, both full-time and part-time. Levels of employment and shares of total employment represented by different types of employment over time are shown.																Historical & Recent Trends % Change			
Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999		77-87	87-95	95-99
Total full-time and part-time employment 27R/	6,027	6,793	7,490	7,616	8,873	9,614	10,618	12,045	12,754	14,168	14,650	15,425	16,109	16,507	16,918		41.5%	52.4%	15.5%
Wage & Salary and Self-Employment																			
Wage and salary employment 28R/	3,943	4,249	4,746	4,714	5,224	5,557	6,306	7,106	7,484	8,106	8,532	8,904	9,235	9,509	9,788		30.8%	53.5%	14.7%
Proprietors' employment 29R/	2,084	2,544	2,744	2,902	3,649	4,057	4,312	4,939	5,270	6,062	6,118	6,521	6,874	6,998	7,130		59.5%	50.8%	16.5%
Proprietors' - Farm and Nonfarm																			
Farm proprietors' employment 30R/	665	802	948	1,031	1,065	1,025	1,030	1,005	1,026	1,054	1,051	1,057	1,081	1,120	1,139		27.8%	2.5%	8.4%
Nonfarm proprietors' employment 2/31R/	1,419	1,742	1,796	1,871	2,584	3,032	3,282	3,934	4,244	5,008	5,067	5,464	5,793	5,878	5,991		74.1%	67.1%	18.2%
All Employment; Farm and Nonfarm																			
Farm employment 32R/	911	937	1,116	1,216	1,252	1,241	1,217	1,172	1,181	1,188	1,188	1,181	1,172	1,233	1,245		32.4%	-4.3%	4.8%

Nonfarm employment	5,116	5,856	6,374	6,400	7,621	8,373	9,401	10,873	11,573	12,980	13,462	14,244	14,937	15,274	15,673	43.0%	60.8%	16.4%
All Nonfarm Employment; Private & Govt.																		
Private employment 33R/	3,749	4,474	4,882	4,952	6,179	6,922	7,859	9,223	9,904	11,267	11,717	12,454	13,086	13,362	13,731	54.7%	69.3%	17.2%
Government and government enterprises 43R/	1,367	1,382	1,492	1,448	1,442	1,451	1,542	1,650	1,669	1,713	1,745	1,790	1,851	1,912	1,942	5.0%	20.3%	11.3%
Relative Shares and Proportions																		
Wages & Salary vs. Self-employment																		
Wage & salary employment share of total	65.4%	62.5%	63.4%	61.9%	58.9%	57.8%	59.4%	59.0%	58.7%	57.2%	58.2%	57.7%	57.3%	57.6%	57.9%	-7.6%	0.8%	-0.7%
Proprietors' employment share of total	34.6%	37.5%	36.6%	38.1%	41.1%	42.2%	40.6%	41.0%	41.3%	42.8%	41.8%	42.3%	42.7%	42.4%	42.1%	12.7%	-1.0%	0.9%
Farm vs. Nonfarm Employment																		
Farm employment share of total	15.1%	13.8%	14.9%	16.0%	14.1%	12.9%	11.5%	9.7%	9.3%	8.4%	8.1%	7.7%	7.3%	7.5%	7.4%	-6.4%	-37.2%	-9.3%
Nonfarm employment share of total	84.9%	86.2%	85.1%	84.0%	85.9%	87.1%	88.5%	90.3%	90.7%	91.6%	91.9%	92.3%	92.7%	92.5%	92.6%	1.0%	5.5%	0.8%
Farm Proprietors vs. Nonfarm Proprietors																		
Farm proprietors' share of all proprietors	31.9%	31.5%	34.5%	35.5%	29.2%	25.3%	23.9%	20.3%	19.5%	17.4%	17.2%	16.2%	15.7%	16.0%	16.0%	-19.9%	-32.0%	-7.0%
Nonfarm proprietors' share of all proprietors	68.1%	68.5%	65.5%	64.5%	70.8%	74.7%	76.1%	79.7%	80.5%	82.6%	82.8%	83.8%	84.3%	84.0%	84.0%	9.1%	10.8%	1.5%
Nonfarm Employment: Private vs. Government																		
Private employment share of total nonfarm empl.	73.3%	76.4%	76.6%	77.4%	81.1%	82.7%	83.6%	84.8%	85.6%	86.8%	87.0%	87.4%	87.6%	87.5%	87.6%	8.2%	5.3%	0.7%
Public employment share of total nonfarm empl.	26.7%	23.6%	23.4%	22.6%	18.9%	17.3%	16.4%	15.2%	14.4%	13.2%	13.0%	12.6%	12.4%	12.5%	12.4%	-26.6%	-25.2%	-4.4%

[Footnotes](#)

Maps

Analysis

Regional Economies Assessment Database (READ)^{(C) 2001}
[O'Connor Center for the Rocky Mountain West](#), The University of Montana

Income and Employment

County Fips: 30081

B.5 Sector Earnings and Employment

Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
County Code: Light Green, 42, '90 County Pop.: 25,010

B.5 Labor Earnings and Employment by Major Sector																Historical & Recent Trends % Change		
Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999	77-87	87-95	95-99
Earnings by place of work or labor income by workplace 49R/	113,861	130,188	137,173	125,420	155,651	161,834	172,120	206,743	226,436	242,934	246,468	259,741	262,177	280,124	292,533	24.3%	52.3%	18.7%
Private earnings	73,542	89,213	93,836	84,181	113,566	121,041	126,203	156,709	173,233	190,373	195,974	208,705	207,896	221,924	234,171	35.7%	61.9%	19.5%
Government and government enterprises 43R/	37,639	39,248	40,794	39,278	42,561	41,437	41,610	46,044	47,522	51,216	50,053	52,329	54,005	57,260	57,502	5.6%	20.8%	14.9%
Farm earnings 63R/	2,679	1,726	2,544	1,961	-476	-644	4,307	3,990	5,680	1,346	441	-1,293	276	940	860	-137.3%	-168.5%	95.0%
Private Nonfarm Labor Income by Major Sector																		
Ag. services, forestry, fishing, & other 8/ 34R/	1,637	1,633	1,312	1,094	2,886	3,134	3,007	3,802	4,617	3,206	3,406	3,523	3,871	d	d	91.9%	8.7%	n/a
Mining 35R/	768	661	1,062	1,067	710	382	458	482	364	379	146	158	260	d	d	-42.2%	-61.8%	n/a

Construction 36R/	6,900	10,782	9,903	7,684	13,149	14,640	12,556	20,735	24,420	29,730	28,012	29,752	30,574	33,045	35,911		35.8%	91.3%	28.2 %
Manufacturing 37R/	12,339	17,093	18,453	14,283	19,569	21,696	25,108	26,484	26,712	30,468	29,527	32,003	32,865	37,777	40,265		26.9%	36.1%	36.4 %
Transportation and public utilities 38R/	12,774	13,058	11,263	10,894	15,799	18,381	15,427	16,995	17,335	15,884	16,261	16,055	17,136	18,400	17,792		40.8%	-11.5%	9.4%
Wholesale trade 39R/	2,082	2,336	2,566	3,481	3,918	4,311	4,879	5,920	8,737	10,302	12,283	15,904	11,784	11,915	13,462		84.5%	184.9%	9.6%
Retail trade 40R/	17,276	19,206	20,312	18,391	23,982	20,636	22,890	27,584	29,207	31,352	31,494	32,135	32,913	34,286	37,216		7.4%	52.6%	18.2 %
Finance, insurance, and real estate 41R/	3,639	4,490	5,560	5,777	4,283	6,344	6,478	10,220	13,426	14,536	16,457	17,666	14,131	15,241	15,603		41.3%	159.4%	-5.2%
Services 42R/	16,126	19,954	23,405	21,511	29,270	31,517	35,400	44,487	48,416	54,516	58,389	61,509	64,363	66,670	68,796		57.9%	85.3%	17.8 %
Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999		77-87	87-95	95-99
Total full-time and part-time employment 27R/	6,027	6,793	7,490	7,616	8,873	9,614	10,618	12,045	12,754	14,168	14,650	15,425	16,109	16,507	16,918		41.5%	52.4%	15.5 %
Private employment 33R/	3,749	4,474	4,882	4,952	6,179	6,922	7,859	9,223	9,904	11,267	11,717	12,454	13,086	13,362	13,731		54.7%	69.3%	17.2 %
Government and government enterprises 43R/	1,367	1,382	1,492	1,448	1,442	1,451	1,542	1,650	1,669	1,713	1,745	1,790	1,851	1,912	1,942		5.0%	20.3%	11.3 %
Farm employment 32R/	911	937	1,116	1,216	1,252	1,241	1,217	1,172	1,181	1,188	1,188	1,181	1,172	1,233	1,245		32.4%	-4.3%	4.8%
Private Nonfarm Employment by Major Sector																			
Ag. services, forestry, fishing, & other 3/ 34R/	75	103	121	173	227	227	275	320	324	390	375	416	467	d	d		120.4%	65.2%	n/a
Mining 35R/	17	18	16	21	38	60	76	53	48	45	37	28	34	d	d		233.3%	-38.3%	n/a
Construction 36R/	279	389	437	441	579	587	637	998	1,056	1,291	1,337	1,405	1,510	1,562	1,670		50.9%	127.8%	24.9 %
Manufacturing 37R/	560	673	685	636	889	995	1,182	1,286	1,299	1,419	1,401	1,514	1,495	1,518	1,494		47.8%	40.8%	6.6%
Transportation and public utilities 38R/	286	303	376	349	445	504	492	514	512	572	619	659	668	707	682		66.3%	22.8%	10.2 %
Wholesale trade 39R/	107	94	92	119	134	171	193	228	295	338	375	399	456	477	528		81.9%	119.3%	40.8 %
Retail trade 40R/	997	1,168	1,288	1,269	1,402	1,445	1,768	2,104	2,212	2,468	2,683	2,916	2,997	3,013	3,119		23.7%	85.7%	16.3 %
Finance, insurance, and real estate 41R/	392	568	514	586	586	650	687	796	892	1,049	1,005	1,070	1,195	1,294	1,363		14.4%	54.6%	35.6 %
Services 42R/	1,036	1,158	1,353	1,358	1,879	2,283	2,549	2,924	3,266	3,695	3,885	4,047	4,264	4,299	4,351		97.2%	70.2%	12.0 %

[Footnotes](#)

Maps

Analysis

Regional Economies Assessment Database (READ)^{(C) 2001}
[O'Connor Center for the Rocky Mountain West](#), The University of Montana

Income and Employment

County Fips: 30081

B.6 Sector Shares of Economy

Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
County Code: Light Green, 42, '90 County Pop.: 25,010

B.6 Sector Shares of Economy																		
The relative size and importance of different sectors of the economy vary from place to place and from one point in time to the next. The table shows "shares" or percentages of total labor income and employment major sectors of the economy represent in the area over time. Some sectors are growing in importance as employment and income providers while other sectors are declining.																Historical & Recent Trends		
Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999	77-87	87-95	95-99
Sector Shares of Total Labor Earnings																		
All private nonfarm sectors	64.6%	68.5%	68.4%	67.1%	73.0%	74.8%	73.3%	75.8%	76.5%	78.4%	79.5%	80.4%	79.3%	79.2%	80.0%	9.1%	6.3%	0.7%
All government sectors	33.1%	30.1%	29.7%	31.3%	27.3%	25.6%	24.2%	22.3%	21.0%	21.1%	20.3%	20.1%	20.6%	20.4%	19.7%	-15.1%	-20.7%	-3.2%
Farm sector	2.4%	1.3%	1.9%	1.6%	-0.3%	-0.4%	2.5%	1.9%	2.5%	0.6%	0.2%	-0.5%	0.1%	0.3%	0.3%	-130.0%	-145.0%	64.3%
Shares of Private Nonfarm Sectors Earnings																		
Ag., for. & fish services	2.2%	1.8%	1.4%	1.3%	2.5%	2.6%	2.4%	2.4%	2.7%	1.7%	1.7%	1.7%	1.9%	n/a	n/a	41.5%	-32.9%	n/a
Mining	1.0%	0.7%	1.1%	1.3%	0.6%	0.3%	0.4%	0.3%	0.2%	0.2%	0.1%	0.1%	0.1%	n/a	n/a	-57.4%	-76.4%	n/a
Construction	9.4%	12.1%	10.6%	9.1%	11.6%	12.1%	9.9%	13.2%	14.1%	15.6%	14.3%	14.3%	14.7%	14.9%	15.3%	0.1%	18.2%	7.3%
Manufacturing	16.8%	19.2%	19.7%	17.0%	17.2%	17.9%	19.9%	16.9%	15.4%	16.0%	15.1%	15.3%	15.8%	17.0%	17.2%	-6.4%	-15.9%	14.1%
Transportation and public utilities	17.4%	14.6%	12.0%	12.9%	13.9%	15.2%	12.2%	10.8%	10.0%	8.3%	8.3%	7.7%	8.2%	8.3%	7.6%	3.8%	-45.4%	-8.4%
Wholesale trade	2.8%	2.6%	2.7%	4.1%	3.4%	3.6%	3.9%	3.8%	5.0%	5.4%	6.3%	7.6%	5.7%	5.4%	5.7%	36.0%	76.0%	-8.3%
Retail Trade	23.5%	21.5%	21.6%	21.8%	21.1%	17.0%	18.1%	17.6%	16.9%	16.5%	16.1%	15.4%	15.8%	15.4%	15.9%	-20.8%	-5.7%	-1.1%

Finance, insurance, and real estate	4.9%	5.0%	5.9%	6.9%	3.8%	5.2%	5.1%	6.5%	7.8%	7.6%	8.4%	8.5%	6.8%	6.9%	6.7%		4.1%	60.2%	-20.7%
Services	21.9%	22.4%	24.9%	25.6%	25.8%	26.0%	28.1%	28.4%	27.9%	28.6%	29.8%	29.5%	31.0%	30.0%	29.4%		16.4%	14.4%	-1.4%
Sector Shares of Total Employment																			
All private nonfarm sectors	62.2%	65.9%	65.2%	65.0%	69.6%	72.0%	74.0%	76.6%	77.7%	79.5%	80.0%	80.7%	81.2%	80.9%	81.2%		9.3%	11.1%	1.5%
All government sectors	22.7%	20.3%	19.9%	19.0%	16.3%	15.1%	14.5%	13.7%	13.1%	12.1%	11.9%	11.6%	11.5%	11.6%	11.5%		-25.8%	-21.1%	-3.6%
Farm sectors	15.1%	13.8%	14.9%	16.0%	14.1%	12.9%	11.5%	9.7%	9.3%	8.4%	8.1%	7.7%	7.3%	7.5%	7.4%		-6.4%	-37.2%	-9.3%
Shares of Private Nonfarm Sectors Employment																			
Ag., for. & fish services	2.0%	2.3%	2.5%	3.5%	3.7%	3.3%	3.5%	3.5%	3.3%	3.5%	3.2%	3.3%	3.6%	n/a	n/a		42.4%	-2.4%	n/a
Mining	0.5%	0.4%	0.3%	0.4%	0.6%	0.9%	1.0%	0.6%	0.5%	0.4%	0.3%	0.2%	0.3%	n/a	n/a		115.4%	-63.6%	n/a
Construction	7.4%	8.7%	9.0%	8.9%	9.4%	8.5%	8.1%	10.8%	10.7%	11.5%	11.4%	11.3%	11.5%	11.7%	12.2%		-2.5%	34.6%	6.6%
Manufacturing	14.9%	15.0%	14.0%	12.8%	14.4%	14.4%	15.0%	13.9%	13.1%	12.6%	12.0%	12.2%	11.4%	11.4%	10.9%		-4.4%	-16.8%	-9.0%
Transportation and public utilities	7.6%	6.8%	7.7%	7.0%	7.2%	7.3%	6.3%	5.6%	5.2%	5.1%	5.3%	5.3%	5.1%	5.3%	5.0%		7.5%	-27.4%	-6.0%
Wholesale trade	2.9%	2.1%	1.9%	2.4%	2.2%	2.5%	2.5%	2.5%	3.0%	3.0%	3.2%	3.2%	3.5%	3.6%	3.8%		17.6%	29.6%	20.1%
Retail Trade	26.6%	26.1%	26.4%	25.6%	22.7%	20.9%	22.5%	22.8%	22.3%	21.9%	22.9%	23.4%	22.9%	22.5%	22.7%		-20.0%	9.7%	-0.8%
Finance, insurance, and real estate	10.5%	12.7%	10.5%	11.8%	9.5%	9.4%	8.7%	8.6%	9.0%	9.3%	8.6%	8.6%	9.1%	9.7%	9.9%		-26.0%	-8.7%	15.7%
Services	27.6%	25.9%	27.7%	27.4%	30.4%	33.0%	32.4%	31.7%	33.0%	32.8%	33.2%	32.5%	32.6%	32.2%	31.7%		27.4%	0.5%	-4.4%
Footnotes	Maps Analysis																		

Income and Employment	County Fips: 30081	B.7 Per Worker Earnings
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Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
 County Code: Light Green, 42, '90 County Pop.: 25,010

B.7 Estimates of Annual Per Worker Labor Earnings by Major Sector																			
"Per worker earnings" are estimates of average annual income received by individual workers through their employment. They are estimated by simply dividing total annual labor earnings by the number of workers employed. REIS employment estimates include all workers, both full- and part-time, and can be considered estimates of average annual employment. REIS labor income estimates include totals for the calendar year. Estimates developed using County Business Patterns data use employment figures for pay periods in early March and annual payroll estimates.																Historical & Recent Trends % Change			
Indicator	1975	1977	1980	1982	1985	1987	1990	1992	1993	1994	1995	1996	1997	1998	1999		77-87	87-95	95-99
Estimates Derived from 'REIS'																			
All private nonfarm workers	19,616	19,940	19,221	16,999	18,379	17,486	16,058	16,991	17,491	16,897	16,726	16,758	15,887	16,609	17,054		-12.3%	-4.4%	2.0%
All government workers	27,534	28,399	27,342	27,126	29,515	28,558	26,984	27,905	28,473	29,898	28,684	29,234	29,176	29,948	29,610		0.6%	0.4%	3.2%
Private Nonfarm Sectors																			
Ag., for. fish. services workers	21,827	15,854	10,843	6,324	12,714	13,806	10,935	11,881	14,250	8,221	9,083	8,469	8,289	n/a	n/a		-12.9%	-34.2%	n/a
Mining workers	45,176	36,722	66,375	50,810	18,684	6,367	6,026	9,094	7,583	8,422	3,946	5,643	7,647	n/a	n/a		-82.7%	-38.0%	n/a
Construction workers	24,731	27,717	22,661	17,424	22,710	24,940	19,711	20,777	23,125	23,029	20,951	21,176	20,248	21,156	21,504		-10.0%	-16.0%	2.6%
Manufacturing workers	22,034	25,398	26,939	22,458	22,012	21,805	21,242	20,594	20,564	21,471	21,076	21,138	21,983	24,886	26,951		-14.1%	-3.3%	27.9%
Transportation and public utilities workers	44,664	43,096	29,955	31,215	35,503	36,470	31,356	33,064	33,857	27,769	26,270	24,363	25,653	26,025	26,088		-15.4%	-28.0%	-0.7%
Wholesale trade workers	19,458	24,851	27,891	29,252	29,239	25,211	25,280	25,965	29,617	30,479	32,755	39,860	25,842	24,979	25,496		1.4%	29.9%	-22.2%
Retail trade workers	17,328	16,443	15,770	14,493	17,106	14,281	12,947	13,110	13,204	12,703	11,738	11,020	10,982	11,379	11,932		-13.2%	-17.8%	1.6%
Finance, insurance, and real estate workers	9,283	7,905	10,817	9,858	7,309	9,760	9,429	12,839	15,052	13,857	16,375	16,510	11,825	11,778	11,448		23.5%	67.8%	-30.1%

Services workers	15,566	17,231	17,299	15,840	15,577	13,805	13,888	15,214	14,824	14,754	15,029	15,199	15,095	15,508	15,812	-19.9%	8.9%	5.2%
Government Sectors																		
Federal civilian govt. workers	41,342	41,764	39,874	40,759	45,604	42,516	41,044	45,678	46,679	51,042	47,266	50,158	48,724	49,732	49,011	1.8%	11.2%	3.7%
Military workers	6,288	7,292	7,067	8,069	11,741	11,520	11,062	11,015	10,832	11,605	11,253	11,969	11,894	12,005	12,287	58.0%	-2.3%	9.2%
State and local govt. workers	20,719	21,747	22,195	22,576	24,347	24,453	23,286	23,245	23,890	24,294	24,368	24,479	25,140	25,466	25,297	12.4%	-0.3%	3.8%
State govt. workers	n/a	n/a	26,303	29,158	32,451	31,136	27,910	27,867	32,108	29,367	32,239	33,746	33,714	34,145	33,542	n/a	3.5%	4.0%
Local govt. workers	n/a	n/a	21,623	21,908	23,586	23,936	22,912	22,867	23,333	23,891	23,863	23,882	24,620	24,959	24,803	n/a	-0.3%	3.9%
Estimates from "County Business Patterns"																		
All private nonfarm workers	19,031	0	17,349	15,374	16,031	16,291	15,684	15,550	15,645	16,468	16,269	0	0	0	0	0	-0.1%	0
Contract construction workers	0	0	0	0	0	0	18,858	18,842	19,793	19,544	19,350	0	0	0	0	0	0	0
Manufacturing workers	0	0	0	0	0	0	19,885	22,331	22,167	21,777	21,239	0	0	0	0	0	0	0
Transportation and public utilities workers	0	0	0	0	0	0	22,381	20,145	18,204	20,227	20,153	0	0	0	0	0	0	0
Wholesale trade workers	0	0	0	0	0	0	29,152	23,224	26,311	25,952	27,741	0	0	0	0	0	0	0
Retail trade workers	0	0	0	0	0	0	10,993	10,507	10,446	10,595	10,704	0	0	0	0	0	0	0
Finance, insurance, and real estate workers	0	0	0	0	0	0	18,479	17,186	17,396	20,014	19,024	0	0	0	0	0	0	0
Services workers	0	0	0	0	0	0	13,379	12,646	13,110	15,529	15,270	0	0	0	0	0	0	0
Footnotes	Maps Analysis																	

Income and Employment	County Fips: 30081	B.8 Income Growth and Decline in the Economy
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Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
 County Code: Light Green, 42, '90 County Pop.: 25,010

B.8 Income Growth and Decline in the Economy																						
The economy is constantly changing. Some segments of the economy are growing, while others decline and the particulars of this change - which sectors are growing the fastest and which are either not growing or are declining - are important to understand. By identifying fast-growing sectors, we gain insight into the direction our economy is going. Where are new jobs are being added or created? What sources of area income are increasing the most? By identifying slow-growing or declining sectors, we can see what our area economy seems to be moving away from. This table assists in this assessment process. The three major components of personal income are rank ordered by how much they grew between 1987 and 1995. Major components of transfer payment income are then rank ordered by growth during this period, as are major components of labor earnings. Proceeding further, the table then rank orders major sectors of the economy - manufacturing, retail trade, local government, etc. - by growth and then goes further by ordering the many sub-sectors of the economy according to recent change.																	1987-1995 Change		1995-1999 Change			
Indicator	1976	1977	1978		1986	1987	1988		1991	1992	1993	1994	1995	1996	1997	1998	1999		amt.	%	amt.	%
Personal income (thousands of dollars) 45R/	239,599	256,608	287,567		367,553	366,537	373,199		421,460	454,577	482,793	505,935	522,677	546,043	563,706	591,373	604,283		156,140	42.6%	81,606	15.6%
Population (number of persons) 3/ 47R/	18,469	19,237	20,579		24,447	24,501	24,772		26,057	27,515	28,942	30,713	32,276	33,583	34,528	35,114	35,811		7,775	31.7%	3,535	11.0%
Per capita personal income (dollars) 48R/	12,973	13,339	13,974		15,034	14,960	15,065		16,175	16,521	16,681	16,473	16,194	16,260	16,326	16,842	16,875		1,234	8.2%	681	4.2%
Personal Income by major component by amount of growth (1987-1995)																						
Personal income, or all income received in some form by private individuals who reside in an area, has three major components: "labor income or earnings" or all wages and salaries and self-employment income, "transfer payment income" or income such as social security and government medical care assistance, and "investment income" or income from interest earnings, rent, and other types of investments.																						
Net earnings by place of residence or labor income by residence	143,146	153,534	173,199		187,082	186,579	189,105		212,713	233,244	253,416	268,068	271,792	285,759	289,057	307,593	320,548		85,213	45.7%	48,756	17.9%
Transfer payments income 53R/	38,059	39,174	40,390		66,654	68,208	69,891		83,397	91,782	99,256	100,070	106,843	111,670	113,386	115,568	115,016		38,635	56.6%	8,173	7.6%
Dividends interest	58,394	63,900	73,978		113,816	111,749	114,203		125,350	129,552	130,121	137,797	144,042	148,614	161,263	168,212	168,719		32,293	28.9%	24,677	17.1%

and rent or investment income 6/ 52R/																						
Transfer payments income by major type by amount of growth (1987-1995)																						
Government payments to individuals	35,923	36,940	37,656		62,418	64,080	65,876		79,523	87,575	94,797	94,965	101,190	104,943	107,489	109,468	108,720		37,110	57.9%	7,530	7.4%
Payments to nonprofit institutions 57R/	1,290	1,401	1,775		2,060	1,989	1,941		1,988	2,180	2,544	3,038	3,338	4,366	3,429	3,602	3,767		1,349	67.8%	429	12.9%
Business payments to individuals 12/ 58R/	847	833	959		2,176	2,139	2,074		1,887	2,026	1,915	2,067	2,315	2,361	2,468	2,498	2,529		176	8.2%	214	9.2%
Government payments to individuals by amount of growth (1987-1995)																						
Medical payments	5,139	5,977	6,078		13,025	14,392	15,189		20,525	24,757	29,135	28,985	32,717	33,262	34,501	35,652	33,085		18,325	127.3%	368	1.1%
Retirement & disability insur. benefit pymts.	21,285	22,371	24,154		36,809	37,806	39,211		45,097	47,554	49,340	51,062	53,310	54,903	56,503	57,377	58,780		15,504	41.0%	5,470	10.3%
Income maintenance benefit payments	2,282	2,225	1,981		4,801	4,718	4,641		5,672	6,394	6,562	6,869	7,403	8,009	7,672	7,526	7,726		2,685	56.9%	323	4.4%
Veterans benefit payments	3,646	3,541	3,450		3,948	3,724	3,620		3,964	3,543	3,965	3,931	4,090	4,525	4,587	4,827	5,109		366	9.8%	1,019	24.9%
Fed ed.& train. assist. pymts.(excl.vets) 9/	0	0	141		241	187	230		242	266	240	276	429	374	612	499	486		242	129.4%	57	13.3%
Unemployment insurance benefit payments	3,468	2,712	1,838		3,527	3,181	2,923		3,910	4,925	5,467	3,561	3,110	3,659	3,484	3,475	3,395		-71	-2.2%	285	9.2%
Labor Earnings by major type by amount of growth (1987-1995)																						
Labor income includes both what is paid to employees in the form of wages and salaries and what is earned by proprietors or self-employment income. Total labor income, as reported by the location of where the work is performed, is shown below, as well as levels of both wages and salaries and self-employment income.																						
Indicator	1976	1977	1978		1986	1987	1988		1991	1992	1993	1994	1995	1996	1997	1998	1999		amt.	%	amt.	%
Earnings by place of work or labor income by workplace 49R/	124,891	130,188	145,859		162,151	161,834	164,449		186,740	206,743	226,436	242,934	246,468	259,741	262,177	280,124	292,533		84,634	52.3%	46,065	18.7%
Wage and salary disbursements 59R/	75,485	80,466	89,768		96,984	99,035	102,480		112,003	123,153	130,913	145,473	151,891	162,445	170,374	181,403	190,183		52,856	53.4%	38,292	25.2%
Proprietors' income 7/ 61R/	39,631	38,102	43,647		49,336	46,255	44,890		55,479	62,031	72,478	71,941	69,292	71,247	66,190	71,972	75,160		23,037	49.8%	5,868	8.5%
Proprietors' income for nonfarm and farm proprietors																						

Nonfarm proprietors' income	38,225	39,016	40,643		48,948	48,704	47,517		52,300	60,203	69,060	73,204	71,413	74,805	68,146	73,276	76,457		22,709	46.6%	5,044	7.1%
Farm proprietors' income 62R/	1,406	-914	3,004		388	-2,449	-2,627		3,178	1,828	3,418	-1,263	-2,121	-3,558	-1,956	-1,303	-1,297		328	-13.4%	824	-38.8%
Labor Earnings for nonfarm private, public and farm sectors by amount of growth (1987-1995)																						
It's important to compare and assess the relative proportions of labor income coming from the "private" sector and "public" or government sector of an area economy. Earnings by the farm sector also are shown.																						
Private earnings	81,921	89,213	100,134		118,734	121,041	121,697		137,389	156,709	173,233	190,373	195,974	208,705	207,896	221,924	234,171		74,933	61.9%	38,197	19.5%
Farm earnings 63R/	4,859	1,726	5,931		2,342	-644	-611		5,407	3,990	5,680	1,346	441	-1,293	276	940	860		1,085	-168.5%	419	95.0%
Government and government enterprises 43R/	38,111	39,248	39,794		41,075	41,437	43,363		43,944	46,044	47,522	51,216	50,053	52,329	54,005	57,260	57,502		8,616	20.8%	7,449	14.9%
Labor earnings by major sector by amount of growth (1987-1995)																						
An economy is made-up of ten major sectors. These include construction, mining, manufacturing, transportation and public utilities, wholesale trade, retail trade, services, all government, the farm sector, and, finally, agricultural and forestry services. Trends in labor income for these major sectors are shown below, with the sectors rank-ordered by amount of growth between 1987 and 1995.																						
Services 42R/	18,389	19,954	21,641		31,354	31,517	35,673		39,273	44,487	48,416	54,516	58,389	61,509	64,363	66,670	68,796		26,872	85.3%	10,407	17.8%
Construction 36R/	9,725	10,782	12,156		13,911	14,640	14,147		16,318	20,735	24,420	29,730	28,012	29,752	30,574	33,045	35,911		13,372	91.3%	7,899	28.2%
Retail trade 40R/	18,730	19,206	21,483		21,948	20,636	20,293		24,914	27,584	29,207	31,352	31,494	32,135	32,913	34,286	37,216		10,858	52.6%	5,722	18.2%
Finance, insurance, and real estate 41R/	4,411	4,490	5,323		5,734	6,344	6,324		6,923	10,220	13,426	14,536	16,457	17,666	14,131	15,241	15,603		10,113	159.4%	-854	-5.2%
Government and government enterprises 43R/	38,111	39,248	39,794		41,075	41,437	43,363		43,944	46,044	47,522	51,216	50,053	52,329	54,005	57,260	57,502		8,616	20.8%	7,449	14.9%
Wholesale trade 39R/	2,300	2,336	2,528		3,929	4,311	4,519		4,878	5,920	8,737	10,302	12,283	15,904	11,784	11,915	13,462		7,972	184.9%	1,179	9.6%
Manufacturing 37R/	13,141	17,093	21,723		21,683	21,696	22,884		24,816	26,484	26,712	30,468	29,527	32,003	32,865	37,777	40,265		7,831	36.1%	10,738	36.4%
Durable goods	11,847	15,552	19,716		20,274	20,794	21,981		23,892	25,192	25,196	28,689	27,595	30,108	30,848	35,737	38,167		6,801	32.7%	10,572	38.3%
Nondurable goods	1,295	1,541	2,006		1,409	902	903		924	1,292	1,516	1,779	1,932	1,895	2,018	2,040	2,098		1,030	114.2%	166	8.6%
Ag. services, forestry, fishing, & other 8/ 34R/	2,282	1,633	1,680		2,246	3,134	2,946		2,591	3,802	4,617	3,206	3,406	3,523	3,871	d	d		272	8.7%	n/a	n/a
Mining 35R/	470	661	818		266	382	596		693	482	364	379	146	158	260	d	d		-236	-61.8%	n/a	n/a
Transportation and public utilities 38R/	12,473	13,058	12,784		17,664	18,381	14,316		16,982	16,995	17,335	15,884	16,261	16,055	17,136	18,400	17,792		-2,120	-11.5%	1,531	9.4%
Footnotes	Maps ▾ Analysis ▾																					

Income and Employment

County Fips: 30081

B.8 Income Growth and Decline in the Economy

Ravalli County, MT
Largest City: Hamilton

County type: Large Regional Trade Center Closely Linked County
County Code: Light Green, 42, '90 County Pop.: 25,010

B.8b Income Growth and Decline in the Economy ... Continued

The economy is constantly changing. Some segments of the economy are growing, while others decline and the particulars of this change - which sectors are growing the fastest and which are either not growing or are declining - are important to understand. By identifying fast-growing sectors, we gain insight into the direction our economy is going. Where are new jobs are being added or created? What sources of area income are increasing the most? By identifying slow-growing or declining sectors, we can see what our area economy seems to be moving away from. This table assists in this assessment process. The three major components of personal income are rank ordered by how much they grew between 1987 and 1995. Major components of transfer payment income are then rank ordered by growth during this period, as are major components of labor earnings. Proceeding further, the table then rank orders major sectors of the economy - manufacturing, retail trade, local government, etc. - by growth and then goes further by ordering the many sub-sectors of the economy according to recent change.

1987-1995
Change1995-1999
Change

Indicator	1976	1977	1978		1986	1987	1988		1991	1992	1993	1994	1995	1996	1997	1998	1999	amt.	%	amt.	%
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Labor earnings by major sector by amount of growth (1987-1995)

An economy is made-up of ten major sectors. These include construction, mining, manufacturing, transportation and public utilities, wholesale trade, retail trade, services, all government, the farm sector, and, finally, agricultural and forestry services. Trends in labor income for these major sectors are shown below, with the sectors rank-ordered by amount of growth between 1987 and 1995.

Services 42R/	18,389	19,954	21,641		31,354	31,517	35,673		39,273	44,487	48,416	54,516	58,389	61,509	64,363	66,670	68,796	26,872	85.3%	10,407	17.8%
Construction 36R/	9,725	10,782	12,156		13,911	14,640	14,147		16,318	20,735	24,420	29,730	28,012	29,752	30,574	33,045	35,911	13,372	91.3%	7,899	28.2%
Retail trade 40R/	18,730	19,206	21,483		21,948	20,636	20,293		24,914	27,584	29,207	31,352	31,494	32,135	32,913	34,286	37,216	10,858	52.6%	5,722	18.2%
Finance, insurance, and real estate 41R/	4,411	4,490	5,323		5,734	6,344	6,324		6,923	10,220	13,426	14,536	16,457	17,666	14,131	15,241	15,603	10,113	159.4%	-854	-5.2%
Government and government enterprises 43R/	38,111	39,248	39,794		41,075	41,437	43,363		43,944	46,044	47,522	51,216	50,053	52,329	54,005	57,260	57,502	8,616	20.8%	7,449	14.9%
Wholesale trade 39R/	2,300	2,336	2,528		3,929	4,311	4,519		4,878	5,920	8,737	10,302	12,283	15,904	11,784	11,915	13,462	7,972	184.9%	1,179	9.6%
Manufacturing 37R/	13,141	17,093	21,723		21,683	21,696	22,884		24,816	26,484	26,712	30,468	29,527	32,003	32,865	37,777	40,265	7,831	36.1%	10,738	36.4%
Durable goods	11,847	15,552	19,716		20,274	20,794	21,981		23,892	25,192	25,196	28,689	27,595	30,108	30,848	35,737	38,167	6,801	32.7%	10,572	38.3%
Nondurable goods	1,295	1,541	2,006		1,409	902	903		924	1,292	1,516	1,779	1,932	1,895	2,018	2,040	2,098	1,030	114.2%	166	8.6%
Ag. services, forestry, fishing, & other 8/ 34R/	2,282	1,633	1,680		2,246	3,134	2,946		2,591	3,802	4,617	3,206	3,406	3,523	3,871	d	d	272	8.7%	n/a	n/a

Mining 35R/	470	661	818		266	382	596		693	482	364	379	146	158	260	d	d		-236	-61.8%	n/a	n/a
Transportation and public utilities 38R/	12,473	13,058	12,784		17,664	18,381	14,316		16,982	16,995	17,335	15,884	16,261	16,055	17,136	18,400	17,792		-2,120	-11.5%	1,531	9.4%

Labor earnings by major sub-sector by amount of growth (1987-1995)

The ten major sectors of the economy are further sub-divided into nearly 70 distinct sub-sectors. Individual business establishments in an area are placed within one of these sub-sectors based upon the "primary" revenue-generating activity done by an establishment. Two "sectors" also are included below: Farm earnings and Wholesale Trade, because each of these has no sub-sectors within the *REIS*, database. For Government, the sub-sectors are: Federal civilian, Military, State government, and Local government. Examining growth and change among these private and public sub-sectors provides a detailed look of on-going restructuring and change in the economy and indicates where an area economy is going in recent years. Sub-sectors of the economy are rank-ordered below according to the amount of labor income growth between 1987 and 1995. (Note: This rank-ordering is done using 1988 and 1995 values for Business Services, Engineering and Management Services, and Miscellaneous Services because of significant changes in how these were defined between 1987 and 1988.)

Indicator	1976	1977	1978		1986	1987	1988		1991	1992	1993	1994	1995	1996	1997	1998	1999		amt.	%	amt.	%
Health services 84R/	6,193	6,789	7,028		11,492	11,645	12,769		15,337	17,733	18,597	20,548	22,974	24,706	24,818	24,946	25,559		11,329	97.3%	1,972	8.6%
Other finance, insurance, and real estate 76R/	1,394	1,408	1,948		1,663	1,610	d		d	d	d	d	12,910	12,652	8,397	8,670	d		11,300	701.9%	-4,240	-32.8%
Wholesale trade 39R/	2,300	2,336	2,528		3,929	4,311	4,519		4,878	5,920	8,737	10,302	12,283	15,904	11,784	11,915	13,462		7,972	184.9%	-368	-3.0%
Special trade contractors	5,295	5,545	6,212		7,944	8,315	8,818		10,015	13,315	14,801	17,235	15,437	17,283	18,593	20,194	21,802		7,122	85.7%	4,757	30.8%
Local government	n	n	n		18,322	18,239	18,279		20,012	20,969	22,400	23,772	24,913	26,318	28,436	29,502	29,863		6,674	36.6%	4,589	18.4%
Lumber and wood products	10,998	14,499	18,076		16,513	15,254	16,243		17,644	18,957	19,586	23,358	21,694	23,394	22,842	28,160	30,603		6,440	42.2%	6,466	29.8%
General building contractors	3,844	4,413	5,186		5,283	5,663	4,380		4,937	5,921	8,119	10,509	9,242	d	d	10,285	d		3,579	63.2%	1,043	11.3%
Eating and drinking places	3,663	3,937	4,394		3,775	3,801	4,674		5,190	6,031	6,338	7,017	7,378	7,311	7,394	6,981	6,706		3,577	94.1%	-397	-5.4%
Engineering and management services 12/89R/	n	n	n		n	3,717	3,579		4,116	5,135	5,935	6,959	7,051	7,302	8,192	8,948	8,681		3,472	97.0%	1,897	26.9%
Food stores	3,161	3,216	3,955		4,824	4,742	4,910		6,122	7,475	7,072	7,425	7,604	7,828	7,902	9,004	10,566		2,862	60.4%	1,400	18.4%
Heavy construction contractors	587	824	758		684	663	949		1,367	1,499	1,500	1,986	3,334	d	d	2,565	d		2,671	402.9%	-769	-23.1%
Other transportation 70R/	1,448	3,633	2,859		d	d	d		2,242	2,730	2,752	2,596	2,664	2,742	2,125	2,540	2,415		2,664	0	-124	-4.7%
Miscellaneous services	1,755	1,963	2,214		3,154	3,203	372		918	1,002	1,423	1,879	2,582	2,056	2,269	2,125	2,163		2,210	594.1%	-457	-17.7%
Fabricated metal products	d	d	d		2,787	2,158	2,739		3,734	3,925	3,635	3,573	4,309	4,713	5,162	4,966	4,821		2,151	99.7%	657	15.2%
Business services 80R/	1,374	1,763	1,913		3,439	3,697	3,693		3,397	3,980	4,065	5,293	5,791	6,908	8,106	7,207	7,893		2,098	56.8%	1,416	24.5%
Auto repair, services, and parking	3,188	2,466	2,429		3,416	3,311	4,394		4,240	4,333	4,439	5,097	5,172	5,215	5,322	5,951	6,054		1,861	56.2%	779	15.1%
Hotels and other lodging places	953	1,503	1,587		d	d	d		988	1,120	1,599	1,419	1,749	1,780	1,651	1,886	1,967		1,749	0	137	7.8%
Automotive dealers and service stations	5,238	4,680	5,658		3,428	3,169	2,734		3,149	3,401	4,198	4,575	4,811	4,841	5,310	5,908	6,996		1,642	51.8%	1,097	22.8%
Federal, civilian govt.	22,230	22,803	22,686		18,798	19,345	21,120		19,892	20,738	20,912	22,918	20,797	21,317	20,854	23,026	22,741		1,452	7.5%	2,229	10.7%

Depository and nondepository institutions 75R/	3,017	3,081	3,374		4,071	3,942	d		d	d	d	d	5,116	5,014	5,734	6,571	d		1,174	29.8%	1,455	28.4%
Miscellaneous retail 74R/	2,740	2,942	2,794		4,562	4,114	3,775		4,584	4,576	5,102	5,153	5,264	5,019	4,864	4,769	5,101		1,150	28.0%	-495	-9.4%
Social services 11/ 86R/	d	d	d		704	709	648		1,507	1,625	1,837	1,907	1,814	1,842	1,939	2,131	1,813		1,105	155.9%	317	17.5%
Membership organizations 88R/	468	722	957		1,069	1,124	1,345		1,577	1,645	2,104	2,149	2,216	2,303	2,445	2,515	2,783		1,092	97.2%	299	13.5%
Amusement and recreation services 82R/	339	703	825		1,331	1,145	1,159		1,517	2,053	1,408	1,736	1,928	1,934	1,952	2,453	2,984		783	68.4%	525	27.2%
Electric, gas, and sanitary services 73R/	3,035	2,840	2,922		3,481	3,424	3,427		3,526	3,952	4,175	4,378	4,081	3,464	3,708	3,782	3,762		657	19.2%	-299	-7.3%
Personal services 78R/	1,413	1,302	1,554		1,816	1,699	2,207		1,589	1,854	2,439	2,691	2,351	2,335	2,615	2,893	2,873		652	38.4%	542	23.1%
Agricultural services	1,552	1,223	1,297		1,715	2,519	2,600		2,218	3,404	4,214	2,807	3,110	3,241	3,527	3,663	3,893		591	23.5%	553	17.8%
Motion pictures 83R/	d	d	d		202	162	357		755	632	534	466	537	722	513	d	d		375	231.5%	n/a	n/a
Printing and publishing	d	d	d		579	572	d		661	695	756	837	923	924	1,027	1,190	1,212		351	61.4%	267	28.9%
State government	n	n	n		2,016	1,837	1,976		1,972	2,090	2,087	2,320	2,160	2,396	2,360	2,356	2,415		323	17.6%	196	9.1%
Miscellaneous repair services 81R/	587	624	710		1,181	1,100	1,237		896	969	1,336	1,431	1,402	1,392	1,474	1,770	1,944		302	27.5%	368	26.2%
Private households 79R/	0	0	0		488	521	588		651	707	736	754	792	787	767	859	681		271	52.0%	67	8.5%
Home furniture and furnishings stores	1,042	942	1,082		1,123	1,105	668		1,413	1,225	1,288	1,432	1,355	993	1,271	1,467	1,604		250	22.6%	112	8.3%
Communications 72R/	d	d	d		1,036	1,003	d		813	830	1,035	1,051	1,220	1,341	1,578	1,218	1,086		217	21.6%	-2	-0.2%
Apparel and other textile products	d	d	d		d	0	d		d	d	d	236	210	192	195	170	147		210	0	-40	-19.0%
Food and kindred products	653	826	983		332	183	176		d	256	249	281	354	334	d	274	292		171	93.4%	-80	-22.6%
Military	871	875	946		1,938	2,016	1,988		2,068	2,247	2,123	2,205	2,183	2,298	2,355	2,377	2,482		167	8.3%	194	8.9%
Primary metal industries	0	0	0		0	0	0		0	d	d	d	d	d	d	0	0		n/a	n/a	0	0
Coal mining	0	0	0		0	0	0		0	0	0	0	0	0	0	0	d		0	0	0	0
Instruments and related products 68R/	0	0	0		0	0	0		d	d	d	d	d	d	127	94	157		n/a	n/a	94	0
Stone, clay, and glass products 64R/	d	d	d		d	d	d		d	d	d	d	d	d	d	d	d		n/a	n/a	n/a	n/a
Educational services 85R/	364	353	346		d	d	d		d	d	d	d	d	d	d	d	1,093		n/a	n/a	n/a	n/a
Paper and allied products	0	0	0		0	0	0		0	0	0	0	0	0	0	0	0		0	0	0	0
Furniture and fixtures	0	0	0		0	0	0		0	79	77	0	0	0	d	d	d		0	0	n/a	n/a
Petroleum and coal products	0	0	0		0	0	0		0	0	0	0	0	0	0	0	0		0	0	0	0

Rubber and misc. plastics products	d	d	d		d	d	0		0	d	d	d	d	d	d	d	d	n/a	n/a	n/a	n/a
Tobacco products	0	0	0		0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Textile mill products	0	0	0		d	0	0		0	0	0	0	0	0	0	d	d	0	0	n/a	n/a
Other transportation equipment 67R/	584	708	905		0	0	0		0	0	0	0	0	0	d	d	d	0	0	n/a	n/a
Motor vehicles and equipment	0	0	0		0	0	d		d	d	0	0	0	0	0	0	d	0	0	0	0
Leather and leather products	0	0	0		0	0	0		0	0	d	d	d	d	0	0	0	n/a	n/a	0	0
Museums, botanical, zoological gardens 87R/	0	0	0		0	0	0		d	d	d	d	d	d	d	d	d	n/a	n/a	n/a	n/a
Chemicals and allied products	0	0	0		0	0	0		0	0	0	0	0	0	0	0	d	0	0	0	0
Water transportation	0	0	0		0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Oil and gas extraction	399	471	353		0	157	334		275	256	388	472	138	125	234	248	242	-19	-12.1%	110	79.7%
Electronic and other electric equipment 66R/	0	0	0		93	90	0		0	0	0	0	0	0	0	0	d	-90	0	0	0
Apparel and accessory stores	540	724	755		968	842	632		773	654	800	796	696	534	618	d	d	-146	-17.3%	n/a	n/a
Railroad transportation	d	d	d		d	182	104		0	0	0	0	0	0	0	0	0	-182	0	0	0
Nonmetallic minerals, except fuels	0	118	403		d	202	134		209	203	d	0	0	d	d	d	d	-202	0	n/a	n/a
Metal mining	0	0	0		d	133	128		209	203	d	-96	-94	d	d	0	0	-227	-	94	0
Miscellaneous manufacturing industries	0	0	0		d	693	668		920	901	753	438	428	391	389	342	370	-265	-38.2%	-86	-20.1%
Forestry, fishing, and other 8/	730	411	383		531	615	347		374	398	403	399	296	282	344	d	d	-319	-51.9%	n/a	n/a
Legal services	735	812	866		1,868	1,861	2,130		1,334	1,227	1,488	1,606	1,423	1,566	1,523	1,555	1,798	-438	-23.5%	132	9.3%
General merchandise stores	757	805	810		550	483	687		d	d	d	d	d	d	d	d	d	n/a	n/a	n/a	n/a
Industrial machinery and equipment 65R/	146	195	195		273	1,896	1,826		791	383	266	227	155	247	258	336	344	-1,741	-91.8%	181	116.8%
Trucking and warehousing	6,507	5,023	5,106		10,698	10,170	8,205		10,402	9,483	9,374	7,859	8,296	8,508	9,725	10,861	10,529	-1,874	-18.4%	2,565	30.9%
Building materials and garden equipment	1,589	1,961	2,035		2,716	2,380	2,214		d	d	d	d	d	d	d	4,480	4,531	n/a	n/a	4,480	0

[Footnotes](#)

Maps



Analysis



Regional Economies Assessment Database (READ)^{(C) 2001}
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