Program and Occupational Outlook for Hospitality and Culinary Arts in Montana

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Defining Tourism

• *Tourism* is a label and not an industry of the economy.
  • Difficult to categorize *tourism* in expenditure data.

• *Tourism* mostly aligns with the following industries:
  • Retail trade (gasoline stations, clothing stores, etc.).
  • Passenger Transportation.
  • Arts, Entertainment, and Recreation.
  • Accommodation and Food Services.

• *Tourism* numbers can be easily overstated.
Montana’s Industries by Earnings

<table>
<thead>
<tr>
<th>Rank</th>
<th>Industry</th>
<th>Earnings In Billions</th>
<th>% of Total Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health Care and Education</td>
<td>$3.80</td>
<td>14.3%</td>
</tr>
<tr>
<td>2</td>
<td>State and Local Gov.</td>
<td>$3.79</td>
<td>14.2%</td>
</tr>
<tr>
<td>3</td>
<td>Trade</td>
<td>$3.30</td>
<td>12.4%</td>
</tr>
<tr>
<td>4</td>
<td>Business Activities</td>
<td>$2.54</td>
<td>9.6%</td>
</tr>
<tr>
<td>5</td>
<td>Construction</td>
<td>$2.02</td>
<td>7.6%</td>
</tr>
<tr>
<td>6</td>
<td>Financial Activities</td>
<td>$1.58</td>
<td>5.9%</td>
</tr>
<tr>
<td>7</td>
<td>Federal Government</td>
<td>$1.57</td>
<td>5.9%</td>
</tr>
<tr>
<td>8</td>
<td>Transportation and Utilities</td>
<td>$1.56</td>
<td>5.9%</td>
</tr>
<tr>
<td>9</td>
<td>Other</td>
<td>$1.44</td>
<td>5.4%</td>
</tr>
<tr>
<td>10</td>
<td>Leisure Activities</td>
<td>$1.41</td>
<td>5.3%</td>
</tr>
<tr>
<td>11</td>
<td>Mining</td>
<td>$1.27</td>
<td>4.8%</td>
</tr>
<tr>
<td>12</td>
<td>Farm, Ag &amp; Forestry</td>
<td>$1.22</td>
<td>4.6%</td>
</tr>
<tr>
<td>13</td>
<td>Manufacturing</td>
<td>$1.10</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

- Leisure activities include:
  - Hotels and ski resorts.
  - Restaurants and bars.
  - Other tourism-related activities.

- Leisure activities account for 5.3% of total earnings in Montana.

- Exclude ‘Trade’ and ‘Transportation’. Diesel gasoline accounts for 32% of non-resident expenses.

- 10th largest sector in Montana.

- MT tourism is 0.5% of US tourism.
Montana Earnings

• 97% of US accommodation occupations do not require formal schooling.
  • 3% are managers who might have some formal schooling (Cert, AS, BA).

• Accommodations managers are second lowest paid of all management positions.
  • Comparable to Food Service Man. and Preschool and Childcare Center Directors.

• MT DOL&I estimates median annual earnings for 2015.
  • Recreation workers requiring a BA $22,232
  • Lodging managers requiring at least HS $34,121
  • Food service managers requiring HS $46,894
  • Chiefs and head cooks $33,299

• MT average ‘non-tourism’ annual earnings $43,078

Montana Employment Growth, 1998-2013

• MT’s annual employment growth rate is 1.6%.

• **MT Tourism**
  • Employs 20% of MT workforce in 2013.
  • Annual growth is 1.5%, similar growth than MT economy.

• **MT Accommodations Industry**
  • Employs 3% of MT workforce in 2013.
  • Annual growth of 1.4%, slower growth than MT economy.

• **MT Food Services Industry**
  • Employs 10.6% of MT workforce in 2013.
  • Annual growth of 1.7%, similar growth to MT economy.

Citation: Chris Mehl and Greg Gilpin. Source of data: County Business Patterns and Occupational Outlook Handbook, Bureau of Labor Statistics.
Montana’s Employment Compositional Change

Low Growth Sectors
- Accommodations
- Food Services
- Trade
- Farming
- Transportation

Fast Growth Sectors
- Business Services
- Health Care
- Financial Activities
- State and Local Gov’t

Leisure Activities Historical View
- Grew ‘above average’ during the 1980s.
- Grew at similar rate as Montana economy 1990s-today.

Source of data: Bureau of Economic Analysis.
Hospitality Management
Annual Demand

Gallatin County
• 2 accommodation managers.

Montana
• 3-4 accommodation managers.
• 2.1 food service managers.

Nationwide
• Supply of graduates outstrips demand by 2,384 over 10 years.
• If existing programs grow at trend, could be as high as 5,000.

Culinary Arts
Annual Demand

Gallatin County
• 11.7 food service workers.

Montana
• 51.5 food service workers.
• 4.5 chefs and head cooks.

NW Region
• Proposal’s own employment outlook is -17.5% in NW region.

Source of data: County Business Patterns and Bureau of Labor Statistics Occupational forecast.
Hospitality Management Supply

**Montana**
- Blackfeet CC – **AS**
- UM Western – **BS**: Hlth/Fit Manage.
- UM
  - **BA**: Parks, tourism, and rec manage.
  - **AS**: Hospitality Management. Have building, faculty, and courses.
- **Certificates**: Entertainment and sustainable business manage.

**Beyond Montana**
- 465 programs in US.
- 82 in NW region.
- 60 accredited by ACPHA.
- 61 for-profit institutions.

Culinary Services Supply

**Montana**
- Flathead Valley CC
- Missoula College
  - **AS**: Food Services with new building providing 3-folder capacity increase.
- UM
  - **BA**: Envir. Studies w/Sustainable Food and Farming Emphasis.
  - Farm to College program.
  - ASUM Garden.

**Beyond Montana**
- 3,358 programs in US.
- 113 programs in NW region.

Business/Management Overlap, Redundancy, Competition for Students

- Tremendous overlap with existing and well established COB, economics, and ag. bus. programs at MSU.
  - COB has more rigorous classes in manage., fin., and mkting.
  - Econ. has more rigorous classes in fin, budget analysis, and quant. analysis.
  - Ag. bus. has more rigorous classes in manage., fin., mkting, and quant. and budget analysis.

- Tremendous overlap with existing and well established UM hospitality programs.
  - “I still have serious concerns about there being significant overlap.”
  - “This is not really a degree in hospitality management in the conventional sense and appears to me as very misleading to potential students.”
External Support

• **Letters of Support from:**
  - GV restaurants.
  - GV budget hotels.
  - Bozeman politicians

• **Support mostly attests to:**
  - Many entry-level, low wage (seasonal) positions available.
  - Few management positions available.
  - Start at bottom and work up.
  - Expand hobby/passion into business.

• Proposed H.M. program does not align with employers’ demand.
Questions Regarding Viability of Programs

• Where do hospitality and culinary arts programs fit within public higher education in Montana?

• How much hospitality and culinary arts program capacity does Montana need?

• What are the employment and earnings outlooks for MT hospitality and culinary arts graduates?

• Will the H.M. program attract 65 new in-state and 35 new out-of-state students or will it transfer students from existing programs, especially with 82 hospitality programs in region?