

Help Wanted Ads Go Unanswered in West

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By MATT GOURAS

HELENA, Mont. (AP) - The owner of a fast food joint in Montana's booming oil patch found himself outsourcing the drive-thru window to a Texas telemarketing firm, not because it's cheaper but because he can't find workers.

Record low unemployment across parts of the West has created tough working conditions for business owners, who in places are being forced to boost wages or be creative to fill their jobs.

John Francis, who owns the McDonald's in Sidney, Mont., said he tried advertising in the local newspaper and even offered up to \$10 an hour to compete with higher-paying oil field jobs. Yet the only calls were from other business owners upset they would have to raise wages, too. Of course, Francis' current employees also wanted a pay hike.

"I don't know what the answer is," Francis said. "There's just nobody around that wants to work."



(AP) John Francis, who owns the McDonald's in Sidney, Mont., poses for a photo in front a sign he is...
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Unemployment rates have been as low as 2 percent this year in places like Montana, and nearly as low in neighboring states. Economists cite such factors as an aging work force and booming tourism economies for the tight labor market.

For places like Montana, it has been a steady climb in the nearly two decades since the timber and mining industry recession. The state approached double-digit unemployment levels in the 1980s and began the slow crawl back in the early 1990s.

"This is actually the biggest economic story of our time, and we don't quite grasp it because it is 15 years in the making," said economist Larry Swanson, director of the O'Connor Center for the Rocky Mountain West at the University of Montana.

The U.S. Department of Labor reports the mountain West region - covering eight states along the Rocky Mountains - has the lowest overall unemployment rate in the nation. The region hit an all-time low of 3.4 percent in May.

The effects are everywhere. Logging equipment in Idaho sits idle as companies have a tough time finding workers. A shortage of lifeguards has forced Helena to shorten hours at children-only pools. A local paper in Jackson, Wyo., has page after page of help wanted ads.

In Jackson Hole, the Four Seasons Resort still had openings in late July. The problem has created longer hours and tougher working conditions for current employees.

For years, the resort has imported dozens of workers from Eastern Europe who often come as much for the summer recreation opportunity as the money. This year, however, that wasn't enough and so for the first time the resort also sent recruiters to a high school job fair, said spokeswoman Greer Terry. It only helped a little.

"It's been a struggle finding employees this summer," Terry said.

Economists say there are a number of reasons why parts of the West are feeling the labor pinch.

Established baby boomers, including retirees, have been moving into Montana for the mountain views and recreation, bringing with them money for new homes that fuel construction job growth, said Swanson.

Along the way, younger people have moved away searching for bigger paychecks as the state's wages still lag behind other areas and are slowly increasing overall. Now, the aging work force is unable to expand to meet the demands of the job market, Swanson said.

He said the problem is compounded by the fact that employers, accustomed to paying relatively low wages, have been slow to increase salaries. Montana wages have historically been among the lowest in the country, and still rank near the bottom. The silver lining for workers is that wages are now growing at the third-fastest rate among U.S. states.

Now, workers with more options in some places are unwilling to take \$12-an-hour jobs.

The problem could get worse as more baby boomers retire, Swanson said. By 2030, Montana and Wyoming are predicted to have among the oldest populations in the U.S, with about 26 percent of residents 65 and older, Swanson said. That compares to 19.7 percent predicted nationally.

"We thought the labor force crunch wouldn't come until 2012, but it's already arrived in a lot of these fast-growth areas," Swanson said. As a result, "you'll find older workers working longer, people will sort of linger in the work force. The employers will make it worth their time to."

Swanson added the phenomenon of quasi-retirement with older workers cutting back on hours but still heading to the office will grow, while international workers will be drawn to the region. Younger workers who used to leave will find it worth their while to stay.

"The squeeze is on. You get into these 2 percent and less unemployment rates and you're moving into a seller's market with the seller being the worker," Swanson said.

Officials worry the razor thin labor market could bind economic growth, although there has been no indication of that yet.

"One of the reasons we are seeing the lower (unemployment) rates is we are starting to see more investment in our economy. It's like finding an undervalued stock," said Tyler Turner, Montana's economic development chief.

In Helena, the pool of applicants has been shrinking even for jobs on the police force. For professional jobs, such as department managers, the city is considering hiring slightly underqualified people that can be trained on the job.

"This is the tightest market I have ever seen," said Salty Payne, who has worked in the Helena City human resource office for 15 years.

Payne in part blames the area's building boom, which is drawing workers to construction trades that are offering higher salaries.

Montana state lawmaker Art Noonan lives in the mining town of Butte - the epicenter of a big mining bust 20 years ago. Now, more people are moving in to build second homes and high paying jobs are coming back as copper prices go up.

"All of these things are sort of clicking at the same time," Noonan said. "The only economic development we used to get was the creation of more economic development offices."

In Utah - where unemployment rates have been hovering around 2.5 percent - amusement parks, trucking companies, telemarketing firms and others have been paying bonuses of hundreds of dollars or more to find workers.

"It boils down to the attractiveness of the (interior) West," said Mark Knold, chief economist at the Utah Department of Workforce Services. "It is a population magnet."

And workers have benefited. Utah workers saw a 5.4 percent average wage increase in 2006, Knold said.

But questions remain about how long the West can weather the problems that come with low unemployment. "The hardest thing is to keep the economy growing at a strong rate when you have a low unemployment rate," he said. "Take a company that wants to expand. Where is the next worker going to come from?"