

# Yellowstone County

## A Unique Montana Trade Center

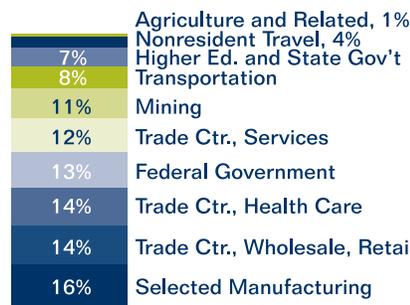
**Paul E. Polzin, Director Emeritus,**  
**Bureau of Business and Economic Research**

The direct and indirect impacts of the eastern Montana energy boom made for a short recession in Yellowstone County. There was one year of stagnation (2008) and one year of decline (2009) followed by accelerating growth in 2010, 2011, and 2012.

The energy boom in rural eastern Montana impacts the Billings economy in a number of ways. First, there are the energy companies and the firms that serve them. Even though oil and gas rigs are located in rural locations, these companies may locate their administrative and service facilities in urban areas – and Billings is the largest city near the Bakken. Secondly, Billings’ traditional role as a regional retail and service center suggests that increased economic activity anywhere in its three-state trade area will quickly be transferred to local merchants.

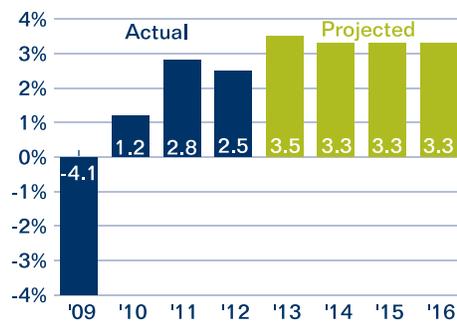
The three oil refineries are another, sometimes forgotten, energy-related component of the Yellowstone County economy. Taken together, they account for almost 60 percent of manufacturing earnings. These facilities refine mostly oil from Canada and Wyoming. There have been sizable investments in all three during recent years, which has slightly increased their capacities but more importantly they can now process the heavy crude oil becoming available from Canada. Oil refinery production is typically stable, and these workers are highly skilled and well paid. These three facilities will remain an important

**Figure 1**  
**Earnings in Basic Industries, Yellowstone County, 2010-2012, Percent of Total**



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 Change in Nonfarm Earnings, Yellowstone County, 2009-2016**



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

Yellowstone County Profile	
Total Population, 2011	150,069
Percent Change in Population, 2000-2010	14.4%
Median Age, 2011	38.4
Percent 65 or Older, 2011	14.0%
Percent of Population with Bachelor's Degree or Higher, 2011	29.3%
Median Household Income, 2011	\$50,185
Percent of Population without Health Insurance Coverage, 2011	16.6%
Unemployment Rate, 2012	4.9%

Sources: American Community Survey, U.S. Census Bureau; Research and Analysis Bureau, Montana Department of Labor and Industry.

component of Yellowstone County’s economic base for years to come.

Retail, health care, and other services remain important, but it is wholesale trade that makes Yellowstone County unique. Almost 40 percent of Montana’s wholesale trade earnings are in Yellowstone County. Examples of wholesale trade businesses are distribution centers, farm and mine equipment dealers, and bulk petroleum distributors. These wholesale trade firms also benefit from the increased activity in the Bakken.

The construction industry in the Billings area was not hit as hard as elsewhere in the state. It has experienced continued moderate growth since the cycle trough in 2009. Also, the impact of the pipeline oil spill cleanup was concentrated in a few months of 2011 and is barely noticeable in the annual data.

The forecasts are for continued growth in Yellowstone County. The closure in food products may slightly dampen the increase for 2013, but overall growth should average about 3.3 percent per year between 2013 and 2016. 13