

The Economic Contributions of Hutterite Communities in Montana

Prepared for Church, Harris, Johnson and Williams, P.C.

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Measuring Hutterite Communities' Economic Contributions

- Rural locations of communities and higher degree of self-sufficiency has contributed to low levels of awareness about Hutterites in Montana
- Objective of this study is to describe the breadth and scale of economic production that takes place in communities.
- Highlight the connections between production in the communities and the rest of the Montana economy.

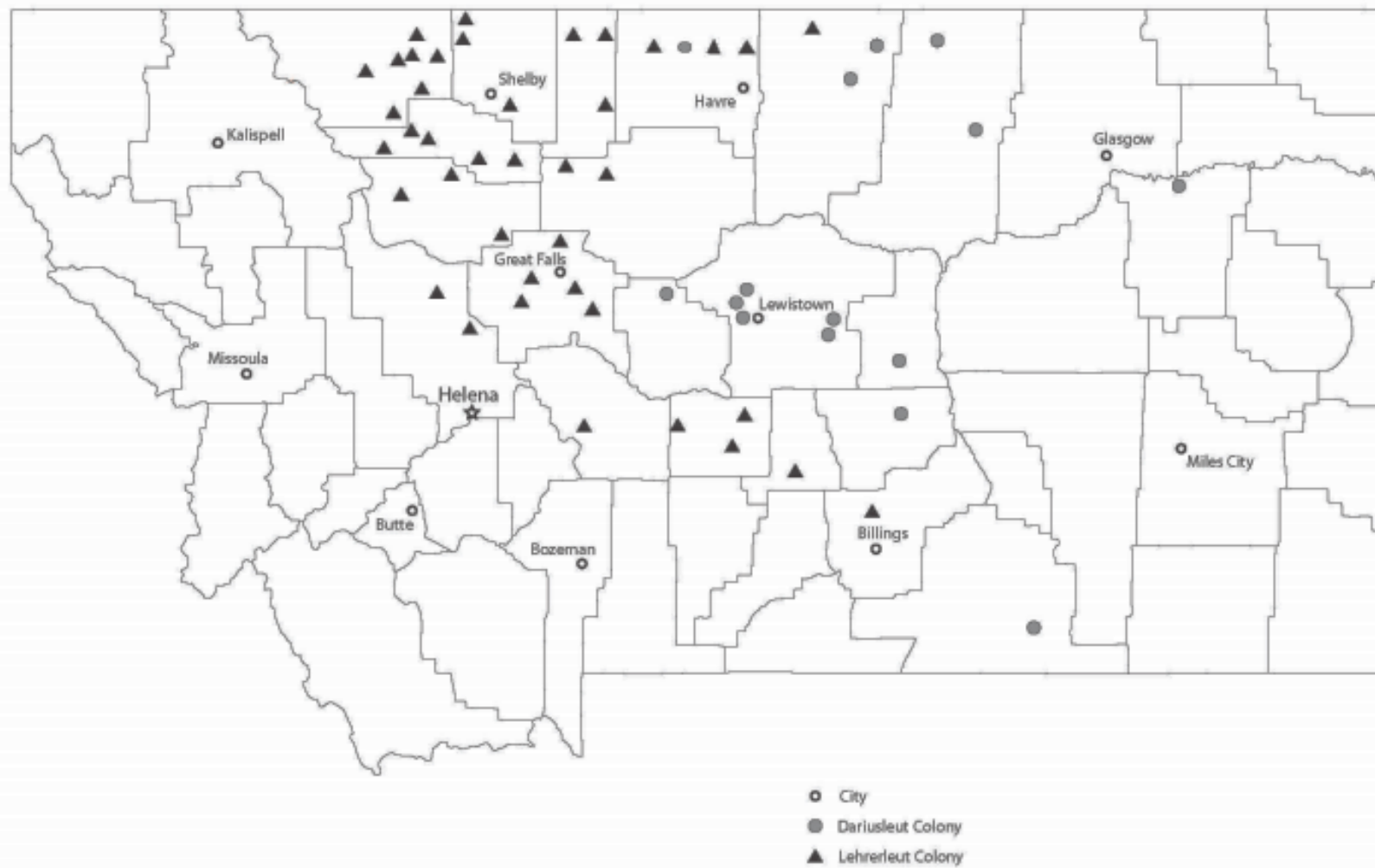
About This Study

- Joint research effort of UM BBER and MSU
- Supported by Church, Harris, Johnson and Williams, PC
- Extensive support from Anderson ZurMuehlen
- The study made use of operating information and comprehensive financial records from individual communities

Notable Aspects of Hutterite Communities

- High degree of self sufficiency
- Communal financial model
- Community members receive in-kind compensation (housing, meals, etc.)
- Individual communities often own multiple farming operations
- Formal education of members beyond 8th grade less common
- More emphasis on value-added than in other Montana farming operations
- High market share in hog and egg production
- Diversification into services
- Isolation and cultural differences has spawned misconceptions

Location of Hutterite Colonies in Montana, 2010



(Map courtesy of Eli Hofer, 2010)

Montana's Hutterite Communities

All Hutterite
Communities

53 communities
More than 5,000
members

Lehrerleut
Communities

4,318 members in
2017

Financial
Records
Available

81 operations owned
by 38 communities
3,749 members

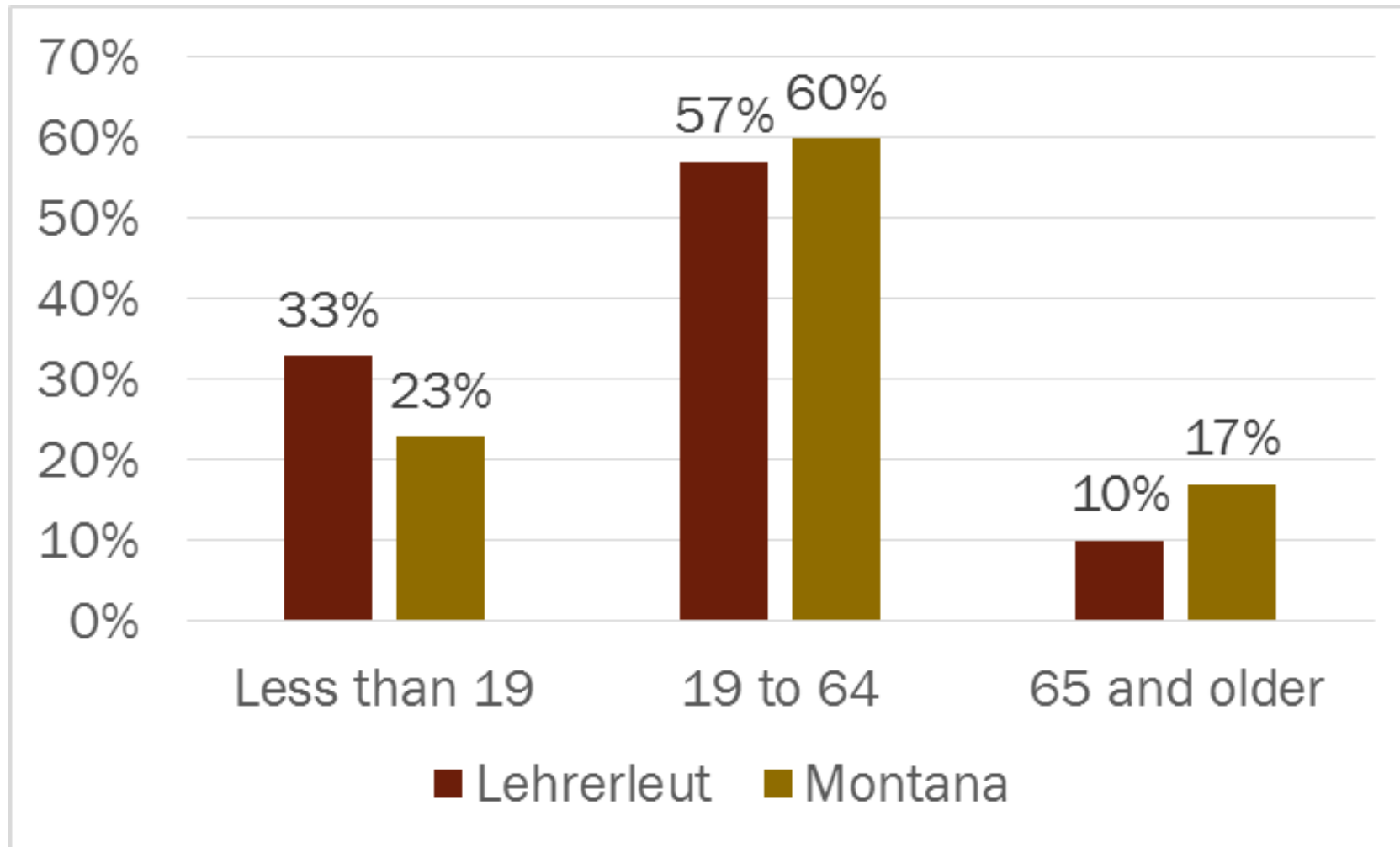
The Research Question

What would the economy of the state of Montana look like if the Hutterite communities were not here?

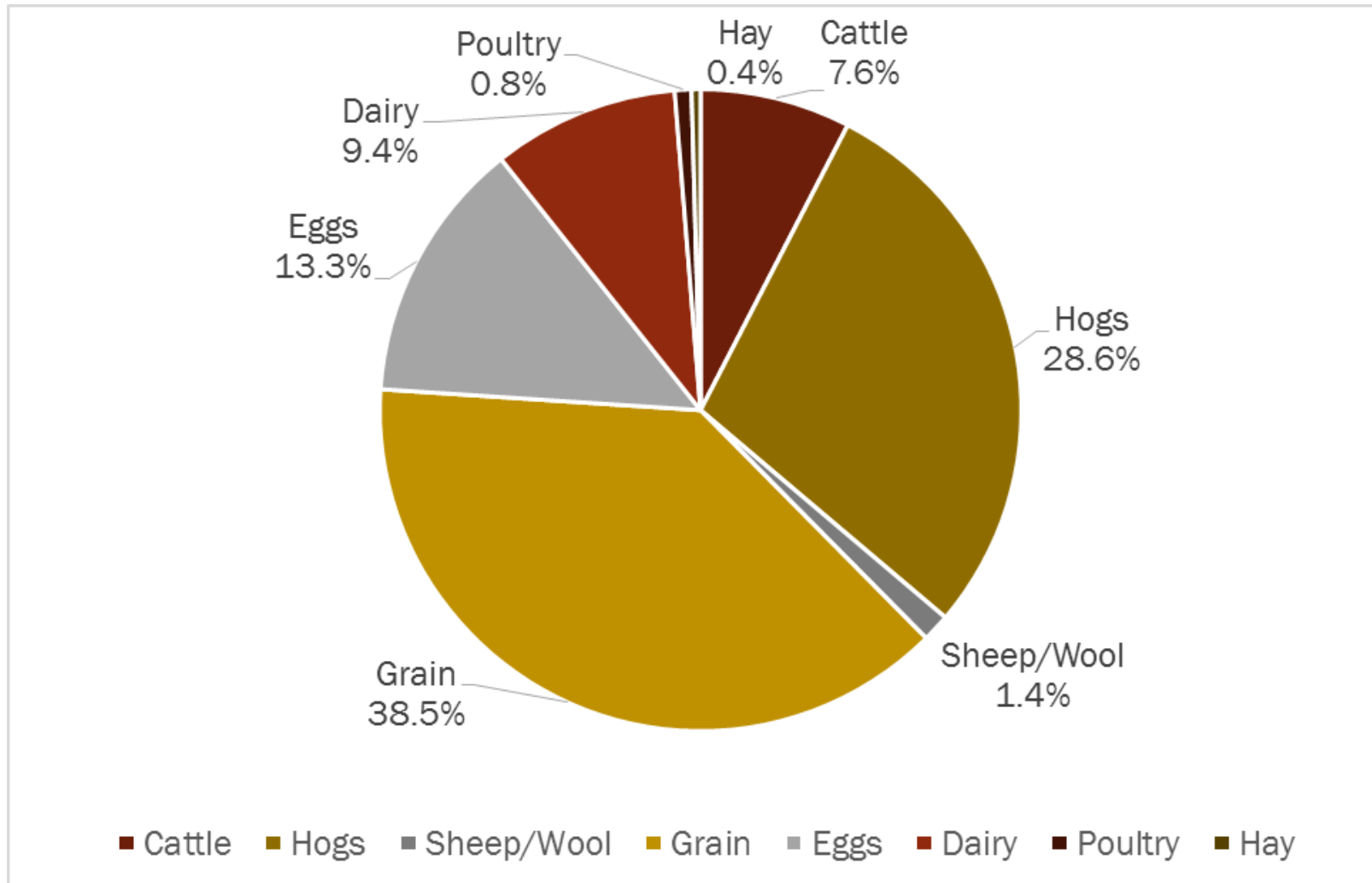
Answer (to be seen): Many jobs outside the Hutterite communities owe their existence to the presence of Hutterites in Montana

1. Contribution of Ongoing Operations

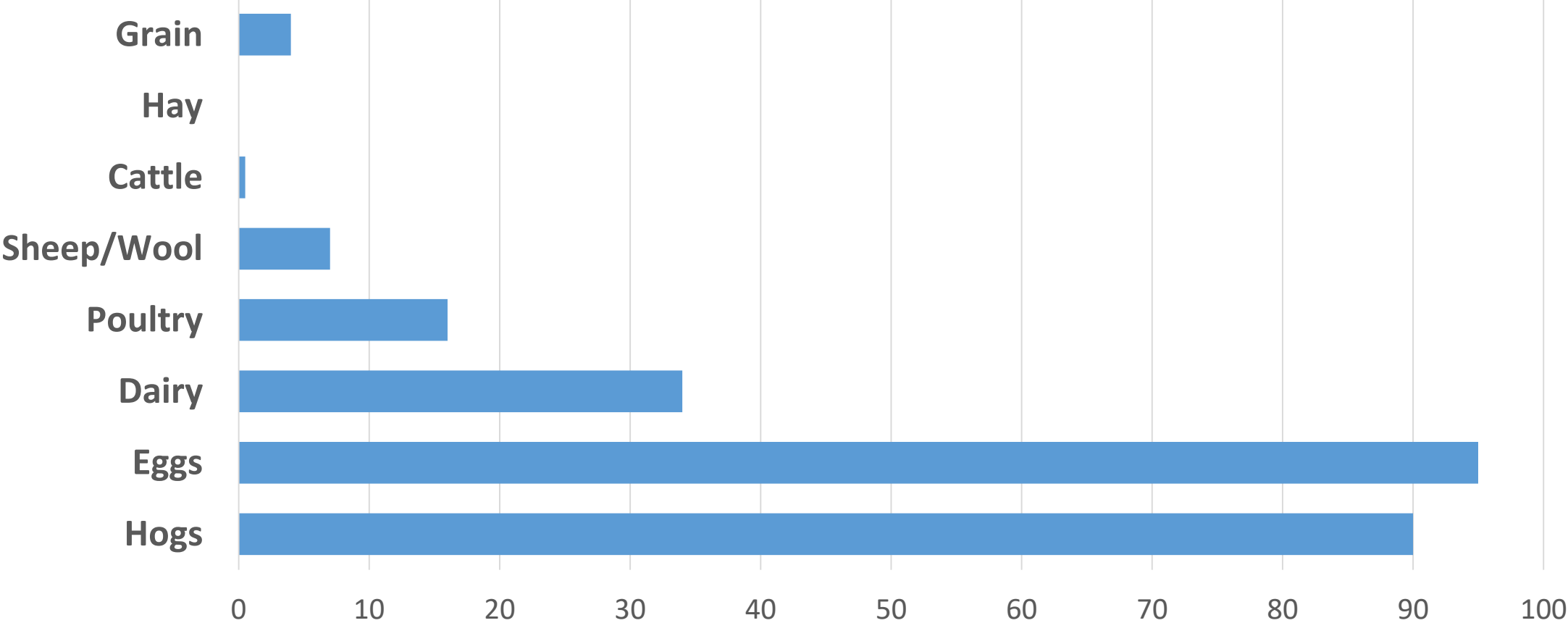
Age Distribution of Montanans and Lehrerleut Members in Montana, 2017



Distribution of Cash Receipts from Agricultural Enterprises on Lehrerleut Communities



Share of Total Cash Receipts Produced by Lehrerleut Communities in Montana

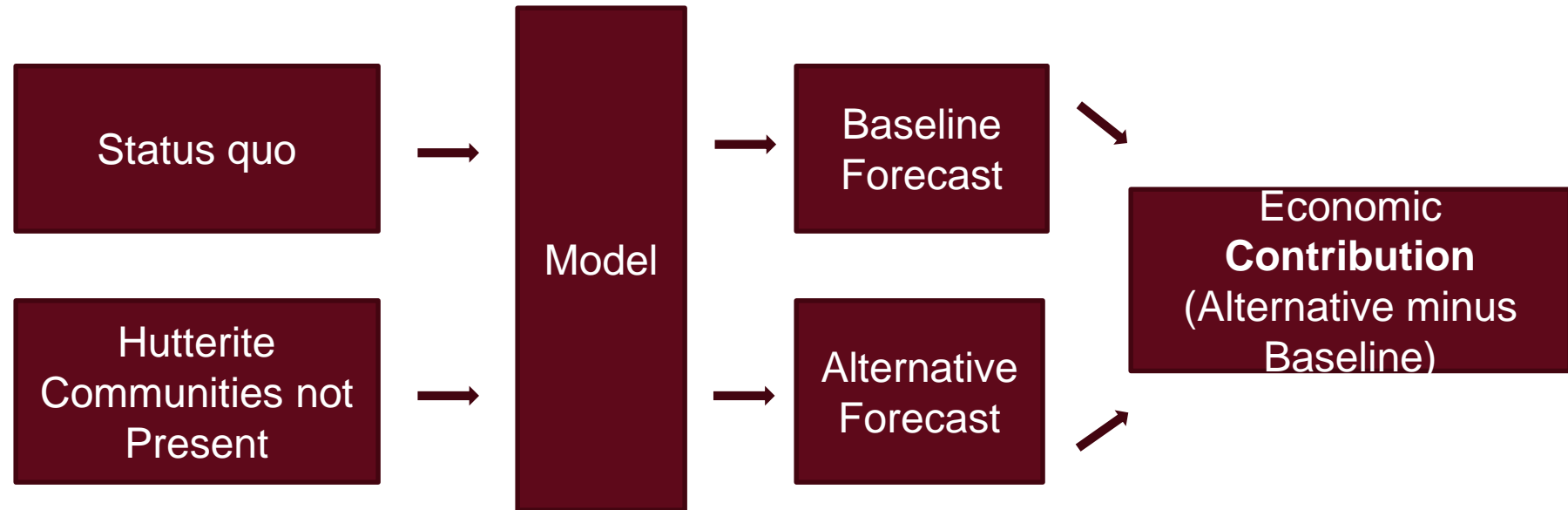


Important Results

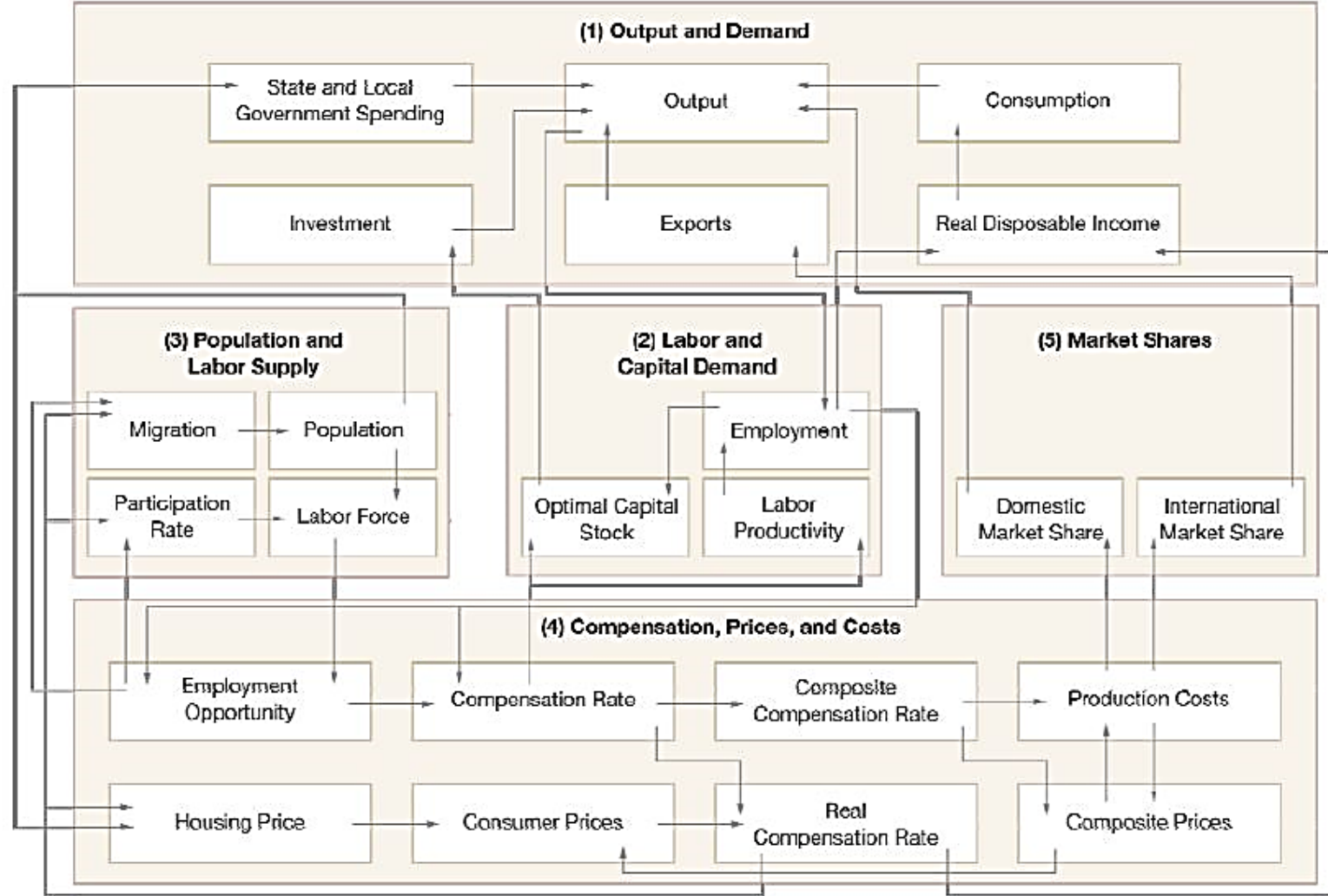
- Hutterite Communities . . .
 - Generate Gross Sales primarily from
 - Grain (38.5%)
 - Hogs (28.6%)
 - Eggs (13.3%)
 - Are very significant Montana producers of . . .
 - Eggs (98%+)
 - Hogs (94%)
 - Dairy (34%)

2. Measuring Total Contributions

Research Design



The REMI Model



Unique Aspects of Hutterite Communities

- No payroll employment
- No money wages
- Self-supply of many foodstuffs, household items (clothing)
- Collective purchase of consumer goods, utilities, etc.
- Employment imputed from population
- REMI wage impact nullified, shifted to proprietor income
- Consumer spending entered based on accounting data

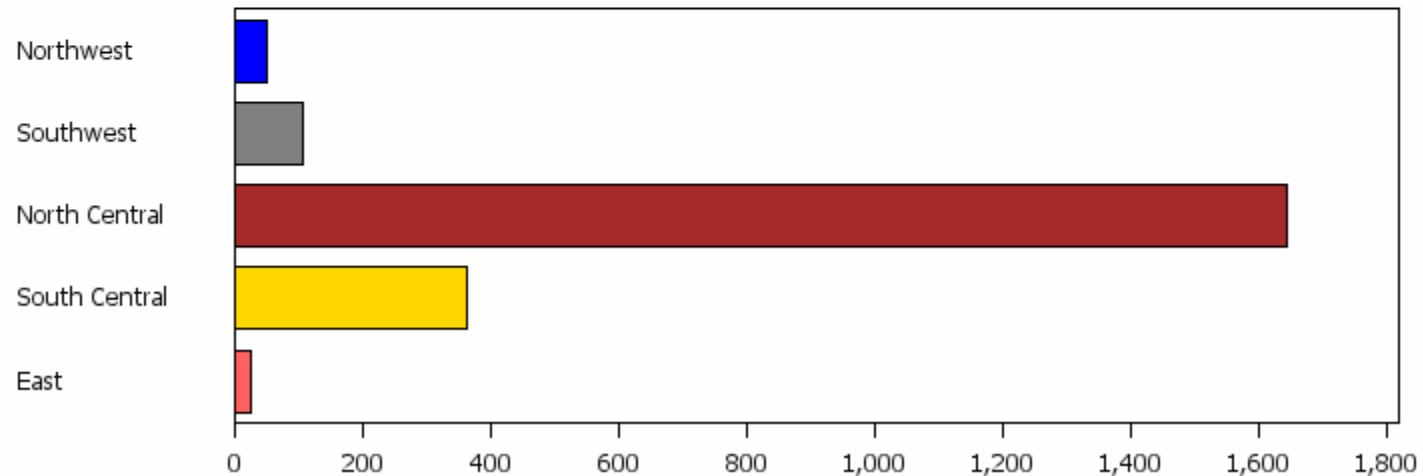
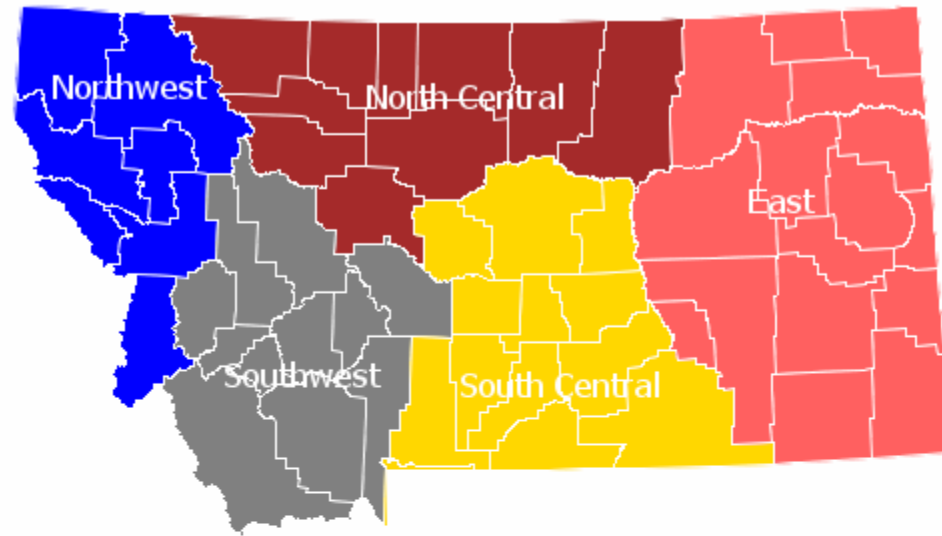
3. Results

Economic Contributions of the Lehrerleut Communities in Montana

Summary

Category	Units	Impacts
Total Employment	Jobs	2,191
Personal Income	\$ Millions	63.2
Disposable Pers. Income	\$ Millions	54.1
Output	\$ Millions	365.3
Population	People	5,323

Employment Impacts by Region



Employment Impacts	
Industry	Jobs
Farm and Farm Support	1,330
Construction	156
Manufacturing	69
Wholesale Trade	39
Retail Trade	140
Transportation and Warehousing	22
Professional Business Services	138
Health Care and Social Assistance	83
Accommodation and Food Services	53
Other Private	99
Government	62
TOTAL	2,191

Output Impacts, \$ Millions	
Industry	Output Impact
Farm and Farm Support	224.0
Construction	21.5
Manufacturing	43.4
Wholesale Trade	8.3
Retail Trade	9.9
Transportation and Warehousing	3.7
Professional Business Services	23.9
Health Care and Social Assistance	8.7
Accommodation and Food Services	3.0
Other Private	12.5
Government	6.4
TOTAL	365.3

4. Conclusions

The Economic Contributions of Hutterite Communities in Montana

- Results demonstrate the significant size of the contributions made by Hutterite communities to the entire state economy:
 - almost 2,200 permanent, year-round jobs
 - more than \$63 million in income each year
 - \$365 million in annual revenues to Montana businesses and other organizations
- The contributions extend beyond the communities themselves
- The study highlights the important, significant linkages between Hutterite production and the rest of the state economy

Observations

- Good collaboration between two universities
- Reaction was occasionally intense [President's of both universities contacted by critics of the study]
- Presented at the all-colony meeting
- Solid data and methodological foundations were key