2022 ECONOMIC PROFILE

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EXECUTIVE SUMMARY

Together, the Big Sky Resort Area District and the Big Sky Chamber of Commerce set out to collaborate on this project and better understand our unique community, and determine ways that we can best support it within our organizational missions. While Big Sky tops the list of exceptional quality of life factors such as access to the outdoors, expansive recreational opportunities, and community collaborations, we seek to dig deeper and understand the data that drives our markets and makes Big Sky a regional economic engine. This study will be executed in phases – first, we investigate the publicly available data that is specific to Big Sky and identify the gaps in what is accessible. Second, we will develop resources to collect local data with the goal to build robust knowledge of our strengths and weaknesses. Third, we hope to improve this economic profile over time. This year, we will provide a baseline understanding to build on over time, with the goal to have tailored data informing community decision-making.

In the sections below, you will find analysis on the elements contributing to the challenge of quantifying economics of the community. We seek to understand and make business recommendations on the aspects that contribute to business turnover, employee retention, and factors that effect the workforce such as housing cost and supply. Additionally, we hope to understand the leading industries of our area and potential strategies for resiliency in our local markets. Lastly, we examine the economic factors of other similar ski resort communities in an effort to continue advancing Big Sky's competitive edge, while remaining a place that people can work and establish roots.

Over the last decade, we have seen the Big Sky community move from a seasonal community that the workforce migrated in and out of, to a place that individuals desire to sink roots and raise families—but not without its challenges. Drastic population growth, workforce shortages, and unaffordable housing prices have put constraints on who can stay and thrive in Big Sky. Our hope is that by quantifying these factors and building a discussion around the data, we can drive solutions to provide support for the continued vibrancy of our community.

BIG SKY CHAMBER

Mission - Serving as the voice of business, the Big Sky Chamber champions a healthy economy and works collaboratively with community stakeholders as convener and a catalyst to improve the overall quality of life in the region.

Vision – Our community's collective success comes from the elements of business, people, and industry all having the tools they need to prosper

RESORT TAX
Better Together

Mission - Fairly collect tax for strategic investments to ensure the well-being of the Big Sky Community"

Vision – Big Sky is Better Together as a result of wise investments, an engaged community, and the pursuit of excellence

INTRODUCTION TO BIG SKY

An Evolving Community

Big Sky is a resort town nestled in the Madison Range mountains of Southwest Montana and attracts outdoor sports enthusiasts year-round. Big Sky is landlocked by rugged mountainous terrain and federal lands, and has a strong tourism economy. The community is just south of Bozeman, MT and only 50 miles north of the West Entrance to Yellowstone National Park. The community's most popular season is winter, followed by a robust summer business. With two ski resorts, the Yellowstone Club and Big Sky Resort, Big Sky has some of the largest downhill skiing in the U.S. In the summer months there are numerous activities, including golfing, whitewater rafting, kayaking, fishing, hiking, and much more. There are several private clubs in Big Sky catering to the luxury market: Moonlight Basin, Spanish Peaks, and the Yellowstone Club.

Over time, Big Sky has grown the amenities offered, including schools, healthcare, a community center, and family activities. Since 1912, Ophir School has served students K-8, and in 2009 the community opened Lone Peak High School. Discovery Academy is a private Montessori school for pre-K through 12th grade, and Morningstar Learning center is the only full-time, year-round daycare and preschool. Bozeman Health Big Sky Medical Center opened in 2015 and is an eight-bed critical access hospital providing emergency and primary care services to the area.

Big Sky also offers extensive family, arts and entertainment activities. The Big Sky Community Organization (BSCO) recently opened BASE, a multi-use community center with fitness and wellness programs, a full gymnasium, climbing and bouldering wall, and much more. BSCO also supports initiatives that help to expand and enhance parkland, along with trail systems throughout Big Sky. The Arts Council of Big Sky hosts Music in the Mountains every summer—an event that offers locals and visitors free evening music in Town Center Park every Thursday from June to September. The Warren Miller Performing Arts Center offers a winter season of national and international acts and seeks to grow a community of confident performers and inspired audiences.[1]

Several factors contribute to the economic uniqueness of this community—primarily, Big Sky is an unincorporated Montana community that spans Gallatin and Madison Counties. Public and private industry have moved to Big Sky in the last decade, bringing increased business demand, a growing workforce, and monetary resources with it. Due to the unincorporated status of Big Sky, the community has flexibility in how to manage the influx, which leads to community engagement and collaboration. One way Big Sky manages these resources and decisions are through seven special purpose districts: The Big Sky Resort Area District (BSRAD), the Big Sky Fire District, Big Sky School District #72, Big Sky Transportation District, Big Sky Zoning District, Parks, Trails and Recreation District, and Water and Sewer District #363. These districts have resulted in creative and collaborative solutions that the community is invested and engaged in—for example, the community passed a 1% tax increase to invest in infrastructure and build the best sewer system in Montana. Detail on this tax is described below.

[1] www.visitbigsky.com has a more extensive list of community events and activities.

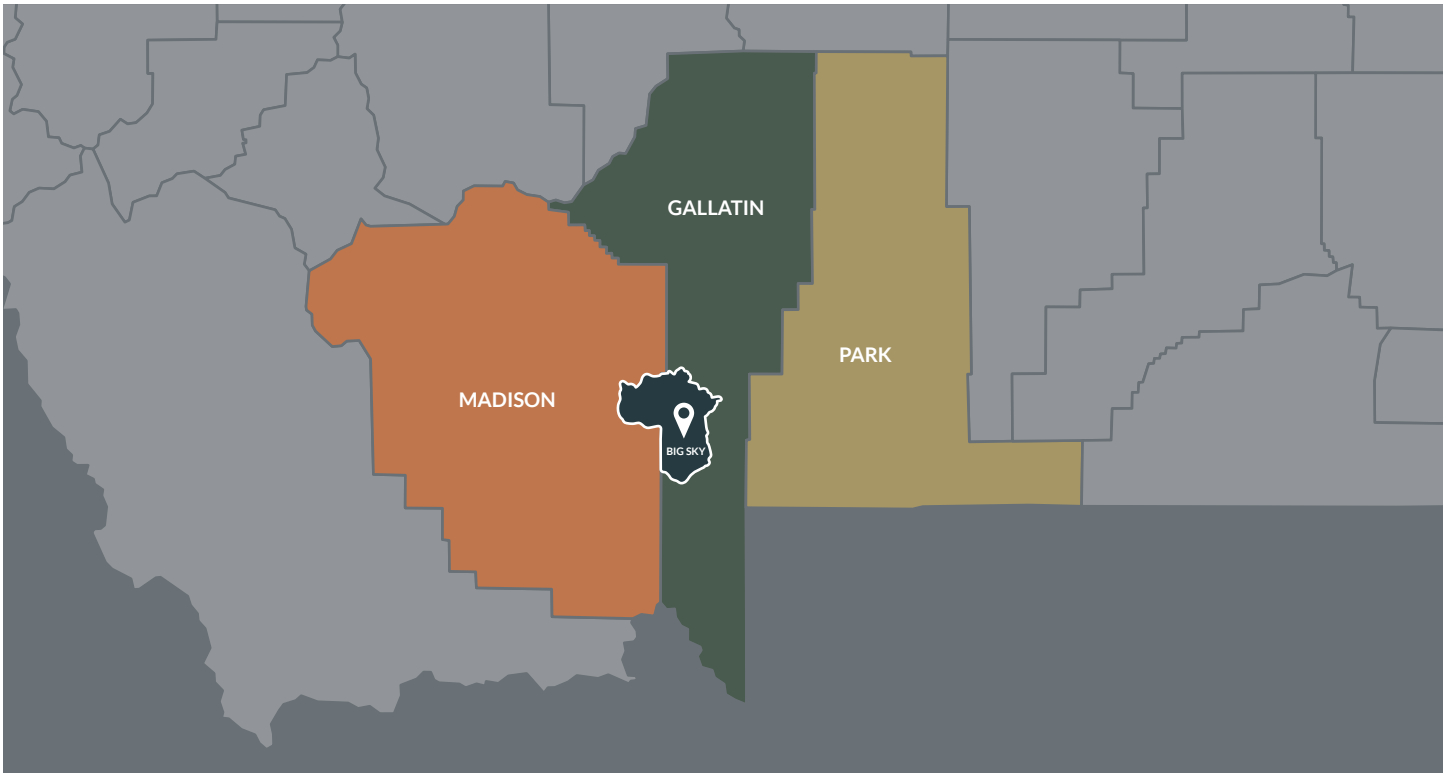
Another unique aspect of Big Sky's economics is the local resort tax. Big Sky is one of only ten communities in Montana that charges a "resort tax" on luxury goods and services[2,3]. The creation of this tax district was passed by the general electorate in 1992, and equals 3% of "luxury" services and is used to help fund public services and community infrastructure. In 2020, residents voted to raise the tax to 4%, of which 1% is required to be reinvested in infrastructure. The Big Sky Resort Area District (BSRAD)[4] oversees these tax collections, collecting over $10 million in 2021, and redistributing these revenues back into the community. Of these collections 40% comes from Gallatin County, and 60% come from Madison County. The majority of these funds collected are related to the robust tourism economy in Big Sky.

In addition, the community is largely comprised of second homeowners that do not reside locally year-round, and there are hundreds of Homeowners Associations (HOAs) that manage a significant percentage of Big Sky's roadways, streetlights, and open spaces.

About the Data

This report draws a majority of the data from the U.S. Census Bureau American Community Survey (ACS). Data specific to Big Sky uses the defined census designated place (CDP), which is a boundary determined by the Census Bureau to provide meaningful statistics for well-known, unincorporated communities[5] that do not have a legal status for meaningful governance. A CDP is a statistical equivalent of an incorporated place and can serve as a way to compare data from incorporated places and Counties.[6]

Big Sky Census Designated Place



[2]For more information on local option resort tax, please see https://ceic.mt.gov/Government/Resort-Tax
[3]Luxury goods and services are: hotel/lodge/resort, short-term rentals, events, retail, restaurant/bar/catering, spa/fitness, recreation, property management, liquor licenses, club/HOA industries, and other.
[4] www.resorttax.org
[5]https://www.census.gov/programs-surveys/bas/information/cdp.html
[6]A map of the Big Sky CDP is included on page 4

Challenges with Data

One challenge with data in Big Sky is standardizing the districts in which data is compared. Out of the seven different districts, five do not align. The reader should note the lack of alignment in these districts does not allow for apples-to-apples comparisons.

Another challenge is getting localized, accurate data for the community of Big Sky. Many publicly available datasets that are typically relied on, such as Bureau of Labor and Statistics, are not available at the community level and only provide county-level data. In an effort to get localized data, this study primarily uses the Census Bureau's American Community Survey (ACS). The ACS is an annual, nation-wide survey that varies from the decennial census by surveying smaller sample sizes rather than all housing units and people in the nation. Due to the smaller sample size, there is a degree of sampling error, known as the margin of error. To learn details for small geographic areas (with residents of less than 65,000), ACS 5-year estimates are the only option. 5-Year estimates have the smallest margin of error but are less current than 1-year estimates made for larger population areas (above 65,000 residents).[7] This research uses 5-year ACS estimates for all data using Census Bureau variables.

LUXURY GOODS & SERVICES

defined as hotel/lodge/resort, short-term rentals, events, retail, restaurant/bar/ catering, spa/fitness, recreation, property management, liquor licenses, club/HOA, other.

Basic Demographics

In 2020, Big Sky's year-round population was 3,054 people. Approximately 72% of the population is of working age, and the median age is a youthful 36 years old. Over the last ten years, Big Sky has experienced rapid growth – from 2010 to 2020, the community's population has increased 100% (from 1,528 to 3,054). Managing this rapid growth requires large infrastructure investments in public utilities, housing, and transportation systems, to name a few. A median age of 36 means the community has a young population who are focused on working, raising children, and are not close to retirement. Tables 1 through 4 show population, growth rates, and median age for Big Sky, Gallatin County, Madison County, and Montana.

In 2020, the average household size in Big Sky was 2.2 individuals, which is similar to Madison County's at 2.21, and Gallatin County's at 2.36. 25% of Big Sky's population moved to the community in the last year. Big Sky residents are 52.1% male and 47.9% female, and are primarily one race (96.3% white),[8] with 76% of the population old enough to vote. Big Sky has a poverty rate of 9.7%[9], which is higher than Madison County (8.1%), but lower than Gallatin County (11%) and the state of Montana (12.8%).

[7] For more information visit https://www.census.gov/programs-surveys/acs
[8] Data Source: Census Bureau ACS Table DP05 2020 5-Year Estimates
[9] Of the population for whom poverty status is determined, 3,047 individuals. Data Source: Census Bureau ACS Table S1701 2020 5-Year Estimates.

Table 1: Big Sky-Population and Median Age (2015-2020)

Year	Total Population	Median Age	% Change YOY
2010	1,528	33.6	99.9% (2010-2020)
2015	2,767	34.7	2.7%
2016	2,767	32.3	0.0%
2017	2,904	34.2	5.0%
2018	3,098	32.4	6.7%
2019	3,058	33.3	-1.3%
2020	3,054	36.2	-0.1%

Source: ACS S0101 5-Year Estimates

Table 2: Gallatin County-Population and Median Age (2015-2020)

Year	Total Population	Median Age	% Change YOY
2010	87,676	31.8	27.1% (2010-2020)
2015	95,323	33.2	2.4%
2016	97,958	33.2	2.8%
2017	100,733	33.4	2.8%
2018	104,729	33.5	4.0%
2019	108,063	33.4	3.2%
2020	111,401	33.4	3.1%

Source: ACS S0101 5-Year Estimates

Table 3: Madison County-Population and Median Age (2015-2020)

Year	Total Population	Median Age	% Change YOY
2010	7,588	48.7	12.4% (2010-2020)
2015	7,767	52.1	0.6%
2016	7,810	52.7	0.6%
2017	7,902	53	1.2%
2018	8,218	52.6	4.0%
2019	8,302	53	1.0%
2020	8,530	53.1	2.7%

Source: ACS S0101 5-Year Estimates

Table 4: Montana-Population and Median Age (2015-2020)

Year	Total Population	Median Age	% Change YOY
2010	973739,	39.7	9.0% (2010-2020)
2015	1,014,699	39.7	0.8%
2016	1,023,391	39.8	0.9%
2017	1,029,862	39.8	0.6%
2018	1,041,732	39.8	1.2%
2019	1,050,649	39.9	0.9%
2020	1,061,705	40.1	1.1%

Source: ACS S0101 5-Year Estimates

THE BIG SKY WORKFORCE

The workforce in Big Sky is a hard-working, highly educated, young, and talented labor pool. Robust Covid testing offered locally provided the workforce a measure of safety during the pandemic. During the initial two years of the Covid-19 pandemic, Big Sky also experienced an increase in visitors and second homeowners that quarantined in the area, which kept demand for services strong, resulting in job retention. The following section examines key workforce variables that are publicly available for Big Sky and provides insight for how businesses could use this information to help recruit and support their workforce.

Labor Force Participation

In 2020, Big Sky had 2,641 individuals 16 years and older that were eligible to work. Of that group, 2,220 were in the labor force and only 53 individuals were unemployed and actively looking for work. Tables 5 through 8 show the workforce of Big Sky, Gallatin County, Madison County, and Montana. Big Sky boasts a labor force participation rate of 84.1%, which is significantly higher than Gallatin County (71.7%), Madison County (55.8%) and the state of Montana (63.2%). Individuals working in Big Sky are young and actively participating in the workforce. Labor force participation rates tend to be lower in the student population (16–25 year-olds) and those facing retirement (60+ years old).

The labor force participation rate helps to explain the workforce shortage and the suggested capacity of the population to enter the workforce. For example, if a community has low labor force participation rates and a business is experiencing hiring challenges, they could consider the factors contributing to individuals not working and offer incentive packages for people to re-enter the workforce. The top reasons workers leave the labor force include retirement, disability or illness, taking care of family, pursuit of education, lack of transportation, or other.[10]

With a national dialogue struggling to understand the workforce shortage, examining labor force participation rates is an important variable to consider. When an individual leaves employment and stops seeking work, they are no longer captured in employment or unemployment rates. In the case of Big Sky, the labor force participation rate is very high, meaning most of the local residents are working and there are not many local residents to attract into the workforce.

If a Big Sky employer is looking to hire, they might consider recruiting from Madison and Gallatin County residents, both of which have lower labor force participation rates. Another option for Big Sky employers is to target recruitment towards students and retirees, and offer employment options that meet their needs. An additional strategy could include creating remote work positions to hire from other labor pools outside of Gallatin County, looking potentially to Madison County and beyond.

[10]Emily Trautman, et al., Bozeman Area Labor Report, May 2019: 34

Table 5: Big Sky Labor Force

Year	Population 16 and Older	In Labor Force	Civilian Labor Force	Employed	Unemployed	Not in Labor Force	Labor Force Participation Rate	Unemployment Rate
US (2020)	**261,649,873**	**165,902,838**	**164,759,496**	**155,888,980**	**8,870,516**	**95,747,035**	**63.0%**	**5.4%**
2015	2,238	1,776	1,776	1,623	153	462	79.4%	8.6%
2016	2,326	1,965	1,965	1,851	114	361	84.5%	5.8%
2017	2,373	1,999	1,999	1,916	83	374	84.2%	4.2%
2018	2,572	2,120	2,120	2,051	69	452	82.4%	3.3%
2019	2,610	2,171	2,171	2,120	51	439	83.2%	2.3%
2020	2,641	2,220	2,220	2,167	53	421	84.1%	2.4%

Source: ACS DP03 5-Year Estimates

Table 6: Gallatin County Labor Force

Year	Population 16 and Older	In Labor Force	Civilian Labor Force	Employed	Unemployed	Not in Labor Force	Labor Force Participation Rate	Unemployment Rate
2015	77,670	55,997	55,947	52,540	3,497	21,673	72.0%	6.3%
2016	79,843	57,820	57,774	54,731	3,043	22,023	72.4%	5.3%
2017	82,265	59,367	59,282	56,751	2,531	22,898	72.1%	4.3%
2018	85,611	61,825	61,751	59,736	2,015	23,786	72.1%	3.3%
2019	88,657	64,229	64,174	62,357	1,817	24,428	72.4%	2.8%
2020	91,860	65,956	65,895	64,341	1,554	25,904	71.7%	2.4%

Source: ACS DP03 5-Year Estimates

Table 7: Madison County Labor Force

Year	Population 16 and Older	In Labor Force	Civilian Labor Force	Employed	Unemployed	Not in Labor Force	Labor Force Participation Rate	Unemployment Rate
2015	6,699	4,077	4,077	3,880	197	2,622	60.9%	6.3%
2016	6,745	4,055	4,005	3,890	165	2,690	59.4%	5.3%
2017	6,823	4,009	4,009	3,873	136	2,814	58.8%	4.3%
2018	7,102	4,159	4,159	4,023	136	2,943	58.6%	3.3%
2019	7,203	4,202	4,202	4,098	104	3,001	58.3%	2.8%
2020	7,380	4,116	4,116	3,996	120	3,264	55.8%	2.4%

Source: ACS DP03 5-Year Estimates

Table 8: Montana Labor Force

Year	Population 16 and Older	In Labor Force	Civilian Labor Force	Employed	Unemployed	Not in Labor Force	Labor Force Participation Rate	Unemployment Rate
2015	814,661	521,330	517,807	485,446	32,361	293,331	63.6%	6.2%
2016	822,530	523,599	520,124	490,742	29,382	298,931	63.2%	5.6%
2017	828,198	5263,88	523,071	497,995	25,076	301,810	63.2%	4.8%
2018	838,808	532,854	529,682	507,249	22,433	305,954	63.1%	4.2%
2019	847,280	536,872	533,842	512,329	21,513	310,408	63.0%	4.0%
2020	859,185	545,629	542,584	520,043	22,541	313,556	63.2%	4.2%

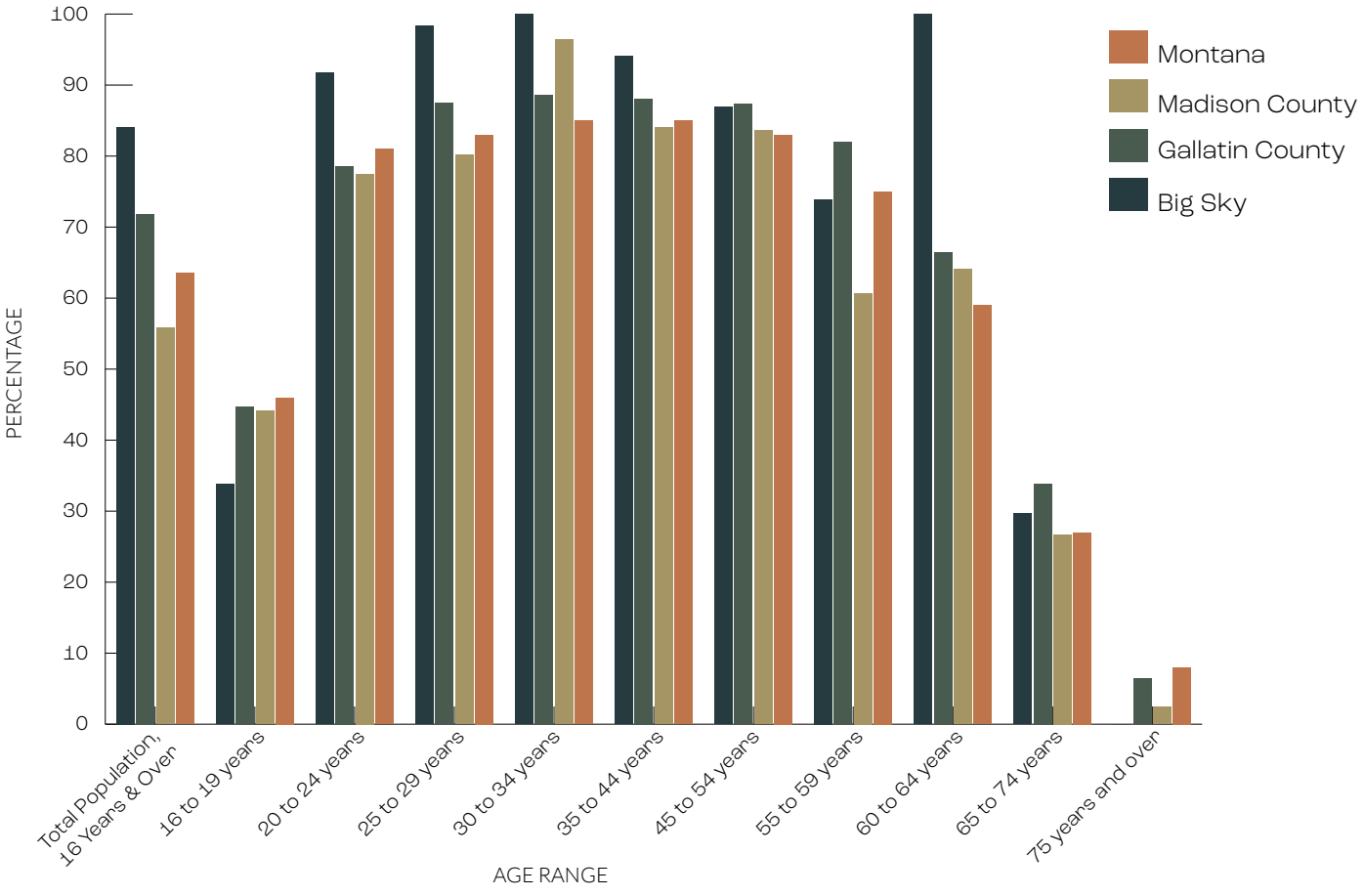
Source: ACS DP03 5-Year Estimates

Labor Force Participation Rates by Age and Gender

As businesses face our current economic conditions, the workforce shortage is a major constraining factor to business operations. One way businesses can target workforce recruitment is to consider labor force participation rates broken down by age and gender.

Figure 1 shows labor force participation rates broken down by age for 2020. Of the total population 16 years and older in Big Sky, 84.1% are in the workforce. This is significantly higher than all other locations considered, and much higher than the state rate of 63.5%. When broken down by age, we can see trends in the rates of how different ages are participating in the labor force. Only 33% of 16–19 year-olds are in the workforce, but it's important to remember that this age group has lower rates of workforce participation because education is a dominating activity for this young cohort. Employers could consider hiring individuals in the 16-19 year old age bracket and offering supportive educational programs or benefits. In Big Sky, 100% of residents aged 30-34 and 60-64 are working, which means that every individual in this age bracket is actively employed. Only 73.9% of residents aged 55-59 are working, which suggests some citizens have retired early, and there is potential for businesses to target and attract this worker back into the workforce. Only 29.7% of those aged 65-74 years are in the workforce, which is a typical rate for those that have most likely retired.

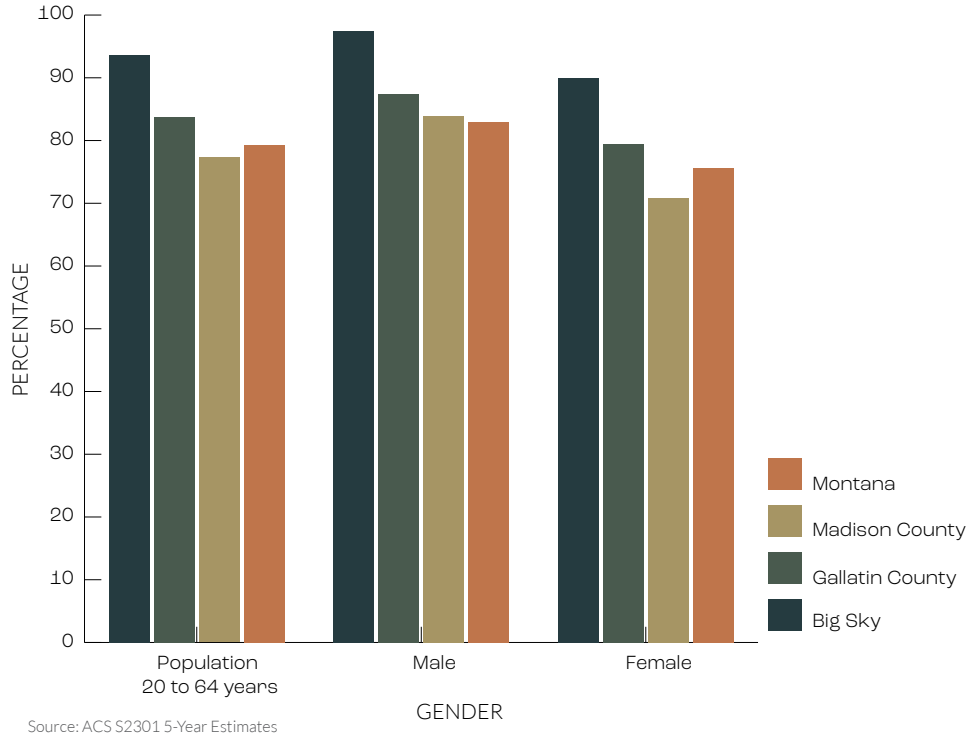
Figure 1: Labor Force Participation Rates, 2020



Source: ACS S2301 5-Year Estimates

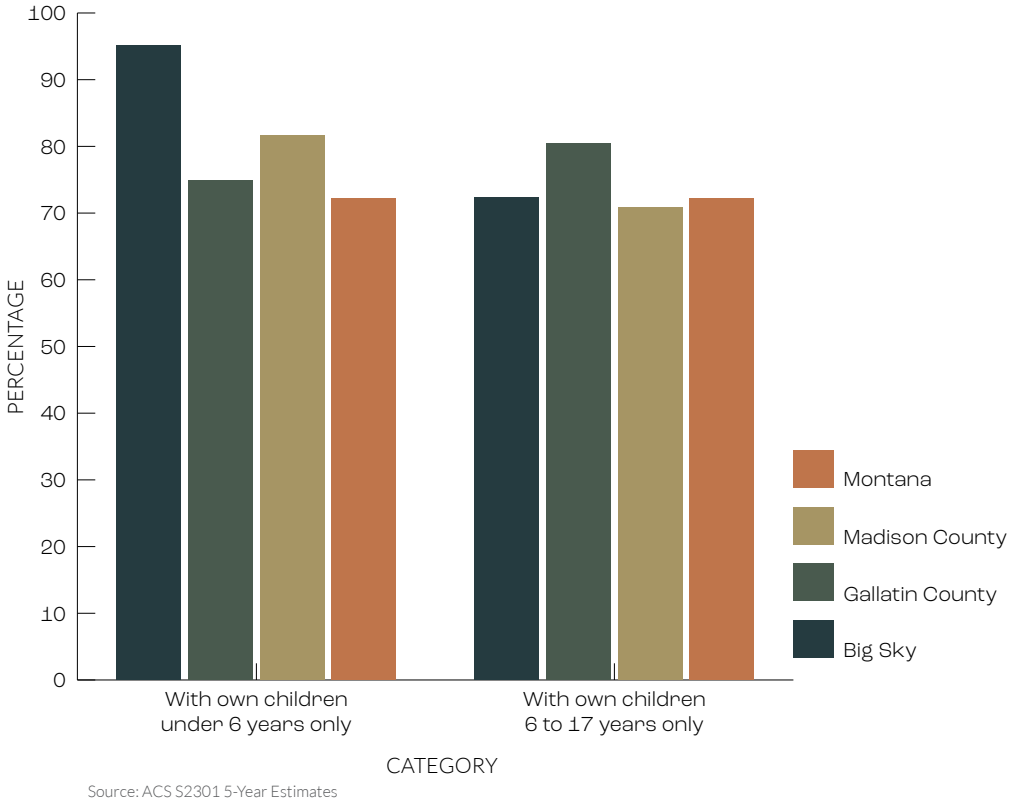
Figures 2 and 3 show labor force participation rates by gender, and by families with children. Women typically participate in the workforce at lower rates than men, due to women being primary caregivers of children.

Figure 2: Labor Force Participation Rates by Gender, 2020



Source: ACS S2301 5-Year Estimates

Figure 3: Labor Force Participation Rates by Individuals with Children, 2020



Source: ACS S2301 5-Year Estimates

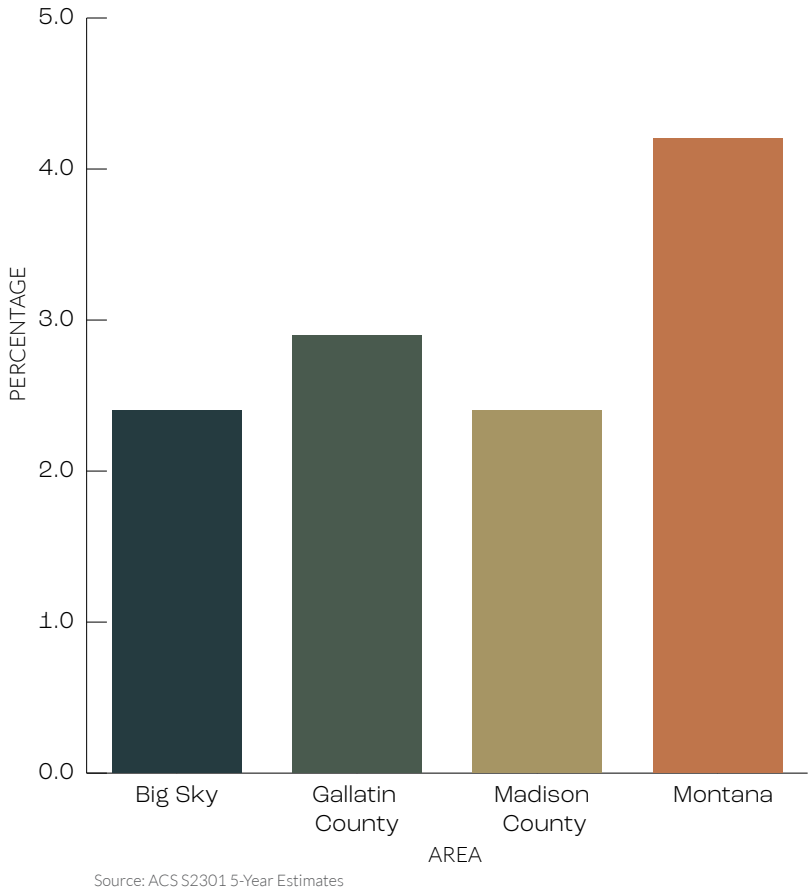
Unemployment Rate

Figure 4 shows unemployment rates for Big Sky, Gallatin County, Madison County, and Montana in 2020. When looking at unemployment rates, it's important to understand how the metric is calculated, and consider it within a larger picture. This means—how the variable is calculated, and what economists consider a healthy unemployment rate, along with comparing this measure to labor force participation rates.

The U.S. natural rate of unemployment in 2021 hovered around 4.5%. This rate is what economists consider healthy for an economy. Workers can freely move between jobs, leaving a place of work to pursue other opportunities while getting another job with ease. Businesses can hire workers as they need to meet production demands. An unemployment rate lower than the natural rate suggests strain in the labor market, making it difficult for businesses to hire as needed. A low unemployment rate can be beneficial for the workers. A tight labor market means that businesses experience shortages of workers, which allows workers to negotiate for higher wages and benefits, and flexible work schedules and environments.

To calculate the unemployment rate, a person is considered unemployed when they are jobless, available for work, and looking for work. When an individual ceases looking for a job, they are no longer considered unemployed. At this point, they are considered not in the labor force. Therefore, when a person or large group of people, stops looking for work, unemployment rates go down, and labor force participation rates also decrease. In relation to Big Sky, the unemployment rate is low and the labor force participation rate is high. This suggests that the population is working and there are not a lot of individuals looking for work or available for work.

Figure 4: Unemployment Rates, 2020



Source: ACS S2301 5-Year Estimates

Employment and Wages by Industry

Industry mix generally refers to the composition and concentration of business sectors within a geographic bound. When considering a community, it is important to examine the industry mix of that community. A place that is heavily dominated by one industry can be subject to volatility in recessions or natural disasters. Understanding the industry mix can help to inform about a community's strength and weaknesses, areas of vulnerability, and guide a long-term strategy to diversify the industry mix. A diverse industry mix will create more resiliency in a community's economics and allow for adaptation in a market downturn. In the case of Big Sky, the community has traditionally been a tourist community, and this is reflected in the data. Table 9 shows that 44% of the full-time, year-round jobs in Big Sky are in the "arts, entertainment, recreation, accommodation, and food services" industry. Compare this to Gallatin County, which has only 13.3% of their jobs in this industry, and Madison County which has only 20.3% of their jobs in these industries. The state of Montana has an even smaller share of jobs in this industry, equating to only 11.4%. It is clear that this region has large proportions of their jobs in the tourism industry, but Gallatin and Madison Counties have more diversity in their industry mix. Leaders in Big Sky may consider intentional investment in attracting jobs from other industries to help build diversity, and thus resiliency, into the community.

Table 9 shows the industry mix of Big Sky in 2020, and the rank of the industry size. After the accommodation and recreation industries, the second largest concentration of jobs in Big Sky is "educational services, health care, and social assistance industries." These jobs support the full-time residents and working population of a community in both employment and as amenities. Retail trade comes in at third place, making up 11.4% of the industry mix in Big Sky, further reinforcing the tourism focused jobs in Big Sky.

Table 9: Regional Industry Mix of Full-Time, Year-Round Jobs in 2020

Industry	Montana	Ratio	Rank	Madison	Ratio	Rank	Gallatin	Ratio	Rank	Big Sky	Ratio	Rank
Civilian employed population 16 years and over	520,043	100.0%		3,996	100.0%		64,341	100.0%		2,167	100.0%	
Agriculture, forestry, fishing and hunting, and mining	33,072	6.4%	6	663	16.6%	2	2,197	3.4%	9	64	3.0%	7
Construction	42,680	8.2%	5	364	9.1%	5	7,105	11.0%	5	121	5.6%	5
Manufacturing	25,990	5.0%	10	105	2.6%	11	4,886	7.6%	6	28	1.3%	10
Wholesale trade	11,009	2.1%	12	62	1.6%	12	1,160	1.8%	12	17	0.8%	13
Retail trade	63,971	12.3%	2	391	9.8%	4	8,149	12.7%	3	192	8.9%	3
Transportation, warehousing, and utilities	27,257	5.2%	9	180	4.5%	8	1,905	3.0%	10	66	3.0%	7
Information	8,224	1.6%	13	60	1.5%	13	617	1.0%	13	23	1.1%	11
Finance, insurance, real estate, rental, and leasing	28,210	5.4%	8	194	4.9%	7	3,598	5.6%	7	160	7.4%	4
Professional, scientific, management, and administrative	45,656	8.8%	4	298	7.5%	6	7,723	12.0%	4	112	5.2%	6
Educational services, health care, and social assistance	120,662	23.2%	1	569	14.2%	3	13,292	20.7%	1	342	15.8%	2
Arts, entertainment, recreation, accommodation, and food services	59,115	11.4%	3	811	20.3%	1	8,587	13.3%	2	953	44.0%	1
Other services, except public administration	25,014	4.8%	11	121	3.0%	10	3,529	5.5%	8	66	3.0%	7
Public administration	29,183	5.6%	7	178	4.5%	8	1,593	2.5%	11	23	1.1%	11

Source: ACS table DP03, 5-year estimates

Table 10 shows how the industry mix for full-time employment in Big Sky has evolved over time. In this modest five-year glance, there are eight industry categories that experienced job growth from 2016-2020 and five industry categories that experienced declines over the same five-year period. Educational services, health care, and social assistance saw the largest increases, growing from 5.0% of the industry mix in 2016 to 15.8% of the industry mix in 2020. Retail trade saw modest increases, from 7.3% in 2016 to 8.9% in 2020.

Industries that declined in Big Sky between 2016 and 2020 include construction, wholesale trade, and professional, scientific, management, and administrative. Construction saw the largest decline, going from 9.1% in 2016 to 5.6% in 2020. However, this decline does not match anecdotal evidence, nor does it match the growth of newly constructed infrastructure in Big Sky in the last decade. The first thing to note is the amount of jobs – this decline is represented by a decline of only 48 jobs (169 jobs in 2016 to 121 jobs in 2020). It is possible that these jobs were not lost, but instead moved to Gallatin or Madison County and was not a significant enough number to change the industry share at the County level. However, it is also possible that the industry is getting more efficient, bringing in machines or technology that has automated a role. More research is needed to make an adequate conclusion.

In addition to construction, the wholesale trade industry saw modest declines, from 2.2% in 2016 to 0.8% in 2020. Professional, scientific, management, and administrative industries[11] stagnated, making small fluctuations over time, going from 5.5% of the industry mix in 2016 to 5.2% in 2020. These professions are easily outsourced with technology, and it is possible the stagnation is due to remote work increasing.

Together, "retail" and "arts, entertainment, recreation, accommodation, and food services" make up 52.8% of the full-time jobs, and this percentage has stayed steady over time—suggesting the strength of the tourism industry in this community, but also demonstrating the need for diversification.

Table 10: Big Sky Proportionate Share of Full-Time Year-Round Jobs by Industry, Over Time.

Industry	2020	2019	2018	2017	2016
Agriculture, forestry, fishing and hunting, and mining	3.0%	2.8%	3.2%	3.3%	6.6%
Construction	5.6%	6.8%	8.6%	9.7%	9.1%
Manufacturing	1.3%	1.1%	2.4%	0.7%	0.6%
Wholesale trade	0.8%	0.9%	2.8%	2.3%	2.2%
Retail trade	8.9%	11.4%	13.0%	9.8%	7.3%
Transportation and warehousing, and utilities	3.0%	3.1%	2.9%	3.3%	2.6%
Information	1.1%	1.7%	0.7%	0.5%	0.8%
Finance and insurance, and real estate and rental and leasing	7.4%	6.4%	4.8%	4.9%	6.3%
Professional, scientific, management, and administrative	5.2%	6.6%	7.3%	8.1%	5.5%
Educational services, health care, and social assistance	15.8%	12.5%	9.8%	9.1%	5.0%
Arts, entertainment, and recreation, and accommodation and food services	44.0%	42.5%	40.6%	46.2%	51.9%
Other services, except public administration	3.0%	3.2%	2.9%	2.0%	2.0%
Public administration	1.1%	1.1%	1.1%	0.0%	0.0%

Source: ACS table DP03, 5-year estimates

[11]This includes jobs in legal services, accounting, architectural, engineering, computer systems and design, etc.

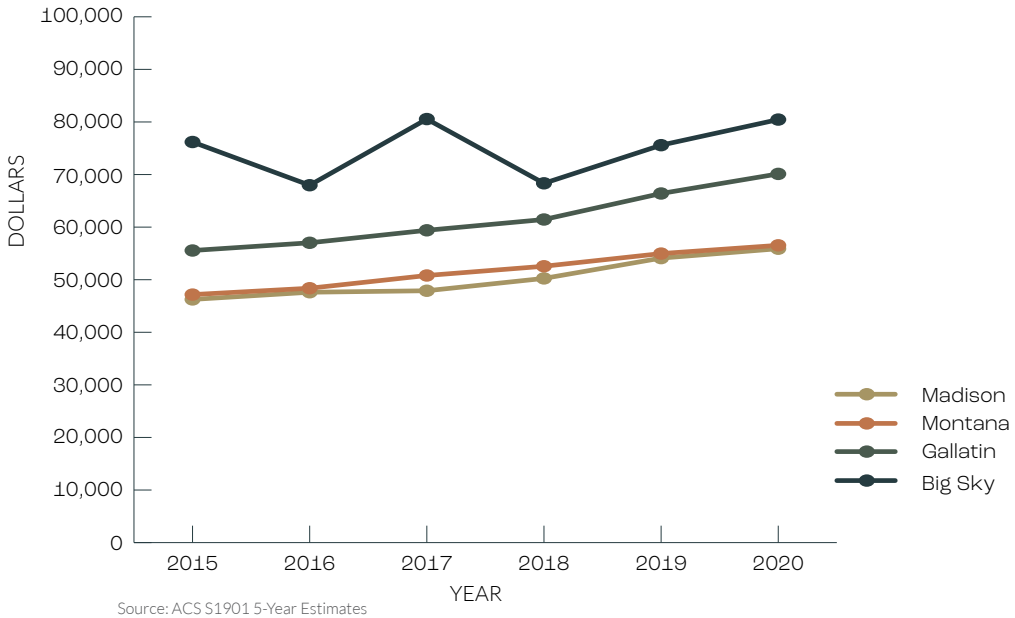
QUALITY OF LIFE VARIABLES

Quality of life variables are essential to consider because they are the critical elements to, and reasons why, families want to put down roots and invest in their community. While the definition and variables of quality of life are debated among various academic fields[12], there is some consensus on the factors that contribute to improving quality of life. Historically, Gross Domestic Product (GDP) has been the main variable of consideration, but quality of life factors now include housing, income, jobs, community engagement, education, environment, health, and safety. Below, you will find a discussion on income, housing, cost of living, educational attainment, health insurance, and transportation related to Big Sky.

Income

Income is directly tied to quality of life, and any additional income earned after basic living expenses are paid for is called disposable income—also known as income after taxes that is available to be spent as one wishes. Disposable income is typically how individuals save for retirement and make other investments. Increased wages bolster economic stability for residents, leading to vibrant markets and an improved quality of life.
The 2020 median household income in Big Sky ($80,455) is higher than the surrounding Gallatin County ($70,124) and Madison County ($55,892). Both Big Sky and Gallatin County have much higher median household income when compared to the state of Montana ($56,539). Figure 5 shows median household income over time for all local geographies.

Figure 5: Median Household Income Over Time



Source: ACS S1901 5-Year Estimates

[12]The Organization for Economic Co-operation and Development (OECD) has built a "better life index" that defines 11 factors as essential in well-being and quality of life. Read more here: https://www.oecdbetterlifeindex.org

Table 11 shows annual wages by industry for the full-time, year-round population 16 years and older in 2020. Computer, engineering, and science occupations are the highest paid in Big Sky with an average wage of $123,315, while the lowest wages are in food prep ($33,348) and service ($40,192). However, service industry workers in Big Sky are still paid more than the average wages for the same occupation in Gallatin and Madison Counties ($29,967 and $30,332, respectively) and Montana ($27,779).

Together, this data demonstrates that a majority of the workforce and employment opportunities in Big Sky are working for the lowest wages in the community but earning more on average than their counterparts in the surrounding counties or state.

Table 11: Wages by Industry, 2020

Industry	Big Sky	Gallatin	Madison	Montana
Management, Business, Science, and arts occupations	$83,500	$60,798	$50,505	$55,070
Computer, engineering, and science occupations	$123,315	$63,606	$100,833	$63,899
Service Occupations	$40,192	$29,967	$30,332	$27,779
Food Preparation and serving related occupations	$33,348	$27,030	$18,125	$23,679
Sales and office occupations	$81,184	$43,986	$31,591	$37,178
Natural resources, construction, and maintenance occupations	$40,221	$43,914	$35,547	$45,867
Construction and extraction occupations	$- *	$41,653	$48,359	$47,150
Education, Legal, Community Service, arts, and media occupations	$41,426	$49,521	$32,708	$46,292
Production, transport and material moving occupations	$76,250	$40,770	$46,615	$40,556
Healthcare practitioners and technical occupations	$94,083	$59,923	$63,333	$62,016

Source: ACS Table S2412 5-Year Estimates. *No Data Available.

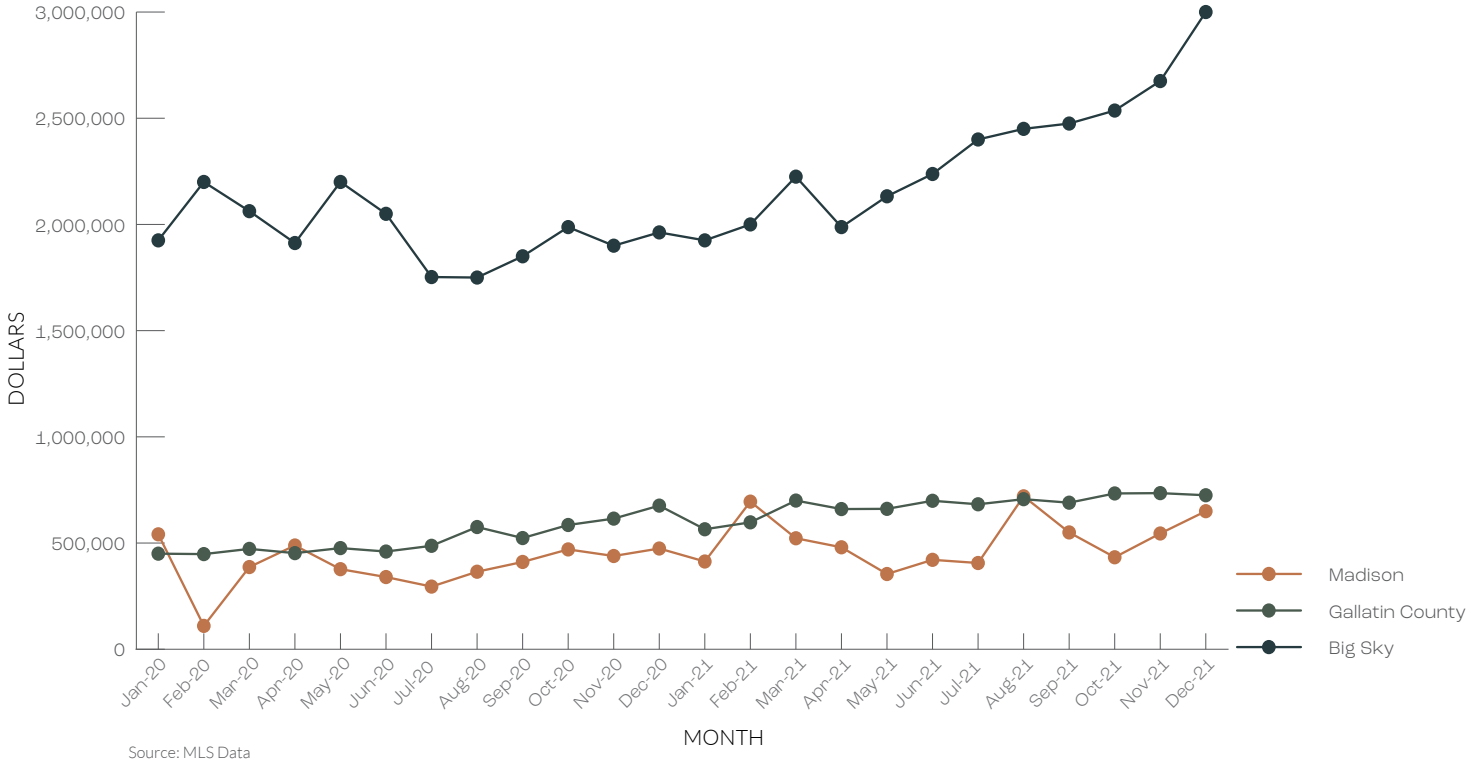
This leaves opportunity for the Big Sky community to recruit more diverse industry to the area, with the potential to focus on higher paying industries as an opportunity for the workforce to pursue career and wage growth.

Housing

Big Sky is a unique community with a large portion of housing units being second homes for individuals that do not live locally. Additionally, many housing units are offered as short-term vacation rentals instead of long-term leases to local residents. The high cost of housing in Big Sky leads to challenges for the workforce to afford living locally and provide services demanded by tourists. In 2020, Census data shows a total of 3,504 housing units in Big Sky, with 1,495 occupied and 2,009 vacant, equaling a 57% vacancy rate. In contrast, Gallatin County had a 10% vacancy rate.

In December 2021, average single family home prices in Big Sky were $3,000,000, while the average price for a condo/townhome was $1,150,000. With the median household income in Big Sky being $80,455, homeownership is unattainable to most. Affordable housing is defined by the federal Department of Housing and Urban Development as "housing in which the occupant is paying no more than 30% of gross income." Using Big Sky's median household income as a baseline, for owned or rental units, this equates to a monthly payment of $2,011.38 or less, which is approximately a mortgage amount of $525,000.[13] This mortgage amount assumes the borrower has no debt, and does not factor in homeowner's insurance, HOA fees, or other fees. Compared to housing prices in December 2021, the market price for condos/townhomes is over twice what would be considered affordable for the average household in Big Sky.

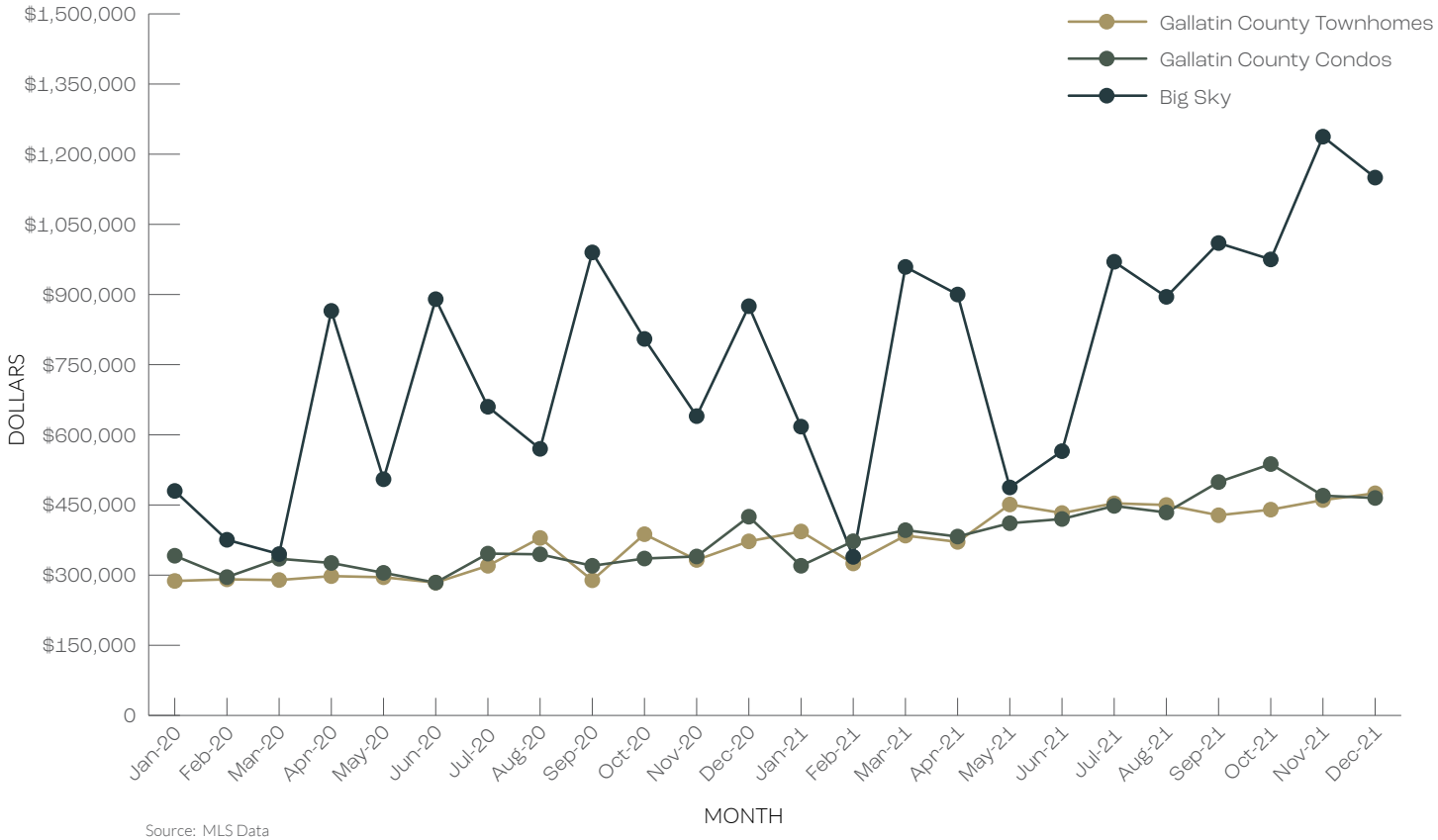
Figure 6: Median Sales Price of Single Family Homes



Source: MLS Data

[13] The monthly payment for a $525,000 mortgage is $2,005 assuming the borrower has no debt, a 30-year fixed rate mortgage, with an interest rate of 4%, a down-payment of 20%, average annual property taxes of 0.8% which is the rate in Gallatin County, and does NOT include homeowner's insurance, PMI, or HOA fees.

Figure 7: Median Sales Price of Townhomes and Condos



Source: MLS Data

63.4%
of housing units are owner occupied and

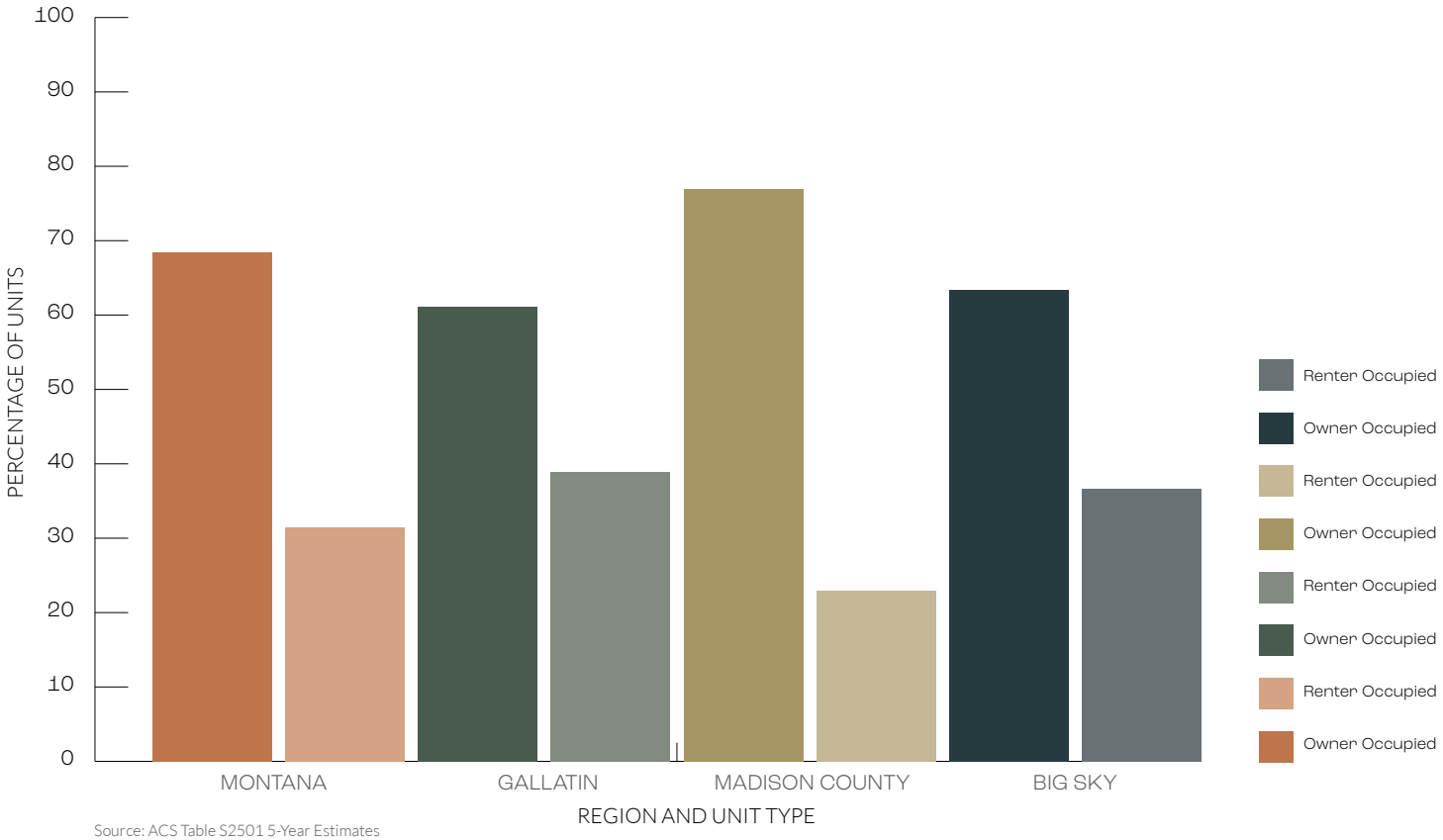
36.6%
are renter occupied.

Figure 8 shows the percent of occupied units that are renter occupied versus owner occupied in Big Sky. In 2020, 63.4% of units were owner occupied, while 36.6% were renter occupied. Gallatin County had similar rates, with 61.1% owner occupied and 38.9% renter occupied. Montana has higher owner-occupied rates (68.5%) than renter occupied (31.5%) suggesting that more residents rent housing in Gallatin County and Big Sky. It is important to note that this does not account for the year in which an individual purchased a home—this region of Montana has experienced large and drastic increases in the cost of housing due to increased in-migration, constraints on the supply chain, increases in prices of construction materials, and the workforce shortage limiting construction activity. Purchasing a home at current prices in 2021 is generally more challenging than at any point in the last decade.

Typically, high density housing is a cost-effective way to provide housing for a community. Data demonstrates that Big Sky has responded by providing housing structures with two or more units. Figure 9 shows the breakdown of housing stock in Big Sky. Half of the structures in Big Sky are single family homes (49.4%), while 48.7% of the housing in Big Sky is 2-or-more unit structures indicating condos or townhomes. The proportion of two or more units per structure is higher in Big Sky than in Madison County (7.3%), Gallatin County (25.7%) or the rest of Montana (16.4%)

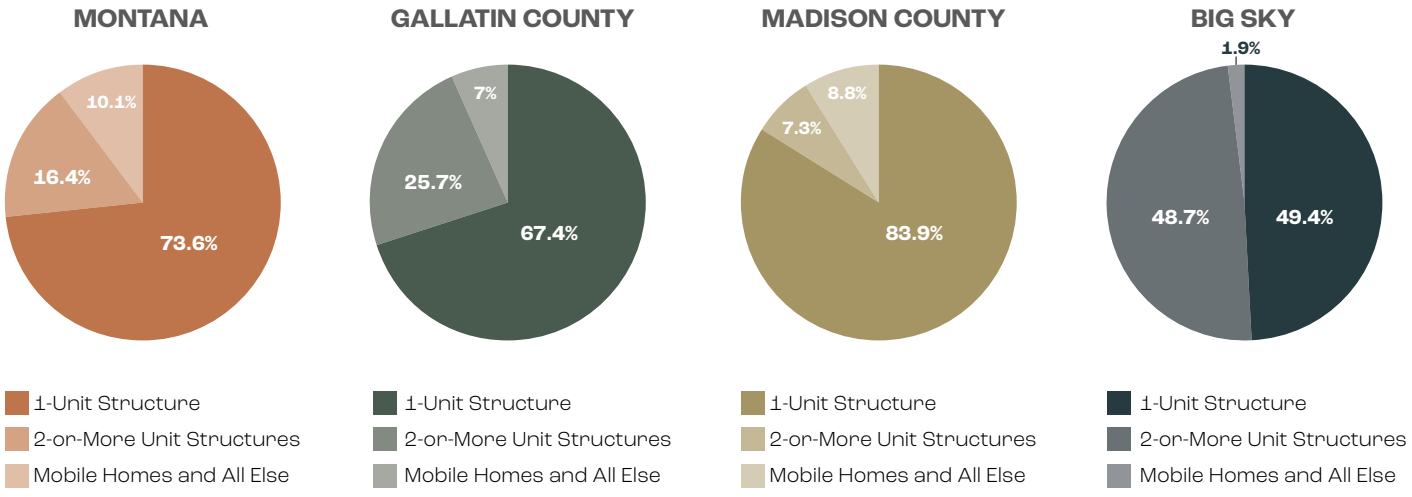
In communities around the US, mobile homes are a means of providing affordable housing. Big Sky's housing stock is lacking this option, with only 1.9% of the units classified as mobile homes. This is significantly lower than Gallatin County (7.0%), Madison County (8.8%), or the state (10.6%), and is likely due to the open land constraints the community faces.

Figure 8: Housing - Owner vs. Renter Occupied, 2020



Source: ACS Table S2501 5-Year Estimates

Figure 9: Composition of Housing Stock, 2020



Source: ACS Table S1101 5-Year Estimates

Table 12 shows the range of monthly housing costs for owners with a mortgage in 2020. Big Sky has the highest median monthly cost at $1,909, with the largest group of homeowners in Big Sky paying between $1,500 to $1,999 a month. Big Sky is also the only community where there are no homeowners paying $599 or less per month.

Table 13 shows the financial status of those with a mortgage. Of the homeowners that have a mortgage, this table indicates those that have a second mortgage or home equity loan. This helps to understand the financial stability of local homeowners and how their assets are leveraged. A large majority (94%) of Big Sky residents only have their primary mortgage, which is a good indicator for financial stability.

Table 14 shows monthly housing costs broken down by owners and renters. This is important for considering the financial stability differences between those that rent and own homes. In Big Sky, most renters pay between $1,000 and $1,499 a month, while the monthly costs to owners is distributed among various cost levels. Of those that own homes, 21% pay between $1,500 and $1,999 monthly, 19% pay $3,000 and more, and 19% pay between $500 to $799 monthly.

Table 12: Monthly Housing Costs for Owners with a Mortgage, 2020

Monthly Housing Cost	Montana	Gallatin	Madison	Big Sky
Less than $200	41	0	0	0
$200 to $399	869	12	3	0
$400 to $599	4,184	158.00	10	0
$600 to $799	10,568	468	100	84
$800 to $999	17,645	751	177	36
$1,000 to $1,499	55,255	3,834	383	74
$1,500 to $1,999	42,298	5,864	311	151
$2,000 to $2,499	19,636	3,096	201	38
$2,500 to $2,999	8,462	1,249	66	66
$3,000 or more	8,219	2,135	94	149
Median (dollars)	$1,456	$1,816	$1,499	$1,909

Source: ACS Table S2506 5-Year Estimates

Table 13: Financial Status for Owners with a Mortgage, 2020

Monthly Housing Cost	Montana	Gallatin	Madison	Big Sky
With a mortgage and either a second mortgage or home equity loan	17,435	2,297	34	36
Only second mortgage	4,033	419	8	0
Only home equity loan	12,765	1,761	26	36
Both second mortgage and home equity loan	637	117	0	0
No second mortgage and no home equity loan	148,942	15,218	1,309	562
Home equity loan without a primary mortgage	800	52	2	0

Source: ACS Table S2506 5-Year Estimates

Table 14: Monthly Housing Costs -- Owners vs. Renters, 2020

Monthly Cost	Montana		Gallatin		Madison		Big Sky	
	Owner Occupied Housing Units	Renter Occupied Housing Units	Owner Occupied Housing Units	Renter Occupied Housing Units	Owner Occupied Housing Units	Renter Occupied Housing Units	Owner Occupied Housing Units	Renter Occupied Housing Units
Less than $300	26,864	6,118	1,094	157	227	21	0	0
$300 to $499	54,557	12,000	3,081	531	703	31	5	32
$500 to $799	54,426	40,011	4,674	3,260	645	165	145	49
$800 to $999	23,613	24,874	1,788	2,680	203	180	81	64
$1,000 to $1,499	59,373	31,683	4,461	6,092	400	155	131	160
$1,500 to $1,999	43,092	7,843	6,021	2,827	311	19	166	53
$2,000 to $2,499	19,978	1,903	3,184	1,023	204	0	38	47
$2,500 to $2,999	8,573	463	1,249	158	66	0	66	10
$3,000 or more	8,252	991	2,141	185	94	0	149	0
No cash rent	(X)	11,434	(X)	681	(X)	283	(X)	36
Median (dollars)	$917	$836	$1,372	$1,131	$709	$855	$1,756	$1,319

Source: ACS Table S2506 5-Year Estimates

Community Efforts in Housing

While affordable workforce housing in Big Sky is challenging, there are several community non-profits that are making efforts to address the issue. This includes Big Sky Community Housing Trust, HRDC, and Habitat for Humanity.

In 2021, the Big Sky Community Housing Trust, in partnership with HRDC, completed the Meadowview Apartments. Meadowview is a community land trust development that provided 12 studios, and 40 two-bedroom apartments to 105 Big Sky community members. The units were eligible to full-time employees in Big Sky, who were employed for at least 24 months prior to purchase. Unit prices ranged from $155,000 to $320,000 and appreciation was restricted to 2% per year. A majority of the purchasing residents work for Big Sky Resort, Spanish Peaks, Moonlight, and Town Center.

Also in 2021, Big Sky Community Housing Trust partnered with Lone Mountain Land Company to purchase land with the intent to build 100 new rental apartments in Big Sky. The initiative has received $6.4 million in federal funding, $2,200,000 in resort tax funds, and an estimated $45,000,000 in private funds. The 100 units will be comprised of 1-, 2-, and 3-bedroom apartments. 25% of the units will be reserved for local workers who meet income qualifications, and 75% of the units will be reserved for local employers to lease to their employees.[14]

The Big Sky Community Housing Trust has also initiated a joint program, Rent Local and HomeShare, designed to help convert vacant condos to long term rentals. Owners can choose to donate to the program, commit their vacation rentals to long-term rental contracts in exchange for cash, or lend their homes to other unit owners who have committed to long term contracts.

These collaborative approaches and various strategies represent Big Sky's multi-prong approach to housing various groups of employees, from more seasonal workers with dorm or apartment style housing, to providing career track or year-round employees with two-bedroom options to rent or purchase.

Cost of Living

Cost of living is defined as the amount of money needed to cover basic expenses such as food, housing, transportation, healthcare, and taxes. This calculation is dependent on location and year. Wages are also tied to cost of living, such that wages are typically higher in places that have higher costs of living so that individuals can afford to live there. Other factors that can affect the cost of living include inflation and a person's chosen type of lifestyle. Cost of living is important to consider in an individual's ability to accumulate wealth. Adequate disposable income allows individuals and families to save, invest, and create a stable financial future.

The U.S. federal government does not publish an official cost of living index, but several private organizations offer online calculators. The most popular calculators include: the Economic Policy Institute's Family Budget Calculator[15], the Council for Community and Economic Research Cost of Living Index ,[16] the Missouri Economic Research and Information Center's Cost of Living Data Series[17], and the Massachusetts Institute of Technology (MIT) Living Wage Calculator[18]. Estimates produced by these calculators can vary based on the equation used to calculate the number. Comparison numbers are typically calculated at the state, county, and metropolitan levels, therefore these calculators do not produce an estimate for Big Sky. For this study, county-level cost of living estimates are used. In March 2022, cost of living for two adults and one child in Gallatin County is estimated at $74,404, and $70,994 in Madison County[19]. The MIT Calculator estimates, for the same family size, Gallatin County to be $79,693 and Madison County to be $75,826. In both cases, Gallatin County requires a family of three to earn more income than those in Madison County to provide for basic living expenses.

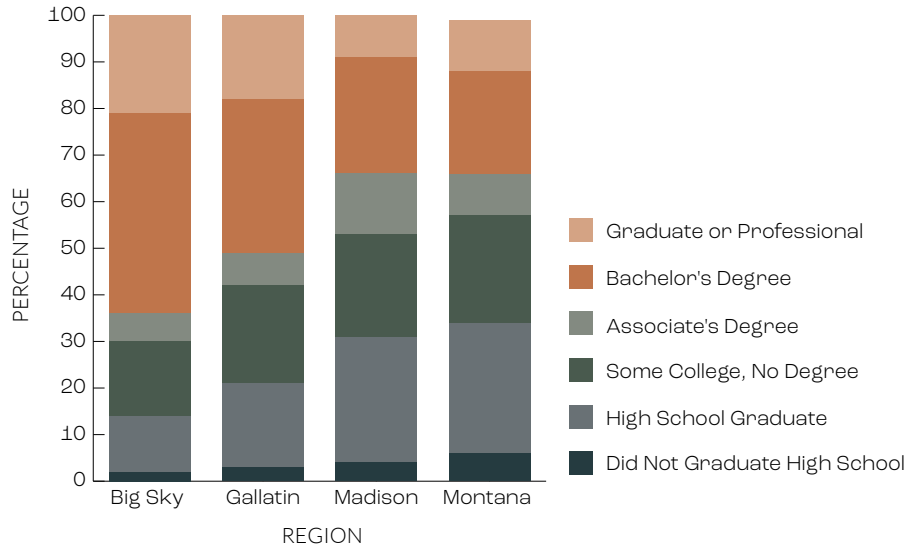
[14]"Riverview Apartments," Big Sky Housing Trust, accessed on December 30, 2021, https://bigskyhousingtrust.com/riverview-apartments/
[15]https://www.epi.org/resources/budget/
[16]https://www.coli.org/
[17]https://meric.mo.gov/data/cost-living-data-series
[18]https://livingwage.mit.edu/
[19]Estimates are from the Economic Policy Institute

Educational Attainment

In comparison to the surrounding areas, Big Sky has highly educated residents. Figure 10 demonstrates in 2020, 70.0% of the residents aged 25 and older in Big Sky had an associate's degree or higher. Big Sky leads the region in educated residents when compared to Gallatin County (58.3%), Madison County (46.6%) and Montana (42.6%). Also, this proportion has increased over time, up from 60.3% of residents having an associate's degree or higher in 2015.

A highly educated workforce is an asset for the Big Sky community. However, with a majority of the employment opportunities in Big Sky being in the arts, entertainment, recreation, accommodation, and food services industries, this can lead to an underpaid and underutilized workforce. This suggests that the workforce in Big Sky has untapped potential to produce high value products by utilizing their higher education degrees. This could also be a major asset for business recruitment to leverage, and a fantastic opportunity for the workforce. If businesses provide leadership training, and cultivate and encourage their employees, there is as great pool for middle- and upper- management positions. Due to the small nature of the community and the worker shortage, employees have the opportunity for career advancements that larger communities may not offer. A highly educated community also leads to the presence of more "quality of life" factors, including higher lifetime earnings, lower poverty rates, and more civic engagement.[20]

Figure 10: Educational Attainment, 2020



Source: ACS Table S1101 5-Year Estimates

> *The highly educated Big Sky workforce is a major asset for business recruitment to leverage, and a fantastic opportunity for the workforce. If businesses provide leadership training, and cultivate and encourage their employees, there is as great pool for middle- and upper- management positions.*

[20]Emily Trautman, et al., Bozeman Area Labor Report, May 2019: 26

Health Insurance

Another quality-of-life factor for community citizens, and possible workforce retention strategy for businesses to adopt, is offering health insurance. Table 15 shows health insurance coverage over time for employed and unemployed residents in Big Sky, Table 16 Gallatin County, Table 17 Madison County, and Table 18 Montana. Of those employed in Big Sky, only 8.8% did not have health insurance in 2020, down from 15% in 2015. This rate is competitive with Gallatin County (8.9%), and better than Madison County (17.6%) and Montana (10.9%). However, in Big Sky, a higher percentage of employees are covered by public insurance (11.1%) than in Gallatin County (8.4%). This is a potential opportunity and workforce recruitment strategy that employers could use to increase their competitiveness when hiring.

Table 15: Big Sky-Health Insurance Coverage Over Time

	Employed 18-64 year olds				Unemployed 18-64 Year Olds			
Year	Total Employed 18-64 year olds	% Employed Covered by Private Insurance	% Employed Covered by Public Insurance	% Employed Not Covered Insurance	Total Unemployed 18-64 Year Olds	% Unemployed Covered by Private Insurance	% Unemployed Covered by Public Insurance	% Unemployed Not Covered by Insurance
2015	1,597	85.2%	0.0%	15%	153	54.2%	0.0%	45.8%
2016	1,807	85.2%	2.7%	13.2%	114	64.9%	0.0%	35.1%
2017	1,775	84.8%	4.6%	11.8%	83	88.0%	0.0%	12.0%
2018	1,932	82.5%	7.8%	11.8%	69	68.1%	0.0%	31.9%
2019	1,995	81.7%	11.4%	9.1%	51	56.9%	0.0%	43.1%
2020	2,064	81.9%	11.1%	8.8%	53	11.3%	47.2%	41.5%

Source: ACS Table B27011 5-Year Estimates

Table 16: Gallatin County-Health Insurance Coverage Over Time

	Employed 18-64 year olds				Unemployed 18-64 Year Olds			
Year	Total Employed 18-64 year olds	% Employed Covered by Private Insurance	% Employed Covered by Public Insurance	% Employed Not Covered Insurance	Total Unemployed 18-64 Year Olds	% Unemployed Covered by Private Insurance	% Unemployed Covered by Public Insurance	% Unemployed Not Covered by Insurance
2015	50,109	84.5%	3.3%	13.9%	3,307	61.4%	8.8%	31.4%
2016	51,796	85.9%	3.9%	12.2%	2,863	58.7%	11.2%	31.8%
2017	52,893	86.6%	4.9%	10.6%	2,162	61.9%	14.1%	25.4%
2018	55,716	86.3%	6.0%	9.9%	1,736	67.6%	17.1%	16.6%
2019	57,891	86.2%	7.2%	9.0%	1,576	63.0%	21.7%	18.5%
2020	59,670	85.4%	8.4%	8.9%	1,262	63.4%	18.1%	22.2%

Source: ACS Table B27011 5-Year Estimates

Table 17: Madison County-Health Insurance Coverage Over Time

	Employed 18-64 year olds				Unemployed 18-64 Year Olds			
Year	Total Employed 18-64 year olds	% Employed Covered by Private Insurance	% Employed Covered by Public Insurance	% Employed Not Covered Insurance	Total Unemployed 18-64 Year Olds	% Unemployed Covered by Private Insurance	% Unemployed Covered by Public Insurance	% Unemployed Not Covered by Insurance
2015	3,846	72.7%	15.0%	20.2%	197	59.9%	6.1%	34.0%
2016	3,860	71.9%	15.5%	20.7%	165	58.8%	12.1%	30.3%
2017	3,297	76.2%	4.8%	20.4%	130	58.5%	7.7%	33.8%
2018	3,421	76.1%	7.4%	18.6%	120	50.8%	10.8%	38.3%
2019	3,468	76.3%	9.8%	16.3%	94	43.6%	17.0%	39.4%
2020	3,408	72.7%	12.2%	17.6%	107	29.9%	41.1%	29.0%

Source: ACS Table B27011 5-Year Estimates

Table 18: Montana-Health Insurance Coverage Over Time

	Employed 18-64 year olds				Unemployed 18-64 Year Olds			
Year	Total Employed 18-64 year olds	% Employed Covered by Private Insurance	% Employed Covered by Public Insurance	% Employed Not Covered Insurance	Total Unemployed 18-64 Year Olds	% Unemployed Covered by Private Insurance	% Unemployed Covered by Public Insurance	% Unemployed Not Covered by Insurance
2015	449,117	77.0%	6.4%	19.3%	30,065	35.1%	16.7%	50.8%
2016	452,942	78.5%	7.4%	17.0%	27,253	36.3%	21.5%	45.4%
2017	452,781	80.0%	8.5%	14.6%	22,044	39.0%	24.3%	40.2%
2018	460,061	80.2%	10.1%	12.9%	19,663	42.2%	29.9%	32.3%
2019	463,150	80.3%	11.8%	11.5%	18,667	42.3%	35.2%	27.0%
2020	468,968	79.3%	13.8%	10.9%	19,361	38.6%	39.8%	25.0%

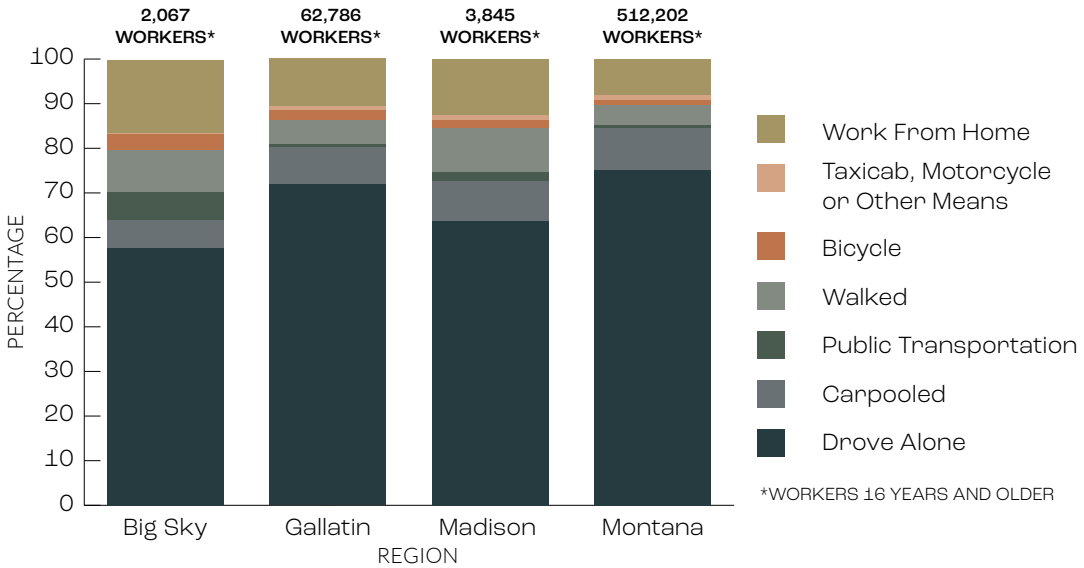
Source: ACS Table B27011 5-Year Estimates

Transportation

The community of Big Sky is a geographically isolated mountain town that is challenging to access year-round and is worsened by winter conditions. State highway 191, running north-south, serves as the main artery for accessing Big Sky. This leads to different transportation needs for both visitors and the workforce. This is supported by data, shown in Figure 11. While driving alone is the transportation method chosen by a majority of residents across the region Big Sky residents commute by public transportation or walking at higher rates than residents in Gallatin County or across Montana. Also, a large number of employees work from home (16.5%).

Expensive home prices lead to a majority of the workforce living in the surrounding county area, with 66% of the workforce commuting into Big Sky to work in 2019, as shown below[21]. To accommodate for this, the Skyline Bus offers year-round service to commuters between Bozeman and Big Sky. Skyline operates seven days a week during peak season, and Monday thru Friday in shoulder seasons. GoGallatin is another platform looking to increase carpooling options.

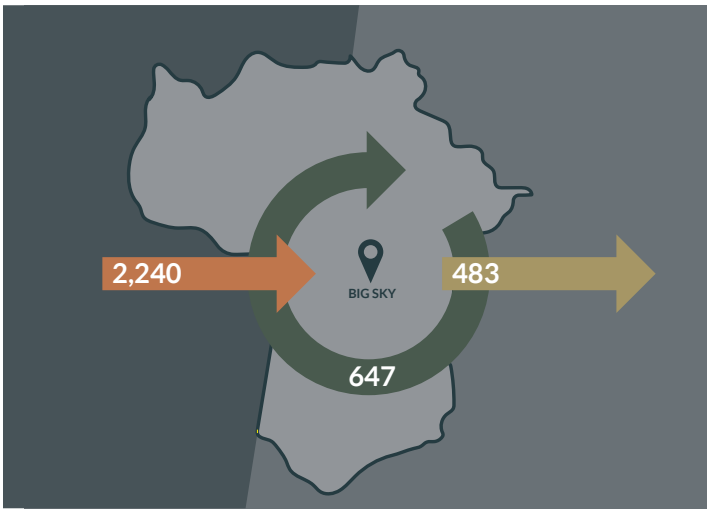
Figure 11: Workforce Transportation Methods, 2020



Source: ACS Table S0801 5-year estimates

[21]Data Source: U.S. Census Bureau OnTheMap Inflow/Outflow Analysis, Big Sky CDP 2019. 2019 is the most recent data available.

Big Sky Workforce Inflow & Outflow



Number of individuals employed in the Big Sky CDP, but lives outside of the CDP in 2019.

Number of individuals employed in the Big Sky CDP, that also lives inside the CDP in 2019.

Number of individuals employed outside of the Big Sky CDP, but lives inside the CDP in 2019.

Supporting the robust tourism industry is Big Sky's proximity to Montana's busiest airport, Bozeman Yellowstone International Airport (BZN). Table 19 shows that in 2021, BZN handled a record 1,940,191 passengers. This was a 118% increase over 2020 (impacted by COVID 19), and a 23.3% increase over 2019. BZN stands out as unique when contrasted against U.S. trends. Airports around the nation averaged a 31.1% decline in passenger traffic for 2021 compared to 2019. This strong and continual visitation to the area demonstrates consistent tourism and traveler demand and an economic resiliency in the tourism industry for the region.

BZN handles more passengers than any other Montana airport and is the seventh busiest airport in a seven-state Northwest Region[22], and the 86th busiest airport in the nation[23]. BZN offers more coast-to-coast non-stop service than ever before including Atlanta, Austin, Boston, Charlotte, Chicago, Dallas/Ft. Worth, Dallas-Love, Denver, Fort Lauderdale, Houston, Las Vegas, Los Angeles, Minneapolis/St. Paul, Newark, New York JFK, Nashville, Phoenix-Mesa, Portland, Salt Lake City, San Francisco, Seattle/Tacoma and Washington, D.C.

Table 19: Bozeman Yellowstone International Airport Total Revenue Passengers

	2022	2021	2020	2019	% Chg 2021	% Chg 2020	% Chg 2019
January	167,043	86,606	137,154	119,620	92.9%	-36.90%	-27.60%
February	171,096	99,083	142,969	120,180	72.7%	-30.70%	-17.60%
March	206,216	133,705	89,352	146,301	54.2%	49.60%	-8.60%
April	140,031	98,434	2,932	89,992	42.3%	3257.20%	9.40%
May	165,145	131,968	12,262	111,271	25.1%	976.20%	18.60%
June	225,410	223,827	37,057	164,211	0.7%	504.00%	36.30%
July		277,355	86,750	191,282		219.70%	45.00%
August		254,975	96,276	176,745		164.80%	44.30%
September		195,262	86,592	132,348		125.50%	47.50%
October		156,192	69,913	104,028		123.40%	50.10%
November		117,516	50,199	81,971		134.10%	43.40%
December		165,268	78,319	135,911		111.00%	21.60%
Total		1,940,191	889,775	1,573,860		118.10%	23.30%

Source: Bozeman Yellowstone International Airport Statistics

[22]Northwest Region includes CO, UT, WY, ID, MT, OR, and WA.
[23]In terms of passengers.

TOURISM

Tourism is the dominating industry in Big Sky and also in the larger region. Three of the five total entrances to Yellowstone National Park are located in under a three-hour drive time, and Bozeman Yellowstone International Airport is the primary airport that serves travel into Yellowstone. 45% of all tourists entering Yellowstone National Park travel through the West Entrance, which is only a short 50 miles south of Big Sky.

In Big Sky, there are two types of sales taxes. The first is a Montana state-wide lodging tax of 8% (4% sales tax to the general fund and 4% facility use tax, commonly known as the "bed tax"). The lodging tax is placed on all guests of hotels, motels, bed and breakfasts, guest ranches, resorts, property-managed units, and campgrounds. These revenues are collected by the state government and redistributed among various programs at the state and local level such as historical preservation, facility maintenance in state parks, travel research programming, and non-profit convention and visitors' bureaus.[25] The total bed tax revenues are public information and published by the Montana Department of Commerce. Revenues are reported on an aggregated level called "tourism regions," with Yellowstone Country being the tourism region in which Big Sky is located. They are also reported at the county level and Convention and Visitors Bureau (CVB) level. The Yellowstone Country tourism region is made up of Gallatin, Park, Sweetgrass, Stillwater, and Carbon Counties in Montana.

Table 20 shows 4% annual bed tax collections in the Big Sky and Bozeman CVB regions, and also the aggregate Yellowstone Country tax revenues. In 2021, the small region of Big Sky was responsible for grossing the largest amount of lodging tax collections in the entire state of Montana, and was responsible for 25% of Yellowstone Country tourism region's collections.

Table 20: Annual Lodging Facility Use Tax Collections

Year	Big Sky	% of Total	Bozeman	% of Total	Yellowstone
2015	$1,928,795.90	21%	$2,138,487.63	23%	$9,290,875.47
2016	$2,115,920.33	20%	$2,244,099.50	22%	$10,332,365.79
2017	$2,277,668.85	21%	$2,408,221.83	22%	$11,030,597.02
2018	$2,739,168.87	22%	$2,612,459.59	21%	$12,200,270.20
2019	$3,241,849.70	24%	$2,877,820.08	21%	$13,566,663.00
2020	$3,317,710.70	29%	$2,188,153.12	19%	$11,542,233.96
2021	$4,949,104.45	25%	$4,457,100.52	22%	$19,973,217.22

Source: Montana Department of Commerce, Yellowstone Country Lodging Facility Use Tax Collections

[25] Montana Annotated Code, 15-65-121. Distribution of Tax Proceeds (2021). https://leg.mt.gov/bills/mca/title_0150/chapter_0650/part_0010/section_0210/0150-0650-0010-0210.html

Figure 12 and Table 21 better demonstrates the seasonality of tourism in Big Sky. Graphing quarterly bed tax collections over time shows that Big Sky's peak season is in the first quarter of each year, followed by quarter two as the slowest season of the year. Over time, gross collections in all quarters have increased, with quarter two of 2020 being the only exception, with that quarter's collections decreasing due to COVID-19 shutdown restrictions.

The second type of tax in Big Sky that is leveraged on visitors is the Local Resort Tax. Montana allows for local regions with high numbers of visitors, to elect to become a resort tax area, which allows for a 3% or 4% tax rate to be collected to manage the wear-and-tear on local infrastructure without overburdening residents. The resort tax can be applied to lodging and camping facilities, food service establishments, alcohol service, and destination resorts or recreational facilities. For a region to qualify to become a resort tax area, they must be an incorporated town of less than 5,500 residents, or an unincorporated area of less than 2,500 residents, with a dominant part of the local economy to be based in tourism. A map of the BSRAD district can be found on page 39.

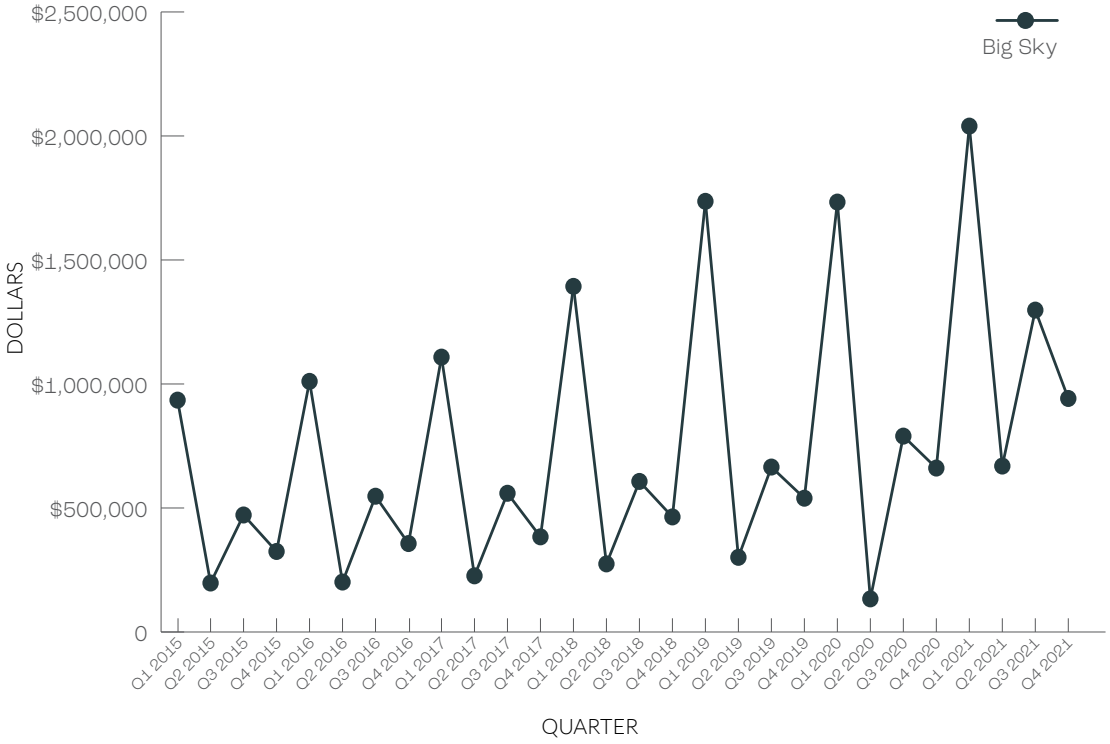
The Big Sky Resort Tax District (BSRAD) was established in 1992 and since then, approximately $80 million have been reinvested back into the community. The collections are 4% of sales on eligible industries, and of the 4%, 1% must be invested in infrastructure. The remaining 3% of tax collections are reinvested back in the community. The BSRAD collects and manages these funds. In fiscal year 2021, BSRAD committed over $10 million to 27 organizations and 48 projects, investing in areas such as health and safety, public works, recreation and conservation, arts and education, economic development, and housing. During the COVID-19 pandemic, BSRAD partnered with Moonlight Community Foundation, Spanish Peaks Community Foundation, and the Yellowstone Club Community Foundation to establish a "Big Sky Relief" program. Together, the community offered robust testing services, providing over 60,000 free PCR tests in FY 21, and subsequent vaccine clinic coordination.

Table 21: Big Sky Lodging Facility Use Tax Percent Change Over Time

	% Change from last
Q1 2015	
Q2 2015	-79%
Q3 2015	139%
Q4 2015	-31%
Q1 2016	211%
Q2 2016	-80%
Q3 2016	172%
Q4 2016	-35%
Q1 2017	211%
Q2 2017	-80%
Q3 2017	147%
Q4 2017	-31%
Q1 2018	263%
Q2 2018	-80%
Q3 2018	121%
Q4 2018	-24%
Q1 2019	274%
Q2 2019	-83%
Q3 2019	121%
Q4 2019	-19%
Q1 2020	221%
Q2 2020	-92%
Q3 2020	491%
Q4 2020	-16%
Q1 2021	209%
Q2 2021	-67%
Q3 2021	94%
Q4 2021	-27%

Source: Montana Department of Commerce, Yellowstone Country Lodging Facility Use Tax Collections

Figure 12: Big Sky Lodging Facility Use Tax Collections Over Time



Source: Montana Department of Commerce, Yellowstone Country Lodging Facility Use Tax Collections

Table 22: Big Sky Resort Tax Collections by Industry

	2021		2020		2019	
Industry Type	Annual Total Collections	Percent of Total Collections	Annual Total Collections	Percent of Total Collections	Annual Total Collections	Percent of Total Collections
Hotel, Lodge, Resort	$6,187,926.57	40.51%	$3,010,879.67	33.97%	$3,486,979.78	43.66%
Wholesale Supplier	$9,802.66	0.06%	$4,027.61	0.05%	$530.28	0.01%
Professional Services	$31,318.25	0.21%	$18,643.17	0.21%	$19,291.84	0.24%
Nonprofit	$691.79	0.00%	$-	0.00%	$-	0.00%
Short Term Vacation Rental or Managed Property	$126,256.22	0.83%	$166,572.67	1.88%	$271,158.38	3.40%
Event	$34,844.26	0.23%	$33,619.13	0.38%	$36,580.53	0.46%
Retail	$1,109,531.41	7.26%	$699,903.22	7.90%	$476,195.19	5.96%
Restaurant/Bar/Food Vendor/Caterer	$1,686,514.51	11.04%	$1,133,945.39	12.79%	$897,274.20	11.23%
Spa / Fitness	$68,057.22	0.45%	$52,647.92	0.59%	$53,967.64	0.68%
Club or HOA	$2,670,488.46	17.48%	$1,856,288.63	20.94%	$1,534,177.88	19.21%
Recreational Service or Activity	$479,681.61	3.14%	$281,148.84	3.17%	$218,834.08	2.74%
Property Management	$2,411,803.68	15.79%	$1,285,643.67	14.50%	$740,924.01	9.28%
Liquor License	$459,304.87	3.01%	$321,141.93	3.62%	$251,059.01	3.14%
Other	$-	0.00%	$-	0.00%	$-	0.00%
Grand Total	**$15,276,221.51**		**$8,864,461.85**		**$7,986,972.82**	

Source: Big Sky Area Resort Tax Collections

Table 22 shows Big Sky Resort Tax collections over time, broken down by industry. BSRAD reports their collections based on their fiscal year (June through July), and this reporting displays collections based on calendar year. Adjusting for calendar year allows for direct comparisons to other regions sales tax collections, found later in this report. The largest collections come from the "hotel, lodge and resort" collections, followed by "Club or HOA" collections and "property management." The property management category has been increasing over time. This category represents all vacation rental management companies that facilitate short term rentals for property owners, while "Short-term vacation rental or managed property" represents short-term rentals managed by the property owner themselves. BSRAD estimates that management companies administer about 750 rental properties, while only 250 properties are facilitated by the owners themselves. BSRAD estimates that collections for "property management" and "Club/HOA" increased from 2020 to 2021 due to post lockdown travel increases, and travelers being drawn to short-term rentals over hotels – especially rentals where management companies implemented stringent cleaning protocols.

As a community, Big Sky could consider initiatives that would help to smooth the "peaks and valleys" of the tourism seasons. Community and economic development short-term efforts could begin by focusing increasing visitation in quarter two of each year, and in the long-term, diversifying the industry mix.

COMPARISON CITIES

In an effort to increase the competitiveness of Big Sky against other resort communities in the northwest region, three communities were selected to serve as a comparison against Big Sky. The resort towns selected as comparison areas are: Sun Valley, ID, Telluride, CO, and Jackson Hole, WY.

Located southwest of Big Sky, Sun Valley, ID is a resort town in southern Idaho outside of the town of Ketchum. Bald Mountain and Dollar Mountain are two ski resorts in close proximity, and are served by the Sun Valley Alliance Airport. Similar to Big Sky, the region is a seasonal home to the rich and famous, after having been popularized by Ernest Hemingway in the late 1930s. The 2020 census reported the Sun Valley population to be 1,581 with the average age of residents being 57.

Jackson Hole, WY is Big Sky's closest neighbor. Similar to Big Sky's proximity to Yellowstone National Park, Jackson Hole is located right outside of Grand Teton National Park and is also near world renown skiing. Jackson Hole Mountain Resort, Snow King, and Grand Targhee all offer winter downhill skiing. The region is served by the nation's only airport located inside a National Park, the Jackson Hole Airport. In 2020, Jackson Hole had 10,585 citizens, with the average age being 33.2 years old.

Telluride, CO is a former mining town located in southwestern Colorado. Visitors travel to ski and golf at Telluride Ski Resort, with plenty of outdoor activities available in both winter and summer. Telluride Regional Airport serves the area, with a free bus system serving the town and a gondola linking Telluride to Mountain Village, the base of the ski resort. In 2020, there were 2,059 residents with the average age of Telluride being 35.3 years old.

Tourism in Comparison Cities

The following section examines sales tax collections from the selected comparison cities, with data sourced from the Colorado Association of Ski Towns (CAST). CAST is an association of communities whose primary economic drivers are supported by a ski resort, and partner together to share best practices and other economic and community development practices with the intention of driving ski communities forward. The Big Sky Resort Area District is an associate member of CAST, and the following data represents sales tax collections from each region. Please note, this data does not reflect income or property tax collections.

These comparison cities and their tax collections broken down by quarter allow us to see seasonal trends in each community, the relative distance between the "peaks and valleys" of each tourism season and collections in the area, and how well each community has been able to smooth revenue collection over each season.

Table 23 shows the annual sales tax collections in the comparison cities. Between 2019 and 2020, all locations, except for Big Sky, experienced decreases in their annual collections in large part due to the COVID-19 pandemic and restrictions on travel. A few factors contributed to the increase in Big Sky's resort tax collections during 2020: 1.) In July 2020, the resort tax collections increased from 3% to 4%, 2.) The robust testing services Big Sky offered, and 3.) Many of the residents who own second homes in the area but do not reside year-round returned to Big Sky to spend their time quarantining and contributing to an increase in collections.

Table 24 shows tax collections by quarter and region over a three-year period. Teton County (Jackson Hole, WY) has the largest total collections due to a larger geographic bound than the rest of the comparison cities. However, instead of examining the amount of collections, a more helpful comparison is to look at the drastic changes in seasonality in each of these areas to better understand the competition Big Sky faces. Jackson Hole has their highest collections happen in Q4, Telluride in Q1 and Q3, Sun Valley in Q3, and Big Sky in Q1.

Figure 13 presents another perspective at looking at seasonal trends. This figure shows the percent change in collections from the previous quarter to demonstrate the drastic differences between the high and low collection seasons. It is clear that Big Sky has the largest swings in collections, while Teton County (Jackson Hole) has the smallest. Ideally, collections would be consistent across quarters and years, allowing for stability in tax collections. In the short term, Big Sky could work to build activities that would attract tourism in these low collection quarters, and in the long term to recruit and support non-tourism industry in the area that would support consistent year-round economic activity.

Table 23: Annual Sales Tax Collections in Comparison Cities

Year	Big Sky	% Growth	Telluride	% Growth	Ketchum (Sun Valley)	% Growth	Teton County (Jackson Hole)	% Growth
2019	$7,986,972.82		$8,000,872		$2,805,180		$19,983,488	
2020	$8,864,461.85	11.0%	$7,708,983	-3.6%	$2,595,635	-7.5%	$18,604,673	-6.9%
2021	$15,276,221.51	72.3%	$9,838,559	27.6%	$3,444,256	32.7%	$26,126,189	40.4%

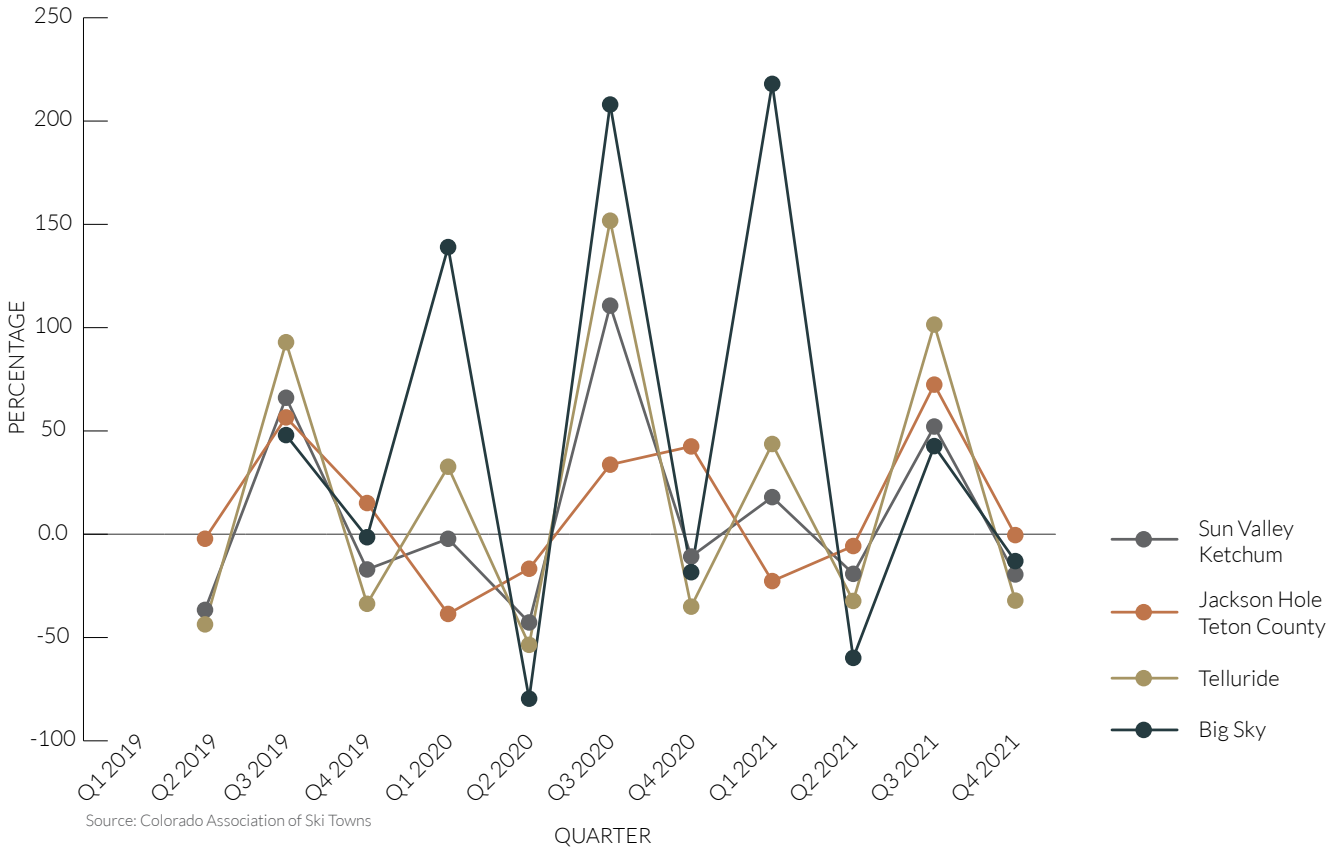
Source: Colorado Association of Ski Towns

Table 24: Quarterly Breakdown of Annual Sales Tax Collections in Comparison Cities

	Big Sky	Telluride	Teton County (Jackson Hole)	Ketchum (Sun Valley)
Q1 2019	$3,802,551.00	$2,372,049	$3,790,006	$788,075
Q2 2019	$1,050,940.95	$1,337,225	$3,707,530	$499,476
Q3 2019	$1,555,401.64	$2,580,186	$5,804,636	$829,514
Q4 2019	$1,578,079.23	$1,711,412	$6,681,317	$688,115
Q1 2020	$3,786,331.97	$2,270,733	$4,103,796	$672,979
Q2 2020	$768,811.76	$1,055,305	$3,418,489	$385,612
Q3 2020	$2,371,326.27	$2,657,070	$4,569,963	$812,320
Q4 2020	$1,937,991.85	$1,725,875	$6,512,425	$724,724
Q1 2021	$6,174,869.43	$2,479,826	$5,036,148	$854,936
Q2 2021	$2,482,181.73	$1,679,045	$4,748,665	$691,082
Q3 2021	$3,541,313.31	$3,383,056	$8,187,984	$1,051,413
Q4 2021	$3,077,857.04	$2,296,632	$8,153,392	$846,825

Source: Colorado Association of Ski Towns

Figure 13: Sales Tax Collections Percent Change Over Time in Comparison Cities



Source: Colorado Association of Ski Towns

In the short term, Big Sky could work to build efforts that would attract tourism in these low collection quarters, and in the long term, recruit and support non-tourism industry in the area that would drive consistent, year-round economic activity.

Population in Comparison Cities

When examining growth rates in each city, nothing compares to the drastic growth that Big Sky has experienced over the last ten years. Table 25 shows population growth rates over time in each of the comparison cities. From 2010 to 2020, Big Sky experienced 99.9% growth rate, a doubling of the resident population in ten years. No other comparison city has experienced such significant growth. During the same time period, Sun Valley grew 12.8%, Jackson Hole grew 12.1%, and Telluride saw a decline in population of 20.5%. .

Table 25: Population Growth Rates Over Time in Comparison Cities

Year	Big Sky	Telluride	Sun Valley	Jackson Hole
2020	-0.1%	4.8%	16.9%	0.3%
2019	-1.3%	7.6%	-6.4%	0.7%
2018	6.7%	-4.9%	1.3%	0.7%
2017	5.0%	-2.6%	2.0%	1.3%
2016	0.0%	-2.3%	-0.7%	1.3%
2010 to 2020	99.9%	-20.5%	12.8%	12.1%

Source: ACS Table 0101 5-Year Estimates

Employment and Income in Comparison Cities

Table 26 shows median household income over time in each comparison location. In 2020, Big Sky had the highest median household income ($80,455), with Jackson Hole following close behind ($76,518). Sun Valley, ID had the lowest household income ($59,773) of each community selected. It is important to remember that while it is good news that wages are high in Big Sky, cost of living expenses are important to take into account. Housing costs and availability are key factors individuals consider when evaluating employment opportunities. Please see the housing section below for a further discussion.

Table 26: Median Household Income, Comparison Cities

Year	Big Sky	Telluride	Sun Valley	Jackson Hole
2015	$76,188	$62,000	$63,750	$67,117
2016	$67,969	$62,929	$61,125	$70,517
2017	$80,551	$65,313	$59,783	$75,406
2018	$68,333	$66,613	$51,094	$75,150
2019	$75,586	$67,356	$51,810	$73,411
2020	$80,455	$68,878	$59,773	$76,518

Source: ACS S1901 1-Year Estimates

Big Sky also has the highest labor force participation rates. Table 27 shows labor force participation rates over time by community. In 2020, Big Sky had an overall labor force participation rate of 84.1% which is nearly identical to Jackson Hole at 85.2%, with Telluride trailing at 74.2%. All three communities have similar median age hovering in the mid-30s.[26] This age is typically the population that has the highest rates of workforce participation, but this labor force participation rate is still significantly higher than the national average of 63%. Sun Valley has much lower labor force participation rates, where in 2020, 66.7% of the population was in the workforce. This can be attributed to the median age in Sun Valley being 57 years old, suggesting an older resident population that is likely moving toward retirement. These rates also suggest that Jackson Hole and Telluride are likely experiencing the same workforce shortage problems that Big Sky is facing, and are not good areas to recruit workforce, but with competitive worker benefits, might be a source of labor to attract to Big Sky.

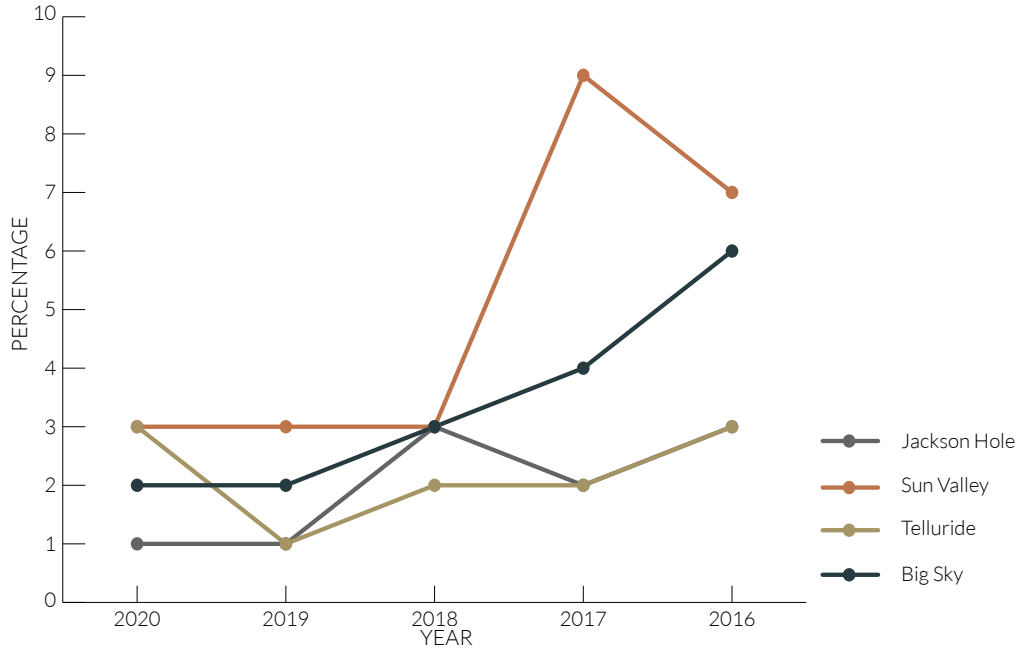
Table 27: Labor Force Participation Rates, Comparison Cities

Year	Big Sky	Telluride	Sun Valley	Jackson Hole
2020	84.10%	74.2%	66.7%	85.2%
2019	83.20%	77.7%	63.3%	83.1%
2018	82.40%	79.7%	65.7%	83.0%
2017	84.20%	81.6%	66.0%	84.0%
2016	84.50%	82.1%	62.2%	84.3%

Source: ACS Table DP03 5-Year Estimates

Figure 14 graphs unemployment rates over time in each comparison community. Generally, across each location, unemployment is low. Economists typically consider the natural rate of unemployment to be 4%, allowing for the workforce to switch between jobs and businesses do not have to constrain activity because of a workforce shortage. In 2020, each community had unemployment rates lower than 4%, which in combination with high labor force participation rates, indicates that each community is in need of more workers.

Figure 14: Unemployment Rates in Comparison Cities, Over Time



Source: ACS Table DP03 5-Year Estimates

[26]Big Sky median age is 36.2, Telluride median age is 35.3, Jackson Hole median age is 33.2, and Sun Valley median age is 57.

Table 28 considers employment by industry in 2020 for each location. Unsurprisingly, both Big Sky and Sun Valley have a dominant portion of their jobs classified as "arts, entertainment, recreation, accommodation, and food service" (44% and 38.7%, respectively). Telluride is the most diverse community in regards to jobs distributed throughout various industries, with the greatest number of jobs classified as "finance and insurance, real estate, rental, and leasing," with the second largest portion of jobs in "arts, entertainment, recreation, accommodation and food services," followed by "professional, scientific, management, administrative, and waste management services". Jackson Hole also has a more balanced industry diversity, with "educational services, health care and social assistance" leading with the largest portion, then "arts, entertainment, recreation, accommodation and food services," and "retail trade" following behind. The industry diversity in both Jackson Hole and Telluride is evidenced in Figure 13—both communities have a smaller percent change in their sales tax collections quarter over quarter, suggesting that other industries balance out the seasonal spikes in tourism.

Table 28: Industry Mix of Comparison Cities, 2020

Industry	Telluride	Ratio	Rank	Sun Valley	Ratio	Rank	Jackson	Ratio	Rank	Big Sky	Ratio	Rank
Civilian Employed Population 16 Years And Over	1,250	100.0%		986	100.0%		7,182	100.0%		2,167	100.0%	
Agriculture, Forestry, Fishing And Hunting, And Mining	18	1.4%	9	20	2.0%	8	214	3.0%	10	64	3.0%	7
Construction	9	0.7%	11	21	2.1%	7	561	7.8%	5	121	5.6%	5
Manufacturing	79	6.3%	7	11	1.1%	11	63	0.9%	12	28	1.3%	10
Wholesale Trade	10	0.8%	10	0	0.0%	12	105	1.5%	11	17	0.8%	12
Retail Trade	93	7.4%	6	13	1.3%	10	1,058	14.7%	3	192	8.9%	3
Transportation And Warehousing, And Utilities	0	0.0%	12	18	1.8%	9	299	4.2%	8	66	3.0%	7
Information	67	5.4%	8	0	0.0%	13	67	0.9%	13	23	1.1%	11
Finance And Insurance, And Real Estate And Rental And Leasing	275	22.0%	1	165	16.7%	2	330	4.6%	7	160	7.4%	4
Professional, Scientific, And Management, And Administrative And Waste Management Services	168	13.4%	3	148	15.0%	3	986	13.7%	4	112	5.2%	6
Educational Services, And Health Care And Social Assistance	147	11.8%	4	114	11.6%	4	1,406	19.6%	1	342	15.8%	2
Arts, Entertainment, And Recreation, And Accommodation And Food Services	240	19.2%	2	382	38.7%	1	1,383	19.3%	2	953	44.0%	1
Other Services, Except Public Administration	0	0.0%	13	63	6.4%	5	488	6.8%	6	66	3.0%	7
Public Administration	144	11.5%	5	31	3.1%	6	222	3.1%	9	23	1.1%	11

Source: ACS Table DP03 5-Year Estimates

Health Insurance in Comparison Cities

One option Big Sky businesses could explore to improve their competitiveness in hiring is offering enhanced health insurance coverage. Table 29 shows health insurance coverage by type and employment status. In 2020, of those employed in Big Sky, 11.09% had public health insurance coverage, suggesting that their employer may not offer a private option. Sun Valley, Telluride, and Jackson Hole all had lower rates. In Telluride, 90.4% of employees had private health insurance coverage, suggesting that employers there are offering health insurance benefits. To increase competitiveness, Big Sky businesses could consider offering health insurance as an attraction strategy.

Table 29: Health Insurance Coverage in Comparison Cities, 2020

	Employed 18-64 year olds				Unemployed 18-64 Year Olds			
	Total Employed 18-64 Year Olds	% Employed Covered by Private Insurance	% Employed Covered by Public Insurance	% Employed Not Covered Insurance	Total Unemployed 18-64 Year Olds	% Unemployed Covered by Private Insurance	% Unemployed Covered by Public Insurance	% Unemployed Not Covered by Insurance
Telluride	1,185	90.4%	4.1%	7.2%	39	41.0%	0.0%	59.0%
Sun Valley	679	81.7%	0.9%	18.3%	39	41.0%	0.0%	59.0%
Jackson Hole	6,922	77.9%	3.2%	20.1%	81	80.2%	0.0%	19.8%
Big Sky	2,064	81.93%	11.09%	8.77%	53	11.32%	47.17%	41.51%

Source: ACS Table B27011 5-Year Estimates

Housing in Comparison Cities

Table 30 shows the occupied housing stock in each community and the breakdown of owner versus renter occupied. Sun Valley has the highest rate of owner-occupied housing (87.2%), and Jackson Hole the lowest (36.8%). Big Sky has the second highest rate of owner-occupied housing, with 63.4% occupied, and renters occupying 36.6%.

Table 31 shows monthly housing costs broken down by ownership and renter. In Sun Valley, median monthly housing costs for renters ($1,677) is higher than other communities, with Big Sky median rental costs at $1,319. Owner occupied housing in Big Sky is the highest median monthly costs of all the communities, at $1,756 a month.

Table 30: Housing Stock in Comparison Cities, 2020

	Telluride	% of Total	Sun Valley	% of Total	Jackson Hole	% of Total	Big Sky	% of Total
Occupied Housing Units	886		580		4,597		1,232	
Owner Occupied	377	42.6%	506	87.2%	1,690	36.8%	781	63.4%
Renter Occupied	509	57.4%	74	12.8%	2,907	63.2%	451	36.6%

Source: ACS Table S2501 5-Year Estimates

Comparing Table 30 and 31 yields interesting results. While Sun Valley has the highest rate of owner-occupied housing and the lowest median monthly housing costs for owner occupied units, they also have the highest median monthly housing costs for renters. This is opposite of Big Sky, where there is the highest median monthly housing costs for owner occupied units, but surprisingly, the lowest median monthly rental housing costs out of all the comparison communities. While a seasonal housing workforce are predominately renters and likely to demand more rental units, a community experiences more seasonal stability when housing units are owner occupied. This data suggests that Big Sky rental prices are relatively more attractive to a workforce that chooses between Telluride, Jackson Hole, and Sun Valley. However, the data also suggests that due to high housing costs for owners in Big Sky, the workforce is less able to purchase homes than in other comparison cities. This implies that if a worker cannot plant roots and invest in their home in Big Sky, they are likely to leave when they are ready to purchase housing. Increasing owner-occupied housing availability and decreasing costs will help to keep workers in Big Sky. It is also important to note that this discussion does not include data regarding housing availability.

Table 31: Monthly Housing Costs in Comparison Cities -- Owners vs. Renters, 2020

	Telluride		Sun Valley		Jackson Hole		Big Sky	
	Owner Occupied Housing Units	Renter Occupied Housing Units	Owner Occupied Housing Units	Renter Occupied Housing Units	Owner Occupied Housing Units	Renter Occupied Housing Units	Owner Occupied Housing Units	Renter Occupied Housing Units
Less than $300	25	0	29	0	84	102	0	0
$300 to $499	41	0	8	0	146	19	5	32
$500 to $799	51	0	70	0	160	415	145	49
$800 to $999	10	52	41	0	265	299	81	64
$1,000 to $1,499	60	200	128	20	200	548	131	160
$1,500 to $1,999	37	96	89	31	409	712	166	53
$2,000 to $2,499	54	14	102	4	103	372	38	47
$2,500 to $2,999	83	49	24	7	91	232	66	10
$3,000 or more	16	59	15	0	232	94	149	0
No cash rent	(X)	39	(X)	12	(X)	114	(X)	36
Median (dollars)	$1,529	$1,470	$1,415	$1,677	$1,477	$1,509	$1,756	$1,319

Source: ACS Table S2501 5-Year Estimates

SUMMARY AND CONCLUSIONS

Big Sky is a rapidly growing community with a high-quality of life and ease of access to outdoor recreation. However, with a 100% growth rate in ten years, no other community examined here experienced the same rate of population increase, and there is continued infrastructure investment needed to support the growth. While the community invests 1% of their resort tax dollars in the expansion of a unified water and sewer system, there is still more investment needed to be able to keep pace with growth.

During the COVID-19 pandemic, tourism remained strong in Big Sky. Resort tax collections did not decline between 2019 and 2020 as many other regions experienced, however, growth of the collections slowed. Resort tax collections in 2021 saw a strong comeback due to increased domestic travel while COVID restrictions were relaxed but international travel still difficult. It remains to be seen if 2022 will experience the same sustained growth. The bulk of the resort tax collections comes from the hotel, lodging and resort industry, followed by club and HOA fees. The seasonal tax collection swings related to tourism are more pronounced in Big Sky than in the comparison communities, leaving opportunities to increase tourism in the off-season. While 52.8% of the jobs in Big Sky are focused in service and retail, this means there is continued opportunity to diversify the industry base in the community.

The majority of the workforce in Big Sky is employed, as evidenced by their high labor force participation rate. With 84.1% of their population 16 years and older participating in the workforce, only Telluride has higher rates at 85.2%. This means that employers need to recruit additional workforce from the surrounding region or other resort communities. However, Big Sky has the highest educated workforce in the region, with 70% of the workforce having achieved an associate's degree or higher. This suggests there is great potential for the workforce to build careers in Big Sky, and for employers to invest in leadership programs.

Other workforce attraction and retention strategies businesses could consider are offering private healthcare, housing stipends, transportation stipends, flexible work schedules, work-from-home options, and/or on-site childcare.

Despite the 2020 median household income in Big Sky being $80,455, affordable housing is still unattainable for most. With the average cost of a single-family home topping $3M in December 2021, and condo/townhome prices hitting $1,150,000, purchasing a home in Big Sky is well above the average worker's ability to qualify for financing. In 2020 the median rental monthly price was $1,319, and while that rental cost may be considered affordable to some, this is the highest rental cost in the region when compared to Gallatin and Madison Counties. On top of high rental costs, Big Sky is also constrained by rental unit availability. 57% of the 3,504 total units sit vacant in Big Sky, likely the result of many second-homeowners and snowbirds purchasing property in the community. Many of these units are offered as short-term vacation rentals, leaving a shortage of long-term rentals available to the residential workforce. The Big Sky Community Housing Trust, in collaboration with other community organizations, has made various efforts to tackle workforce housing. However, to keep up with increased demand and the growing tourism industry, more investment is needed.

Big Sky continues to offer amenities that attract their workforce to invest and settle down to raise families. Transportation can be tricky, with one major two-lane highway through a narrow mountain canyon offering a north-south route out of Big Sky. Approximately 66% of the individuals employed in Big Sky live in the surrounding two-county area and commutes in, resulting in the highest rate (6.3% of the workforce) of public transportation use in the region.

However, to continue to maintain the competitive edge, it's important that Big Sky community and business leaders consider how these economic factors stack up against other comparison resort communities. For this study, the selected comparison communities were Telluride, Colorado, Sun Valley, Idaho, and Jackson Hole, Wyoming. When comparing gross tax collections for local sales tax, Big Sky experiences the largest swings among seasons. This suggests that Big Sky could invest in diversifying their industry base to create stability and act as insurance against natural disaster that may limit tourism to the region. However, all quarterly bed tax collections have increased over time, demonstrating that Big Sky has successfully increased off-season tourism activity and attraction. There is still more opportunity to increase stability in collections between seasons. Jackson Hole (Teton County) experiences the height of their gross tax collections in quarters three and four of each year versus Big Sky, who's peak occurs in the first quarter. This is a potential opportunity for Big Sky—with Jackson Hole being a close neighbor, Big Sky could target regional Jackson Hole tourism in quarters three and four, and offer incentives that encourage travelers to extend their vacation and head north to spend some time in Big Sky.

It is clear that Big Sky, a small resort town, is a powerful engine for economic activity in the region. With a small employee base, they serve record breaking numbers of tourism visitors and sales activity. Additionally, without an incorporated boundary, Big Sky has had to lean on community collaboration to advance causes and invest in infrastructure to support their growth. This community collaboration has served them well—allowing for flexible and creative solutions to alleviate the economic constraints they face. Big Sky has many economic assets that, if stewarded well, will continue serving them into the future.

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This economic profile is produced by Jackie Haines, Executive Director of Northern Rocky Mountain Economic Development District (NRMEDD). She received her Master's in Applied Economics from Montana State University with a focus on examining factors impacting the labor force. She has spent her professional career working in the economic and workforce development sectors, and is passionate about making data analysis accessible and understandable to the broad population. In January 2021, Jackie started as the Executive Director of NRMEDD, a non-profit aimed at providing economic and community development services to Gallatin, Park, and Madison counties. In her free time, she enjoys hiking in the mountains with her husband, Steve, and dog, June.

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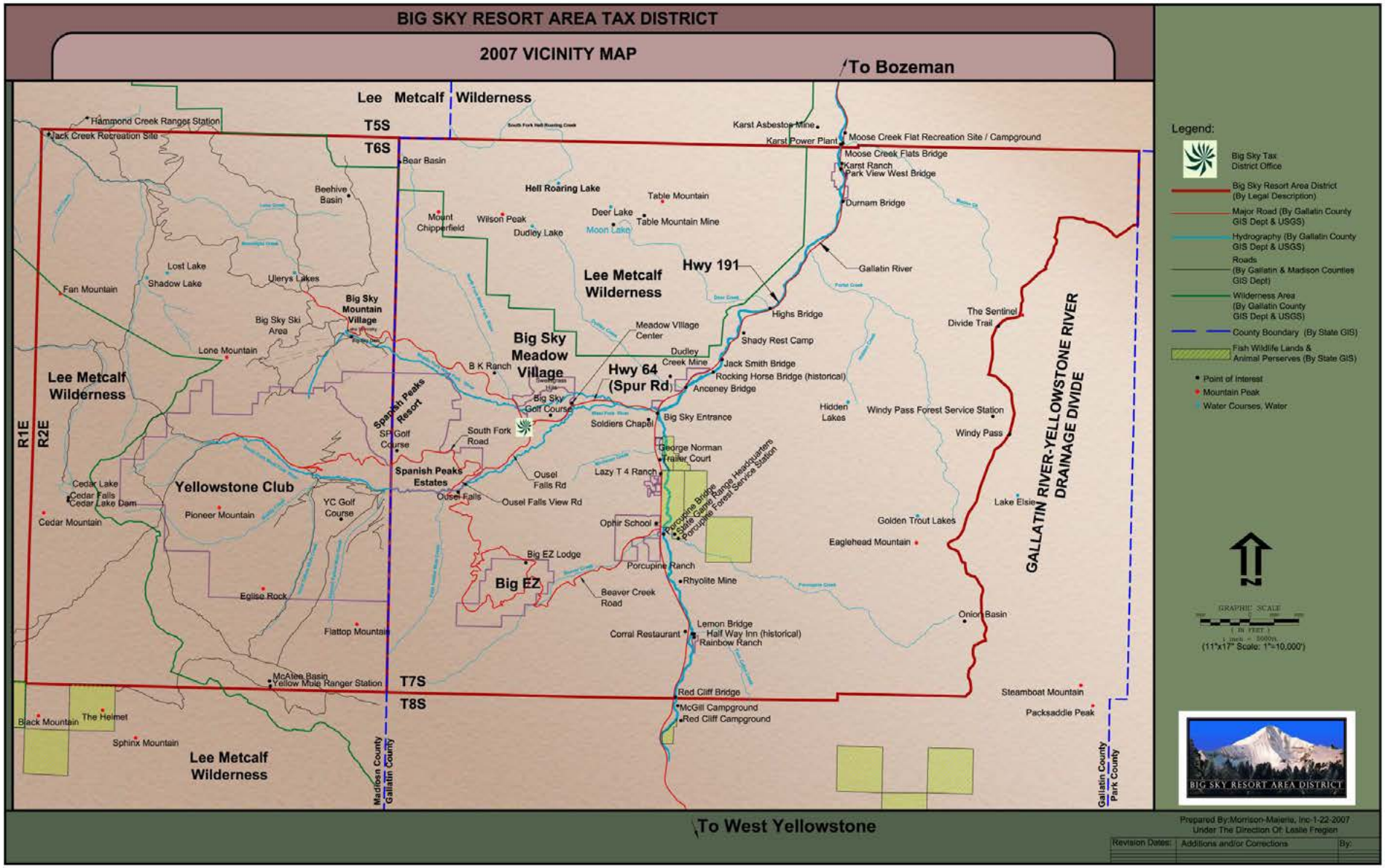
The Big Sky Resort Tax District (BSRAD) Map