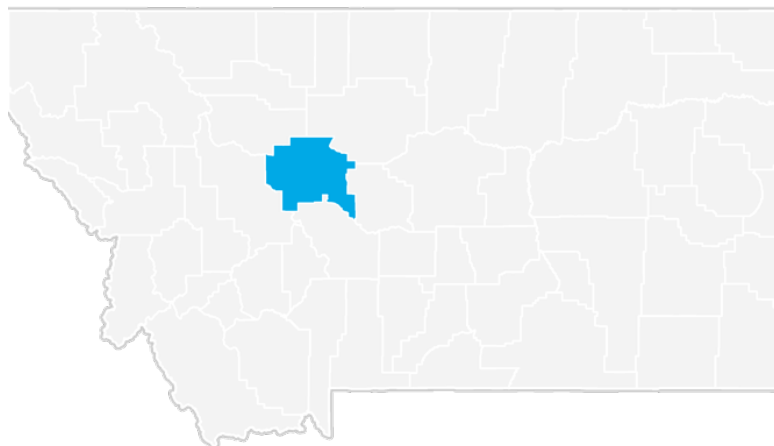




PREPARED FOR
Great Falls Development Authority



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ECONOMIC IMPACT OF COVID-19

ON THE GREAT FALLS REGION, MONTANA

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1. Background

The city of Great Falls is situated on the Missouri River in North Central Montana. The city is the county seat of Cascade County and is the third-largest city in Montana. The city is also the principal city of the Great Falls metropolitan statistical area (MSA).¹ The Great Falls regional economy includes a diverse mix of home-grown businesses and national brands across food/bio/agricultural processing, steel fabrication, energy, Air Force, logistics, and back office/call center operations.²

The Great Falls Development Authority (GFDA) is a public/private economic development partnership with the mission to grow and diversify the Great Falls regional economy, create higher wage career opportunities, and improve market competitiveness.³

Since March 2020, the COVID-19 pandemic has impacted every community and every industry in the United States. GFDA is interested in understanding the economic impact of this pandemic on various industries in the Great Falls region. In addition, GFDA needs to understand the recovery path for those industries.

Information about the pandemic's spread, government response, and effective treatments and prevention has evolved quickly. Among those, state policies have had profound impacts on the state and local economies. Chmura performed thorough research of Montana's stay-at-home policies and the state and regional reopening plans to evaluate their effects on the Great Falls regional economy.⁴

Federal policies have provided some relief to the economy. On March 27, 2020, the U.S. Congress passed—and the President signed into law—the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act temporarily expanded unemployment insurance benefits and provided a \$1,200 payment to eligible Americans. In addition, this law included the Paycheck Protection Program (PPP) that allocated \$349 billion in loans to small

¹ The study region is defined as the Great Falls MSA, which includes Cascade County. The study region is also referred to as the Great Falls region in this report.

² Source: Great Falls Development Authority website at <https://expandtomt.growgreatfallsmontana.org/>.

³ Ibid.

⁴ Section 2 provides details of state and regional policies.

businesses to help them continue to pay their employees.^{5,6} In late April, Congress passed, and the President signed, another piece of legislation that injected \$310 billion to replenish the PPP program.⁷ Those policies allowed many businesses to keep their employees, thus moderating the effects of the COVID-19 pandemic on the economy. However, the expanded unemployment benefits expired at the end of July. As of the date of this report, the prospect of a new relief package is uncertain due to policy differences between different political parties and the transition to a new administration.

As national and regional economies start to recover, one determining factor of the recovery pace is the development of a vaccine or effective treatment for COVID-19. Vaccine trials are lengthy and must be approved by the Food and Drug Administration (FDA) before distribution to the general public. Most individuals will not feel safe resuming their normal activities until an FDA-approved vaccine is widely available. For that reason, the availability of COVID-19 vaccine will have a significant impact on the timing and degree of economic recovery. In November, drug companies Pfizer-BioNTech and Moderna announced effective results from their vaccine clinical trials. In early December 2020, both Pfizer-BioNTech and Moderna applied for emergency use authorization by the United States Food and Drug Administration (FDA).⁸ On December 11, the FDA approved the Pfizer-BioNTech vaccine for emergency use.⁹

Chmura's analysis of the pandemic's impact on the regional economy and its recovery incorporated anticipated industry changes as well as the latest government policy actions. For this report, Chmura first evaluated the impact of COVID-19 on Great Falls industries from the second through the fourth quarter of 2020. During this period, the region was under a stay-at-home order from March through April, resulting in significant job losses for local businesses. The region entered a phased reopening in late April, and is experiencing another surge of COVID-19 infections at the time of this report. Accordingly, Chmura evaluated the region's employment change in the third and fourth quarters of 2020. Finally, Chmura projected employment recovery for regional industries in 2021 and 2022, assuming that vaccines will become widely available to the public in the second quarter of 2021.

⁵ Source: <https://www.washingtonpost.com/business/2020/03/25/trump-senate-coronavirus-economic-stimulus-2-trillion/>.

⁶ This program provides forgivable loans to small businesses so they may pay their employees during the pandemic. The loans will be forgiven as long as they are used to cover payroll, most mortgage interest, rent, and utilities over an eight-week period and if employee and compensation levels do not decrease. Loan recipients were also given the ability to use a 24-week covered period.

Source: <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>.

⁷ Source: <https://www.marketwatch.com/story/house-set-to-pass-bill-that-replenishes-coronavirus-aid-program-for-small-businesses-2020-04-23>.

⁸ Source: <https://www.nytimes.com/interactive/2020/science/coronavirus-vaccine-tracker.html>.

⁹ Source: <https://www.fda.gov/emergency-preparedness-and-response/coronavirus-disease-2019-covid-19/pfizer-biontech-covid-19-vaccine>

2. Impact of COVID-19 on Regional Industries and GDP

This section analyzes the impact of the COVID-19 pandemic on both employment and gross domestic product (GDP) of the industries based in Great Falls. The impact period is from the second through the fourth quarter of 2020.

2.1. State and Local Policies

Chmura first estimated the potential impact of COVID-19 on the national labor market based on research of its impact on different industry sectors, recent releases of unemployment claims, and the latest news reports related to business closures and layoffs. Chmura classified industries by different levels of exposure to the pandemic based on a study by Moody's Investors Service, which categorizes industries into low, moderate, and high levels of exposure.¹⁰

Next, Chmura incorporated information related to the COVID-19 impact that is specific to the state of Montana and the Great Falls region. One of the most significant factors in this evaluation was the state stay-at-home directives and reopening plan. On March 12, Montana Governor Steve Bullock declared a State of Emergency.¹¹ On March 26, Governor Bullock issued a stay-at-home directive and temporarily closed all nonessential businesses and operations to curtail the spread of COVID-19. The directive also prohibited all public and private gatherings of any number of people occurring outside a household or place of residence.¹² Some of the key industries in the region that were deemed essential are health care and public health; law enforcement and public safety; food and agriculture; energy, utilities, and public works; transportation and logistics; critical manufacturing; hazardous materials; and financial services.¹³ Essential businesses were required to comply with social distancing guidelines when possible, including maintaining six feet of distance, having sanitizing products available, and designating hours of operation specifically for vulnerable populations.

The State of Montana developed a phased approach to reopening the state economy. On April 26, 2020, Montana entered Phase One of its reopening plan. Phase One allowed for the opening of non-essential retail operations, restaurants/bars, casinos, gyms, and movie theaters with reduced capacity (50% of capacity) and strict social distancing protocols. Places of worship became operational with reduced capacity and strict social distancing protocols, outdoor recreation became available with strict social distancing orders and sanitation of public facilities, and senior/assisted living facilities remained closed to visitors.¹⁴

On June 1, Montana entered Phase Two of its reopening plan. Under the Phase Two directive, all businesses can remain operational but must adhere to social distancing guidelines; restaurants/bars, casinos, gyms, and movie theaters should remain in the same operational status as Phase One, but with an increase in capacity from 50% to 75%; and employers should minimize business travel and encourage telework when feasible.¹⁵

Throughout the summer of 2020, there was an increase in COVID-19 infections around the country. In response, on July 15, Governor Bullock issued a mask mandate directive. Face coverings are required in indoor spaces open to the public, with masks provided to employees and volunteers. Face coverings are also required for certain organized outdoor activities

¹⁰ Source: <https://www.moody's.com/newsandevents/topics/Coronavirus-Credit-Effects-007054>.

¹¹ Source: http://governor.mt.gov/Portals/16/docs/2020EOs/EO-02-2020_COVID-19%20Emergency%20Declaration.pdf?ver=2020-03-13-103433-047.

¹² Source: <https://news.mt.gov/governor-bullock-issues-stay-at-home-directive-to-slow-the-spread-of-covid-19#:~:text=MONTANA%20%E2%80%93%20Governor%20Steve%20Bullock%20today,the%20spread%20of%20COVID%2D19>.

¹³ Source: <https://www.krtv.com/news/coronavirus/governor-stay-at-home-order-aimed-at-slowing-the-spread-of-covid-19-in-montana>.

¹⁴ Source: <https://covid19.mt.gov/Portals/223/Documents/Reopening%20Montana%20Phase%202.pdf?ver=2020-05-20-142015-167>.

¹⁵ Ibid.

where social distancing is not practical, or where 50 or more people are in attendance.¹⁶ At the time of this report, Montana is still in Phase Two of the reopening plan with the mask mandate in effect.

In the Great Falls region, local government agencies typically follow the state directives. For example, the city of Great Falls has a phased approach to reopen its economy, and the guidance is consistent with the state's reopening plan.¹⁷ Similarly, following state directives, Cascade County Health Department issued orders during the pandemic to limit events and gatherings, and to mandate face coverings.¹⁸

Since November 2020, there has been a surge of COVID-19 infections in Montana and the Great Falls region. With winter and the holiday season coming, there was renewed urgency to control the spread of the virus. On November 17, Governor Bullock issued a directive to implement some business restrictions in the state. For example, restaurants, bars, and casinos are to operate at 50% capacity and close no later than 10:00 PM; public gatherings are limited to 25 people when social distancing is not possible; and face coverings are required in all regions regardless of infection levels.¹⁹ On December 4, Cascade County Health Department issued new quarantine guidance for individuals entering the county, as well as for those who may have been in contact with someone who tested positive. The new guidance allows for quarantines to end after ten days (without testing) if no symptoms have been reported, in accordance with the new quarantine guidelines issued by the Centers for Disease Control and Prevention (CDC).²⁰

Of the above state and local measures, the stay-at-home order issued in March 2020 had a significant impact on regional employment in the second quarter of 2020, while the phased reopening of businesses facilitated the economic recovery in the second half of the year. However, business restrictions implemented in November and the potential for another stay-at-home measure will affect the regional economy in the fourth quarter of 2020.

2.2. COVID-19 Impact on Major Industries

At the beginning of the COVID-19 pandemic, total employment in the Great Falls region was 37,629 in the first quarter of 2020.²¹ Based on the two-digit North American Industry Classification System (NAICS), the largest sector in the region was health care and social assistance, employing 7,199 workers. The next-largest sectors in the region were retail (4,876 workers), accommodation and food services (3,933), and education (2,859). Tourism is an important sector in the Great Falls region, evidenced by large employment in accommodation and food services as well as the retail industry.

Table 2.1 summarizes the employment and GDP impact of the COVID-19 pandemic in the Great Falls region at the two-digit NAICS level. In this table, Chmura presents the COVID-19 impacts for the second through fourth quarters of 2020. It is estimated that in the second quarter, 2,430 jobs based in the region were lost, equivalent to 6.3% of the pre-pandemic regional workforce. This represents a loss of \$38.3 million in regional GDP. It is also estimated that during the month of April, when the stay-at-home order was in effect for most of the month, as many as 4,412 jobs based in the region were lost. This is approximately 11.5% of the regional workforce.

¹⁶ Source: <https://covid19.mt.gov/Portals/223/Documents/Mask%20Directive%20FINAL.pdf?ver=2020-07-15-140109-633>.

¹⁷ Source: <https://greatfallsmt.net/citymanager/reopening-city-great-falls-%E2%80%93-phased-approach>.

¹⁸ Source: <https://www.cascadecountymt.gov/DocumentCenter/View/158/07-22-2020-Health-Officer-Order-Regarding-Masks-and-Face-Coverings-PDF>.

¹⁹ Source: https://covid19.mt.gov/_docs/2020-11-17_Directive-on-Group-Size-and-Capacity-FINAL.pdf.

²⁰ Source: https://www.cascadecountymt.gov/DocumentCenter/View/1543/2020-12-04-Cascade-County-Press-Release_New-Quarantine-Guidelines-and-Four-COVID-19-Deaths.

²¹ This employment number is based on the place of work, not the place of residence.

Table 2.1: Estimated Employment and GDP Impact from COVID-19 in the Great Falls Region

Two-Digit NAICS Industry	Q2 Job Change	Q2 GDP Impact (\$Million)	Q3 Job Change	Q3 GDP Impact (\$Million)	Q4 Job Change	Q4 GDP Impact (\$Million)
Accommodation and Food Services	-642	-\$5.2	449	\$3.5	-177	-\$1.4
Health Care and Social Assistance	-550	-\$9.7	283	\$6.4	51	\$1.1
Retail Trade	-496	-\$5.8	460	\$6.0	-52	-\$0.7
Educational Services	-240	-\$3.3	132	\$1.9	-27	-\$0.4
Other Services (except Public Administration)	-157	-\$1.9	137	\$1.8	7	\$0.1
Arts, Entertainment, and Recreation	-136	-\$1.0	86	\$0.7	-53	-\$0.5
Professional, Scientific, and Technical Services	-109	-\$2.3	25	\$0.6	9	\$0.2
Manufacturing	-90	-\$4.8	24	\$0.3	7	\$0.3
Administrative and Support and Waste Management and Remediation Services	-88	-\$0.7	77	\$0.9	24	\$0.3
Finance and Insurance	-75	-\$2.7	9	\$0.3	5	\$0.2
Transportation and Warehousing	-69	-\$2.1	45	\$0.3	32	\$0.5
Information	-39	-\$1.2	-2	-\$0.1	1	\$0.0
Wholesale Trade	-33	-\$1.3	13	\$0.5	6	\$0.2
Real Estate and Rental and Leasing	-26	-\$4.3	13	\$2.4	5	\$1.0
Utilities	-6	-\$0.6	0	\$0.0	0	\$0.0
Mining, Quarrying, and Oil and Gas Extraction	0	\$0.0	0	\$0.0	0	\$0.0
Unclassified	1	\$0.0	0	\$0.0	0	\$0.0
Management of Companies and Enterprises	17	\$0.5	-1	\$0.0	1	\$0.0
Public Administration	82	\$1.9	62	\$1.5	-25	-\$0.6
Agriculture, Forestry, Fishing and Hunting	94	\$1.7	-4	-\$0.1	-1	\$0.0
Construction	134	\$4.4	60	\$1.2	13	\$0.3
Total	-2,430	-\$38.3	1,867	\$27.9	-173	\$0.7

Source: Chmura and JobsEQ by Chmura

For major industry sectors, the sector impacted the most in terms of employment is accommodation and food services, with an estimated job loss of 642 in the second quarter of 2020. The health care and social assistance sector is estimated to have lost 550 jobs, while the retail sector lost 496 jobs. Other industries such as educational services; other services (except public administration); and arts, entertainment, and recreation are estimated to have lost a significant number of jobs.

On the other hand, some industries experienced limited impact from COVID-19, with certain industries gaining jobs despite the pandemic. For example, construction; agriculture, forestry, fishing and hunting; public administration; and management of companies and enterprises are estimated to have added some jobs.

As the state entered into different phases of reopening, the Great Falls region experienced a robust recovery in the third quarter of 2020. Chmura estimated that the region added 1,867 jobs in this quarter, led by job gains in accommodation and food services, retail, and health care and social assistance. That represents an increase of \$27.9 million in GDP in this quarter.

However, entering the fourth quarter of 2020, there was a surge in COVID-19 infections in Montana and the Great Falls region. The state government has not issued another stay-at-home order or closed non-essential businesses. However, some restrictions have been placed on food service and entertainment businesses, limiting their capacities and operating hours. It is likely that the strong employment recovery experienced in the third quarter will be disrupted. Regional businesses in accommodation and food services; arts, entertainment, and recreation; and retail will suffer some job losses. Chmura estimated that the regional economy may lose 173 jobs in the fourth quarter of 2020. However, job growth in health care and transportation sectors will result in a net positive impact of \$0.7 million in regional GDP.

2.3. Industries Most Impacted by COVID-19

Chmura analyzed industries that are impacted the most by COVID-19, based on total job losses at the more detailed three-digit NAICS level. The 20 most-impacted industries, based on second quarter job losses, are presented in Table 2.2.

Table 2.2: Twenty Industries Impacted Most by COVID-19 in the Great Falls Region

Three-Digit NAICS Industry	Q2 Job Change	Q2 GDP Impact (\$Million)	Q3 Job Change	Q3 GDP Impact (\$Million)	Q4 Job Change	Q4 GDP Impact (\$Million)
Food Services and Drinking Places	-525	-\$3.8	408	\$3.0	-148	-\$1.1
Educational Services	-240	-\$3.3	132	\$1.9	-27	-\$0.4
Hospitals	-204	-\$5.1	11	\$0.3	6	\$0.1
Social Assistance	-166	-\$1.1	99	\$0.7	18	\$0.1
Amusement, Gambling, and Recreation Industries	-147	-\$1.3	83	\$0.6	-40	-\$0.3
Ambulatory Health Care Services	-138	-\$3.0	203	\$5.8	31	\$0.9
Clothing and Clothing Accessories Stores	-117	-\$0.9	56	\$0.4	-10	-\$0.1
Accommodation	-117	-\$1.4	41	\$0.5	-29	-\$0.3
Professional, Scientific, and Technical Services	-109	-\$2.3	25	\$0.6	9	\$0.2
Sporting Goods, Hobby, Musical Instrument, and Book Stores	-107	-\$0.9	47	\$0.4	-9	-\$0.1
Administrative and Support Services	-92	-\$0.8	76	\$0.9	23	\$0.3
Personal and Laundry Services	-89	-\$1.1	61	\$0.7	-6	-\$0.1
Motor Vehicle and Parts Dealers	-62	-\$1.3	71	\$1.5	-13	-\$0.3
Furniture and Home Furnishings Stores	-60	-\$0.9	43	\$0.6	-7	-\$0.1
Nursing and Residential Care Facilities	-42	-\$0.5	-29	-\$0.3	-4	\$0.0
Credit Intermediation and Related Activities	-42	-\$1.3	2	\$0.1	2	\$0.1
Health and Personal Care Stores	-41	-\$0.7	13	\$0.2	1	\$0.0
General Merchandise Stores	-41	-\$0.4	99	\$1.1	-16	-\$0.2
Miscellaneous Store Retailers	-36	-\$0.4	46	\$0.5	-2	\$0.0
Food Manufacturing	-34	-\$1.2	9	\$0.3	2	\$0.1
Top 20 Total	-2,409	-\$31.7	1,496	\$19.8	-219	-\$1.2

Source: Chmura and JobsEQ by Chmura

At the three-digit NAICS industry level, food services and drinking places is estimated to have lost 525 jobs in the second quarter of 2020, or 16% of the pre-pandemic regional workforce in that industry. Other hospitality and tourism-related

industries in the top 20 are amusement, gambling, and recreation; and accommodation. In addition, the industry of educational services is estimated to have lost 240 jobs, or 8% of the regional workforce. Employment contracted by an estimated 204 in regional hospitals. Other health care-related industries with significant job losses were ambulatory health care services, and nursing and residential care facilities. Also on the list are multiple retail industries including clothing and clothing accessories stores; sporting goods, hobby, musical instrument, and book stores; motor vehicle and parts dealers; and furniture and home furnishings stores.

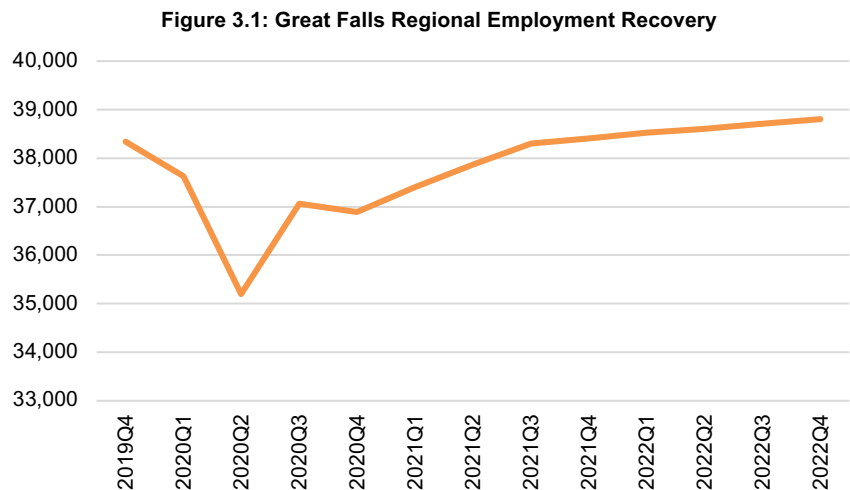
In the third quarter of 2020, some of those industries hit hardest by the pandemic experienced a robust recovery, with strong job gains in food services and drinking places (408 new jobs), and ambulatory health care services (203 job gains). There were also widespread job gains in multiple retail industries. However, employment recovery is expected to be disrupted in the fourth quarter of 2020, due to a surge in COVID-19 cases, and possible new restrictions on businesses. This will likely result in another round of job losses in certain industries. It is estimated that food services and drinking places will lose 148 jobs in the fourth quarter, while amusement, gambling, and recreation will lose 40 jobs. Several retail industries are also expected to suffer job losses in the fourth quarter of 2020.

3. Great Falls Regional Path to Recovery

To evaluate the recovery of different industries in the Great Falls region, Chmura first conducted research using secondary studies and expert reports to understand the differing recovery paths for various industries. The development of a vaccine and/or effective treatment for COVID-19 will be the determining factor in achieving a full economic recovery. Without a medical breakthrough, social distancing policies will remain in place. Consumers will be cautious about traveling and visiting hotels, food service establishments, and entertainment venues.

Since the COVID-19 pandemic began, the development of a vaccine has been on an accelerated schedule. The federal government has invested billions of dollars in this effort. In November, there were reports of effective results from vaccine clinical trials by Pfizer and Moderna. By early December 2020, both Pfizer-BioNTech and Moderna applied to the FDA for emergency use authorization. On December 11, the FDA approved the Pfizer-BioNTech vaccine for emergency use.²² Chmura assumes the vaccines will be widely available to the general public in the second quarter of 2021.

Industries will recover at different paces until a vaccine is widely available. Chmura expects construction and manufacturing to be among the first to recover. These industries require fewer person-to-person interactions, making it easier to maintain social distancing. Outside manufacturing and construction, industries such as finance and insurance and professional and business services can also expect relatively fast recoveries, as they are able to maintain their operations via remote work.²³ Some reports also found that the health care industry will enjoy a fast recovery.²⁴



Source: Chmura

Employment in other industries, such as hospitality, food service, entertainment, and personal services will likely be on a slower recovery path. Each of these industries involves close contact with customers. The recovery of the retail industry is in the middle, between fast-recovering industries like construction and slow-recovering industries like hospitality. Some essential retail such as grocery stores and pharmacies have not been impacted by the pandemic, but non-essential retail such as clothing or furniture stores will experience a slow recovery.

From a long-term perspective, there will be some permanent changes in national and regional economies in the post-pandemic period. Some studies predict the retail industry will be permanently changed. Based on a McKinsey report, the COVID-19 pandemic has accelerated the trend of consumers choosing e-commerce over traditional brick-and-mortar

²² Source: <https://www.fda.gov/emergency-preparedness-and-response/coronavirus-disease-2019-covid-19/pfizer-biontech-covid-19-vaccine>

²³ Source: <https://www.inquirer.com/business/recovery-economy-zandi-moodys-virus-covid-19-jobs-prediction-20200423.html>.

²⁴ Source: Moody's Analytics. <https://www.moodyanalytics.com/-/media/article/2020/this-week-in-covid-crisis-april-19-2020.pdf>.

establishments.²⁵ Some of the behaviors that consumers have developed during the pandemic will persist, and this will affect retail and food service businesses in the future. In addition, during the pandemic, tens of thousands of retail stores and restaurants closed, and many of them will not reopen.²⁶ On the other hand, the McKinsey report indicated there will be some long-term benefits for the manufacturing industry. Some manufacturing operations will be moving back to the United States, closer to consumer markets, at least in some capacity.

Table 3.1: Projected Employment by Industry in the Great Falls Region (2020-2022)

Two-Digit NAICS Industries	2019Q4 -Actual	2020Q2	2020Q4	2021Q2	2021Q4	2022Q2	2022Q4	%Change 2019Q4- 2022Q4
Accommodation and Food Services	3,965	3,291	3,563	3,650	3,737	3,825	3,912	-1.3%
Administrative and Support and Waste Management and Remediation Services	2,174	2,017	2,117	2,137	2,190	2,194	2,198	1.1%
Agriculture, Forestry, Fishing and Hunting	563	616	611	579	575	572	569	1.1%
Arts, Entertainment, and Recreation	1,025	856	889	957	1,015	1,013	1,037	1.2%
Construction	2,559	2,474	2,547	2,702	2,716	2,731	2,742	7.1%
Educational Services	2,876	2,619	2,725	2,840	2,892	2,897	2,902	0.9%
Finance and Insurance	1,709	1,653	1,667	1,722	1,725	1,728	1,731	1.3%
Health Care and Social Assistance	7,221	6,649	6,984	7,159	7,363	7,451	7,540	4.4%
Information	411	366	365	399	412	413	413	0.5%
Management of Companies and Enterprises	197	207	207	195	198	198	199	0.9%
Manufacturing	1,196	1,083	1,114	1,220	1,217	1,214	1,210	1.2%
Mining, Quarrying, and Oil and Gas Extraction	7	6	6	7	7	7	7	0.2%
Other Services (except Public Administration)	1,618	1,424	1,567	1,604	1,623	1,624	1,625	0.5%
Professional, Scientific, and Technical Services	1,408	1,343	1,377	1,394	1,426	1,433	1,440	2.3%
Public Administration	2,709	2,722	2,759	2,768	2,739	2,727	2,715	0.2%
Real Estate and Rental and Leasing	511	462	480	502	514	516	517	1.1%
Retail Trade	5,035	4,380	4,788	4,880	4,879	4,879	4,879	-3.1%
Transportation and Warehousing	1,546	1,464	1,541	1,552	1,572	1,576	1,560	0.9%
Utilities	188	181	180	187	188	188	188	-0.1%
Wholesale Trade	1,424	1,385	1,405	1,403	1,420	1,419	1,418	-0.4%
Regional Total	38,341	35,199	36,894	37,859	38,410	38,606	38,804	1.2%

Source: Chmura and JobsEQ by Chmura

²⁵ Source: McKinsey. <https://www.mckinsey.com/business-functions/organization/our-insights/to-emerge-stronger-from-the-covid-19-crisis-companies-should-start-reskilling-their-workforces-now#:~:text=To%20emerge%20stronger%20from%20the,start%20reskilling%20their%20workforces%20now&text=Adapting%20employees'%20skills%20and%20roles,to%20building%20operating%20model%20resilience.>

²⁶ For example, please see the following articles from USA Today at <https://www.usatoday.com/story/money/2020/07/14/coronavirus-closings-retail-mall-closures-shopping-changes/5400200002/> and <https://www.usatoday.com/picture-gallery/money/business/2020/08/13/covid-19-closings-35-most-popular-restaurants-not-reopening/3359490001/>.

Figure 3.1 and Table 3.1 present the projected employment recovery for the Great Falls region from 2020 to 2022. For overall regional employment, the lowest expected level is in the second quarter of 2020. Job totals were at 91.8% of the pre-pandemic level of the fourth quarter of 2019.²⁷ The regional economy experienced a robust recovery in the third quarter of 2020, led by construction and health care. Industries hit hardest by the pandemic, including accommodation and food services and the retail industry, added some jobs back in the third quarter, although their recoveries were constrained. It is estimated that 59.4% of the jobs lost in the first and second quarter of 2020 would be recovered in the third quarter, with regional employment estimated at 37,066.

Due to the surge of infections in the fourth quarter of 2020, and some measure of business restrictions being implemented, it is expected that regional recovery will suffer a setback in this quarter. Several industries will likely lose jobs again, including accommodation and food services and the entertainment industries. Overall, in the fourth quarter of 2020, the region's total employment is projected to be 36,894.

With vaccines expected to be approved by the end of 2020, and becoming widely available in the second quarter of 2021, economic recovery will gather steam in 2021. The Great Falls region is projected to recover 84.5% of lost jobs by mid-year 2021, as other consumer-driven industries including retail, food service, and recreation will be on a solid path to recovery. The region is expected to reach its pre-pandemic employment level in the fourth quarter of 2021. Even at that time, employment in sectors such as retail and food services is still expected to remain below its pre-pandemic levels. After 2022, the regional economy is expected to resume its pre-pandemic growth path.

²⁷ Please note that job losses started in March, during the first quarter of 2020.