

Local Outlook: Yellowstone County

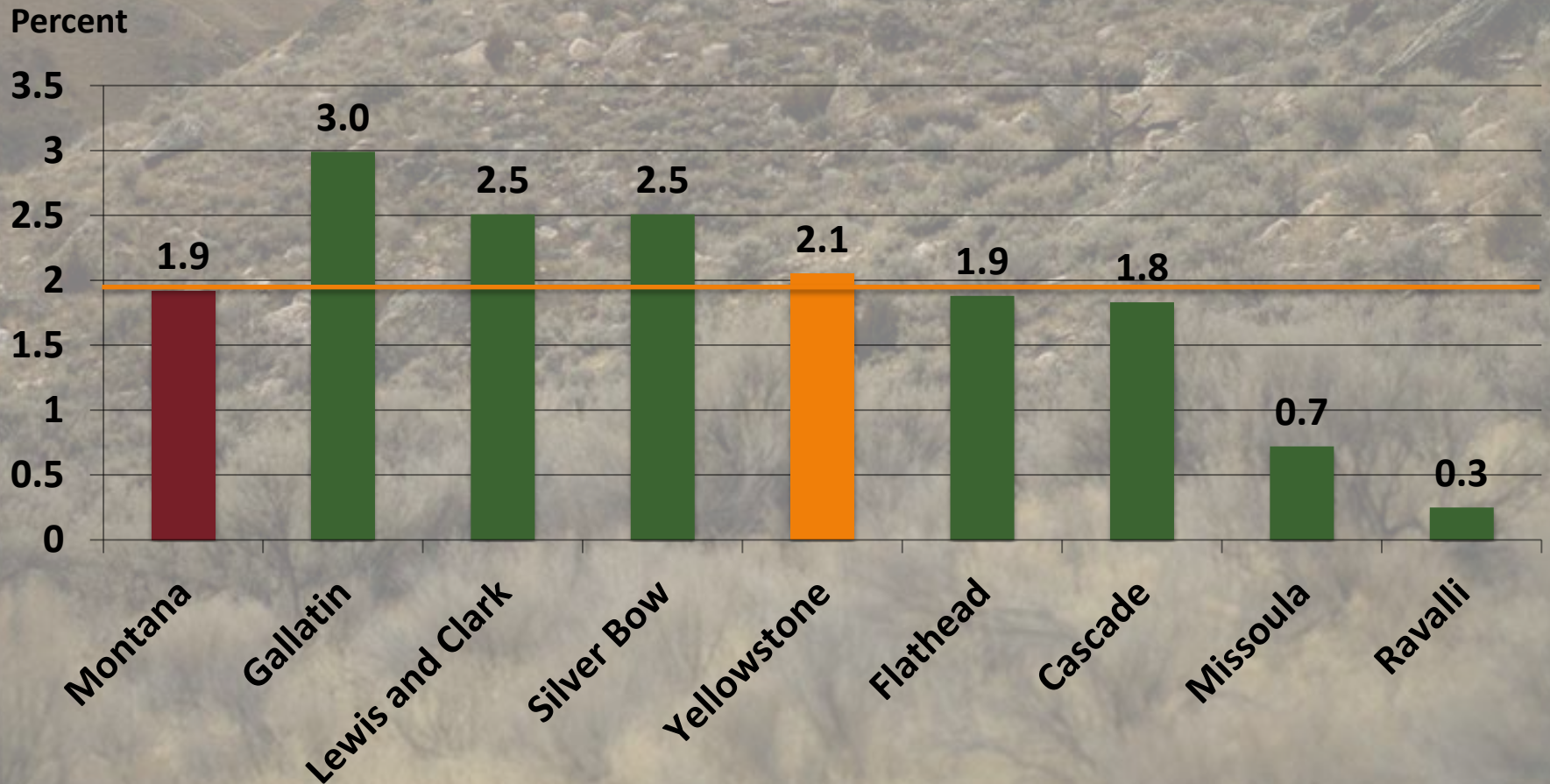
By Paul E. Polzin

Director Emeritus

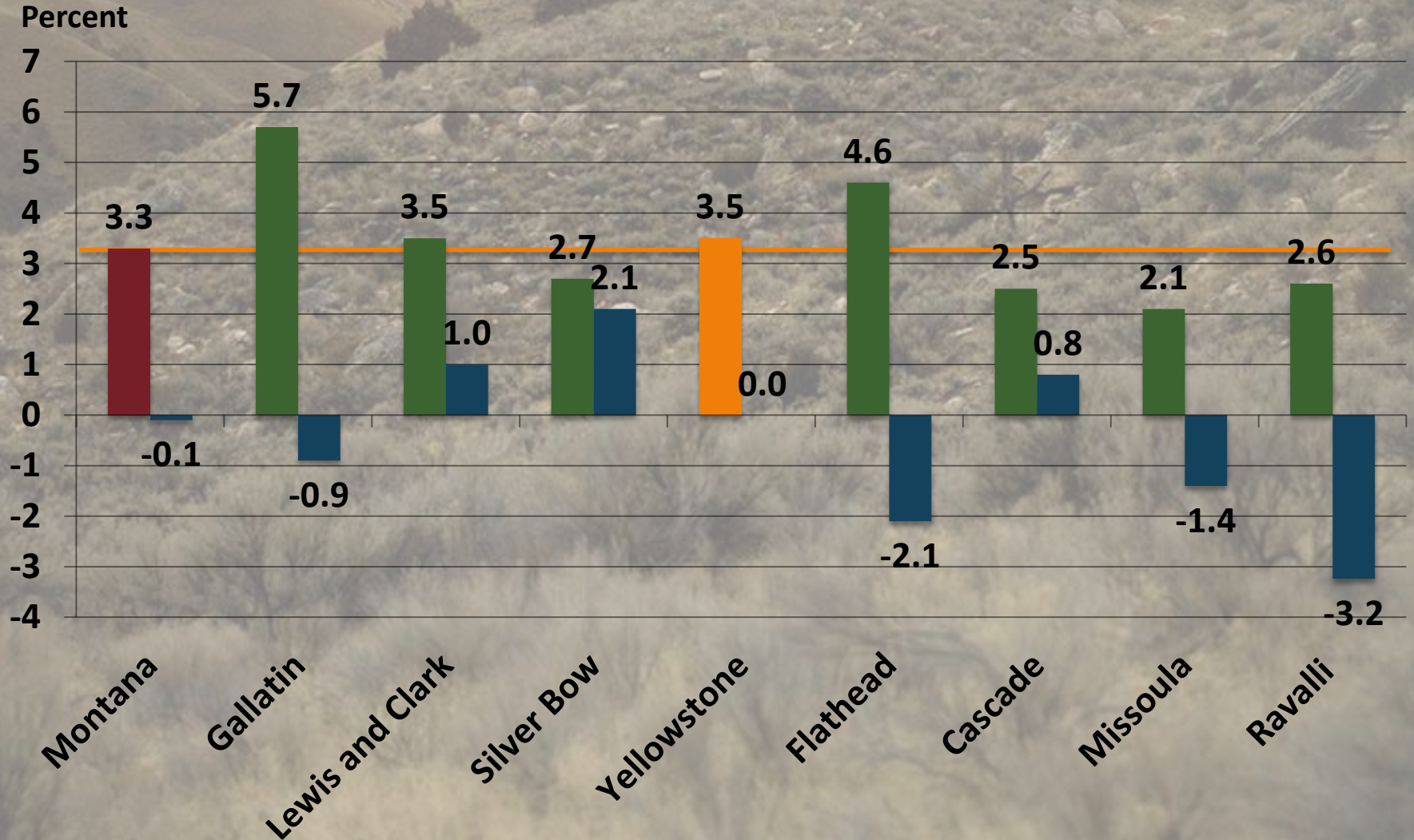
Bureau of Business and Economic Research

The University of Montana

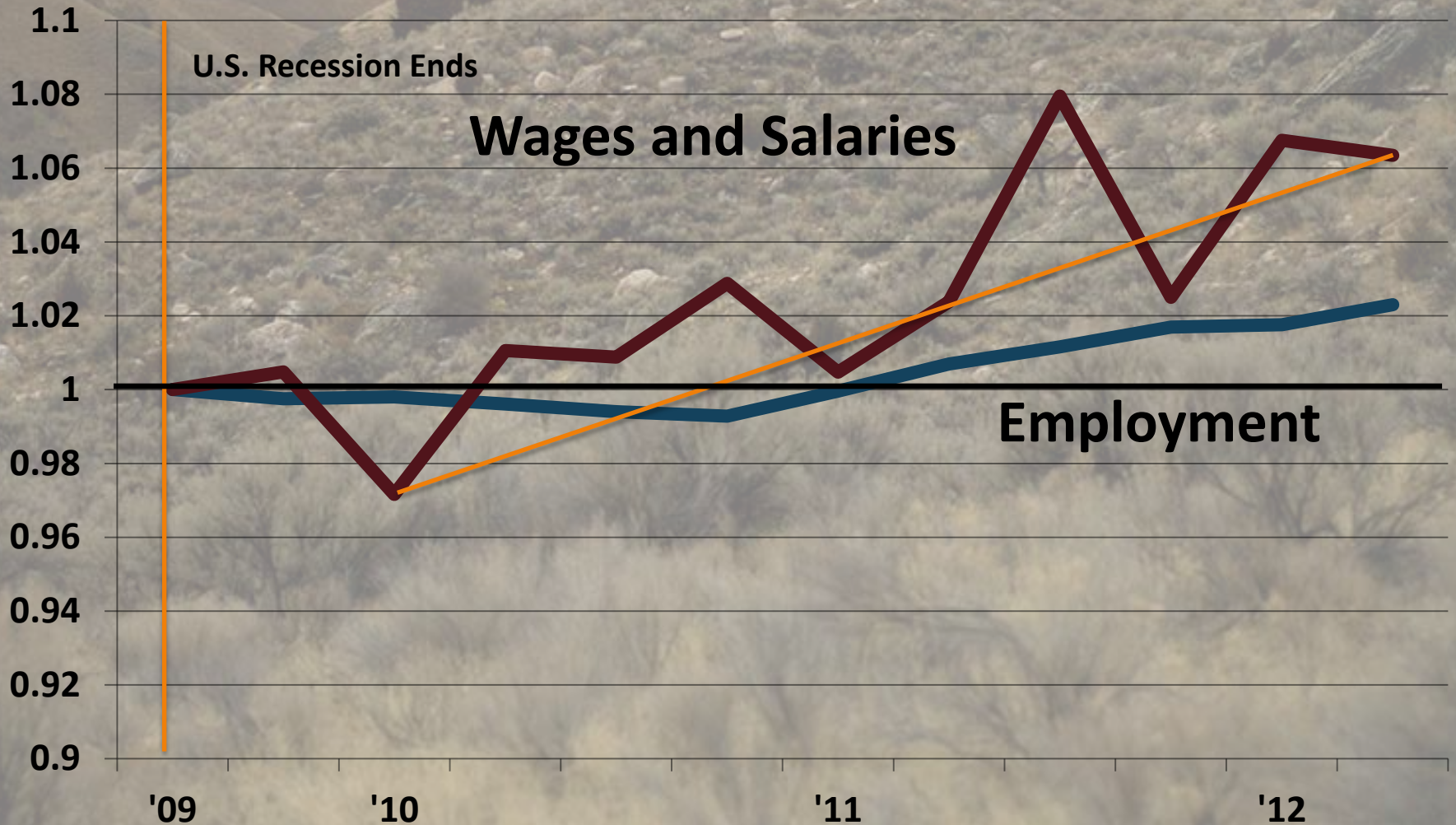
Annual Percent Change in Nonfarm Labor Income (in Constant Dollars), 2001-2011



Annual Percent Change in Nonfarm Earnings (in Constant Dollars), 2001-07 and 2007-11



Nonfarm Employment and Inflation-Adjusted Wages and Salaries, Seasonally Adjusted, Yellowstone County



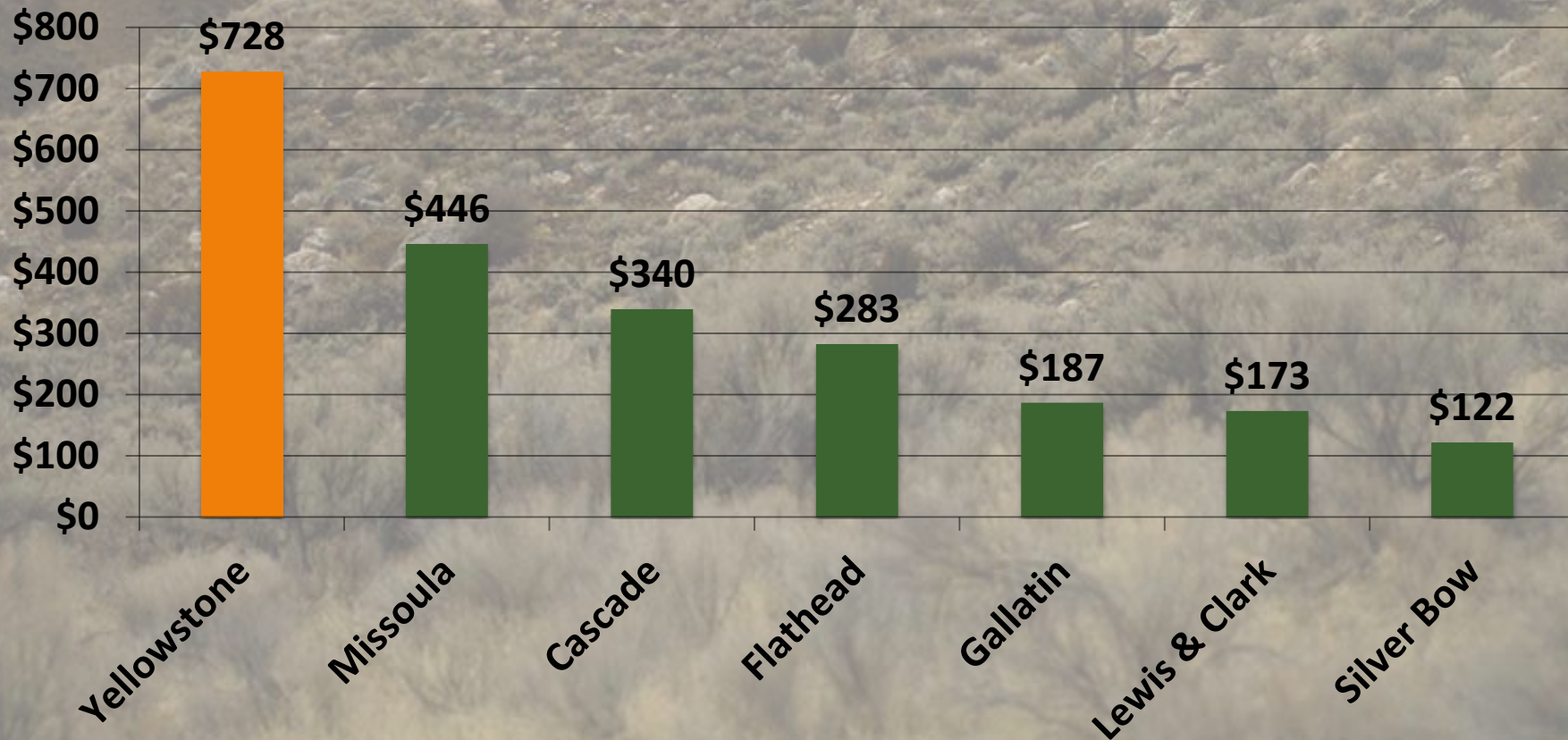


Montana's Regional Health Care Industries

Definition of Health Care

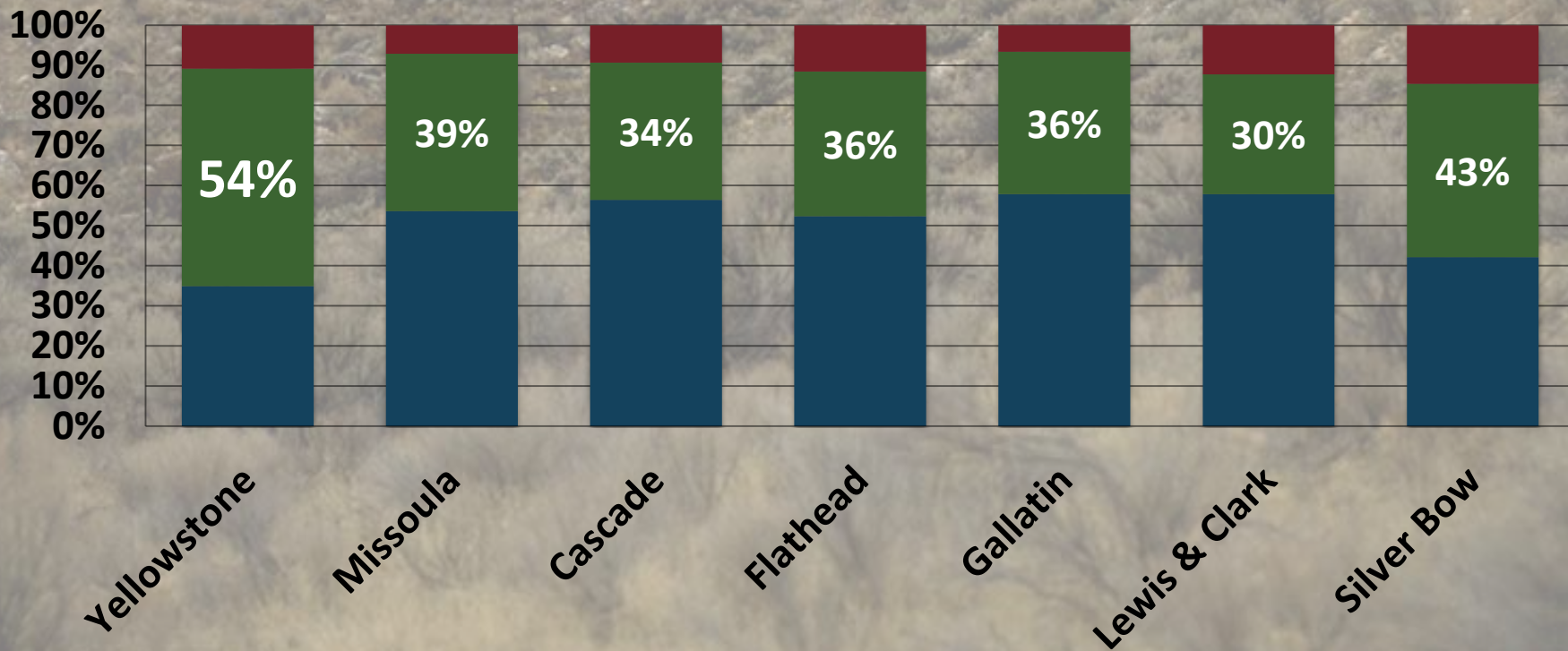
NAICS Code	
62	Health Care
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities

Health Care Earnings (millions of 2011 dollars)



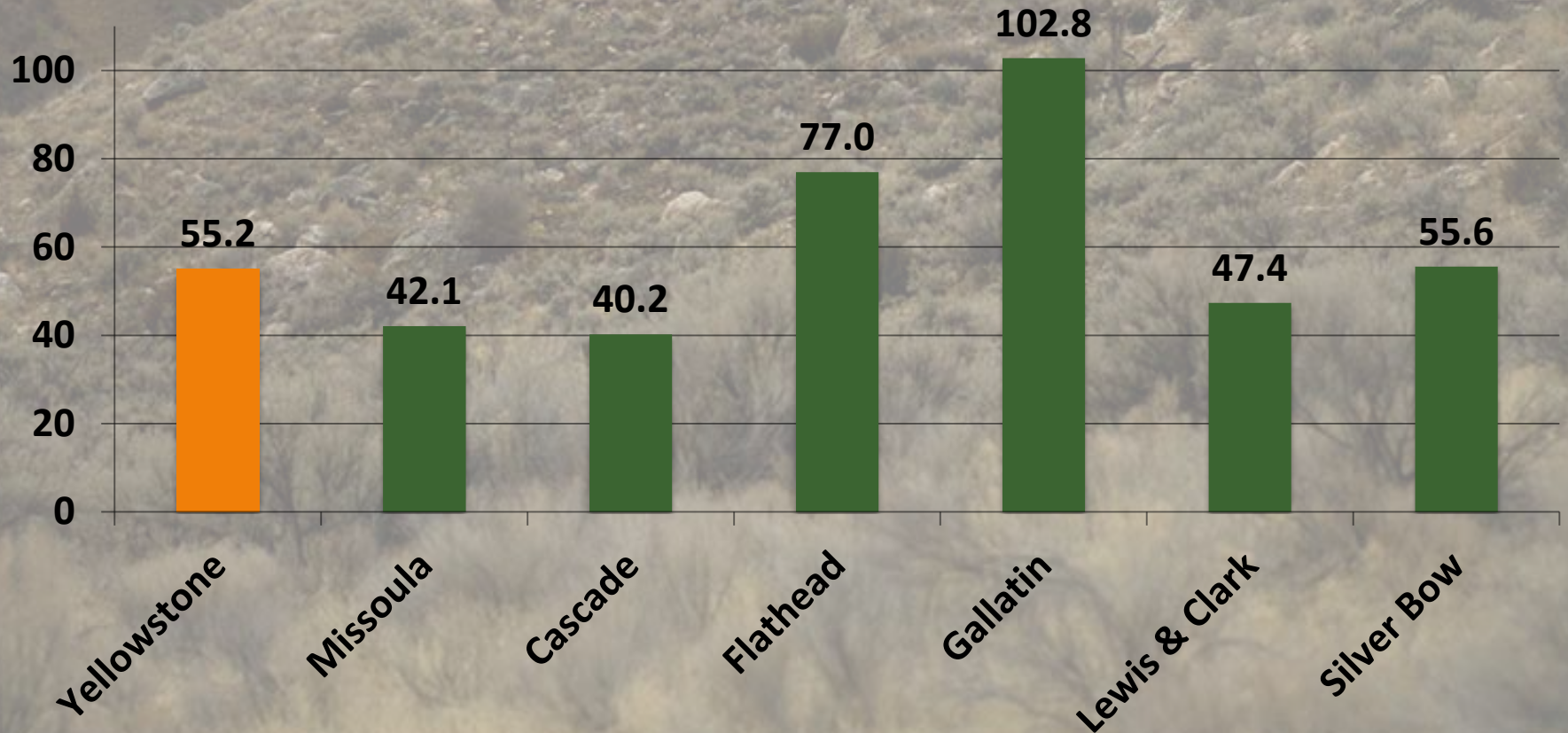
Composition of Health Care Industry

- Nursing and Residential Care Facilities
- Hospitals
- Ambulatory Health Care Services



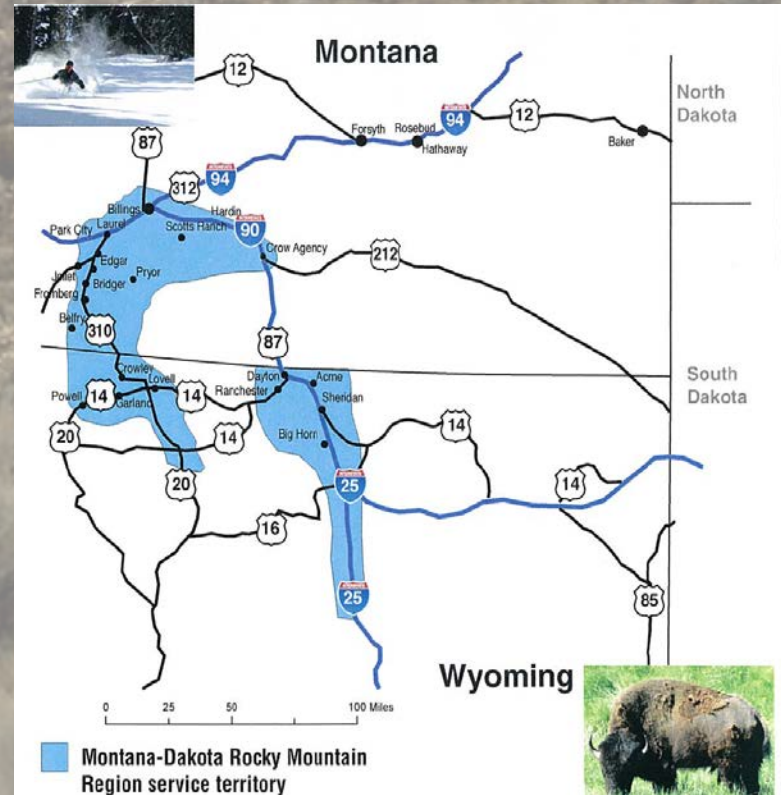
NAICS 62, Health Care Industry Growth 2001-2010, Percent Change, Constant Dollars

Percent



Montana, Dakota Utilities Rocky Mountain Region

- MDU provides service to 81,969 customers in our service territory
- Our service territory is Montana and Wyoming
 - Montana is all gas service
 - Wyoming is electric, gas and combination gas and electric



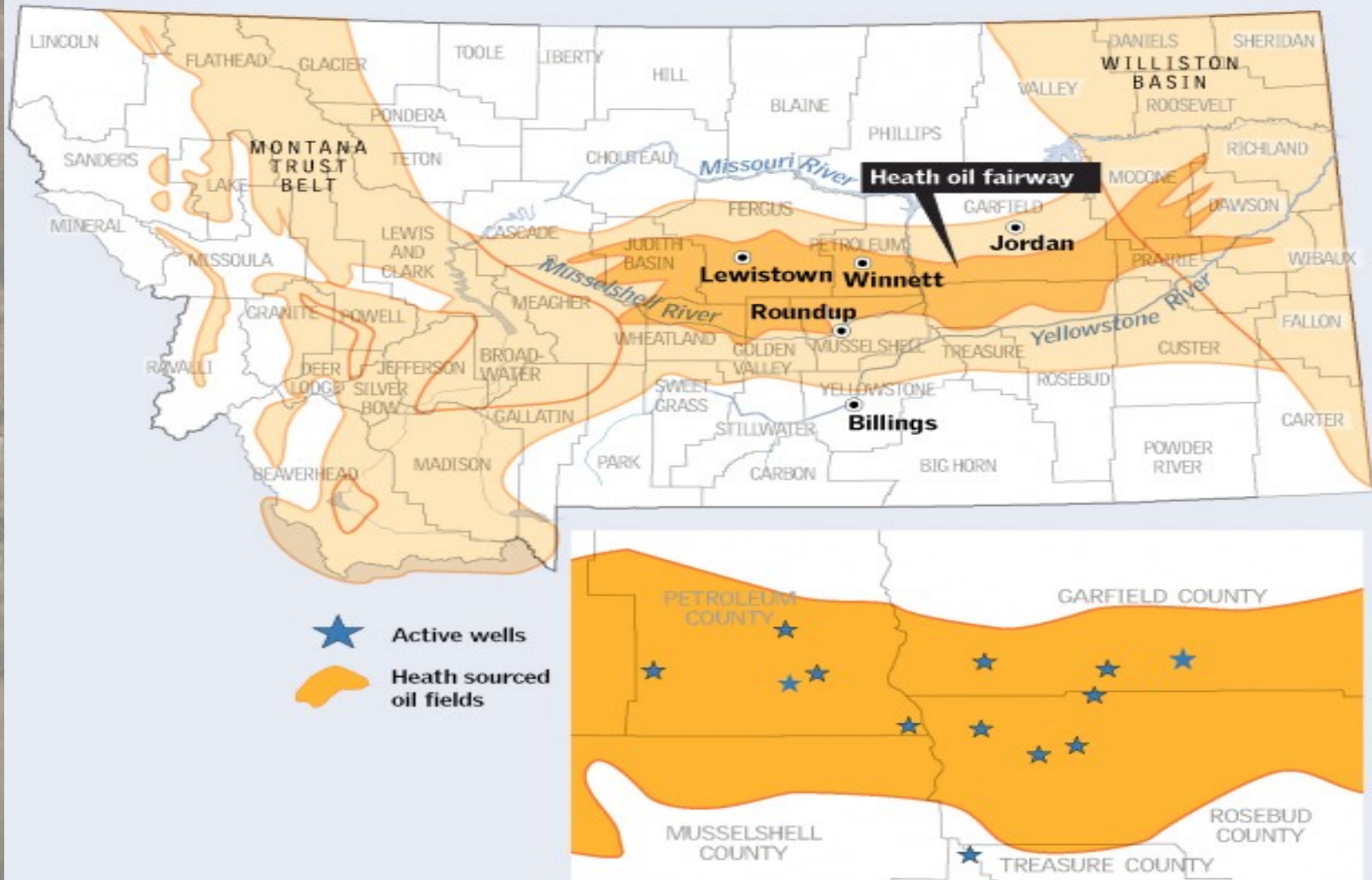
Billings Building Activity 2012 vs. 2011 YTD

	Total Permits		2012 Vs. 2011 (%)
	Calendar Year to Date *		
	2012	2011	
Single Family Dwelling	334	186	79.60%
Duplex	16	15	6.70%
Multi-Family	19	8	137.50%
Hotel/Motel	0	0	NA
Commercial	69	63	9.50%
Garage/Carport	58	63	-7.90%
Total New	496	335	48.10%

* Current to November of 2012

Health Shale Play

Horizontal drilling in Montana



Key Points of the Play

- **The shale formation is 250 miles wide East to West and 150 miles North to South**
- **The formation varies 10 to 40 feet in thickness**
- **350 wells have been sunk into the shale play in the last 80 years**
- **The play is currently being evaluated with state of the art drilling technology to see if its economically viable.**

Yellowstone County's Economic Base 2011-2013

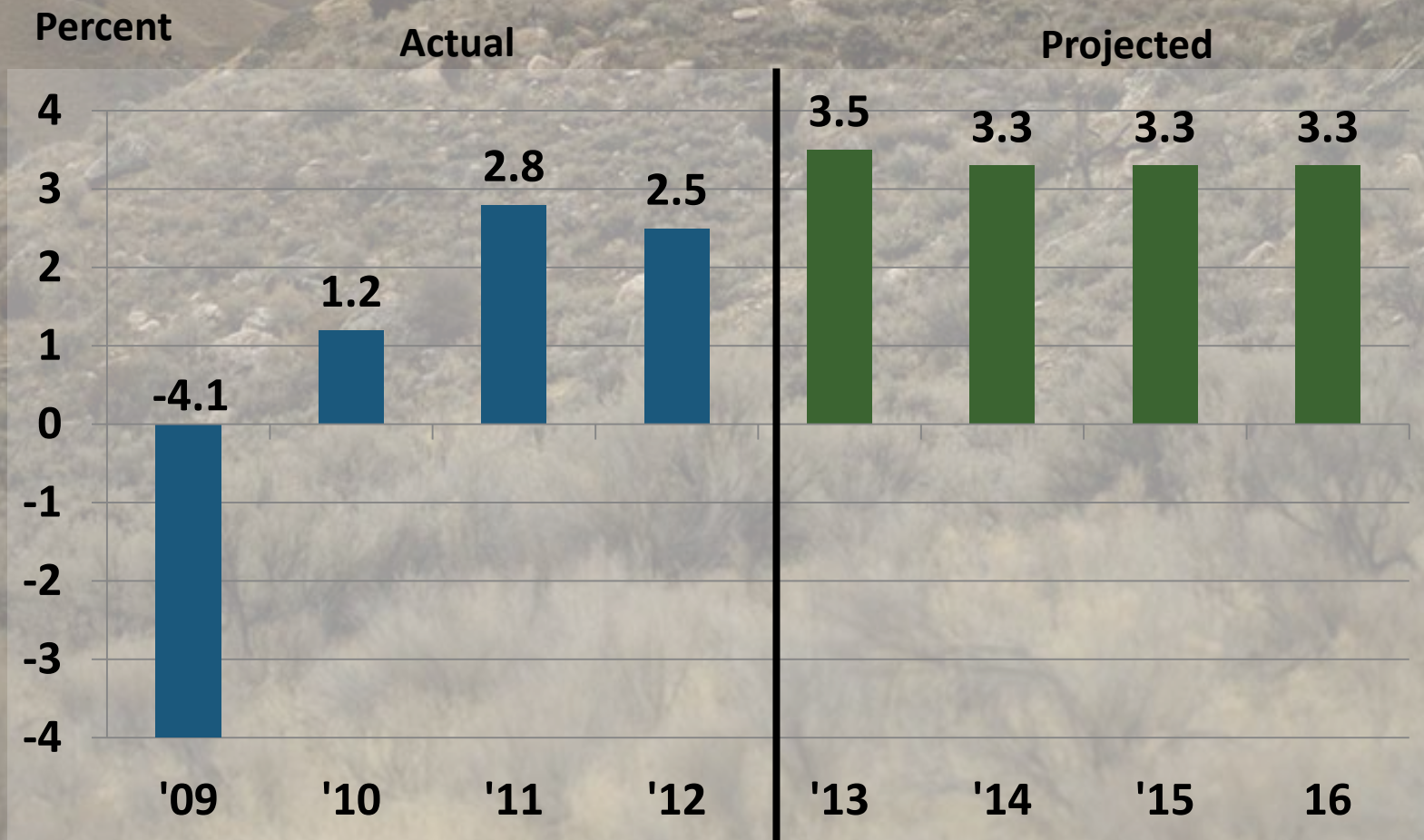
• Other Basic Industries	1%
• Nonresident Travel	4%
• Transportation	8%
• Mining and Support Services	11%
• MSU-B and State Gov't	7%
• Federal Government	13%
• Health Care	14%
• Manufacturing	16%
• Trade Center (Wholesale, Retail, Services)	26%

Construction

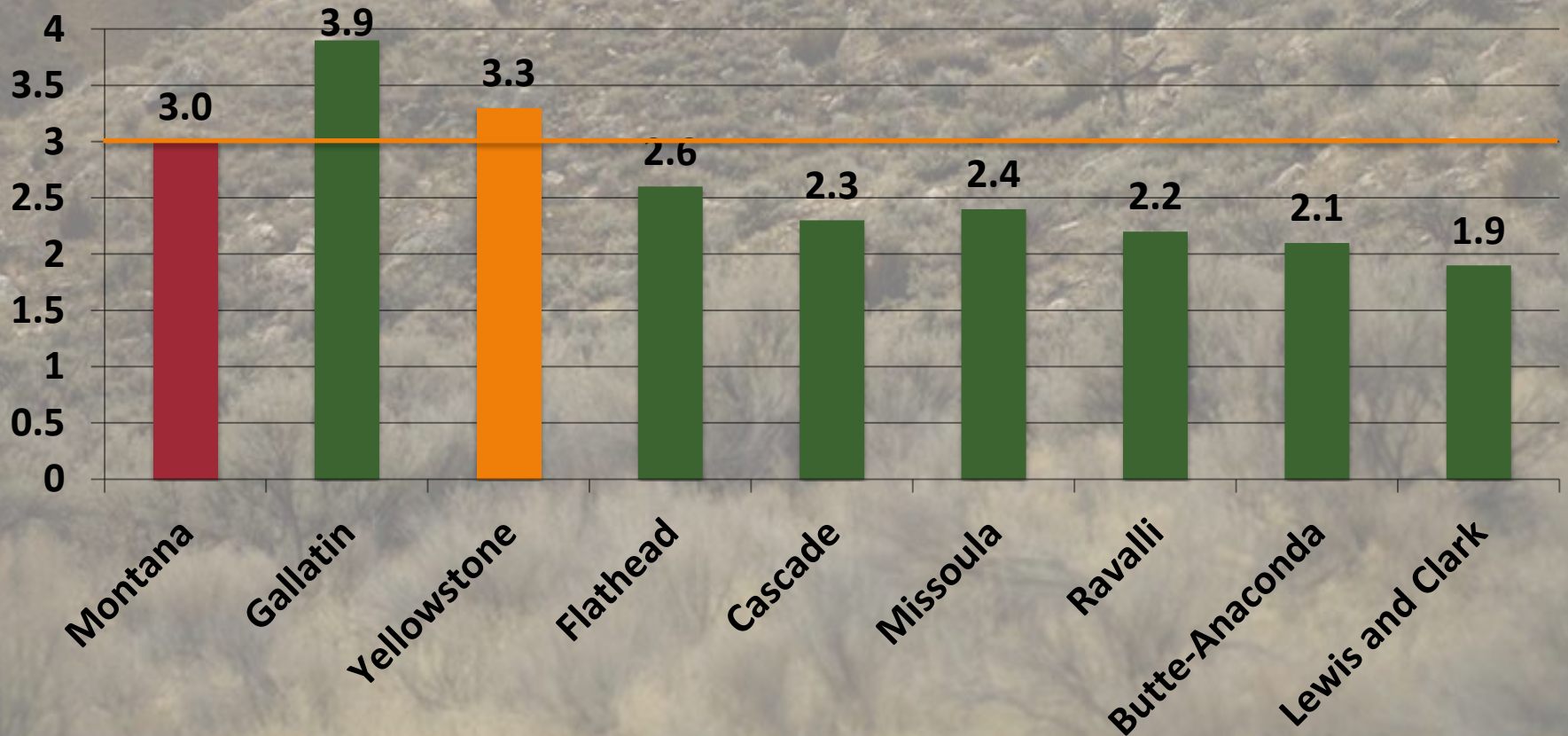
Modest Growth
Energy Growth
Growth Potential
Pay Freeze Over
Stable at Best
Slowdown Over
Food Products Closure
Bakken, Bakken, Bakken

Recovery has Started

Actual and Projected Change in Nonfarm Earnings, Yellowstone County, 2009-2016



Projected Annual Percent Change in Nonfarm Labor Income (in Constant Dollars) 2012-2016



A landscape photograph showing a mountain valley. The foreground and middle ground are covered in green, scrubby vegetation and rocks. In the background, a range of mountains is visible, with a prominent peak in the center that has patches of snow. The sky is a pale, overcast grey. The word "Questions?" is written in a large, white, sans-serif font across the center of the image.

Questions?