

Center for Applied Economic Research

analyzing issues, creating knowledge, informing decisions



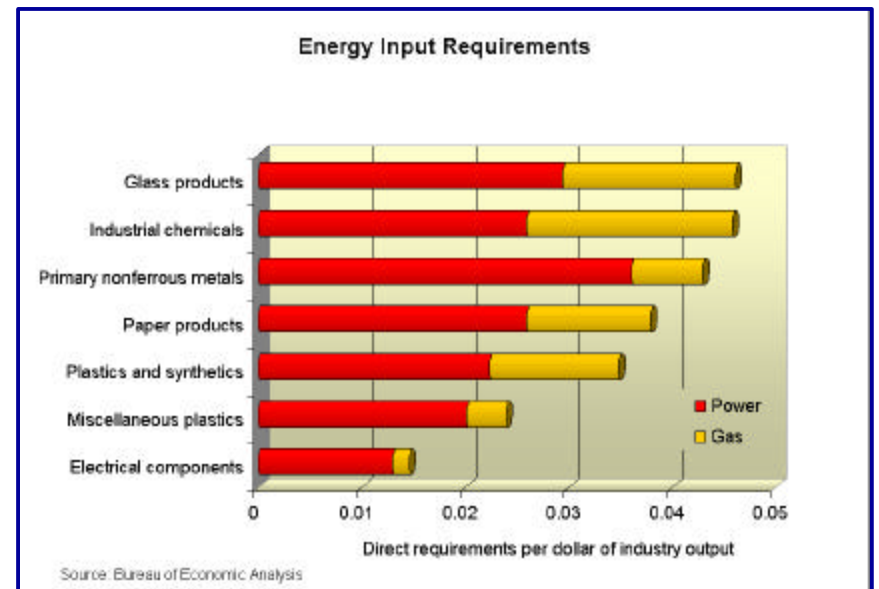
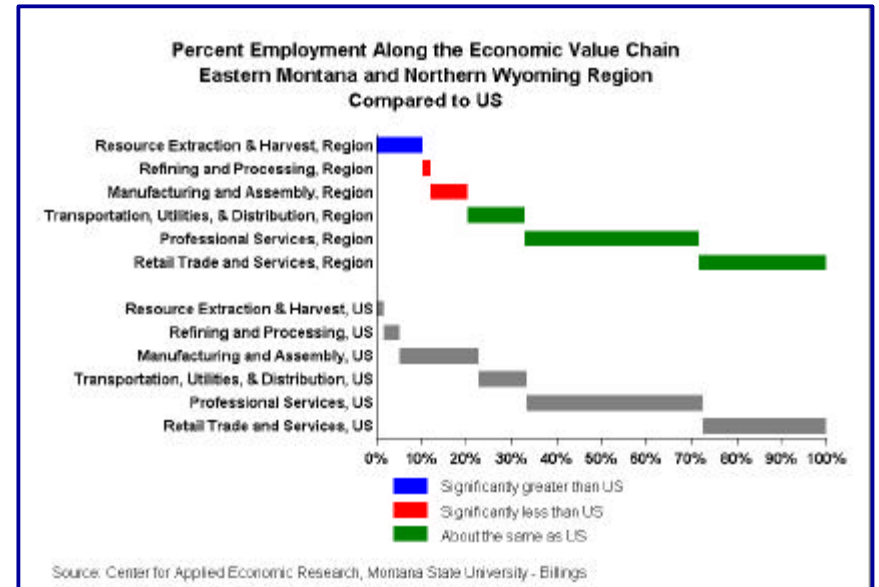
Regional economic development

Our Regional Economics Program supports economic development in the Eastern Montana and Northern Wyoming region through research and analysis of economic issues. Given our region's indigenous natural resources, labor, and culture, we seek to understand how the factors that we can influence combined with the external opportunities that we face shape our economic development. The influential factors that we influence as a region include labor market conditions, tax and regulatory environment, transportation and utilities infrastructure and services, economic value chain activity, and housing market conditions. Through the use of our analytic database and economic models, we can understand how decisions regarding these factors impact our economy and shape our economic future. Our goal is to support local and regional decision-making to provide for a future that has more economic opportunities in our rural areas, diverse occupational and higher-wage job opportunities, and a sustainable economic, social, and natural environment.



Regional economic activity

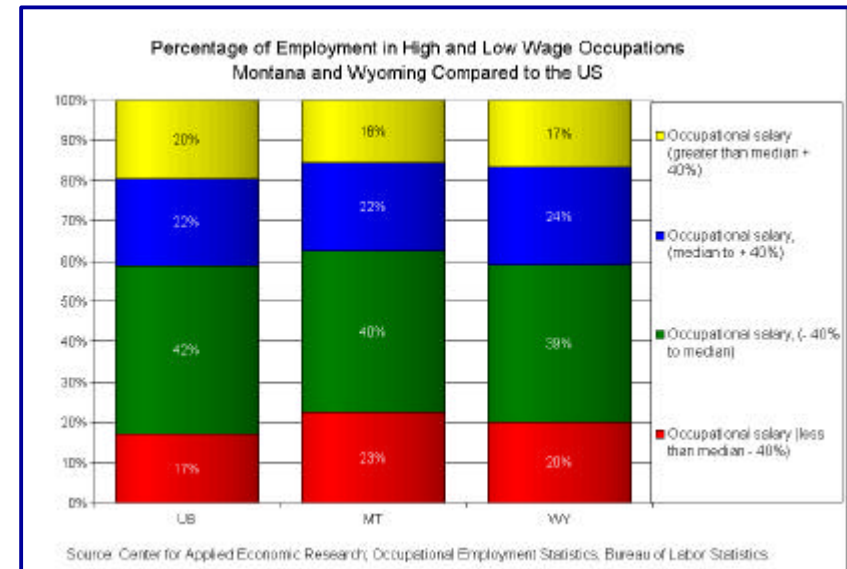
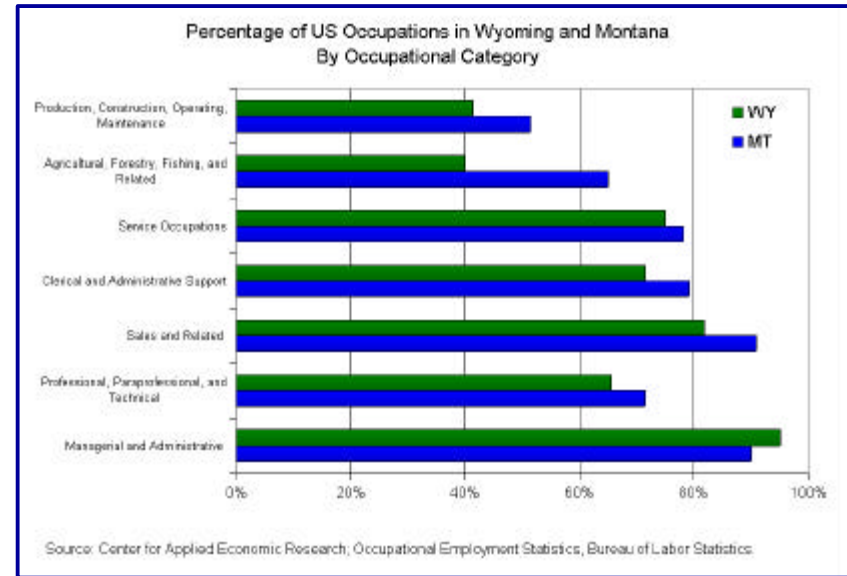
It is widely recognized that economic activities that add value to natural resources provide diverse occupational opportunities, relatively high-wage jobs, a stable economy that is not as susceptible to boom-bust cycles that hurt small and family-run businesses, and large regional multipliers that boost earnings and our tax base. As a region, we currently lack economic activity in the value-added sectors compared to the nation as a whole. We ship our raw resources outside the region where refining, processing, manufacturing, and assembly activities take place, and then we transport these value-added products back into the region for purchase. So our economic activity tends to be heavily weighted towards resource extraction and harvest on the one end of the economic value chain, and retail trade and services on the other end. To change our economic structure over time, we must look at external opportunities as well as our regional competitive advantages and the economic factors in our region that we can influence. For instance, consider the energy resource advantage that our region enjoys. Energy plays an extremely important role in the value-added activities. How can we as a region take advantage of energy resources, technologies, and markets to develop the value-added activities that we lack? Industries that have high energy intensities are very sensitive to energy price fluctuations, as small upward price movements can quickly make production uneconomic. With the current instability in power markets, how can we change the regulatory structure and the other factors that we control to take advantage of this external opportunity and our energy resource advantage?



Occupational opportunities and wage levels

As a result of the skewed distribution of our regional economic activity, our region lacks diversity of occupational opportunities, has relatively few high-wage job opportunities, and is one of the poorest areas of the country. Wyoming has employment opportunities in only fifty-six percent of all the occupations found in the US, according to the Occupational Employment Statistics, while Montana has opportunities in only sixty-four percent of occupations. In the Managerial and Administrative, Sales, Clerical and Administrative Support, and Service occupational categories, Montana and Wyoming have diverse occupational choices, with employment opportunities in over 70% of the occupations listed for the US. In contrast, Wyoming and Montana lack diverse occupational opportunities in the Production, Construction, Operating, and Maintenance category. In this category, Wyoming has employment in 41% of occupations, and Montana has employment in 51%.

Compared to the US, Montana and Wyoming have more people employed in low-wage occupations. In Montana and Wyoming respectively, 23% and 20% of employment is in occupations that, on a national basis, earn at least 40% less than the 1998 median occupation in the US. The percentage employment in this category for the US is 17%. Just the opposite is true for high-wage occupations. Only 16% and 17% of employment in Montana and Wyoming is in the high-wage occupations, compared to 20% in the US.



Research services

Regional Advisory Service

- Regional economic and demographic data
- Regional economic knowledge base
- Regional economic indicators
- Regional and local economic models
- Economic consulting services

Economic Impact Studies

- Interview and survey data collection
- Regional impact modeling
- Scenario analysis

Economic Development Studies

- Export market analysis
- Interview and survey data collection
- Regional economic modeling
- Policy, regulatory, and tax analysis

The Regional Economics Program at the Center for Applied Economic Research has broad capabilities in regional economic research. Our Regional Economic Advisory Service provides decision support for economic development organizations and businesses in our region. Our service includes access to regional economic and demographic data, a regional economic knowledge base, regional economic indicators, regional and local economic models, and economic consulting services. We also conduct regional economic impact and development studies. Our economic impact services include interview and survey data collection, and regional impact modeling and scenario analysis. Our economic development services include export market analysis, interview and survey data collection, regional economic modeling, and policy, regulatory, and tax analysis. We also offer housing and transportation research services. Our housing services include local housing price analysis, consumer preference and attitude surveys, analysis of housing features and hedonic modeling, new construction fiscal impact models for local areas, and energy efficiency and end-use demand modeling. Our transportation research services include demand studies and consumer preference and attitude surveys.

Housing Research

- Local housing prices and affordability
- Housing features and hedonic modeling
- Consumer preference and attitude surveys
- New construction fiscal impact models
- Energy efficiency and end-use demand modeling

Transportation Research

- Transportation demand studies
- Consumer preference and attitude surveys

Contact information

The Center works in partnership with regional and local organizations and businesses. Please contact us if you are interested in partnering with the Center on an on-going or project basis, or if you have any questions about our research program.

The Center for Applied Economic Research is a non-profit, non-advocacy research organization affiliated with Montana State University – Billings. Our mission is to support economic development throughout the region through economic research and analysis, knowledge creation and dissemination, and collaborative problem-solving.

Center for Applied Economic Research
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