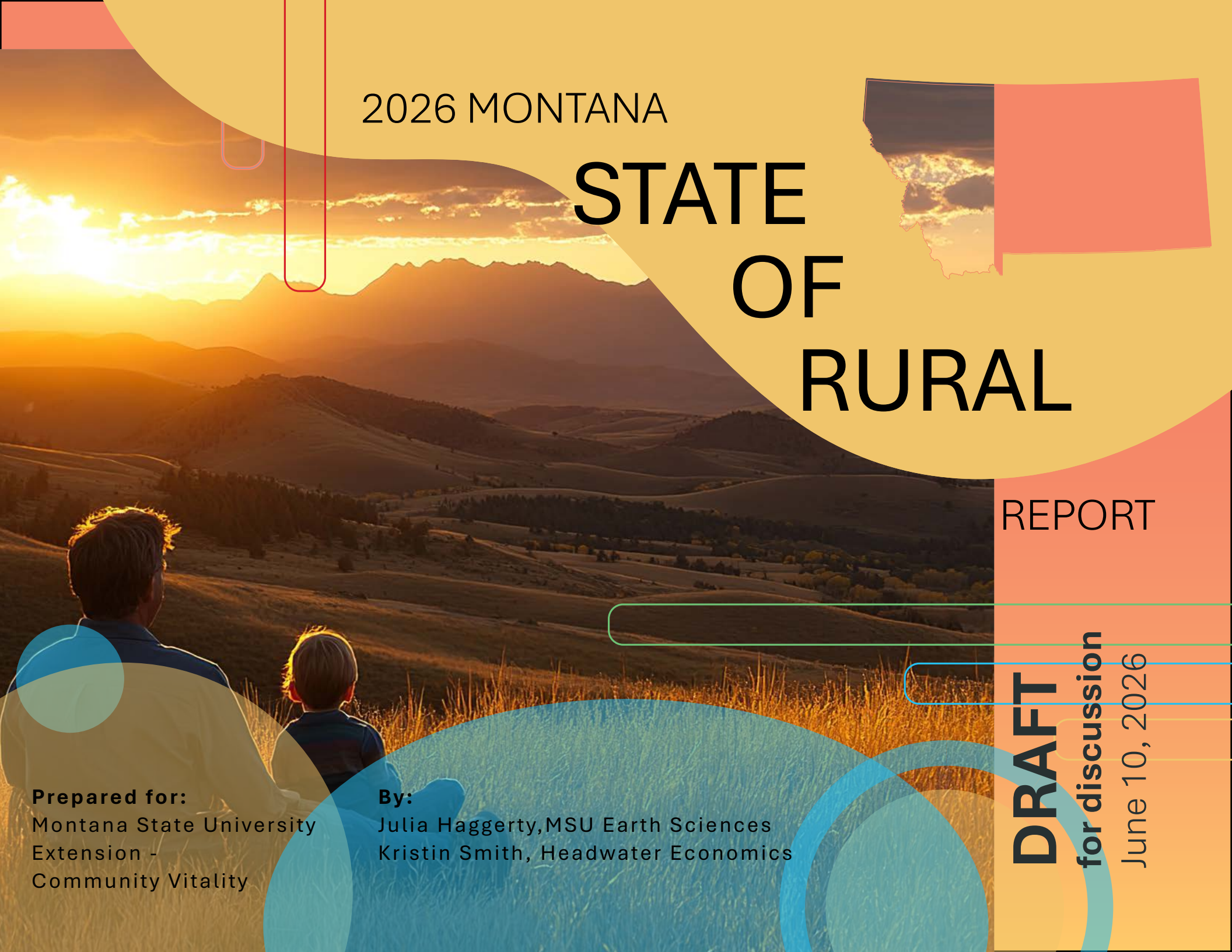


2026 MONTANA

STATE OF RURAL

REPORT

DRAFT
for discussion
June 10, 2026

Prepared for:
Montana State University Extension - Community Vitality

By:
Julia Haggerty,MSU Earth Sciences
Kristin Smith, Headwater Economics

Welcome!

http://bit.ly/3SeBW05

this link will take you to the digital deck of the posters in this report

HOW THIS DRAFT IS ORGANIZED

The 2026 Rural Summit is not about a handful of experts saying "what is" and everybody walking away. It is about starting a conversation to learn how to build a stronger network to support rural communities.

We've put together a first draft of a "state of rural report" to serve as a starting point for the discussion this summit seeks to inspire. At the Rural Summit, you will be given opportunities to interact with the content and ideas in this report.

This is not a finished product.

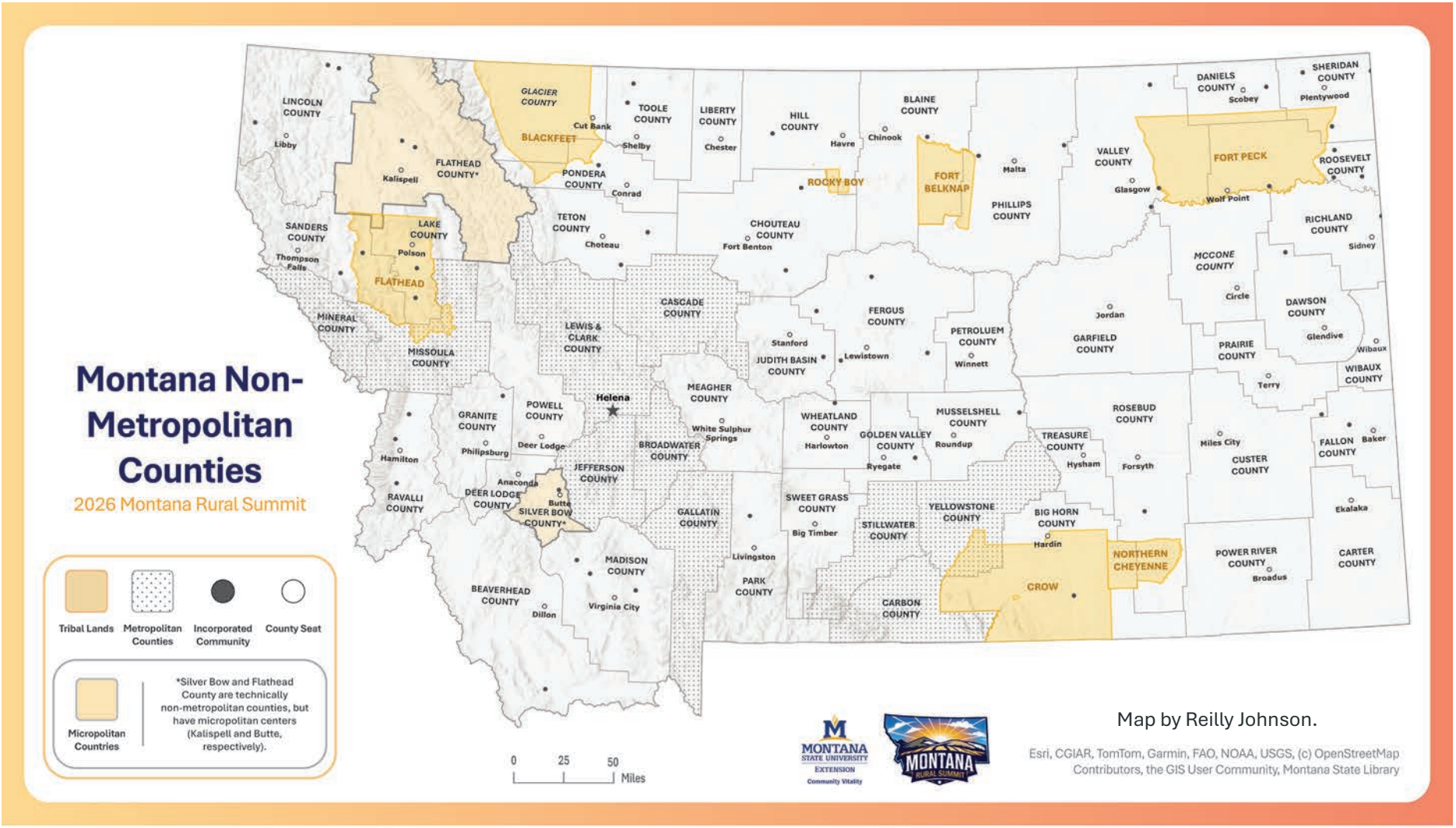
Our goal now is to include topics raised today and your feedback is essential to that process. We want to lean heavily on your specific expertise to fill in the gaps and ensure we've captured the necessary nuances.

Please share your thoughts and suggestions on how we can improve it.

In this booklet, you will find miniature versions of the posters shared in person at the Watson Event Center on June 10. Each poster starts a topical area and is followed by the draft narrative text.

The QR code on the left will bring you to the online version of the posters. We welcome your input via e-mail!

julia.haggerty@montana.edu
kris@headwaterseconomics.org



46 of Montana's 56 counties are non-metropolitan, based on population and commuting patterns

Non-metro Montana features:

83,000 miles of road; 60,000 are "local roads"

264 towns and settlements; 128 have fewer than 100 residents

508,000 people, up 108K since 1990

585 schools in 292 districts

243,000 residential units; 10% are second homes

79m acres of land, 45m are public; 600,000 host residential development

Introduction

Why this report, why now?

Rural Montana encompasses a range of places and economies, each with its own mix of assets and pressures. Agricultural communities across the high plains, from dryland wheat farms in Liberty County to cattle ranches in Powder River, sustain working landscapes and commodity-driven livelihoods, with many facing the challenge of maintaining services as populations thin. Regional service hubs like Glendive, Havre, and Miles City anchor large geographies, providing hospitals, schools, and commerce to surrounding communities while struggling to fill key staff positions. Energy communities like Colstrip and Sidney have experienced boom and bust cycles, building real wealth during productive periods while grappling with volatility and long-term economic transition. Amenity and gateway communities like Gardiner, Whitefish, and Red Lodge are growing, attracting investment, new residents, and tourism revenue while confronting housing affordability pressures and workforce shortages. And Montana's tribal communities hold both deep community assets and a disproportionate share of the structural disadvantages this report documents. No single narrative fits them all.

This report takes stock of where rural Montana stands. It draws on publicly available data, peer-reviewed research, and original analysis to describe the economic, social, and physical conditions shaping life in rural communities across the state. The challenges documented here — workforce gaps, aging infrastructure, child care shortages, wildfire and flood risk, rapid growth and/or shrinking tax bases — are experienced by Montanans across the state, and the solutions will require coalitions that cross these lines.

At its core, the report asks: What does a resilient, livable rural community look like? The answer, we argue, is not simply a community with a growing economy. It is a community where families can find a doctor, a safe place to live, reliable water, a school worth attending, and a government with enough capacity to keep the lights on and the roads passable. They are the foundational conditions that allow economic development, private investment, entrepreneurship, and civic life to function.

A note on geography. "Rural Montana" means different things in different contexts. For this report, we use county-level data and define rural as counties outside the metropolitan commutersheds of Montana's five largest urban centers: Billings, Missoula, Great Falls, Helena, and Bozeman. This follows federal metropolitan area designations, as defined by the Office of Management and Budget, which classify a county as metropolitan if it has a population center of more than 50,000 or is an outlying county that is economically tied to the metropolitan area (at least 25% of workers living in the county commute to a metropolitan core). By this definition, 46 of Montana's 56 counties are rural. This is an imperfect boundary. Stillwater County, for example, is classified as metropolitan because of its commuting ties to Billings — though few residents of Absarokee or Columbus would describe their community as urban. Conversely, Flathead County is considered non-metropolitan despite behaving much like Gallatin County in the statistics. Where these boundary cases matter, we note them.

We ask: what does a resilient, livable rural community look like?

The Foundational Economy

When we talk about "the economy," we often think of commodities, stock markets, and private-sector growth. These are important, and rural places make outsized contributions in them. But they tell an incomplete story. There is another part of the economy that shapes rural lives and opportunities: the foundational economy.

The foundational economy is the network of goods, services, and infrastructure that every household depends on simply to live: utilities, roads, schools, clinics, child care, housing, banks, emergency services. Simply put, this is the "backbone" of our community. These sectors are inherently place-bound. A water system cannot be outsourced; a school cannot be offshored; a road cannot be relocated to a lower-cost country. These jobs and services are anchored in communities by necessity. They have also historically been underpaid and underinvested. The teachers, home health aides, utility workers, and public servants who make community life possible rarely appear in economic development strategies designed around job attraction and export growth.

This report organizes its analysis around four dimensions of the foundational economy:

Trade & the Private Sector: The goods, services, and industries that drive income and employment.

Connecting & Critical infrastructure: The utilities, transportation systems, and financial services that link communities to each other and to opportunity.

Care, Support & Capacity: The health care, education, child care, housing, and public services that sustain households and govern communities.

Environment & Community: The natural assets, civic life, and cultural resources that make places worth living in.

Many "state of" reports focus on one set of indicators (i.e., economic data) but miss the other categories essential to well-being. This report treats all four as equally essential. Research and experience both suggest that communities with strong foundations across all four dimensions are better positioned to attract and retain residents, support private enterprise, and weather economic disruption. The goal is not to complicate the discussion with yet another indicator, but rather to emphasize the importance of multiple features and attributes in what we hope is an intuitive framework.

We know we have left out a lot--and we provide places to go for more information throughout the report. But today, in 2026, from our perspective as rural researchers, the emphasis on critical infrastructure, care, and housing is particulary important.

Key resource:
Foundational Economy Collective. (2023). Foundational economy: The infrastructure of everyday life (New ed.). Policy Press.

Trade & the Private Sector

I. Making a Living in Rural Montana

While rural is conventionally associated with the jobs "you can see through the windshield"--like farming, rural Montanans increasingly work in other sectors. Those associated with the service economy with the categories "Real estate and rental and leasing", "Health Care and Social Assistance" and "Accommodation and Food Services" have added the most jobs in rural Montana in the past 20 years. Construction is an important industry–fifth most important employer, fourth in jobs added, and third in earnings growth.

A key indicator: more rural Montanans work in sectors that pay at or below average wages than those in high paying sectors (think mining, finance, or professional services). This raises questions about the ability of those earning 'average' paychecks to support families and community vitality, underscoring (1) the importance of continued efforts to invest in private-sector economic development and (2) the anchor role the public sector often plays as an employer (and provider of benefits and insurance) in rural Montana and the follow on–the necessity to ensure livable wages for teachers, firefighters, clerks, etc.

Tourism is important: 1 in 5 jobs are "tourism-adjacent" and industries associated with travel and tourism grew nearly twice as quickly as non-tourism industries from 2001-2024. And, these jobs are often the lowest-paying jobs.

In areas where farming dominates, there is a notable trend that government jobs are the second largest employers. Farmers are often self-proprietors and can be directly exposed to volatile commodity market prices. Stable jobs with decent benefits in the public sector, whether in the local schools or in state or federal agency positions, may balance out some of the risk that farm households experience.

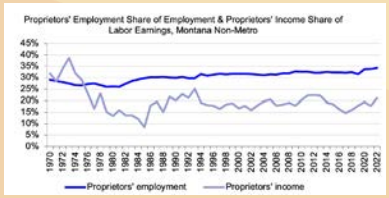
Key resource:
Headwaters Economics, Economic Profile System (EPS). The Headwaters Economics Economic Profile system provides detailed, data-driven snapshots of the local economies in specific counties or regions. It allows users to analyze key trends in employment, industry growth, and income to support informed economic and community development decisions.

1

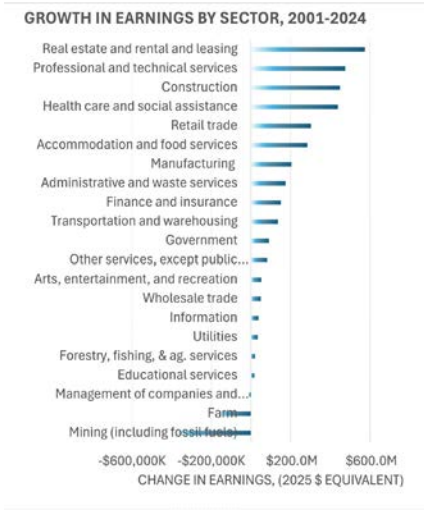
MAKING A LIVING IN RURAL MONTANA

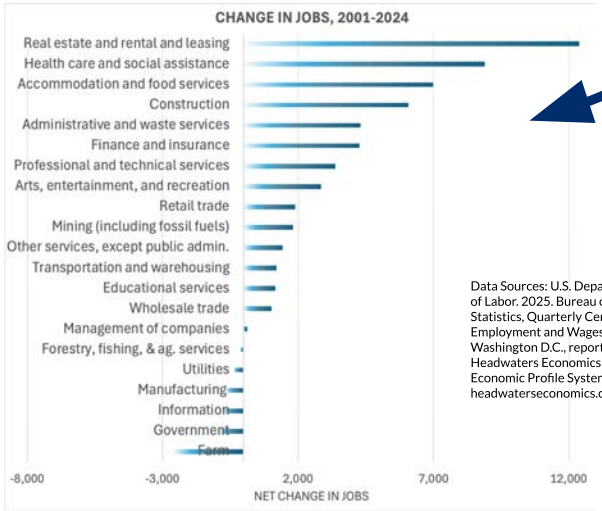
1 in 3

rural Montanans is self-employed, but earns 1 in every 5 dollars of rural labor income



Non-metro job growth is diverse





Data Sources: U.S. Department of Labor. 2025. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Washington D.C., reported by Headwaters Economics' Economic Profile System, headwaterseconomics.org/eps.

HIGH & LOW PAYING SECTORS

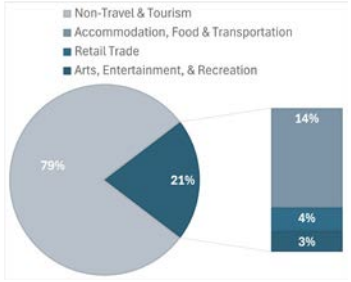
Employment and Wages in 2024	Wage & Salary Employment	% of Total Employment	Avg. Annual Wages (2025 $s)	% Above or Below Avg.
Total	184,908		$55,252	
Private	146,493	79.2%	$54,657	-1.1%
Non-Services Related	28,138	15.2%	$66,509	20.4%
Natural Resources and Mining	7,630	4.1%	$74,818	35.4%
Agriculture, forestry, fishing & hunting	3,867	2.1%	$47,685	-13.7%
Mining (incl. fossil fuels)	3,763	2.0%	$102,730	85.9%
Construction	12,333	6.7%	$63,857	15.6%
Manufacturing (incl. forest products)	8,175	4.4%	$62,755	13.6%
Services Related	118,761	64.2%	$51,829	-6.2%
Trade, Transportation, and Utilities	34,552	18.7%	$51,117	-7.5%
Information	1,751	0.9%	$75,027	35.8%
Financial Activities	7,421	4.0%	$71,273	29.0%
Professional and Business Services	14,397	7.8%	$74,416	34.7%
Education and Health Services	27,544	14.9%	$62,060	12.3%
Leisure and Hospitality	26,406	14.3%	$25,988	-53.0%
Other Services	6,129	3.3%	$38,040	-31.2%
Unclassified	561	0.3%	$51,146	-7.4%
Government	38,415	20.8%	$57,520	4.1%
Federal Government	5,751	3.1%	$90,897	64.5%
State Government	5,158	2.8%	$64,464	16.7%
Local Government	27,506	14.9%	$49,239	-10.9%

Takeaway: in non-Metro Montana, the industries that pay well (pink highlights) employ many fewer people than those paying below or average wages (yellow highlights)

Data Sources: U.S. Department of Commerce. 2026. Bureau of Economic Analysis, Regional Economic Accounts, Washington D.C., reported by Headwaters Economics' Economic Profile System, headwaterseconomics.org/eps.

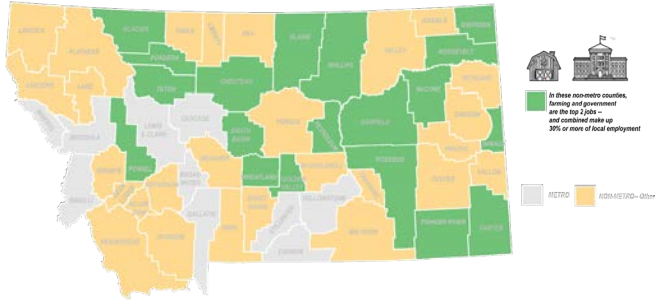
1 in 5

non-metro jobs is tourism-related



Data Sources: U.S. Department of Commerce. 2026. Bureau of Economic Analysis, Regional Economic Accounts, Washington D.C.; U.S. Department of Commerce. 2023. Bureau of Economic Analysis, Regional Economic Accounts, Washington D.C.; U.S. Department of Labor. 2025. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Washington D.C.

WHERE FARM & GOVERNMENT JOBS ARE 1 & 2



In many of Montana's small rural counties, agriculture & public sector jobs predominate. The two are often interdependent, with public sector work offsetting challenges with health care and benefits facing the self-employed.

2. Productivity & Changing Patterns of Work

Rural Montana is critical to the state's economy, producing 40% of state GDP. The rural workforce is incredibly productive, with workers in some counties producing double or triple the average value produced by an urban worker. Overall, the state's productivity has more than tripled in the past 20 years. That workforce productivity is a double-edged sword–great for investors and business owners, less good for workers. When you look at conventional "rural" industries like mining, farming, forestry–the total amount of wages earned in those sectors has actually shrunk in the last twenty years and job numbers are declining or flat.

Entrepreneurism

Rural Montana demonstrates real entrepreneurship with a level of new business activity per person which is close to that found in urban Montana. And one in three people working in Montana are self-employed, again testifying to the entrepreneurial, independent spirit alive in rural Montana. However, this high proportion of self-employed may also an indication that few jobs are available. People may work for themselves because it is the only alternative or they may work for themselves in addition to holding a wage and salary job. The fact that a high level of proprietors' employment is matched by low growth in real personal income is a sign of economic stress.

Making Sense of AI

The integration of AI into rural landscapes creates a paradoxical tension between the potential for technology to improve lives on the one hand and economic displacement and infrastructural strain. AI has some potential revitalize rural areas by optimizing agricultural yields through precision farming, expanding access to specialized healthcare via telehealth, and empowering local small businesses with advanced tools to compete in global markets.

Yet as AI further automates traditional sectors—particularly in agriculture, manufacturing, and logistics—rural workforces face a risk of displacement, potentially hollowing out local economies that lack the geographic advantages to attract new businesses into which workers might transition.

Simultaneously, the physical infrastructure required to power this revolution, specifically massive data centers and expanded energy grids, places an unprecedented demand on rural electricity supplies. This surge in power consumption often leads to acute conflicts over land use and resource allocation, as communities grapple with the environmental impact of energy production and the potential for rising utility costs. Consequently, rural areas may find themselves hosting the critical hardware that drives the global AI economy while bearing the brunt of its social and ecological costs without seeing proportional local benefit.

Key resources:

Headwaters Economics, Economic Profile System (EPS).

National Academies of Science, Engineering and Medicine, Forum on Energy Systems Transformation and Decarbonization.

NADO curates an up to date list on resources about data centers, noting those with a particularly helpful angle on rural considerations. https://www.nado.org/data-center-planning-resources-for-edds-rdos/

2

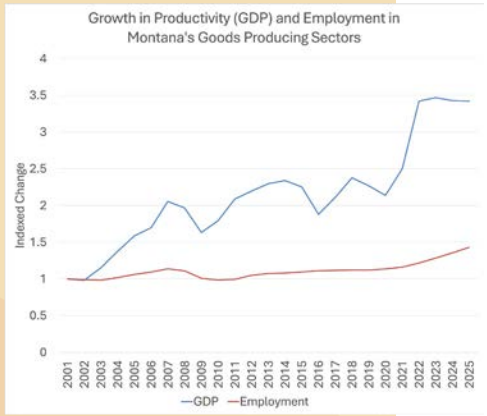
PRODUCTIVITY & CHANGING PATTERNS OF WORK

$29 Billion

what rural Montana generated in GDP in a single year (2022)

40% of the state's GDP but without the job and income growth, why?

Productivity gains through automation and human ingenuity continue to enable a "decoupling" of production from human labor. The graph on the right compares the direction of growth in GDP from 2001-2024 to the pace of growth in employment in goods producing sectors (think farming, mining, manufacturing, and construction). These figures are statewide.



Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis, Gross Domestic Product: Private Goods-Producing Industries in Montana, Millions of Dollars, Annual, Not Seasonally Adjusted. https://fred.stlouisfed.org. Data Updated: 2026-04-09

Artificial Intelligence & Rural Work

Figure 2: GDPval includes real-world work from 44 occupations.

This figure is from a report from a group of computer scientists charged with testing how well AI systems perform in work-related tasks common in the modern economy. The figure shows the different occupations the program evaluates – we've added icons showing how important some of these sectors are in rural

According to industry quality assurance testing, **AI models "have over an 80 percent win rate compared to human professionals,"** which is a success rate double what it was less than a year ago.

Source: Patwardhan, T. et al. "GDPVAL: EVALUATING AI MODEL PERFORMANCE ON REAL-WORLD ECONOMICALLY VALUABLE TASKS." Published by OpenAI, https://cdn.openai.com/pdf/d5eb7428-c4e9-4a33-bd86-86dd4bcf12ce/GDPval.pdf.

3. Financial Wealth & Rural Montana

The income tax data from 2010 to 2022 reveal a dramatic shift in Montana's economic landscape, characterized by a surge in investment wealth that far outpaces population growth. Statewide, wealth grew four times faster than the population and twice as fast as taxable income, signaling a transition toward an economy driven by capital gains rather than just wages. While non-metro and metro Montana reported equal amounts of new wealth in 2022—each totaling $2.7 billion—this rural growth is heavily concentrated in a few specific areas. Outliers play a critical role in these figures: one-third of all non-metropolitan investment wealth is concentrated in Flathead County, while one-third of the entire state's investment gains occurred in Gallatin County. For the rest of rural Montana, this suggests that the "wealth boom" is not evenly distributed; instead, a few high-growth hubs are experiencing explosive gains that can drive up regional costs of living and property values, potentially pricing out lifelong residents and essential workers in the surrounding rural communities.

Leveraging wealth for foundational growth

Capturing this influx of wealth is critical to ensuring that the economic gains seen in Montana's growth hubs translate into long-term stability for all its residents. The Montana Community Foundation's "Strive for Five" initiative highlights a huge opportunity for community sustainability, building on finding's from the 2022 Transfer of Wealth study that an estimated $37 billion is expected to transition between generations by 2030. By encouraging individuals—from ranchers to local business owners—to leave just 5% of their estates to local causes, the state could potentially secure $1.85 billion in lasting endowments, generating roughly $83 million annually for schools, charities, and local initiatives.

This strategic capture of wealth is especially vital in the context of "philanthropy deserts" in rural America, where the geographic distribution of philanthropic resources often leaves remote communities underserved. By intentionally directing the transfer of wealth back into these rural areas, Montana can counter the trend of capital leaving the state and instead plant the seeds for permanent, locally-managed resources that allow rural communities to thrive across generations.

Finally, it is important to note that 50 cents of every dollar received as income in rural Montana comes from non-labor sources. These sources are predominantly from investment and retirement-related income, with a small proportion from poverty-related payments–though the contributions vary significantly across rural counties. Nationally, more than 20% of rural counties derive half or more of all personal income from non-labor sources compared with fewer than 5% of metro counties.

Wealth drives land accumulation

Land ownership patterns add another dimension. Research focused on 12 Montana counties spanning the Northern Rockies and Northern Great Plains found that concentration in large private land holdings increased by 7 percent between 2005 and 2018, with the size gap between the largest and second-largest landholding in a county quintupling on average over that period. Buyers ranged from energy investors to conservation nonprofits to existing absentee landowners, including some of the largest agricultural landowners in the United States. Whatever the motivation, concentration of ownership accompanies concentration of power: over shared landscapes,

3

FINANCIAL WEALTH & RURAL MONTANA

	INCOME TAX DATA: CHANGES FROM 2010 to 2022		
Area	**Population**	**Taxable Income ***	**Net Capital Gains***
Montana	974k→1.12M (1.1x)	$15.2B→$36.7B (2.4x)	$1.1B→$5.0Bb (4.3x)
Metro	516k→618k (1.2x)	$9.2B→$22.8B (2.5x)	$698M→$2.7B (4.7x)
Gallatin Co.	90k→124k (1.4x)	$2.1B→$8.9B (4.1x)	$207M→$1.3B (6.5x)
Non-Metro	458k→501k (1.1x)	$8.0B→$18.7B (2.3x)	$698M→$2.7B (3.9x)
Flathead Co.	91k→111k (1.2x)	$1.8B→$4.4B (2.5x)	$141M→$781M (5.5x)

* Adjusted for inflation and reported in 2025 dollars.
Source: (Income and Net Capital Gains: Individual Income Tax Returns: Selected Income and Tax Items by State, County, and Size of Adjusted Gross Income. IRS County Income Data, Accessed 6/5/2026. **Population:** U.S. Department of Commerce. 2023. Bureau of Economic Analysis, Regional Economic Accounts, Washington D.C., reported by Headwaters Economics' Economic Profile System, headwaterseconomics.org/eps.

How fast is investment wealth growing?

Statewide, from 2010 to 2022, wealth grew 4x faster than the population and 2x faster than taxable income.

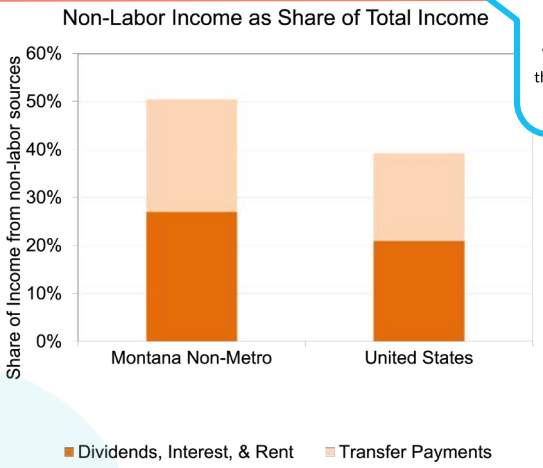
Non-metro and metro Montana reported equal amounts of new wealth (net capital gains) in 2022 ($2.7B).

Outliers matter: one-third of non-metropolitan Montana's investment wealth is located in Flathead County; one-third of the entire state's investment gains occurred in Gallatin County.

Dollars from investments and transfer payments -rural economies depend on them!

Non-labor income—such as dividends and retirement benefits—is growing twice as fast as labor income and now makes up a third or more of personal income in nearly 90% of U.S. counties. As the Baby Boom generation retires, this trend is accelerating, making ***non-labor income a primary driver of personal wealth in many regions.***

High reliance on this income can signal an aging, wealthy population or, conversely, a dependence on social assistance. Regardless of the source, non-labor income supports local economies by stimulating sectors like healthcare and real estate, and can provide critical stability in areas with shrinking labor markets.



Data Sources: U.S. Department of Commerce. 2026. Bureau of Economic Analysis, Regional Economic Accounts, Washington D.C., reported by Headwaters Economics' Economic Profile System, headwaterseconomics.org/eps.

3.5%
rural share of the dollar value of grants issued by the approx. 1,600 foundations that made 2/3 of all foundation grants between 2014 and 2018.*

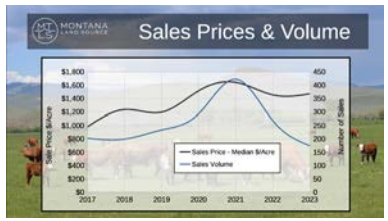
$37B
in wealth is predicted to change hands across generations of Montanans by 2030.
$15.8B of that is in non-Metro Montana.

Source: MT Community Foundation. See: https://mtcf.org/giving/strive-for-five

*Rural share source: USDA Rural Development, 2026. See: https://lnkd.in/ecXjt7Qh

The Amenity Land Rush ... 30 years old and going strong

1992



2018

Demand for luxury ranch properties remains high, despite tightening inventory. Even "small" properties are selling for prices in the tens of millions of dollars, reflecting national trends in an insatiable demand for luxury real estate by the ultra-rich.

Source: Montana Land Source. https://mtlandsource.com/

wildlife corridors, access to public lands, and the working land relationships that have historically defined rural community identity. As working land transitions to mega-estates — some managed for conservation, some for intensive agriculture, some for speculative purposes — the social and economic fabric of rural communities changes in ways that aggregate economic data does not easily capture.

Key resources:

Internal Revenue Service. (2024). County-level taxable income data: 2022. https://www.irs.gov/statistics/soi-tax-stats-county-level-taxable-income-data

Schaefer, S. (2023, October 17). Individual income tax: Analysis of new Montana residents in CY 2020 & CY 2021 [Report]. Montana Legislative Branch, Financial Modernization and Risk Assessment (MARA) Study. https://leg.mt.gov/content/Publications/fiscal/2025-Biennium/MARA/Individual-Income-Tax-Report-MARA-October-2023.pdf

Montana Community Foundation's Strive for Five web site shares the data from the 2022 Transfer of Wealth study, including county-level details. https://mtcf.org/giving/strive-for-five

USDA Rural Development Center, 2026. Rural America's Philanthropic Sector Grantmaking and The Role of Philanthropy in Rural Communities. Published online: https://www.rd.usda.gov/media/file/download/usda-rd-rural-philanthropy-report-03122026.pdf

Montana Land Source (mtlandsource.com) is a definitive authority on rural land markets.

Haggerty, Julia H., et al. "Rural land concentration & protected areas: Recent trends from Montana and greater Yellowstone." Society & Natural Resources 35.6 (2022): 692-700.

Metcalf, A.L., Chandler, J.W. & Birdsong, M.H. Private Ownership of Public Trust Wildlife Habitat in Montana, U.S.A. (2004–2023). Environmental Management 76, 36 (2026). https://doi.org/10.1007/s00267-025-02336-6

Infrastructure

4. Infrastructure to be connected & safe

Infrastructure is the foundation of everyday life: water systems, wastewater treatment, roads, public safety facilities, and schools are the critical, taken-for-granted systems that enable communities to function and help us all live well together. Montana faces compounding infrastructure challenges rooted in decades of underinvestment, deferred maintenance, a limited tax base due to low population, and increasing stress from disasters, including drought, flooding, windstorms, and wildfire. The 2024 Report Card for Montana's Infrastructure, published by the Montana Section of the American Society of Civil Engineers (ASCE), assigns the state mostly C and C- grades — "mediocre, requires attention" — with Schools and Stormwater earning a D: "poor, at risk." The report estimates that Montana needs $2.3 billion in drinking water infrastructure improvements alone, while anticipated bridge funding over the next decade ($535 million) falls nearly $3.9 billion short of identified needs.

Additional analysis of 23 Montana capital improvement plans (CIPs) by Headwaters Economics confirms the depth of the challenge at the local level. These communities collectively identified billions of dollars in capital needs, ranging from $3 million in Geraldine to $777 million in Big Sky. The most common needs across all 23 plans are aging water and sewer systems, stormwater and drainage, street resurfacing and maintenance, and aging public facilities such as fire halls and swimming pools.

Structural problems in financing infrastructure

The majority of the state's infrastructure, including water and wastewater systems, local roads, public buildings, is the financial responsibility of local governments. Many rural governments cover large geographies but have low populations, creating financing challenges. State and federal programs provide partial support, primarily through loans and competitive grants. However, competitive grant programs systematically disadvantage the communities with the greatest need: smaller jurisdictions often lack the staff capacity to pursue opportunities, and may not meet minimum thresholds for program eligibility. The CIP analysis found that federal grants appear as a funding source in 100% of plans, but many communities also explicitly acknowledged they lacked a viable strategy for actually funding identified projects. The gap between identified need and realistic funding is a statewide policy issue.

Recent federal investments have provided meaningful but temporary relief. Together, the American Recovery and Reinvestment Act (2009), the American Rescue Plan Act (2021), and the Infrastructure Investment and Jobs Act (2021) invested billions of dollars into Montana's water systems, broadband network, and transportation system. However, these programs have either concluded or are winding down, and future federal infrastructure investment is uncertain. As ASCE's report warns, temporary and inconsistent funding sources produce exactly the deferred maintenance and mounting backlogs that Montana is working to address. A state structurally dependent on episodic federal infusions is exposed when those infusions end.

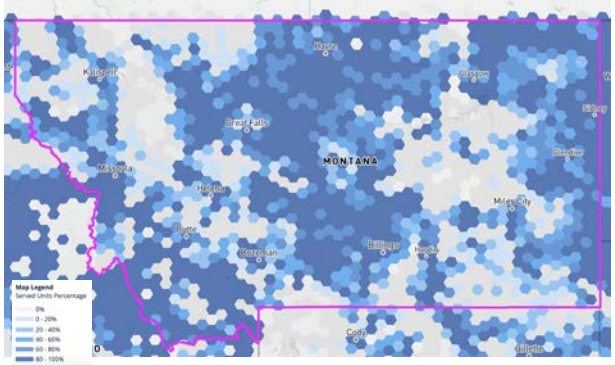
Natural disasters are stressing Montana's infrastructure

Infrastructure designed to meet historical norms is no longer adequate for the conditions

4

THE INFRASTRUCTURE TO BE CONNECTED & SAFE

Current Broadband Status



In 2026, Montana's rural broadband efforts are transitioning into active infrastructure development while adapting to updated federal rule changes. **An estimated 24% of Montanans still lack an active internet subscription**, making the ongoing rollouts a high priority for state administrators.

Source: FCC National Broadband Map. Accessed 6/7/2026. https://broadbandmap.fcc.gov/
Montana Broadband Office (ConnectMT). (2026, April 14). *Montana BEAD Program FAQs*. Montana Department of Administration. https://doa.mt.gov/_docs/connectmt/April-2026-FAQ-4.14.26.pdf

MONTANA'S REGIONAL WATER SYSTEMS

Areas to be served

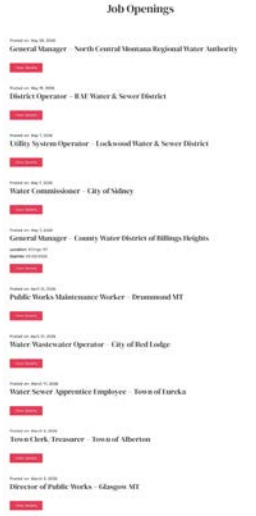
"It takes far more than a village to successfully plan, design, and build a regional water system. These systems have relied on cooperation and funding from local communities, the US Bureau of Reclamation, and the State of Montana for two decades, and counting."
-MT DNRC

The Cost of Neglect

Rural households are hit hardest by service outages, **often paying twice as much as urban households to secure basic daily water needs**. Single-staff and volunteer-run systems — common in rural areas — are aging, with no clear pipeline of new operators. When these systems fail, communities face public health risks and economic decline.

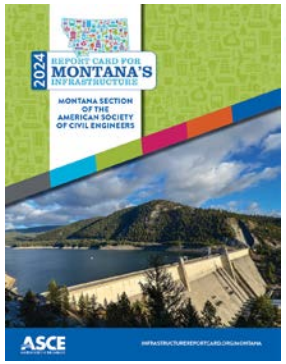
Rural communities face particularly **significant water cost burdens**. A recent national study finds that on a per capita basis, water infrastructure needs in rural counties average $13,800 over 20 years (*excluding adjustments for stormwater, PFAS, and lead service line replacement needs*). That is almost twice the $7,800 per capita need in urban counties.

Source: Value of Water Campaign, 2026.
valueofwater.org



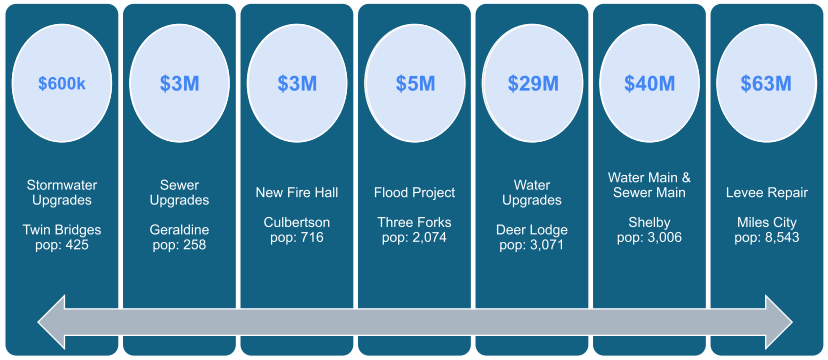
Above: June 2026 job listings from the Montana Rural Water System association. Public works and utility employees can be hard to find in rural Montana, which corresponds to national workforce trends. https://mrws.org/job-openings/

A "Mediocre" to "Poor" Infrastructure Report Card



Available at
https://infrastructurereportcard.org/state-item/montana

Examples of Urgent Projects in Rural Montana



Source: 2026 Headwaters Economics analysis of 23 local government Capital Improvement Plans

one-third of the water sector and one-quarter of the electric utility workforce in the US are eligible to retire in the next 10 years

https://www.epa.gov/sustainable-water-infrastructure/water-infrastructure-sector-workforce

MONTANA RURAL SUMMIT

Montana communities face today. Between 2011 and 2024, Montana received 18 federal disaster declarations, drawing $126.2 million in FEMA disaster recovery and mitigation funds. Drought, flooding, windstorms, and wildfire are not only damaging infrastructure directly, they are revealing the latent vulnerability of systems already past their design life. The ASCE report flags stormwater as a particular concern: Montana's systems were designed using outdated standards and cannot effectively manage increasingly severe precipitation events. Infrastructure that was merely aging becomes a public safety risk when climate stress is layered on top.

Examples of local infrastructure challenges facing rural Montana

When aging water systems meet drought

Fairfield, Montana illustrates what happens when deferred infrastructure investment collides with a natural disaster. According to analysis by Great West Engineering, the town's deteriorating distribution pipes lose approximately half of all water passing through them, far above the acceptable loss rate of 15%. In a region facing persistent drought, the system cannot reliably meet peak demand. Replacing the aging pipes will cost millions of dollars: a burden that vastly exceeds what the tax base of a town of 800 residents can absorb, and an amount too small to attract significant federal attention.

The cost of failure

In 2024, the St. Mary's Irrigation Project suffered a catastrophic failure when two 90-inch siphons ruptured — flooding portions of the Blackfeet Nation, cutting off irrigation to 120,000 acres of farmland, and disrupting water supply to communities between Babb and Glasgow. The failure illustrates a principle that applies across Montana's aging infrastructure: systems deferred past their design life do not gradually become less useful. They fail suddenly, with cascading consequences and costs that dwarf what preventive investment would have required.

When federal cost-sharing isn't enough

Miles City's Tongue River levee has deteriorated to the point that it no longer provides adequate flood protection for the community. The Army Corps of Engineers estimates that repairing and upgrading the levee to current standards would cost $63 million. Under the Corps' standard 65/35 cost-sharing arrangement, the federal government would contribute approximately $41 million, leaving Miles City responsible for $22 million. For a small city in eastern Montana, that local match is effectively out of reach, leaving critical flood protection in limbo despite a willing federal partner on the other side of the table.

Key resources:

Headwaters Economics, Floodwise Community Assistance Program. https://floodwise.headwaterseconomics.org/

Value of Water Campaign, 2026. valueofwater.org

ASCE Infrastructure Report Card for Montana, available at https://infrastructurereportcard.org/state-item/montana

5. Capacity & Finance: Resourcing local needs

Montana's system of public finance faces a structural mismatch that predates the communities currently struggling within it. The state's tax architecture was built in an era when the dominant industries were mining, logging, and agriculture — resource extraction that generated large, taxable flows of commodity income. That economy has not disappeared, but it has shrunk in relative terms. Over the past 25 years, the sectors that have actually grown — health care, real estate, retail, finance, professional services — are precisely the ones that Montana's tax code was not designed to capture. The structural problem is compounded by Montana's property tax cap, which limits year-over-year revenue growth even as construction costs, maintenance backlogs, and staffing expenses rise faster than the cap allows.

The mismatch in rural Montana looks different depending on where you are. In tourism-dependent places like Park County, visitors generate substantial demand for roads, emergency response, and infrastructure, but the county has almost no mechanism to capture public revenue from that economic activity. The costs fall on local property taxpayers, a pattern Headwaters Economics has documented as the "amenity trap." In energy-dependent communities like Musselshell County, where roughly a third of local revenue comes from coal, the resource-based tax system seems as though it should work. However, coal revenues have been highly volatile and there are no mechanisms, at the county, regional, or state level, to set aside reserves during good years to buffer the bad years.

Montana's rural governments face a structurally difficult fiscal environment. Property tax revenues are the primary tool for funding local services and infrastructure but are subject to a legislative cap that limits year-over-year growth, even as costs for construction, maintenance, and staffing rise faster than allowed revenue.

Revenue shortfalls are compounded by a capacity gap. When compared to the rest of the country, 68% of Montana's counties rank as low-capacity on the Headwaters Economics Rural Capacity Index, meaning they lack the staffing, technical expertise, and financial management systems needed to effectively plan, fund, and execute infrastructure investments. These counties are less likely to have a capital improvement plan, less likely to successfully compete for federal infrastructure dollars, and more likely to defer maintenance until it becomes an emergency. Government capacity is often a product of decades of underinvestment in the institutional infrastructure of governance itself.

Banking

Nationally, banking deserts in rural America create systemic economic barriers that stifle growth and increase the vulnerability of marginalized residents. In low income communities, the disappearance of physical branches often leads to the rise of predatory alternative financial services, such as payday lenders, which trap low-income individuals in cycles of high-interest debt. Furthermore, the loss of relationship-based lending hinders the ability of farmers and small business owners to secure the specialized capital necessary for operational stability and expansion. This crisis is compounded by the digital divide, where unreliable broadband and low digital literacy make "digital-only" banking an inadequate substitute for physical access. Ultimately, banking deserts cause critical economic leakage, shifting local deposits away from community reinvestment and toward national corporate hubs, while stripping rural residents of the personalized financial counseling essential for long-term financial wellness.

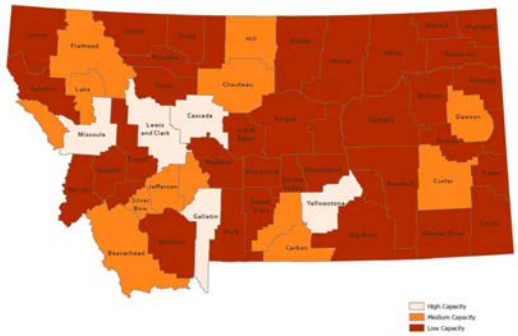
5

CAPACITY & FINANCE: RESOURCING LOCAL NEEDS

Rural Capacity Index

3 out of 4

rural counties lack the resources to compete for public funding



Money alone cannot create the infrastructure and resilience projects needed in rural Montana. Communities will also need capacity—the staffing and expertise—to apply for and report on federal funding and to identify, design, build, and maintain projects over the long term.

HEADWATERS ECONOMICS

The Rural Capacity Index is based on 12 indicators grouped into four weighted categories: local government staff and expertise; institutional capacity; economic opportunity; and education and engagement. Indicators are nationally available and were identified and weighted through literature review and expert opinion. The Index score is displayed as the national percentile rank. We define "low" capacity as a national percentile of <33%, "medium" capacity as 33-66%, and "high" capacity as >66%.

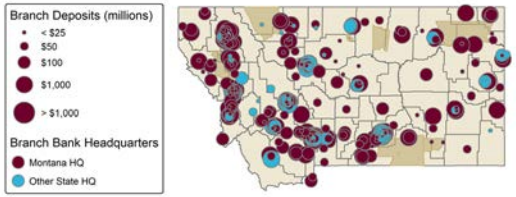
"**Community banks and credit unions are often viewed as essential** to addressing banking deserts. Community banks in rural areas with depopulation trends might find it more challenging to continue to operate profitably in the future, although strong performance on agricultural loans has supported these banks in recent years."

Congressional Research Service, 2021

Is rural Montana a "Banking Desert"?

Quantitatively, not exactly. With a physical presence in 96% of counties, an 80% local deposit share, and targeted lending portfolios for small farms and businesses, the infrastructure is robust. **However, the downward trend in the number of headquartered banks (from 65 to 39) suggests that while "coverage" remains high, the "localness" of the decision-making is shifting toward larger, consolidated entities.** And, access to business and personal credit remains challenging for underserved populations, particularly Native Americans in Montana.

Figure 2.1 Bank Branches & Offices, Total Branch Deposits, 2023



Source: FDIC Summary of Deposits

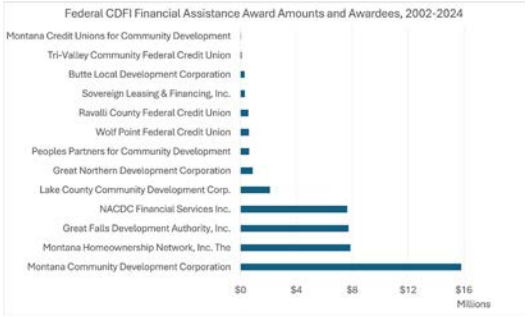
Source: Barkey, P. M., Baldridge, J., & Sheehan, D. (2024, May). *Economic Contributions of Montana Banks*. Bureau of Business and Economic Research, University of Montana.

MOFI: Over $1B in Impact

Established in 1986 as a nonprofit formed to improve the lives of poor women in the Missoula area, MoFi provides financing and advisory services for economically underserved and distressed populations and areas. It is one of the first Community Development Finance Institutions (CDFIs) in the country to be certified by the U.S. Treasury. MoFI added a New Markets Tax Credits Program in 2008 to add funding for large-scale development projects. **MoFI reports over $1.1B in funding invested across the Rocky Mountain West** since its establishment.
Source: MoFI Annual Report, 2024.
https://impact.mofi.org/mofi_annual_report/full-view.html

Native American Financial Institutions – Banks & CDFIs

NAFIs offer essential, culturally informed credit and capital in Indian Country. They overcome systemic barriers—such as historical discrimination, trust land collateral restrictions, and a lack of local branches—that often make traditional loans impossible for Native entrepreneurs and homeowners. Native CDFIs are one of the fastest-growing alternative funding enterprises in rural Montana.
Source: Fed Reserve of Minneapolis, CDFI Finder, 2026.
https://www.minneapolisfed.org/about-us/community-development-and-engagement/find-a-cdfi



Source: US Dept of Treasury, CDFI Searchable Database. Accessed 6/7/26.

With a physical presence in 96% of counties, an 80% local deposit share, and targeted lending portfolios for small farms and businesses, Montana's banking system does not entirely suggest a "desert." However, the downward trend in the number of headquartered banks (from 65 to 39) suggests that while "coverage" remains high, the "localness" of the decision-making is shifting toward larger, consolidated entities. And, access to business and personal credit remains challenging for underserved populations, particularly Native Americans in Montana.

Key resources:

Barkey, P. M., Baldridge, J., & Sheehan, D. (2024, May). Economic Contributions of Montana Banks. Bureau of Business and Economic Research, University of Montana.

Federal Reserve Bank of Minneapolis, CDFI Finder, 2026. https://www.minneapolisfed.org/about-us/community-development-and-engagement/find-a-cdfi

this page intentionally blank

Care & Living Well

6. Caregiving in Rural Montana

Caregiving in rural America is characterized by a "double burden" of increased demand and severely limited support infrastructure, often referred to in public health literature as a crisis of accessibility. Peer-reviewed research indicates that rural caregivers—who are more likely to provide care for both aging parents and children simultaneously—face significantly higher levels of caregiver strain and social isolation than their urban counterparts due to the geographic dispersion of family networks and a critical shortage of professional respite care and home-health services (Rural Health Information Hub; Greden, 2002). This scarcity is compounded by the existence of "service deserts," where the lack of specialized geriatric care and persistent transportation barriers force rural caregivers to assume complex medical tasks without adequate training or professional oversight (Journal of Rural Health). Consequently, national studies report that rural caregivers experience higher rates of depression and physical health decline, often sacrificing their own employment and economic stability to fill the gap left by an underdeveloped rural healthcare system (USDA Economic Research Service).

This systemic lack of support is particularly evident in the realm of early childhood, where the absence of reliable care creates immediate economic instability. According to a 2020 study by the Bureau of Business and Economic Research (BBER), inadequate child care creates a significant economic drag on Montana, resulting in roughly $232 million in annual losses shared between households, businesses, and taxpayers (BBER, 2020). While the report finds that urban parents struggle more with the high cost of care and finding emergency back-up options, rural parents experience a similar overall financial burden in terms of lost wages, averaging approximately $5,900 per household annually (BBER, 2020). Notably, rural families rely more heavily on state assistance, with 26% of rural households receiving Best Beginnings scholarships compared to only 9% of urban households. Ultimately, this lack of reliable care forces many parents across the state to miss work, decline job offers, or forgo further education, creating long-term career setbacks that disproportionately impact low-income and American Indian families (BBER, 2020).

These immediate challenges are set to intensify as Montana's demographic landscape shifts toward an older population. Recent projections indicate that the pressure on rural caregivers will only grow as the ratio of retirees to working-age adults increases. According to Montana Research and Analysis (2024), the retirement-age dependency ratio is projected to increase in every county in the state, but this increase is not equally distributed. Rural counties, in particular, are expected to experience a larger increase in retirement-age dependency than counties with larger cities (Montana Research and Analysis, 2024). As the population ages and the dependency ratio rises, the existing gaps in rural caregiving infrastructure will likely widen, placing an even greater burden on the families and communities tasked with supporting Montana's elderly population.

6

CAREGIVING IN RURAL MONTANA

Childcare shortages are limiting Montana's economic potential

$55 Million

Is the estimated lost business revenue due to childcare shortages in Montana, according to a 2020 study

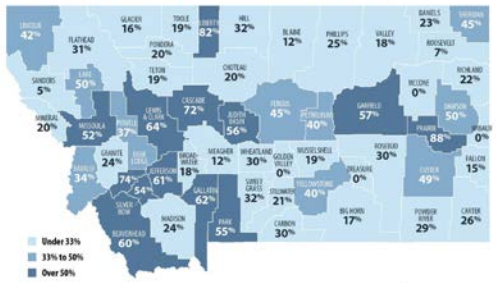
The study "Lost Possibilities: The Impacts of Inadequate Child Care on Montana's Families, Employers, and Economy," conducted by the University of Montana's Bureau of Business and Economic Research (BBER) and sponsored by the Federal Reserve Bank of Minneapolis, examines the economic consequences of child care shortages in Montana.
The study concludes that

the child care sector is a critical piece of economic infrastructure.

Without accessible and affordable care, essential workers cannot reach their jobs, businesses cannot scale, and families face significant financial instability.

Nearly 60% of Counties qualify as a Childcare Desert

Licensed capacity as a percent of demand in 2023 by County



Source: MTDLI analysis of childcare capacity data provided by MTDPHHS through 12/2023. Demand is equal to the number of children under age six living in the working parent households.

Montana Department of LABOR & INDUSTRY

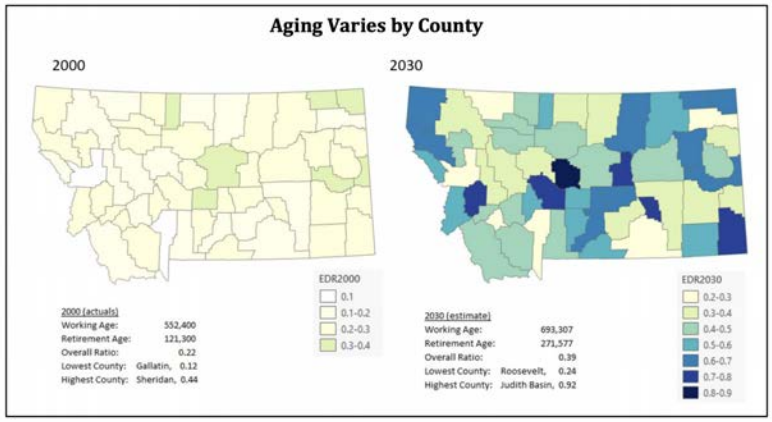
*Every day in the United States, **10,000 people turn 65**, and the number of older adults will more than double over the next several decades and represent over **20 percent** of the population by 2050.*

SOURCE: UN POPULATION DIVISION

Rural Has an Eldercare Challenge!

The maps below illustrate the retirement-age dependency ratio in Montana's counties in 2000 and 2030 (projected, data from eREMI). The retirement-age dependency ratio is the ratio of working-age persons to retirement-age persons in a given jurisdiction. A retirement-age dependency ratio of 0.3 means that for every 1 worker, there is 0.3 of a retirement-age person in the jurisdiction.

Aging Varies by County



These maps illustrate two main points. First, the retirement-age dependency is projected to increase in every county in the state, and in many cases is projected to increase by a large margin. Second, this increase is not equally distributed across the state. In many cases, rural counties are expected to experience a larger increase in retirement-age dependency ratio than counties with larger cities. Note that increases in the retirement-age dependency ratio can occur because of more retirement-age persons moving to a jurisdiction, working-age persons leaving a jurisdiction, or both.

Montana Research and Analysis. (2024). "Demographic report update". Montana Legislative Services. https://archive.legmt.gov/content/Publications/fiscal/2025-Biennium/MARA/Demographic-Report-Update-MARA-2024.pdf

MONTANA RURAL SUMMIT

Key resources:

Montana Research and Analysis. (2024). Demographic report update. Montana Legislative Services. https://archive.legmt.gov/content/Publications/fiscal/2025-Biennium/MARA/Demographic-Report-Update-MARA-2024.pdf

Rural Health Information Hub. (n.d.). “Caregiving in rural communities: Challenges and resources”. https://www.ruralhealthinfo.org/

USDA Economic Research Service. (n.d.). Rural community profiles: Health and social services. https://www.ers.usda.gov/

Bureau of Business and Economic Research. (2020). “The impacts of inadequate child care on Montana’s families, employers and economy”. University of Montana—Missoula.

Greden, J. R. (2002). The rural-urban difference in the experience of caregivers. The Journal of Rural Health, 18(3).

this page intentionally blank

6. Living, learning & gathering

Housing

There is a national housing crisis, and the situation in rural areas is particularly acute. While urban centers face high demand, rural Montana struggles with a severe shortage of entry-level housing and a "frozen" market where low inventory and rising prices outpace local wages. This often forces essential workers—such as teachers and healthcare providers—out of the communities they serve, exacerbating the instability of rural infrastructure and community sustainability.

The housing crisis is most severe in Montana's tribal communities, where structural underfunding and complex land ownership have created what researchers describe as a chronic, decades-long housing emergency. According to 2019–2023 census estimates, the Northern Cheyenne, Rocky Boy's, and Fort Belknap reservations each had a homeownership vacancy rate of zero, effectively no unoccupied homes for sale. The average wait for housing on the Crow Reservation has been reported at ten years; the wait in Ronan is typically two and a half years. An estimated 16% of Native Americans in tribal areas live in overcrowded conditions, compared to 2 percent of all U.S. households. A 2021 survey found that more than one in four homes on the Crow Reservation were overcrowded; some respondents reported up to 20 people in a single house.

In addition to the challenges of finding a place to live, housing issues compound rural affordability challenges through high energy burdens–the cost of income dedicated to electricity and heating bills. Montana typically has one of the highest energy burdens in the United States. This is primarily driven by the state's extreme temperature variations, a high percentage of homes requiring significant heating during long winters, and the lack of insulation and other energy efficient home improvements. A handful of rural communities in Montana operate woodbanks, volunteer-run charities that process and distribute free firewood to elderly, disabled, and low-income households during harsh winters, sometimes in partnership with the U.S. Forest Service.

Education

Rural schools in Montana face a complex set of opportunities and challenges primarily driven by geographic isolation and limited financial resources. On the one hand, students in rural schools often love the tight-knit community and the close, personal relationships they build with their teachers and peers. They also appreciate having more opportunities to be involved in various activities and a strong connection to their local culture and environment.

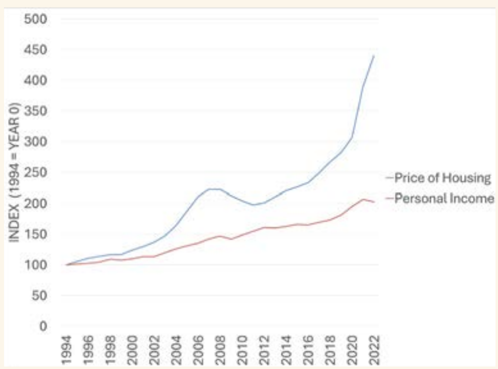
On the other hand, many districts struggle with chronic staffing shortages, finding it difficult to recruit and retain qualified teachers who are willing to relocate to remote areas. These schools often operate with smaller budgets and a limited tax base, which restricts their ability to offer a diverse range of advanced placement courses, extracurricular activities, and specialized support services compared to urban schools. Updating aging school infrastructure for energy efficiency and accessibility is often a significant challenge because these projects require substantial upfront capital that small rural districts lack, and the remote locations can drive up the cost of specialized materials and skilled labor. Finally, the distances students must travel for school and sporting events place a heavy burden on transportation budgets and limit opportunities for community and inter-school collaboration.

7

LIVING, LEARNING & GATHERING

U.S. Department of Commerce. 2026. Bureau of Economic Analysis, Regional Economic Accounts, Washington D.C. via Headwaters Economics.
FHFA HPI® State Indexes for House,s not in Metropolitan Statistical Areas
https://www.fhfa.gov/data/hpi/datasets?tab=quarterly-data

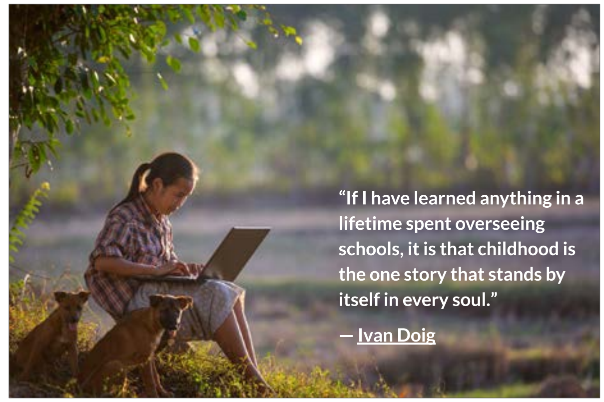
Trends in House Price vs. Income, Non-Metro MT 1994-2022



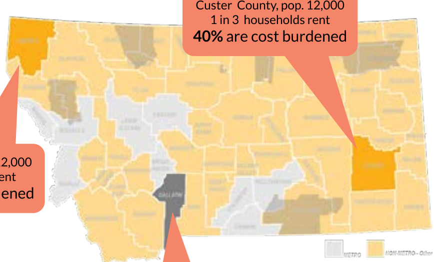
75% of K-12 schools in Montana are rural

- This is the highest proportion among U.S. states.
- Montana has more one-room schoolhouses than any other state
- In many rural districts, one educator teaches MANY classes, often multi-grade ("plus they coach sports and lead extracurriculars....and maybe drive the bus, make school lunches, etc.")

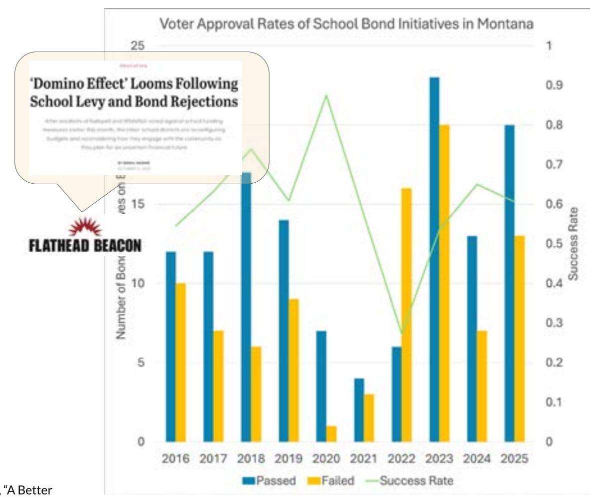
Suzi Taylor, MSU Science Math Resource Center / Montana NSF EPSCoR EOD team – presented at MSU on 11/4/2022 using data from: Educator Needs Assessment



Affordability: not only an amenity town problem

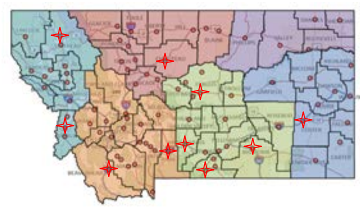


Source: Montana Budget & Policy Center, "A Better Path to Housing for our Friends and Neighbors" based on US Census/ACS data.
https://public.tableau.com/app/profile/montana.budget.policy.center/viz/MontanaHousingMap/HousingMap



Source: School Bond Finder.
https://www.schoolbondfinder.com/reports/bond/

libraries = resilience ?



Map: Location of libraries in Montana. Star symbol marks Carnegie libraries still functioning as public libraries as of a 2013 report. Sources: Wikipedia.

"Beyond collections and information access, public libraries may provide many services relevant to community and economic development **and to disaster response** ..."

-"Libraries Are Resilience Hubs: Evidence From the Midwest." *Journal of the American Planning Association*, 2025.

$8.7M

2025 cost of Andrew Carnegie's Grant Program to help build 17 libraries in Montana between 1901-1919

Communities need places to gather besides the gym

Public spaces to gather are a priority for many rural communities. A systematic inventory of the availability and quality of multi-purpose buildings adequate to house a wedding, all-community town hall, disaster coordination would be a useful investment. This is the "Carnegie" challenge of the 21st century. The national planning community hopes libraries can provide this need, but this may be a better solution in urban communities where libraries are housed in large buildings. In many rural communities in Montana, libraries would not have adequate space to function as a resilience hub. Nor do they provide the space needed for a social gathering like a wedding or funeral.

Key resources:

Apsáalooke Health Equity Team, 2021. Apsáalooke Nation Community Health Assessment (CHA). Available via the Montana Health Foundation: https://mthf.org/wp-content/uploads/Crow-CHA_2021.pdf

Montana Budget and Policy Center's Interactive Housing Map provides county level information about the affordability of renting across the state. https://www.montanabudget.org/interactive-housing-map

The Center for Research on Rural Education (CRRE) at Montana State University (MSU) in Bozeman provides vital research, teacher training, and community support for Montana's extensive network of small, rural, and remote school districts.

American Council for an Energy-Efficient Economy. (n.d.). Energy burden map. https://database.aceee.org/energy-burden

this page intentionally blank

Environment & Community

8. Climate & resilience

Montana is facing increasingly frequent, costly, and intense natural disasters. Between 2011 and 2026, the state received 21 federal disaster declarations. Federal disasters are an indication that the scale and impact of the disaster overwhelmed both local and state resources. The state's top three natural disasters are:

Wildfire: More than one in three Montana homes, roughly 120,000 structures, face moderate or high wildfire risk, a rate higher than 74% of states nationally.

Flooding: 15% of Montana residents live in high-hazard flood zones, including one in four seniors over 65, who face particular challenges when evacuating and recovering.

Drought: Drought ranks third statewide for disaster risk but first in central Montana, where multi-year dry cycles threaten municipal water supplies, agricultural livelihoods, and the regional water delivery systems rural communities depend on.

Many of Montana's rural communities face compounding risk due to exposure to natural disasters and aging infrastructure. For example, Montana's more than 3,000 dams average over 70 years in age, well beyond the standard 50-year design life. 206 of these dams are classified as high-hazard structures where a failure would likely cause loss of life. Additionally, 75% of the state's 73 levees lack FEMA accreditation or current risk data, and 126 bridges in the state are rated "scour-critical," meaning floodwaters could erode their foundations to the point of collapse. For rural communities where the next bridge may be hours away and contractors must travel long distances, these pose outsized risks.

Montana's rural nature creates other unique vulnerabilities. Between 2000 and 2021, 56% of new single-family homes in Montana were built in unincorporated areas. These are places with limited zoning, fire codes, and emergency response capacity. Additionally, mobile and manufactured homes are key sources of affordable housing in Montana, making up 10% of the housing stock (nearly double the national rate). However, these homes are often located in risky locations. For example, more than 1 in 5 mobile homes is located in an area with high flood risk. Development continues to push into fire-prone and flood-prone landscapes faster than the governance structures meant to manage those risks can follow.

Examples from rural Montana

Investing in Projects to Decrease Flood Risk

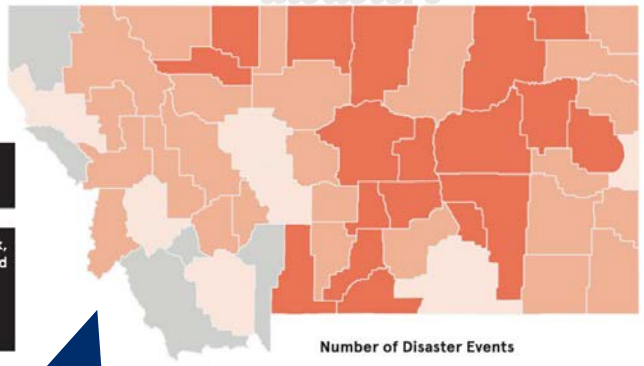
In West Glendive, the Casitas del Rio Mobile Home Park sits directly behind an aging levee that federal studies have repeatedly found to be inadequate protection against ice jam floods on the Yellowstone River. The park's 124 units house some of Glendive's most economically vulnerable residents, including elderly fixed-income households and young families with children, nearly all of whom lack flood insurance. Since ice jam floods happen rapidly with little time for warning or evacuation, a flood is a large risk to life safety. Glendive and Dawson County have partnered with the Army Corps of Engineers to work on a $13.2 million upgrade to the levee to protect property, infrastructure, and lives. In 2026, Dawson county voters passed a bond to fund the local share of the project (~$4.9 million).

8

CLIMATE & RESILIENCE

21 disaster declarations 2011-2026

Montana's rural counties are more vulnerable to disasters



91% of counties in Montana have had a recent disaster.

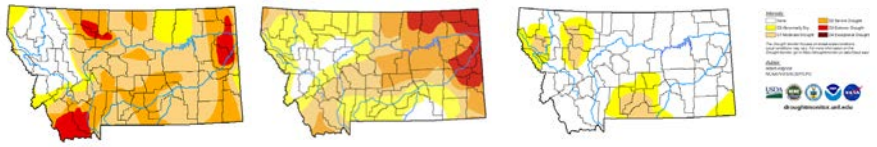
Blaine, Musselshell, Park, Petroleum, Treasure, and Valley County have had the highest number of recent disasters in the state: 6 diasters.

MAP MADE BY REBUILD BY DESIGN
FEMA DATA COURTESY OF IPARAMETRICS

Not all disasters qualify for federal disaster assistance. To be declared a federal disaster, the disaster must overwhelm state and local resources, be requested by the governor, and approved by the President. Montana has had 21 federal disasters declared between 2011 and 2026.

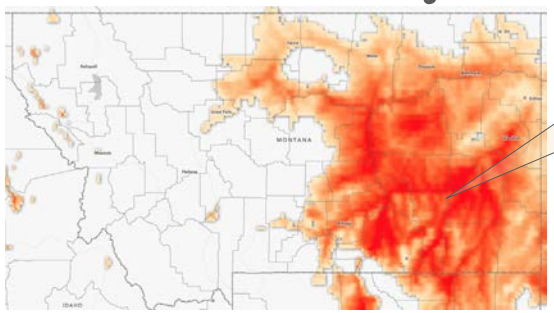
Drought Snapshots

this week (June 2, 2026) | this week 2021 | this week 2016



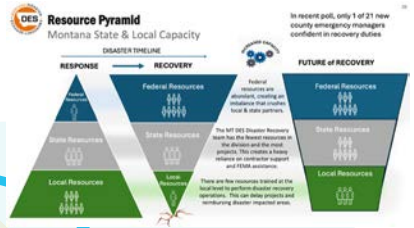
Source: https://droughtmonitor.unl.edu/

Heat Vulnerability in Rural Montana



Here, NOAA projected heat events (days over 95 degrees) are overlaid by the CDC's Social Vulnerability Index (SVI) which uses U.S. Census data to determine the social vulnerability of every county. The SVI ranks each county on 15 social factors, including poverty, lack of vehicle access, and crowded housing, and groups them into four related themes.

Source: https://heat.gov/tools-resources/extreme-heat-vulnerability-mapping-tool/

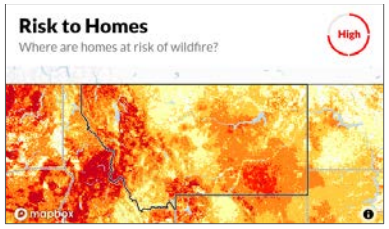


2025 Report to the Montana Legislature by MT DES

- 60% of Local EM coordinators <5 years in their current position
- 54% of coordinators are half time or less
- 1 in 21 county emergency mgrs polled was confident in recovery duties

Source: MT DES Legislative Deep Dive. Jan 29, 2025. Accessed via archive.legmt.gov.

Montana has a high risk of wildfire—higher than 74% of states in the US.



Source: Wildfire Risk to Communities https://wildfirerisk.org

Key resources:

Headwaters Economics. Montana losing open space. 2024. https://headwaterseconomics.org/economic-development/montana-home-construction/

Headwaters Economics. Floodwise Community Assistance Project. https://floodwise.headwaterseconomics.org/

Wildfire Risk to Communities (wildfirerisk.org) is a free, easy-to-use website with interactive maps, charts, and resources to help communities understand, explore, and reduce wildfire risk. Data are available for every U.S. community, tribal area, county, and state.

Rebuild by Design hosts the Interactive Atlas of Disaster, which maps federal disaster declarations and post-disaster assistance obligations for every county in the U.S., with overlays by congressional district. https://rebuildbydesign.org/atlas-of-disaster/

this page intentionally blank

9. Community assets & dynamics

Rural Montana communities are often celebrated for their social cohesion — the tight, dependable bonds forged through shared schools, volunteer fire departments, ranch cooperatives, and generations of mutual aid. These internal ties are genuinely powerful: they sustain communities through hard times and can contribute to a sense of belonging. But research increasingly distinguishes between two kinds of social capital that work very differently. Bonding social capital refers to the dense ties within a community, such as connections among people who know and trust each other. Bridging social capital refers to ties that cross lines of class, geography, background, and culture, as well as connections to outside expertise, new markets, grant networks, philanthropic institutions, and decision-makers. Both matter. But it is the bridging connections that often determine whether a community can adapt to changing conditions and access resources beyond its own borders.

A 2026 study published in the Journal of Regional Science found that counties with strong bonding ties but limited bridging connections were more likely to translate local economic decline into political grievance and isolation. In these areas, closed information networks reinforce shared narratives of loss without exposure to alternative interpretations. Strong bridging capital, by contrast, dampened political polarization and opened communities to new coalitions and resources. The volume of social capital mattered less than its composition.

The implication for rural policy is concrete: investment in the institutions and relationships that connect rural communities to the broader world, including regional networks, cross-sector partnerships, and anchor institutions such as universities, hospitals, and tribal colleges, is foundational to community resilience.

Philanthropies are leaving out rural communities

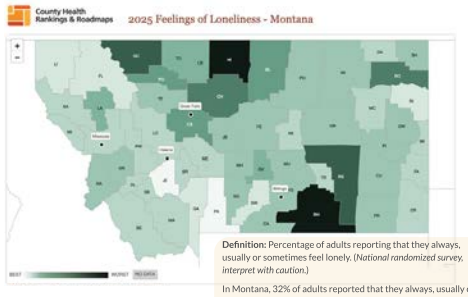
Research from the Federal Reserve Board finds that rural communities nationally receive only about 3 percent of all philanthropic grant dollars, despite comprising 20 percent of the U.S. population. Per capita, urban-based grant makers issued roughly five times more grant funding than rural-based grant makers between 2014 and 2021 ($402 versus $79 per capita). For Montana's four persistent poverty counties — Big Horn, Blaine, Glacier, and Roosevelt — the gap is even more pronounced: rural persistent poverty counties received just $44 per capita annually. A third of rural counties nationally had no local grant maker at all. This is not a problem of rural communities failing to attract investment; it is a structural feature of how wealth, institutions, and networks are geographically organized — one that systematically disadvantages the places with the greatest need.

Montana's Rural Funding Gap

Philanthropic funding is heavily concentrated in metropolitan areas, making it difficult for many rural communities to access outside resources. Montana Community Foundation has made a concerted effort to reach rural communities; in 2024, 58% of Otto Bremer Trust grants awarded in Montana went to communities with fewer than 10,000 residents. Yet despite these efforts, the foundation did not receive any funding requests from seven counties, each of which is among the state's most rural, remote, and low-capacity places. Similar patterns occur across federal, state, and philanthropic funding programs. Communities with the greatest needs are often the least able to pursue funding opportunities, creating a cycle in which underinvestment limits capacity and limited capacity leads to further underinvestment. The finding underscores the importance of interme-

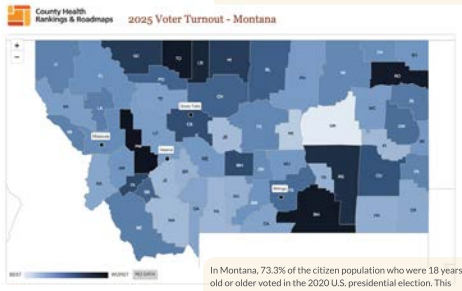
9

COMMUNITY ASSETS & DYNAMICS



Definition: Percentage of adults reporting that they always, usually or sometimes feel lonely. (*National randomized survey, interpret with caution.*)

In Montana, 32% of adults reported that they always, usually or sometimes feel lonely. This ranged from 29% to 38% of adults across counties in the state.



In Montana, 73.3% of the citizen population who were 18 years old or older voted in the 2020 U.S. presidential election. This ranged from 53.9% to 99.8% across counties in the state. The national average of 68% in 2020.

Source: Countyhealthrankings.org

3,100
people **migrated** to non-metropolitan Montana counties from 2010-2025

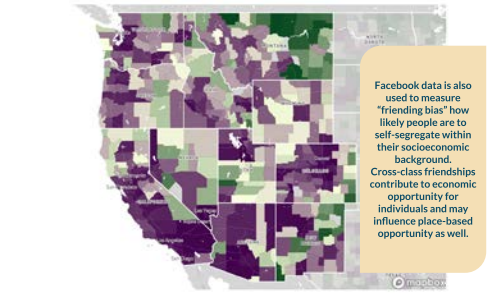
here's what a 2021 MSU study learned about newcomers to Montana

Source: Mastel et al. 2021, Montana Movers Study Report.
https://www.montana.edu/extension/communitydevelopment/montanamovers.html

$2.6B in wages
paid by the **4,010** non-profit organizations in non-metropolitan Montana in 2023

Source: Montana Nonprofit Association 2025 Impact Report and IRS Tax Exempt Organization Master List, 2023.
https://mtnonprofit.org/mna-resources/2025-economic-impact-report/

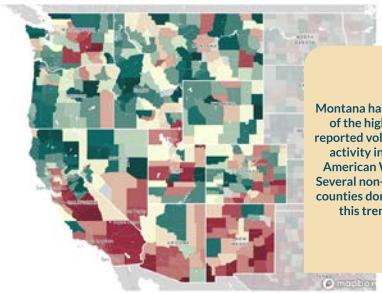
Cohesion



Facebook data is also used to measure "friending bias" how likely people are to self-segregate within their socioeconomic background. Cross-class friendships contribute to economic opportunity for individuals and may influence place-based opportunity as well.

"in rural communities especially, the lines between "volunteer," "neighbor," and "leader" are often blurred."
-MT Community Foundation, April 2026

Volunteering



Montana has some of the highest reported volunteer activity in the American West. Several non-metro counties dominate this trend.

diary organizations, technical assistance providers, and funders willing to invest in local capacity long before a specific project or grant opportunity emerges.

Key resources:

A. Rodríguez-Pose reports on the intersections among spatial inequality, regional development, place-based (and/or industrial) policy, and democracy and social cohesion through academic studies and an active linkedin presence.

Federal Reserve Board, "The Geography of U.S. Philanthropic Grantmaking," Jan. 2025.

Headwaters Economics, "Montana Community Foundation leverages data to reach more rural and Tribal communities," Mar. 2025.

HUNGRY FOR DATA? A few of our Go-to Data Portals

MONTANA.GOV
OFFICIAL STATE WEBSITE
Montana Data Portal

commerce.mt.gov/data-research

MONTANA BUDGET & POLICY CENTER

https://www.montanabudget.org/interactive-housing-map

LEGISLATIVE FISCAL DIVISION

https://www.legmt.gov/lfd/interactive-tools/

STRIVE FOR 5

County-level data on Transfer of Wealth
https://mtcf.org/giving/strive-for-five

Features : : Reenvisioning Rural America

County-level community capitals
https://reenvisioning-rural-america.urban.org/

County Health Rankings & Roadmaps

https://www.countyhealthrankings.org/

https://rebuildbydesign.org/atlas-of-disaster/

HEADWATERS ECONOMICS

https://headwaterseconomics.org/tools/