



November 15, 2023

6TH MIGRATION: GALLATIN COUNTRY AND BOZEMAN MONTANA

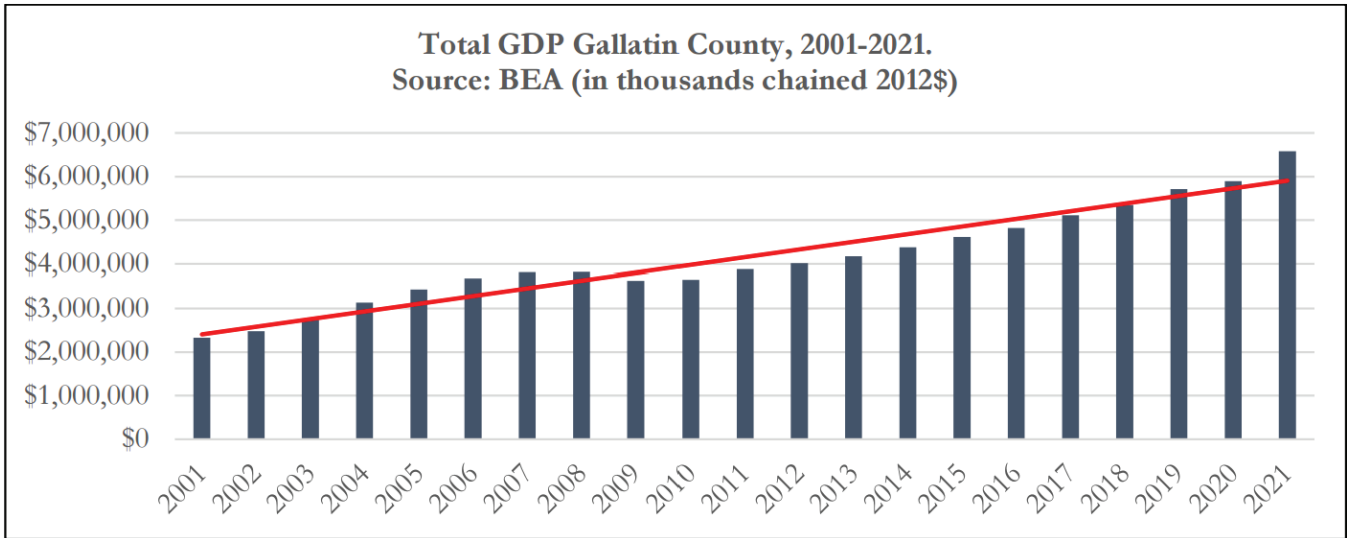
THE ECONOMIC VIABILITY OF GALLATIN COUNTY AND BOZEMAN: MACRO TRENDS

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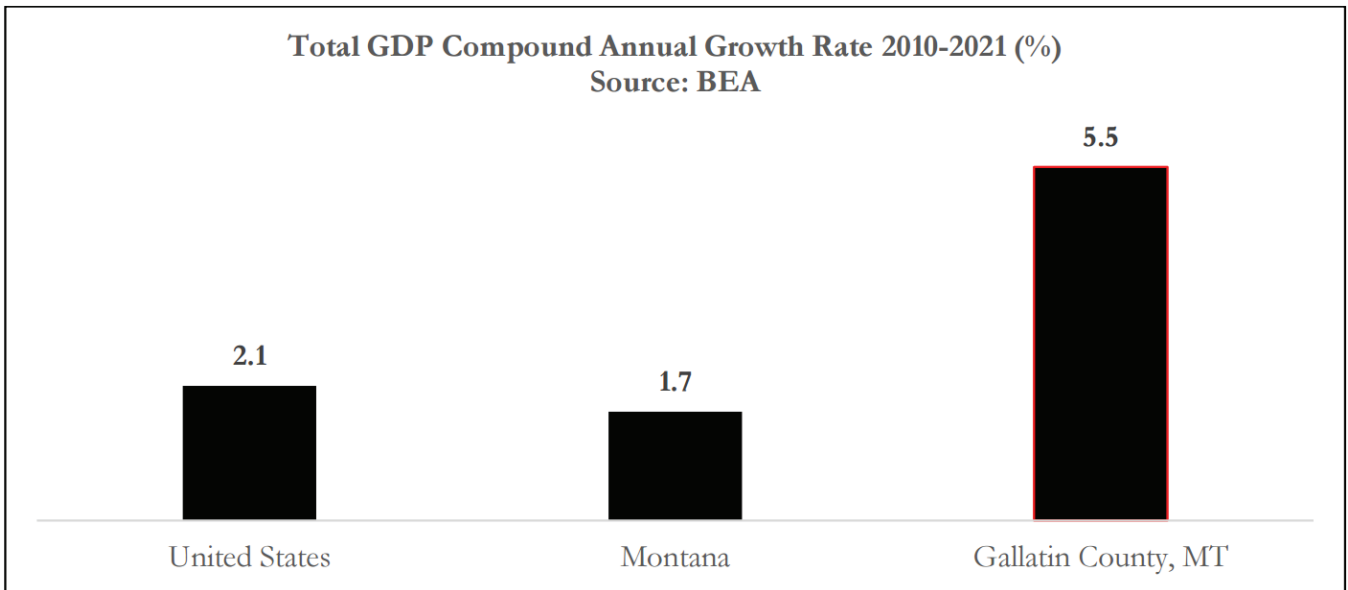


The economic footprint of Gallatin County, MT—the county seat of which is Bozeman—is measured by its Gross Domestic Product (GDP), defined as the total value of goods produced and services delivered. GDP is an upstream source of a place’s economic viability, from which all downstream economic activity, including commercial real estate, flows.

The Total GDP in Gallatin County was \$2.3 billion in 2001, before rising to \$3.6 billion in 2010, and then \$ 6.6 billion in 2021.

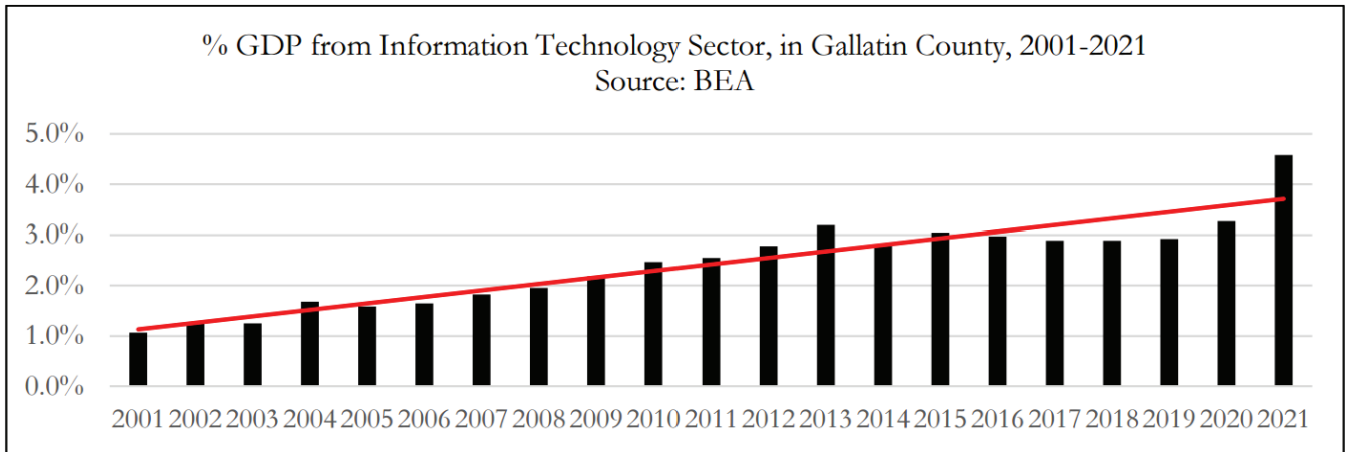


Over the last decade, the compound annual growth rate of GDP in Gallatin County was 5.5%, triple that of the State of Montana (1.7%). And over double that of the United States (2.1%).

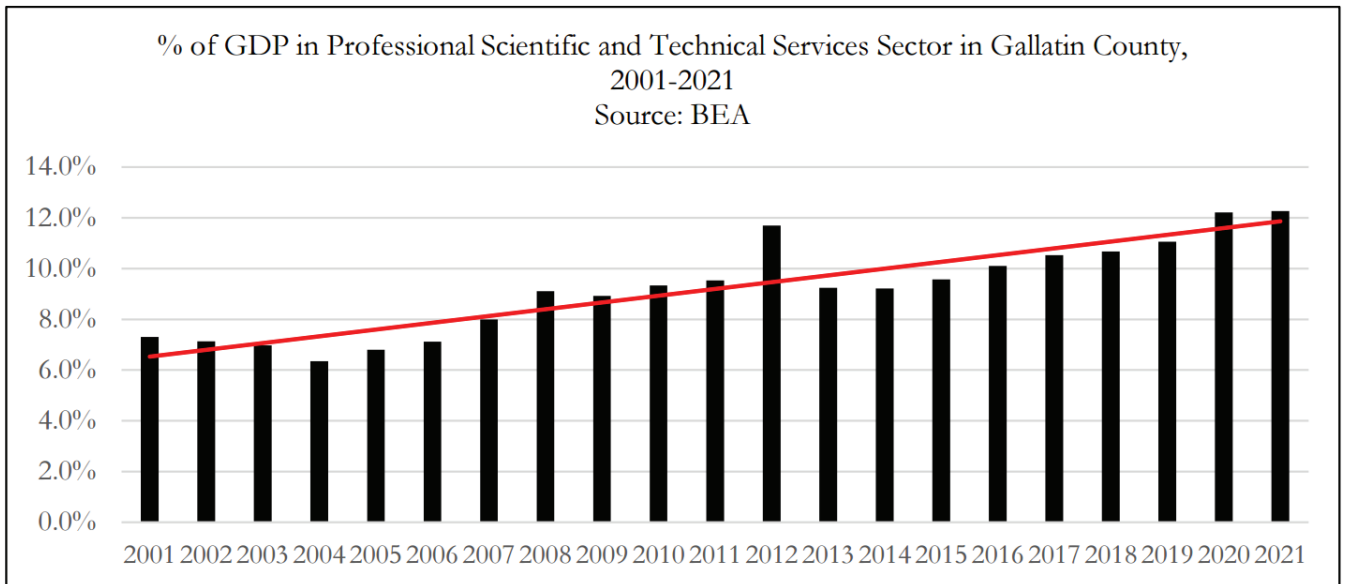


Gross Domestic Product (GDP) is comprised of economic activity across a number of industrial sectors. Examples, here, include manufacturing, education and healthcare; finance, insurance, and real estate; leisure and hospitality, information technology, etc. To the extent a place’s GDP is growing relates in part to whether or not that place is tapped into emerging industrial sectors, like information technology. As opposed to being tied to declining sectors, like natural resource extraction, manufacturing, etc.

The percentage of GDP in Gallatin County that comes from Information Technology increased from 1.1% in 2001 to 4.6% in 2021. Note the spike occurring post-Covid, going from 3.3% in 2020 to 4.6% in 2021



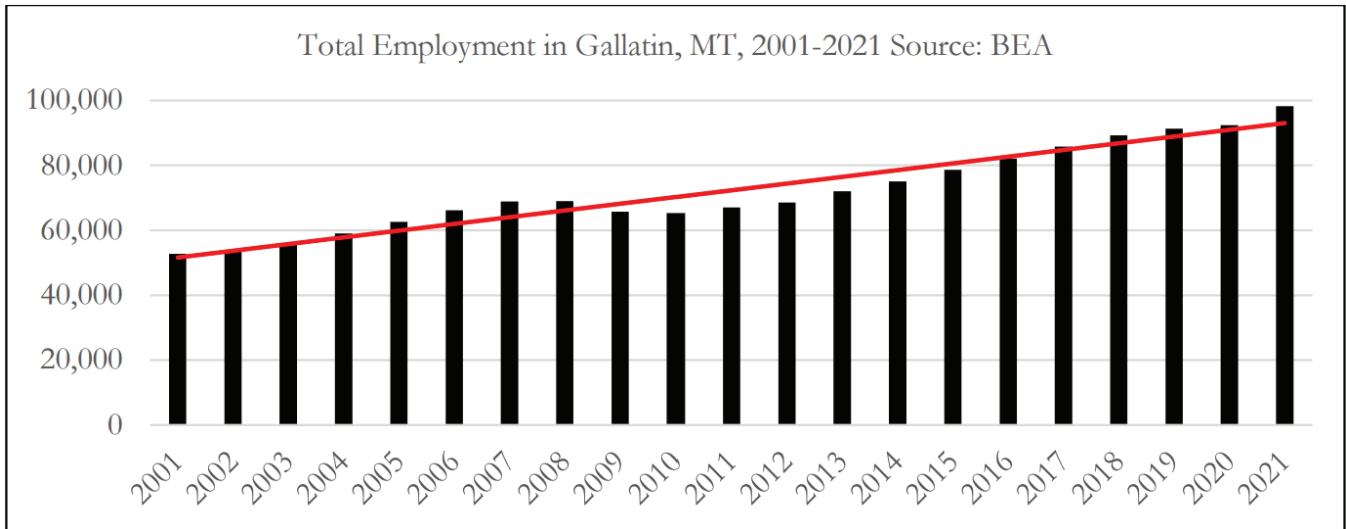
Another high-tech sector—i.e., Professional, Scientific, and Technical Services—is also growing in Gallatin County. In 2001, occupational activities in this sector comprised 7.3% of Gallatin’s economic output, increasing to 12.3% by 2021. Activities that comprise this sector require a high degree of expertise and training, including computer science, software engineering, legal services, research science, architectural design, executive management, among others.



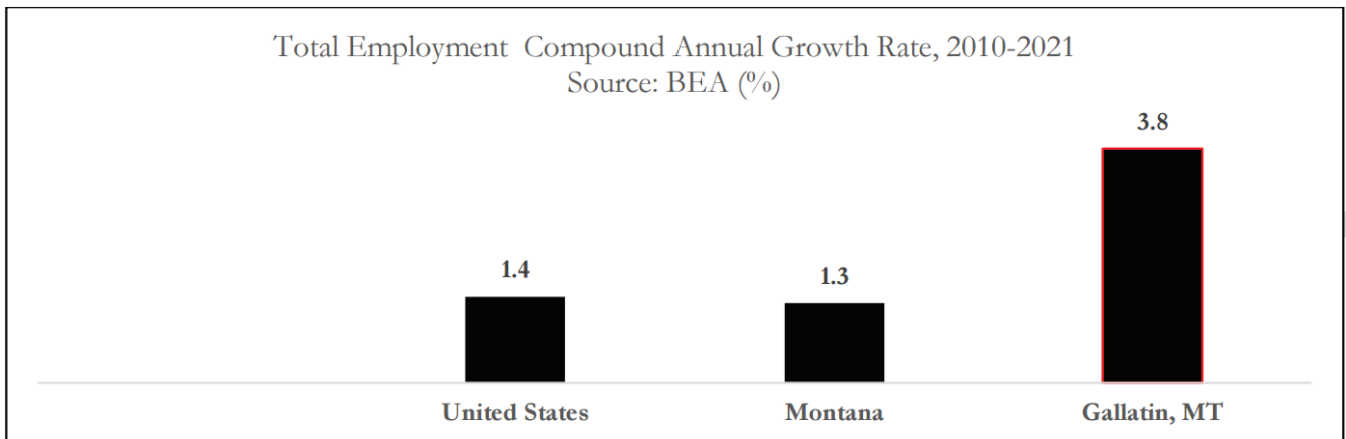
The more a region’s economy is tied to higher tech and/or higher-skill industrial sectors, the more the job growth.

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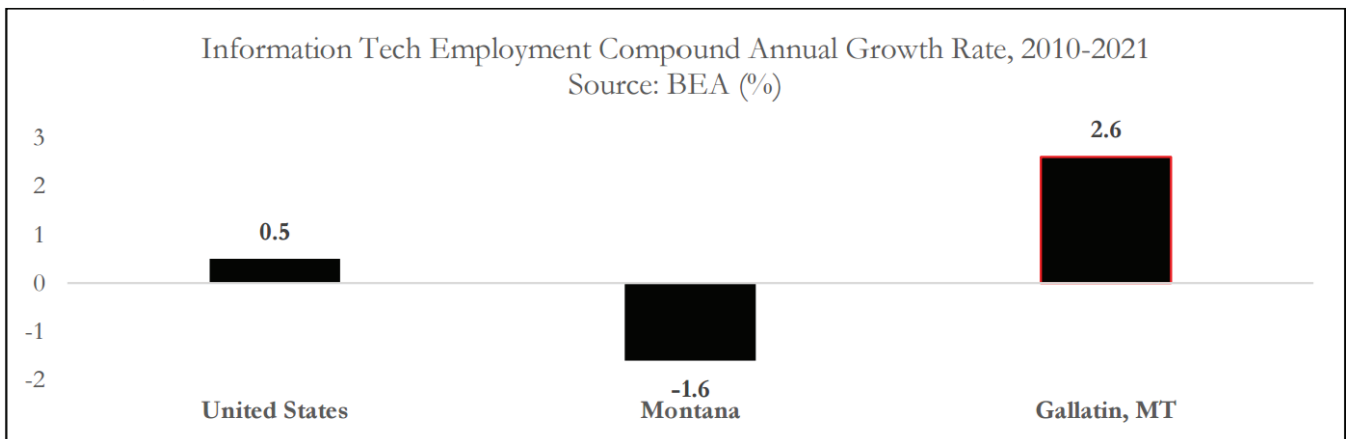
Total Employment in Gallatin County went from 52.7k jobs in 2001 to 65.5k in 2010. By 2021, Gallatin County’s job totals reached 98.3k.



Between 2010 to 2021, Gallatin County’s compound annual job growth rate was 3.8%, over double that of Montana (1.3%) and the United States (1.4%).

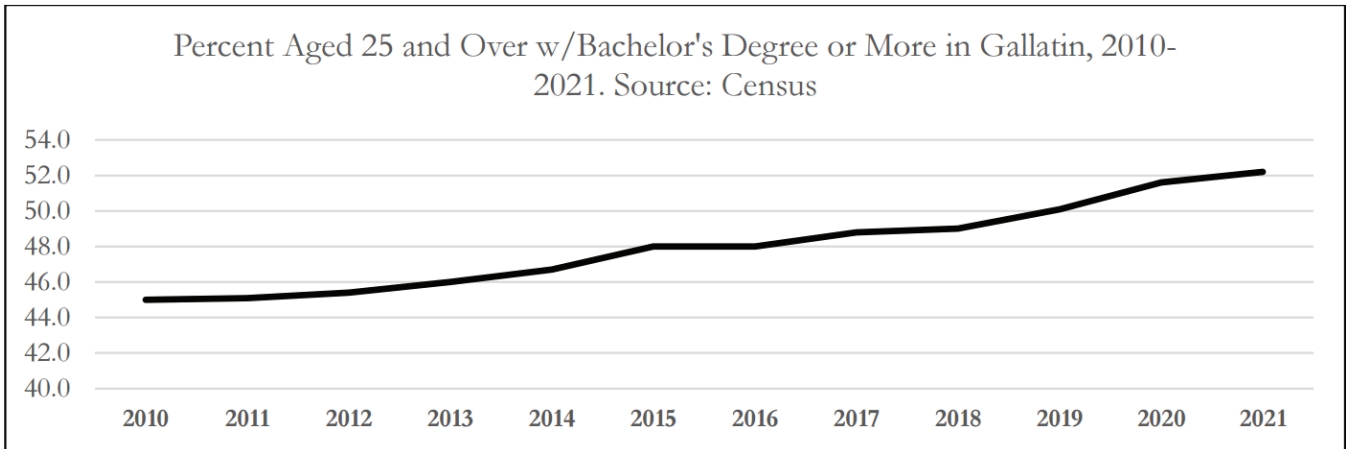


Tracking IT jobs only, Gallatin County’s Information Technology sector grew jobs at an annualized rate of 2.6% from 2010 to 2021, well over the rate of the United States (0.5%) and the State of Montana (-1.6%)

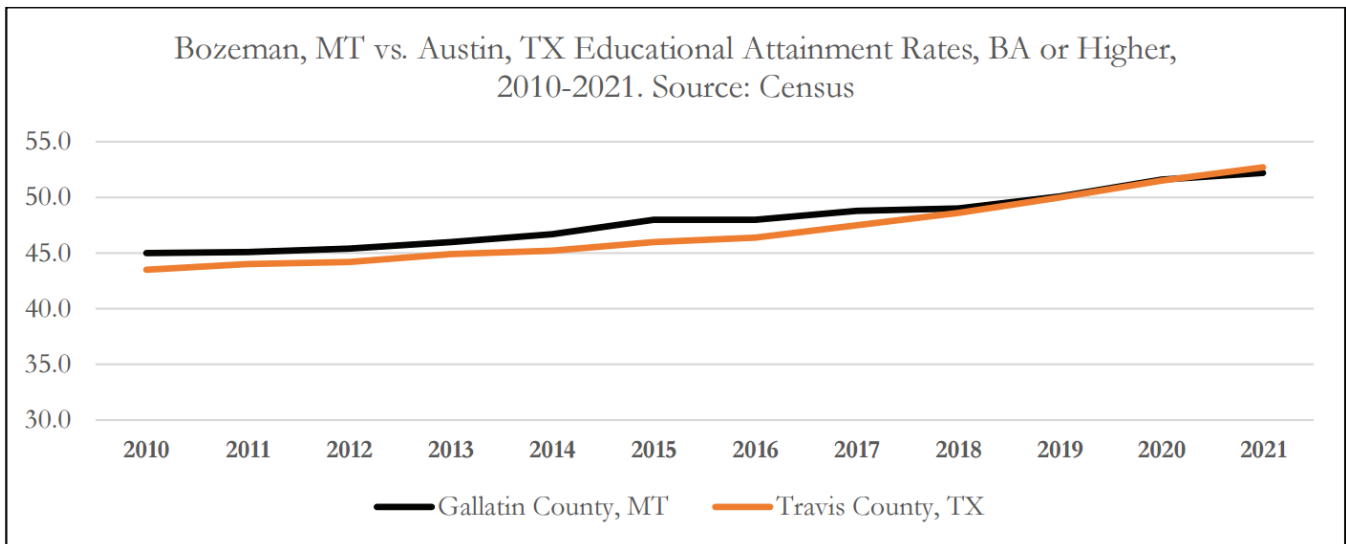


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As Gallatin County, including the county seat of Bozeman, continues its transition into a higher tech knowledge economy, this is increasingly reflected demographically by a phenomenon known as “brain gain”. The percentage of adults aged 25 and over with a bachelor’s degree or higher in Gallatin County went from 45% in 2010 to 52.2% in 2021.

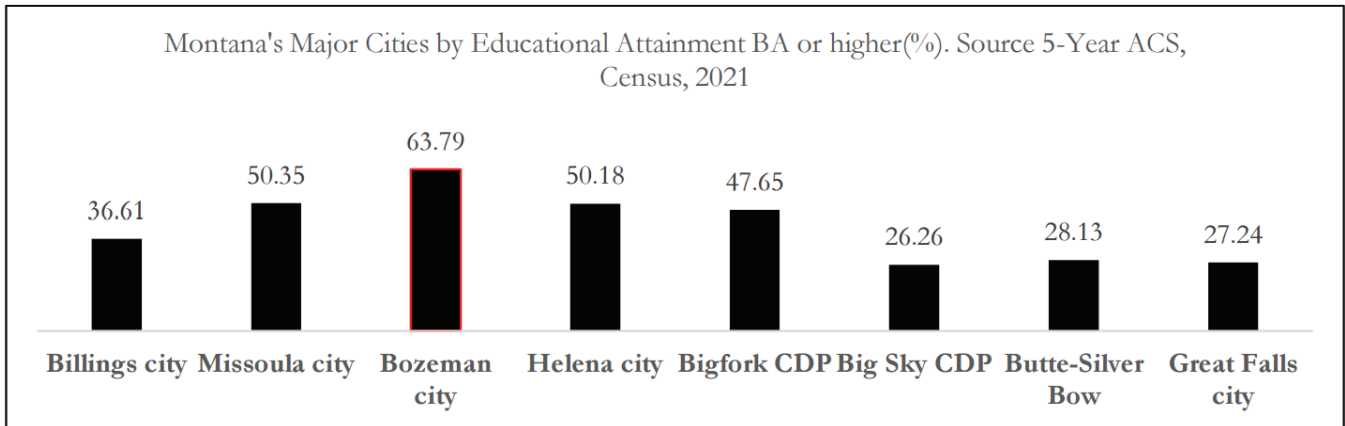


This trajectory of brain-gain in Gallatin County mirrors that of Travis County, TX the county seat of which is Austin.



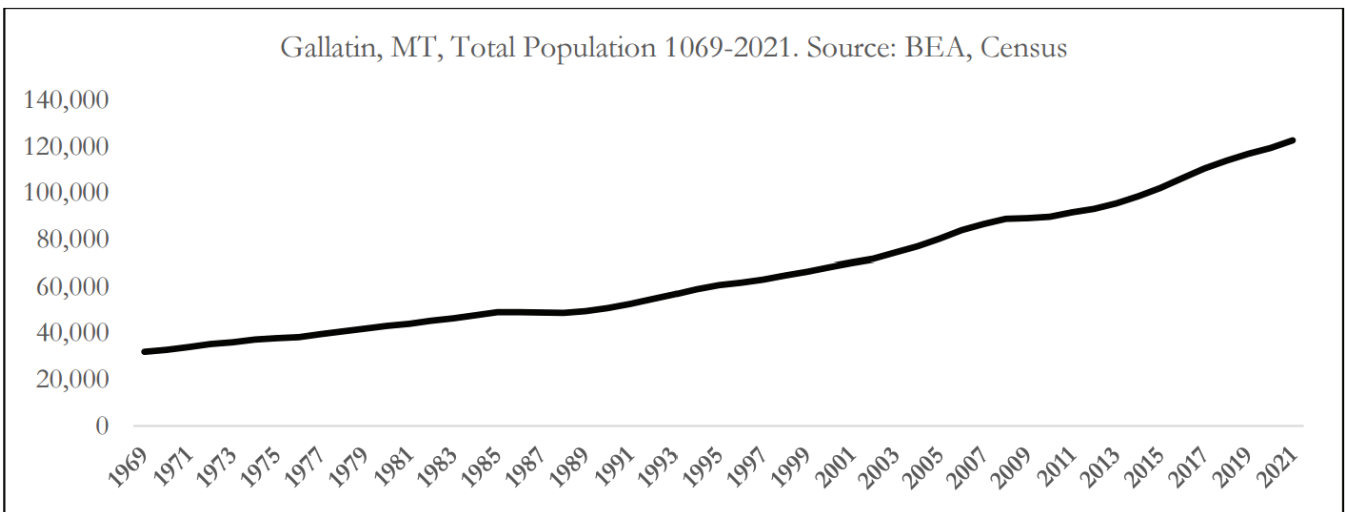
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The largest concentration of adults aged 25 and over with a bachelor’s degree or higher in Gallatin County’s major cities is Bozeman (63.79%), followed by Missoula (50.35%) and Helena 50.18%



The upstream, macro, factors of Gallatin County’s economic viability have been demonstrated. Downstream factors that result from this economic evolution include total population via the act of migration. As a place becomes a center of economic vitality, it acts as a magnet, drawing in residents, like moths drawn to a flame.

The total population of Gallatin County went from 32k in 1969 to 122.7k in 2021.



Over the last decade plus, Gallatin County’s compound annual growth was 2.9%, well over the State of Montana (1.0%) and the United States (0.6%).

The population in the City of Bozeman, the county seat of Gallatin, grew by a compound annual growth rate of 3.3%

