



Montana's Healthcare Workforce

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Montana Department of
LABOR & INDUSTRY



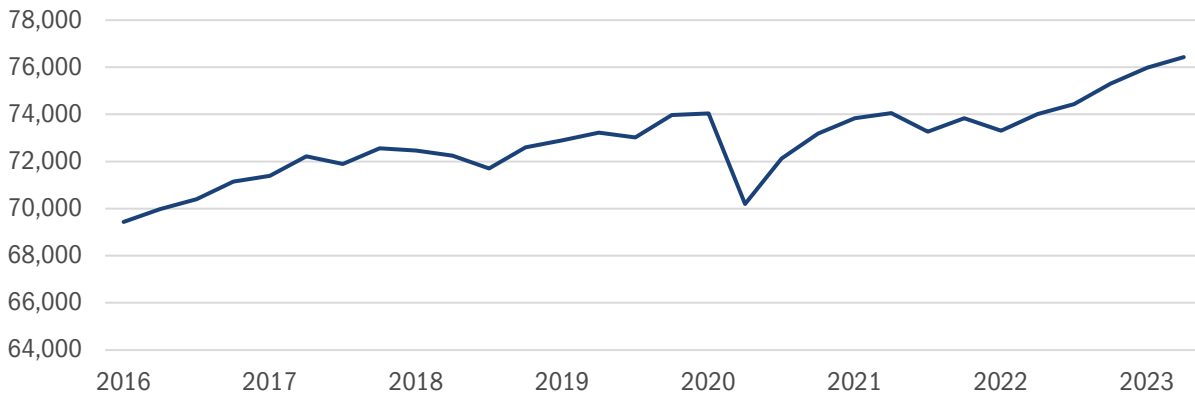
As Montana’s population has grown and aged, the demands on the state’s healthcare industry have grown as well. Healthcare is the state’s largest employing industry, with over 74,000 employees – including medical professionals and supportive staff, like accountants, cooks, and janitors. These individuals all play an important role in ensuring Montanans have access to high-quality healthcare services. This article summarizes the long-run growth in the healthcare workforce and estimates future demand for healthcare workers in the face of a growing and aging population.

Stable Employment Growth

Healthcare has been a stable source of employment growth in Montana over the last few decades. Since 2000, healthcare jobs grew at an average annual rate of 2.1%, compared with 1.2% across all industries. The COVID pandemic caused a significant but short-lived decline in healthcare employment in 2020. However, healthcare employment has since recovered, with total employment surpassing pre-pandemic levels by 2.8% in 2023.

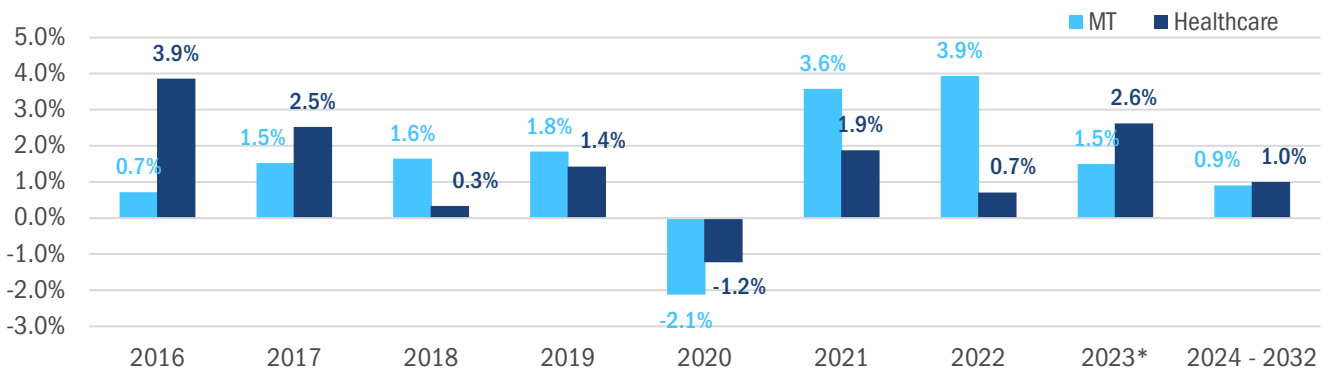
Figure 1A shows the number of jobs in the healthcare industry since 2016 and **Figure 1B** shows employment growth relative to the statewide average since 2016.

FIGURE 1A
Jobs in Montana’s Healthcare Industry (quarterly)



Source: BLS. QCEW. Includes private and public data for NAICS 62. Data available at lmi.mt.gov.

FIGURE 1B
Annual Employment Growth



Source: US Bureau of Labor Statistics. Healthcare employment QCEW through 2023Q2. Statewide employment growth as measured by Local Area Unemployment Statistics (LAUS) through Oct 2023. MTDLI 2022 – 2032 Employment Projections.

Healthcare employment growth over the last five years has slowed relative to the long-run average due to tight labor markets and the impact of the COVID-19 pandemic. Tight labor markets made recruitment a challenge across all industries, including healthcare, due to strong demand for workers coupled with high levels of retirements. Impacts from the COVID-19 pandemic may have exacerbated this challenge for healthcare. Over a quarter of employed registered nurses (RNs) and about one-third of employed licensed practical nurses (LPNs) plan on retiring or leaving nursing within the next five years.¹

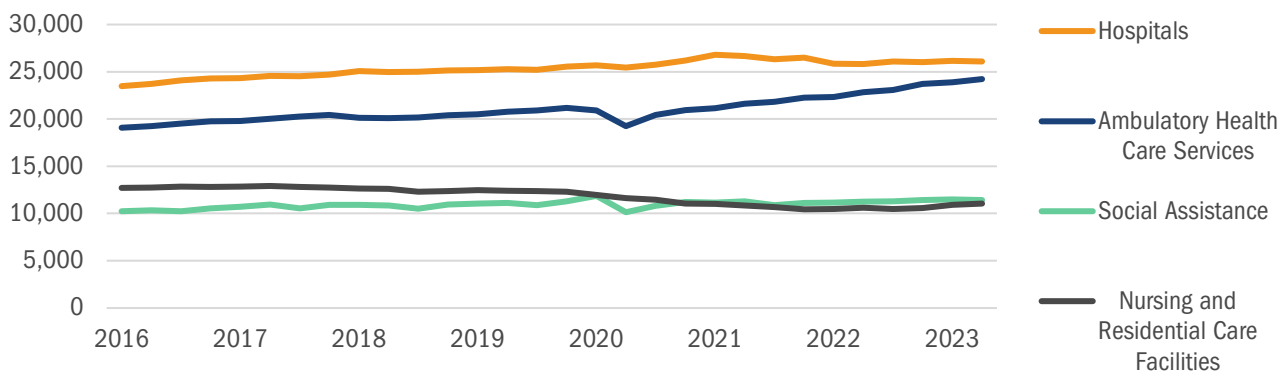
¹ Trautman, Emily. “The Status of the Nursing Workforce in Montana. A Summary of the Results from the National Council State Board of Nursing 2022 Survey.” MTDLI. Oct 2023.

Despite the slowdown, the Montana Department of Labor & Industry (MTDLI) projects healthcare employment to continue to grow steadily over the next ten years, at an average annual rate of 1.0% per year. Steady healthcare job growth is projected because Montana’s population is both growing and aging, creating more demand for healthcare services. This job growth translates to about 820 jobs per year, the second highest among industries. The healthcare industry is projected to account for 15% of Montana’s growth in employment over the next ten years.

Sources of Healthcare Employment

Hospitals are the largest employers within the healthcare industry, with over 26,000 employees. Hospital employment increased during the COVID-19 pandemic, as the demand for emergent healthcare services rose. Job growth continued to accelerate in 2021, but then declined throughout 2022 due to slowing demand after peak need during the pandemic. **Figure 2** shows the change in hospital employment since 2016 compared to employment in the other healthcare subindustries - ambulatory healthcare services, nursing and residential care, and social assistance.

FIGURE 2
Jobs in Montana’s Healthcare Industry, by Subindustry (Quarterly)



Source: BLS. QCEW. Includes private sector data only. Data available at lmi.mt.gov.

Ambulatory healthcare is the second largest subindustry, with 23,000 jobs. Ambulatory healthcare services include health practitioners providing outpatient services, such as general physician offices, dental and eye care, and home healthcare. Employment declined among these providers in 2020 because they offer more non-emergent health services that were delayed temporarily. However, employment growth has accelerated rapidly in 2023, likely in response to pent-up demand for ambulatory healthcare services accumulating during the pandemic. Employment was up over 6% in 2023Q2 compared with one year prior.

Social assistance is the third largest subindustry, with 11,300 jobs. Social assistance includes employers offering social assistance directly to clients, such as childcare services, vocational rehab services, community food and housing, and other individual or family services. Many of these non-emergent social services were delayed temporarily in 2020. Therefore, social assistance employment fell in 2020 but has since recovered and has continued to grow in 2023.

Nursing and residential care is the smallest healthcare subindustry with 10,500 jobs. Nursing and residential care has experienced job growth at the end of 2022 and beginning of 2023. However, over the long-term nursing and residential care has faced job declines unrelated to the recent recession. Those job losses accelerated in 2020 as the pandemic created significant challenges for these facilities.

Healthcare Workforce Needs

The MTDLI projects an increased need for healthcare providers over the next ten years due to the state’s aging population and accelerated in-migration. An additional 670 healthcare professionals, like nurses and doctors, will be needed each year to meet the increased demand for healthcare services.² The state will also need to fill job openings created by turnover among the existing healthcare workforce. In total, MTDLI projects over 6,000 job openings for healthcare professionals per year through 2032.

Figure 3 shows the top ten healthcare occupations with the most projected job openings over the next ten years. Job openings in these ten occupations account for nearly three-quarters of all projected healthcare job openings in Montana. Home health and personal care aides top the list with nearly 2,000 job openings projected each year. About 86% of these openings are generated from turnover among the existing workforce. Home health and personal care aides help individuals with disabilities or illness who require health-related care or daily living support. MTDLI projects an additional 270 home health and personal care aides are needed each year to keep up with the growing demand for their services among the state’s aging population.

FIGURE 3
Annual Projected Job Openings within Healthcare Occupations

	Total Openings	Exits	Transfers	New Jobs	Median Wage
Healthcare Occupations	6,062	2,606	2,787	670	
Home Health and Personal Care Aides	1,952	901	779	272	\$29,140
Nursing Assistants	746	316	409	21	\$35,540
Registered Nurses	638	331	256	51	\$76,550
Medical Assistants	305	93	186	25	\$40,130
Dental Assistants	224	83	132	10	\$38,390
LPN and LVNs	160	74	76	11	\$51,740
Pharmacy Technicians	132	47	71	14	\$39,070
Veterinary Assistants and Laboratory Animal Caretakers	115	31	71	14	\$28,710
Veterinary Technologists and Technicians	97	26	51	20	\$36,160
Nurse Practitioners	87	22	28	37	\$127,350

Source: MTDLI Occupational Projections 2022-2032

MTDLI also projects a significant number of job openings for nurses over the next ten years – including nursing assistants, RNs, LPNs/LVNs, and nurse practitioners. Montana’s healthcare system relies on a highly skilled nursing workforce, and over a quarter of all healthcare job openings are projected to be in nursing. An estimated 750 job openings for Certified Nursing Assistants (CNA) are projected each year through 2032 – the most among nursing occupations. 97% of these job openings are generated by turnover within the existing workforce.

² The difference between the healthcare industry projected job growth (820 jobs per year) and the healthcare occupational projection (670 jobs per year) is that the industry projection includes all workers working in healthcare establishments, including medical professionals and supportive staff like accountants, cooks, and janitors. Healthcare occupations are specifically healthcare-related, such as doctors, nurses, and medical and dental assistants.

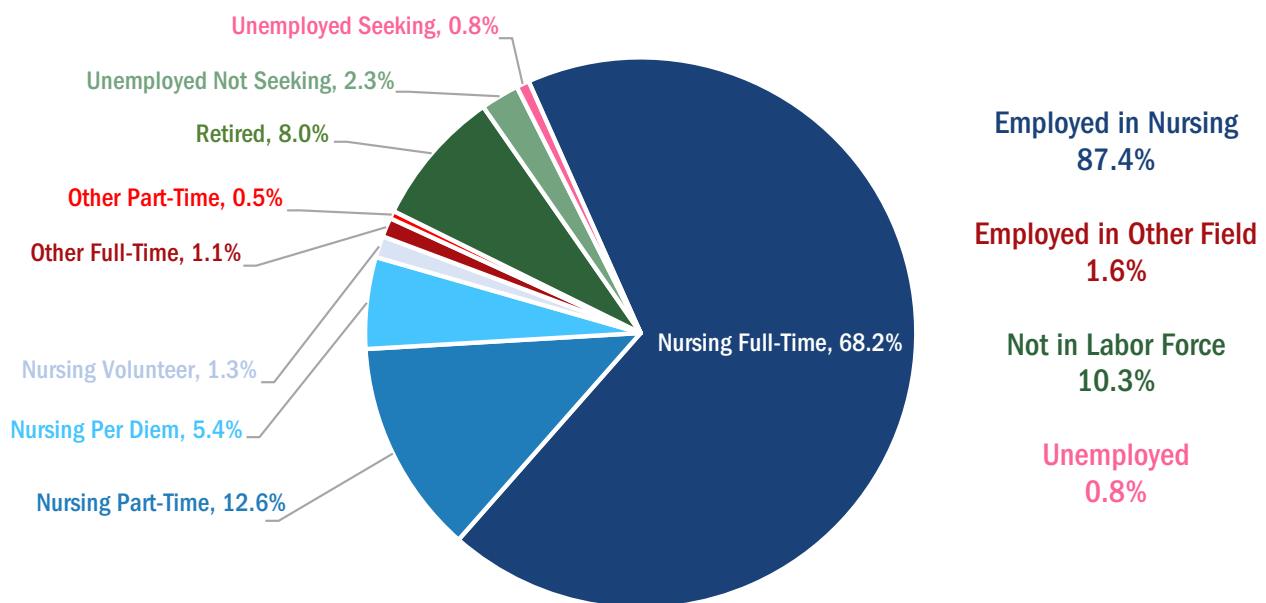
Registered Nurses

An estimated 640 job openings are projected for RNs per year, ranking third highest among healthcare occupations (Figure 3). Over half of these openings are projected due to labor force exits, helping to replace the 26% of RNs who plan to retire over the next five years.³ Another 40% of openings are projected to occur due to career changes and turnover among the existing RN workforce. The remaining 8% of RN job openings are projected due to an increase in demand for the occupation generated as the state's population continues to grow and age.

An active RN license is required to work as an RN in Montana. There are over 20,000 RNs in the state, but not all are working within nursing as shown in Figure 4. About 87% of Montana's licensed RNs are working as nurses, with 68% working full-time. Less than 2% of licensed RNs are employed in a different field, 10% are choosing not to work, and less than 1% are not working but actively seeking nursing employment.

Because there are so few licensees unemployed and actively seeking work in nursing, employers may have a difficult time recruiting from the existing pool of licensees. The largest pool of potential recruits from licensed RNs are those choosing not to be employed at this time. Other than retirement, the most common reason nurses provide for choosing not to work is family reasons, such as taking care of children or adults with illness or disability.

FIGURE 4
Employment Status of Actively Licensed RNs in Montana



Source: MTDLI Occupational Projections 2022-2032

The median wage for Montana RNs is \$76,550, higher than the Montana median wage. According to the survey, self-reported RN median wages increased by 20% following the pandemic. This growth is faster than RN wage growth reported nationwide (14.3%) and faster than wage growth across all Montana jobs (12.6%). Montana RNs fast wage growth was due to increased demand for nurses, inflation, and shifts into higher wage jobs.⁴

³ National Council State Board of Nursing Survey, 2022.

⁴ Smiley, Richard A., et al. "The 2022 National Nursing Workforce Survey." *Journal of Nursing Regulation*. April 2023. [journalofnursingregulation.com/article/S2155-8256\(23\)00047-9/fulltext](https://journalofnursingregulation.com/article/S2155-8256(23)00047-9/fulltext).

Although strong wage growth may help with recruitment and retention, employers may need to consider the workloads and the mental well-being of the existing workforce. Most RNs (61%) reported an increased workload due to the pandemic, and many report feeling emotionally drained, burned out, or like they are at the end of their rope at least a few days a week. Addressing these issues can prevent occupational transfers and exits.

Licensed Practical Nurses

LPNs is the sixth most in-demand healthcare job, with 160 projected job openings each year through 2032. About 93% of projected job openings are due to turnover (exits plus transfers). A high share of retirements is expected from workers in this occupation, with over one-third of employed LPNs reporting plans to retire or leave nursing within the next five years. Montana's licensed LPNs are older than the national average, with a median age of 54 compared with 47 nationally.

Like RNs, LPNs require an active LPN/LVN license to work in Montana. There are about 2,300 licensed LPNs in the state, a slight decline from the 2,600 licensed prior to the pandemic. However, that decline was anticipated as a significant share of licensed LPNs reported plans to retire at the start of 2020.

Licensed LPNs are less engaged in the nursing workforce than Montana's RNs, as shown in **Figure 5**. About 76% of licensed LPNs are employed in nursing, with 62% working full-time. Only 1.1% of licensed LPNs report being unemployed and looking for nursing work, making recruitment from existing licensees challenging for healthcare employers.

Healthcare employers may be able to recruit licensed LPNs who are choosing to work in another field (7% of licensed LPNs) or who are choosing not to work (17%). The share of licensed LPNs working outside of nursing is significantly higher than the share of RNs working outside of nursing, likely due to LPNs earning lower wages than RNs. LPNs earn a median wage of \$51,740. Although reported wages increased for LPNs over the course of the pandemic, by 12%, this wage growth is less than LPNs nationwide (14%) and less than wage growth across all Montana jobs.

There are three factors employers may want to address for LPN recruitment and retention. First, low wages are correlated with higher rates of turnover. Increasing wages to be more competitive may help keep qualified staff. Second workplace or scheduling flexibility may also prove effective as the most common reason for LPNs not



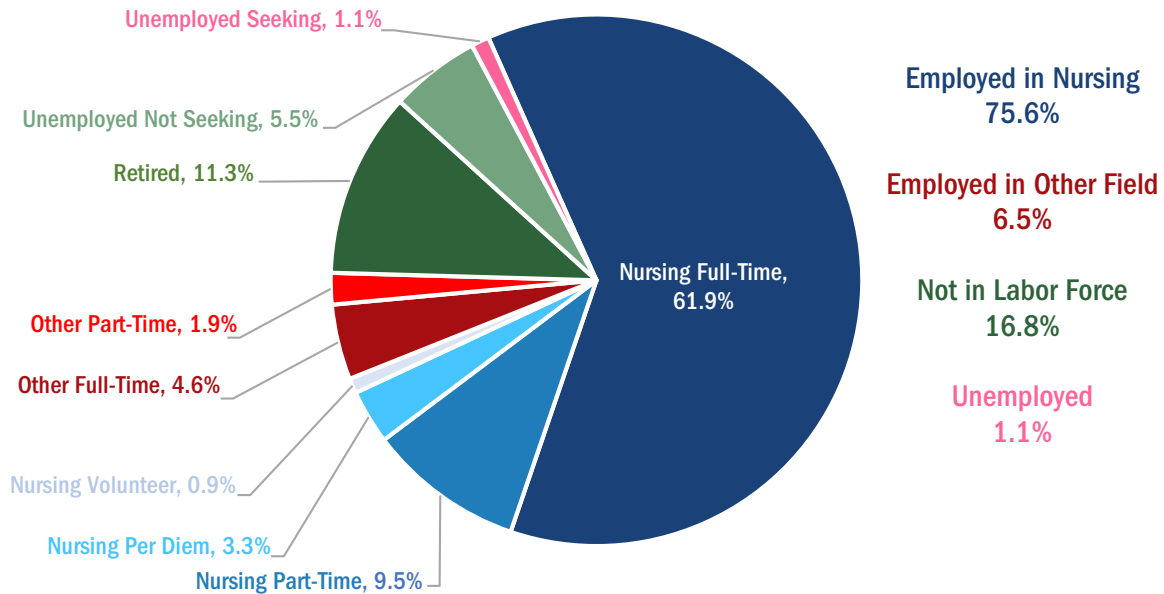
What is the National Council of State Boards of Nursing Survey?

The National Nursing Workforce Survey focuses on providing an overview of the nursing workforce. The survey, conducted by the National Council of State Boards of Nursing and the National Forum of State Nursing Workforce Centers, is sent out to a random sample of individuals that hold either an active RN or an active LPN/LVN license. In Montana, 2,504 RN licensees were mailed a survey, and 640 responded, while 2,214 Montana LPN/LVN licensees received a survey, with 567 responses. 2022 survey responses were collected between April 11, 2022 and September 30, 2022. Data can be compared to the 2020 survey, which was collected between February 19, 2020 and June 30, 2020. Comparisons may help understand the impacts the COVID-19 pandemic had on the nursing workforce.

The analysis presented here focuses on the responses of just Montana licensee respondents, after weighting the data by Montana's age distribution to appropriately represent the state's nursing population. More information on the state-specific survey results is available in **The Status of the Nursing Workforce** in Montana report found on the publications page of lmi.mt.gov under special reports and studies.

participating in the labor force is to care for family. Third is the mental well-being of existing staff. About 57% of employed LPNs report an increased workload due to the pandemic, and some report challenges to their mental health because of the pandemic.

FIGURE 5
Employment Status of Actively Licensed LPNs in Montana



Source: National Council State Board of Nursing (NCSBN) 2022 Survey compiled by MTDLI.

Conclusion

The healthcare industry is Montana’s largest employing industry, and it will continue to grow as a growing and aging population increases the demand for services. However, not all healthcare establishments are growing at the same rate. Ambulatory care that helps with outpatient services is growing rapidly, responding to the demand for routine healthcare. Meanwhile, nursing and residential care facilities are struggling with long-term job declines, which was worsened by the pandemic.

Home health and personal care aides is the most in-demand healthcare job, but finding and keeping workers in this job is difficult with relatively low wages. Other occupations may be just as challenging to recruit qualified staff as they are undersupplied by Montana’s postsecondary system and registered apprenticeship programs. Undersupplied occupations include nursing assistants, medical assistants, dental assistants, LPNs and LVNs, and nurse practitioner.

One solution to healthcare workforce shortages was an initiative by Governor Gianforte. The CARE in Montana program launched at the end of 2021 and reimbursed moving expenses to recruit healthcare workers nationwide. The program was a success with 38 different organizations in 18 Montana counties using limited funding from the program to recruit staff. This success story is an example of ways to help alleviate workforce shortages and improve healthcare for Montanans.