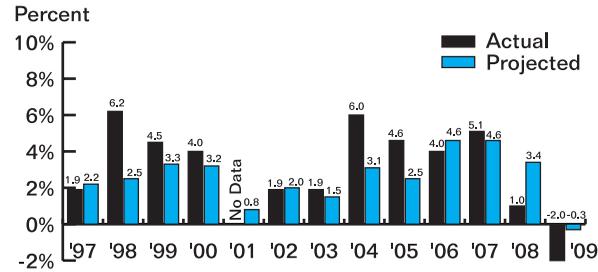


Yellowstone County

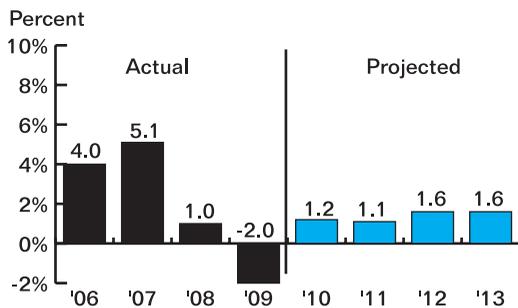
The energy/natural resources freefall that appeared imminent last year luckily failed to materialize. Even so, the Billings economy did not escape recession impacts. Real estate and construction began to nosedive in mid-2008, and the downward slide accelerated in 2009. During early 2009, declines also appeared in retail trade, wholesale trade (including farm implements), finance, transportation, warehousing, and certain sectors of manufacturing. So far, employment and earnings in the vital oil refining sector remains stable or even slightly increasing. The slow rates of growth forecast for 2010 and later reflect continued weak conditions in construction and real estate plus increased competition from retail and service establishments in second-order trade centers such as Bozeman and Miles City.

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Yellowstone County, 1997-2009



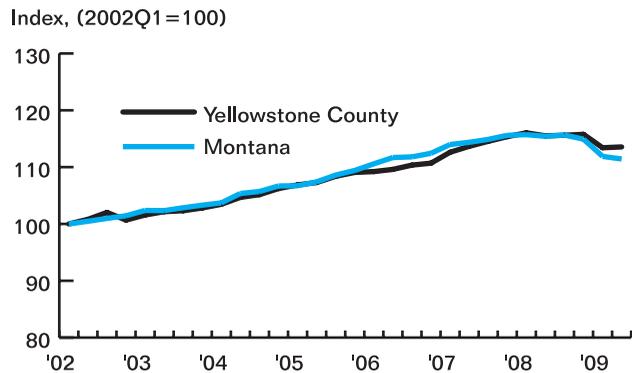
Sources: Bureau of Business and Economic Research, The University of Montana; Bureau of Economic Analysis, U.S. Department of Commerce.

Figure 2
Actual and Projected Percent Change in Nonfarm Labor Income, Yellowstone County, 2006-2013



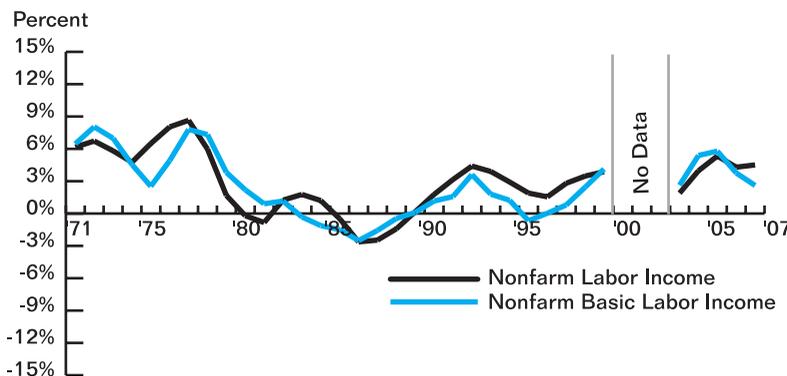
Sources: Bureau of Business and Economic Research, The University of Montana; Bureau of Economic Analysis, U.S. Department of Commerce.

Figure 3
Nonfarm Wage and Salary Employment, Montana & Yellowstone County, 2002 Q1 to 2009 Q2



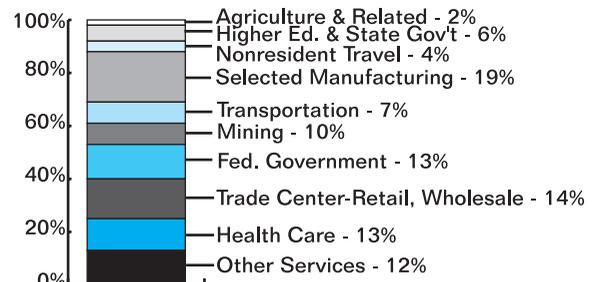
Note: Data seasonally adjusted by BBER. Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

Figure 4
Nonfarm Labor Income and Nonfarm Basic Labor Income, Yellowstone County, Percent Change, 1971-2007 (In Constant Dollars)



Note: 1971-1999 are three-year averages. 2002-2007 are two-year averages. Source: Bureau of Economic Analysis, U.S. Department of Commerce.

Figure 5
Labor Income in Basic Industries, Yellowstone County, 2007-2009 (Percent of Total)



Sources: Bureau of Business and Economic Research, The University of Montana; Bureau of Economic Analysis, U.S. Department of Commerce.