



# Local Outlook: Yellowstone County

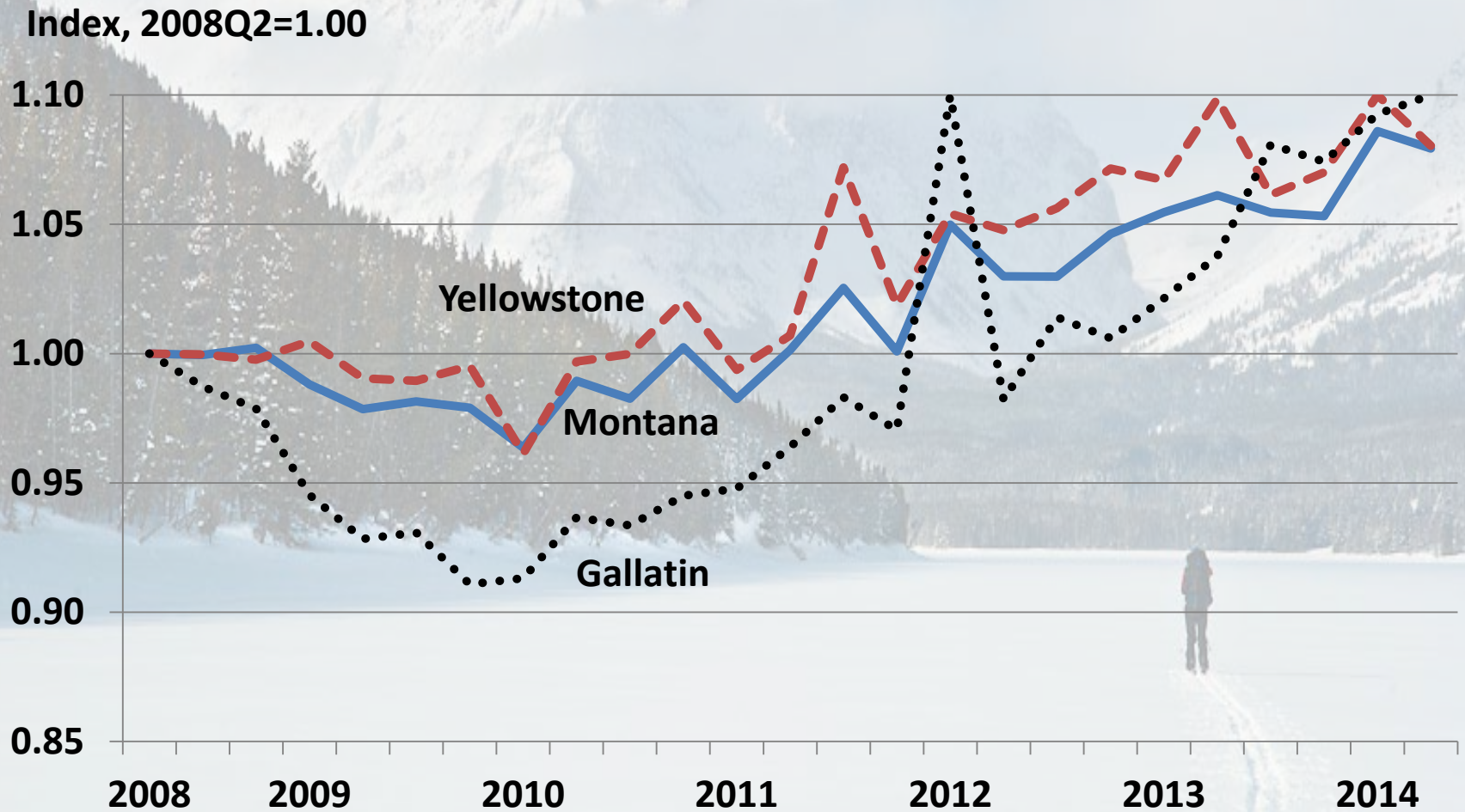
**By Paul E. Polzin**

**Director Emeritus**

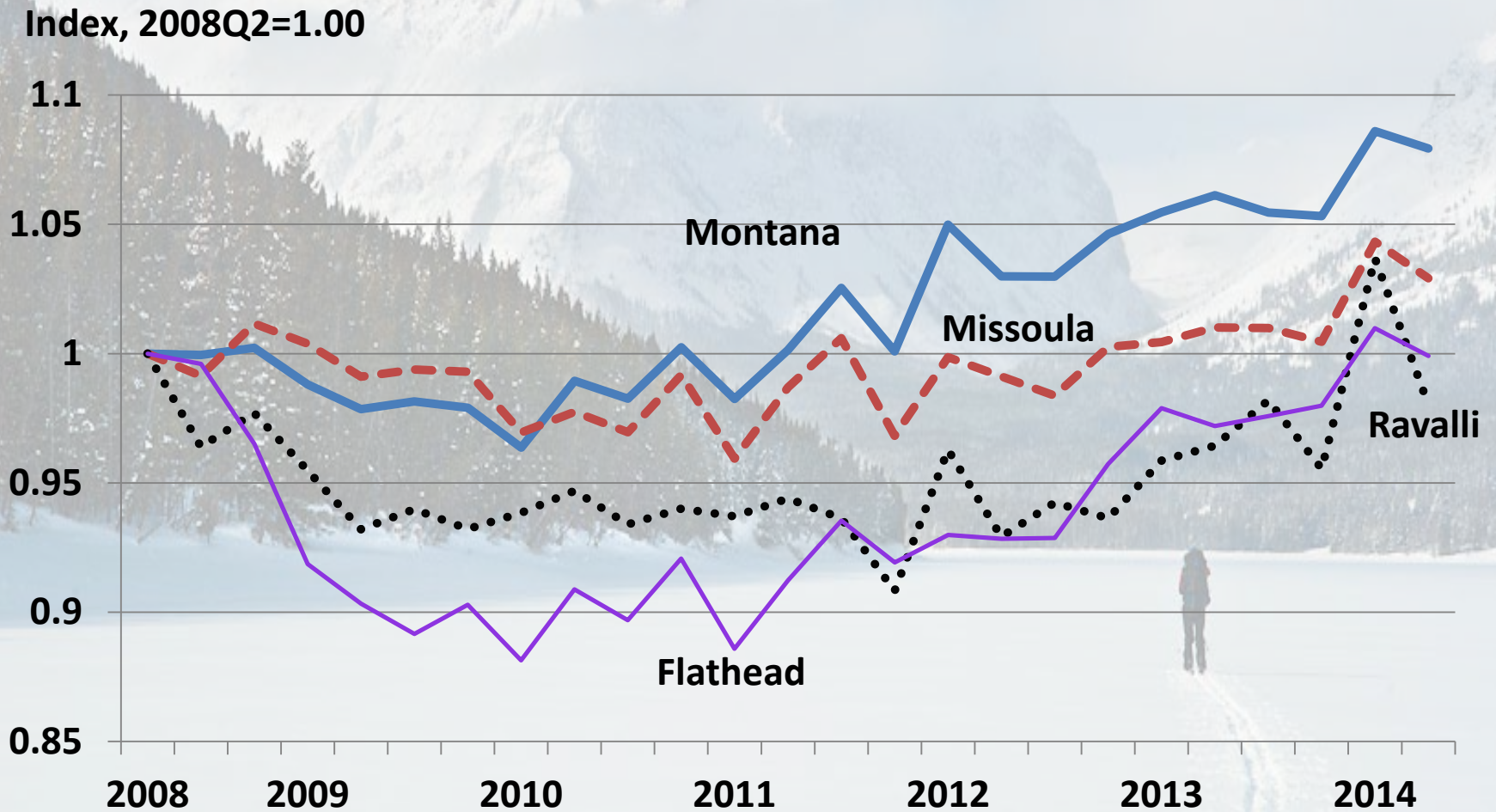
**Bureau of Business and Economic Research**

**University of Montana**

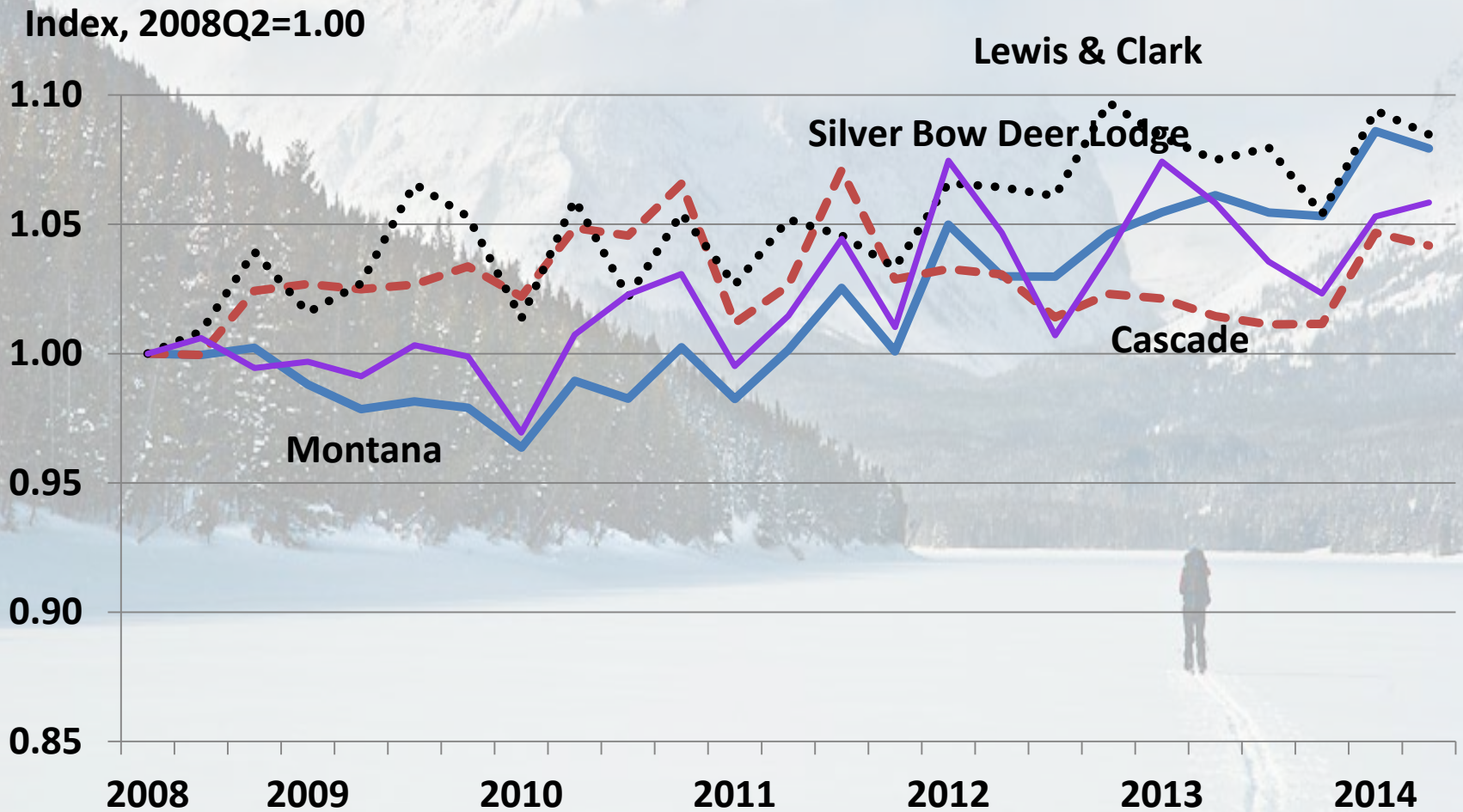
# Inflation Adjusted Wages and Salaries, 2008-2014



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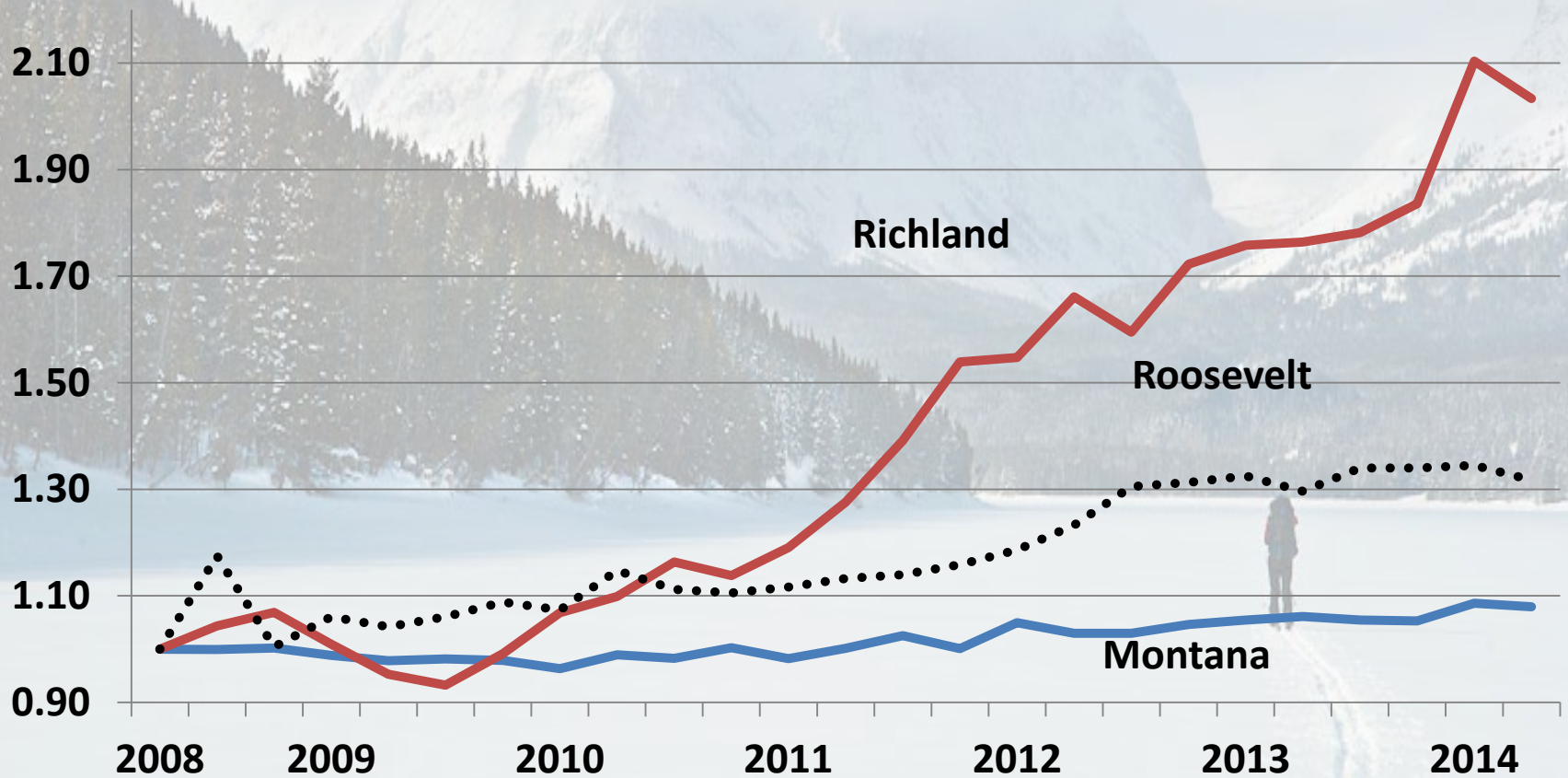


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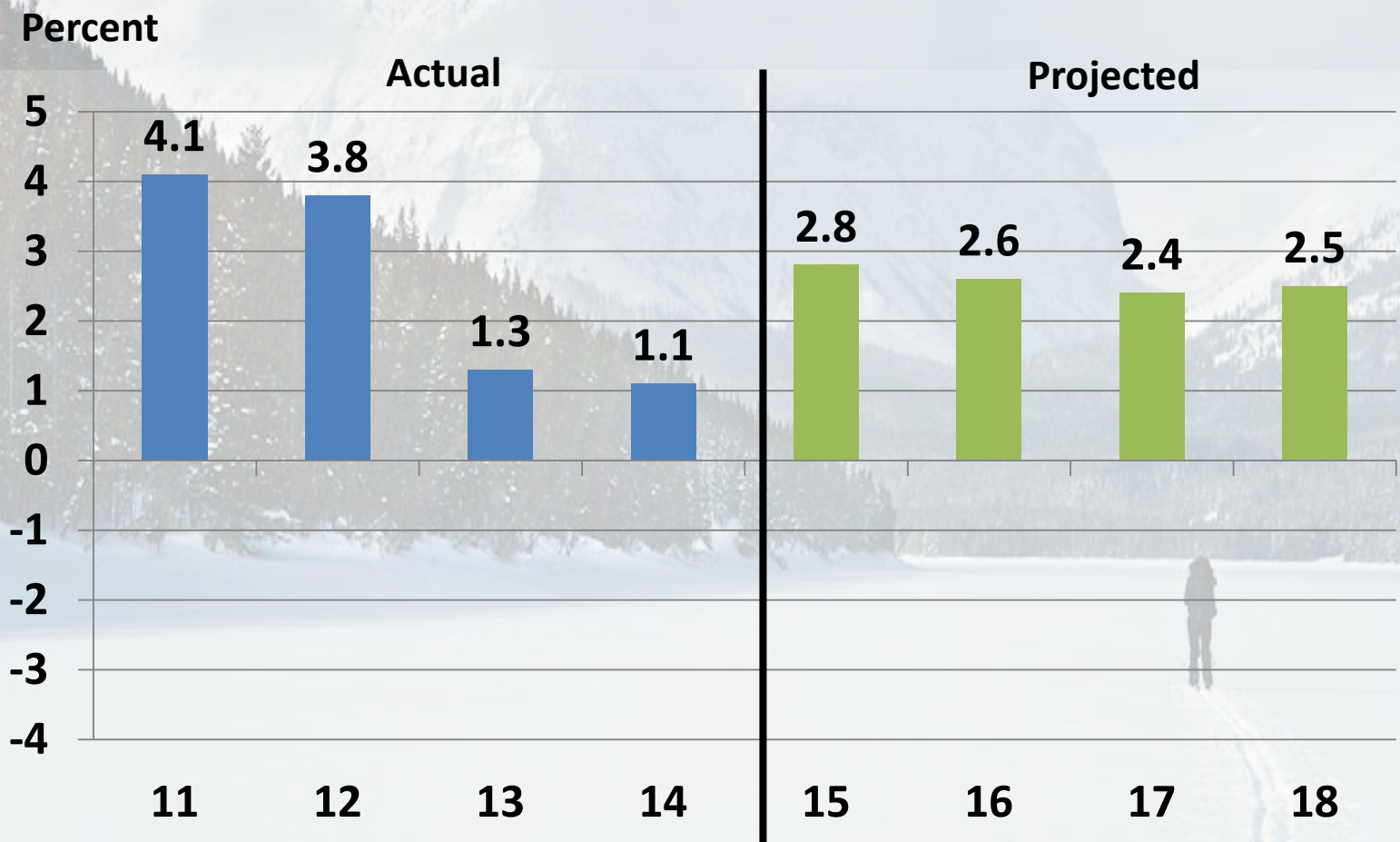
Index, 2008Q2=1.00



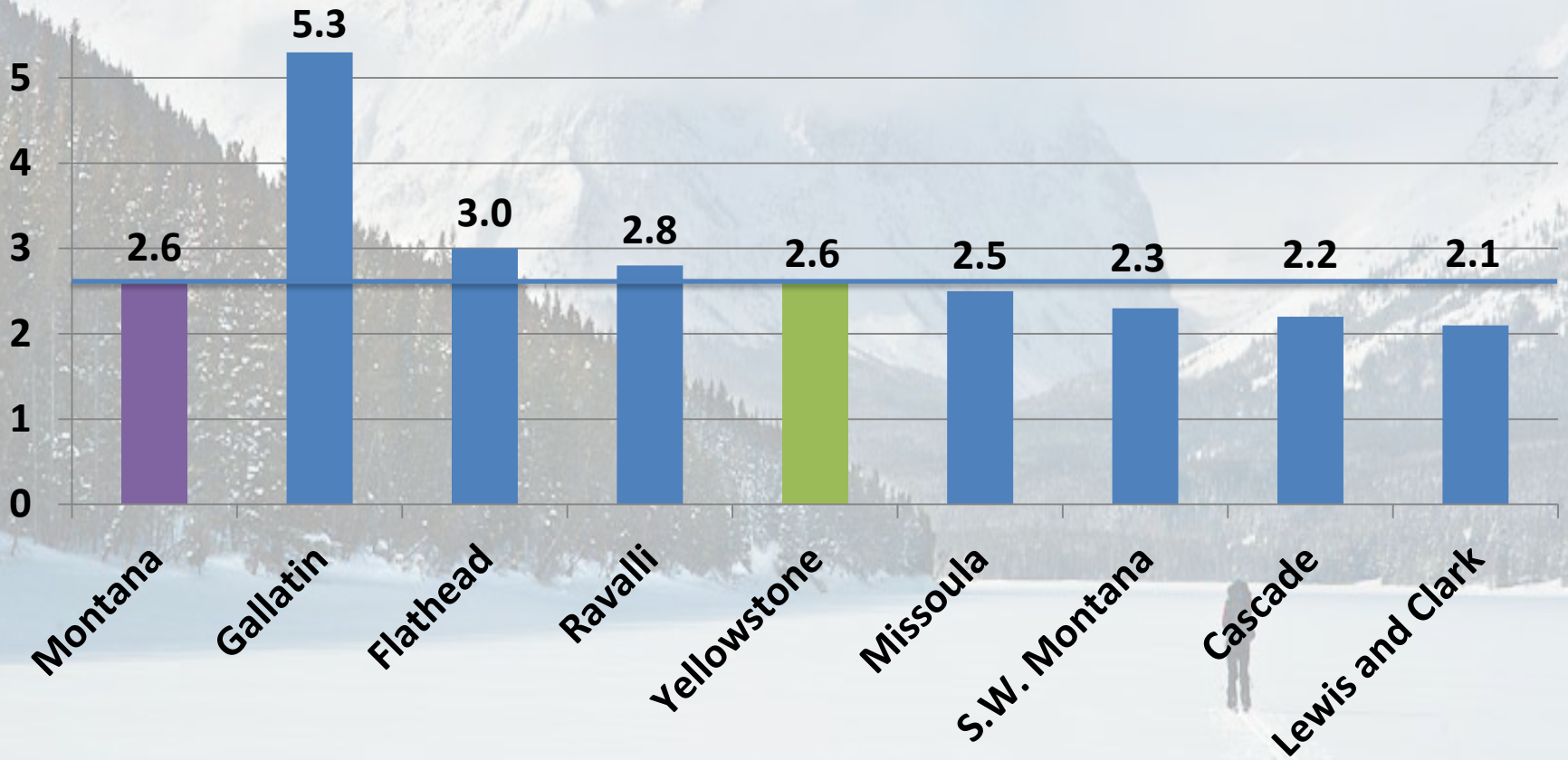
# Yellowstone County's Economic Base 2013-2015

Other basic	1%	
Mining	8%	HQ Less Vulnerable?
Nonresident Travel	6%	Moderate Growth
Higher Ed. And State Gov't	7%	Stable
Transportation	10%	Energy Growth
Trade Center-Services	11%	Vulnerable
Federal Government	12%	Headwinds
Trade Center-Wholesale, Retail	15%	Vulnerable
Trade Center-Health Care	14%	Affordable Care Act??
Manufacturing	16%	Positive
Construction		Industrial, Residential

# Actual and Projected Change in Nonfarm Earnings, Yellowstone County, 2011-2018



# Projected Annual Percent Change in Nonfarm Labor Income (in Constant Dollars) 2015-2018







# Energy II: Prices, Impacts, and Opportunities

By Paul E. Polzin

Program for Energy and Resource Economics  
Bureau of Business and Economic Research

# Petroleum Price Trends

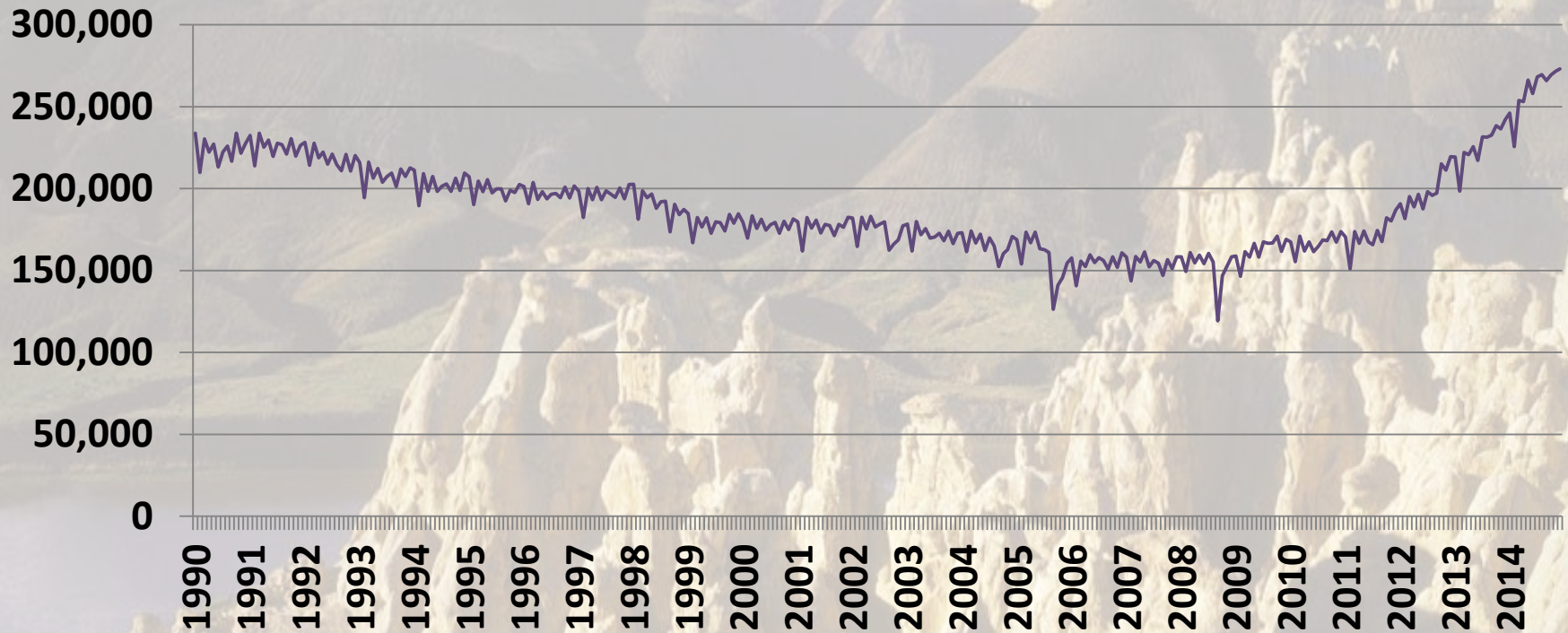
Since July 2014:

U.S. Crude Oil Prices Down 55% ↓

U.S. Gasoline Prices Down 49% ↓

Montana Gasoline Prices = \$2.00 / Gallon ↓

# U.S. Production of Crude Oil (thousands of barrels)



Source: U.S. Energy Information Agency

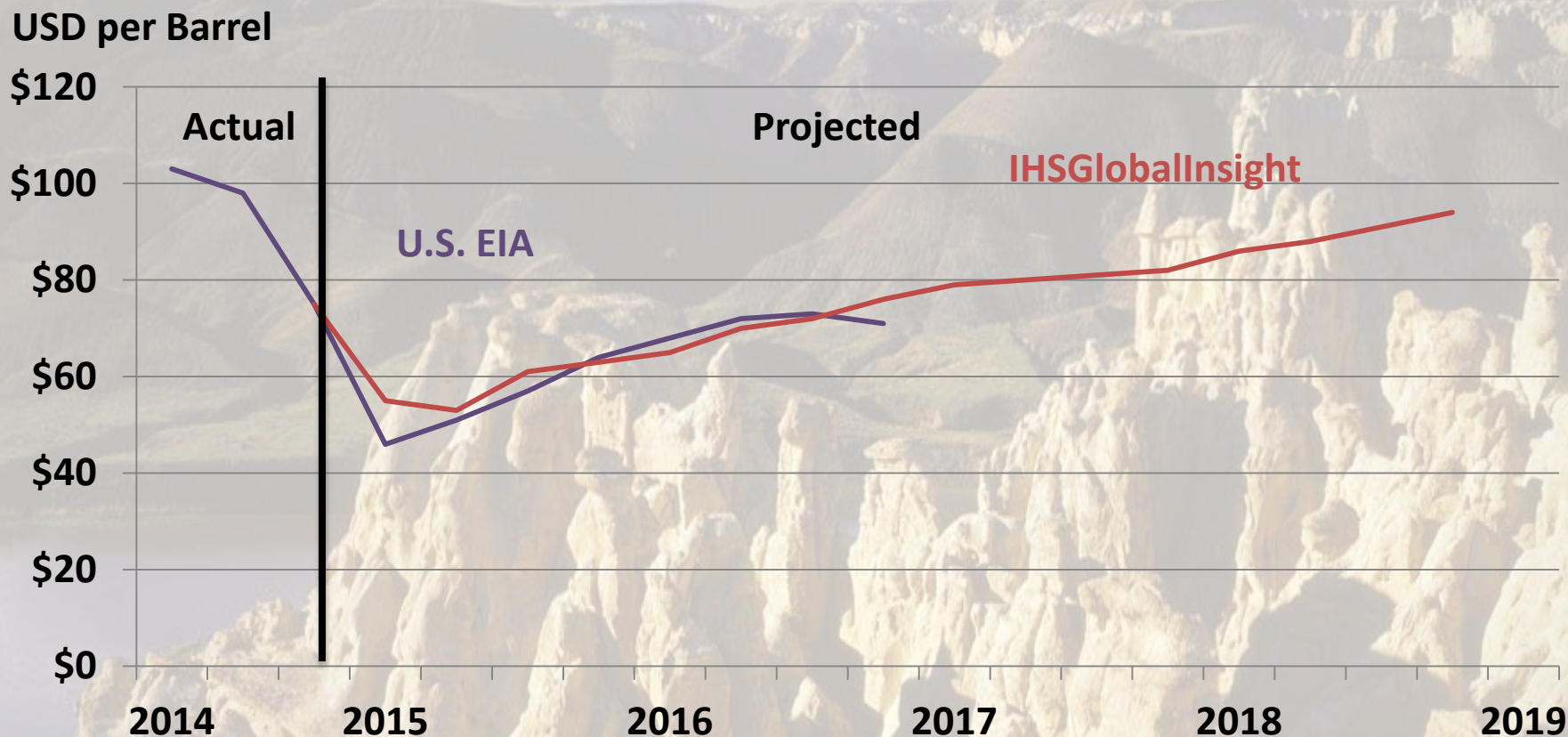
# Determinants of Future Oil Trends

How long producers think low oil prices will last

How fast world energy demand grows

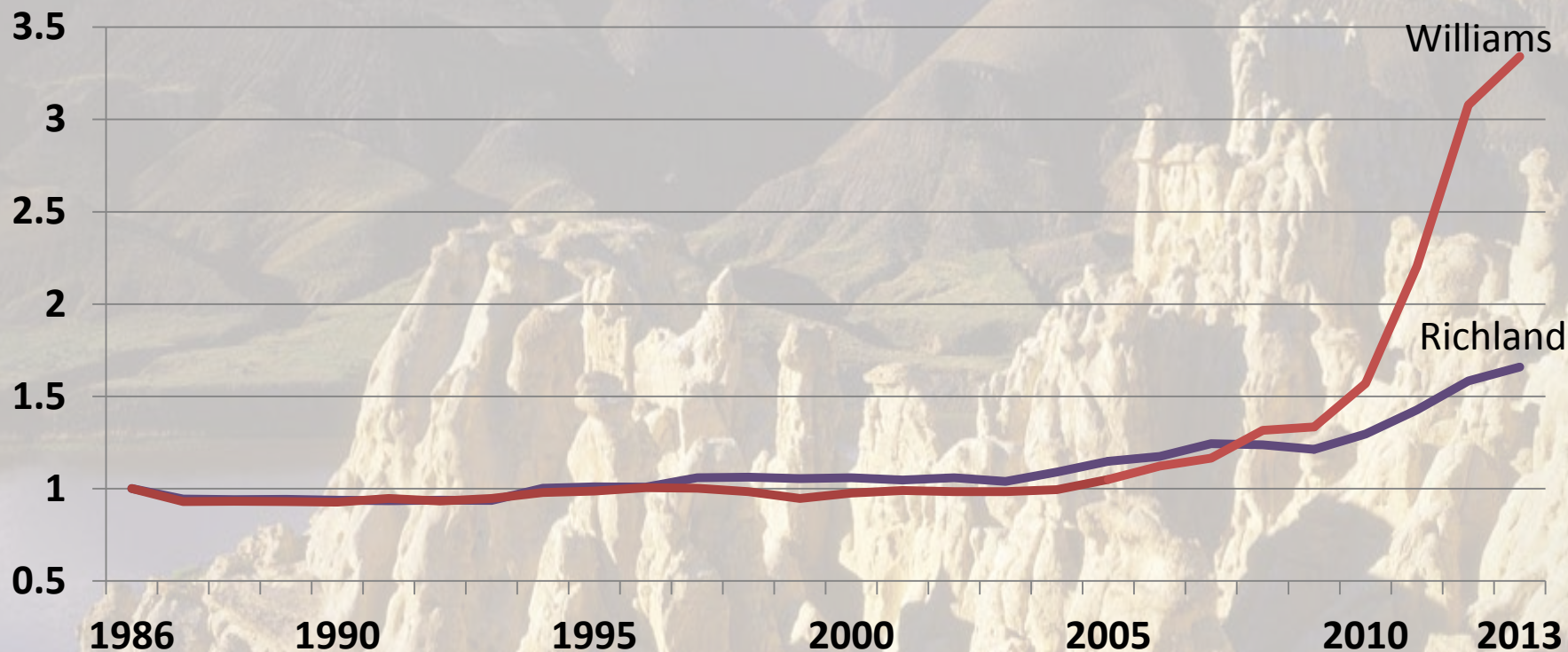
Political instability in oil producing countries

# Price of West Texas Intermediate (WTI), Actual and Projected, 2014Q2-2018Q4



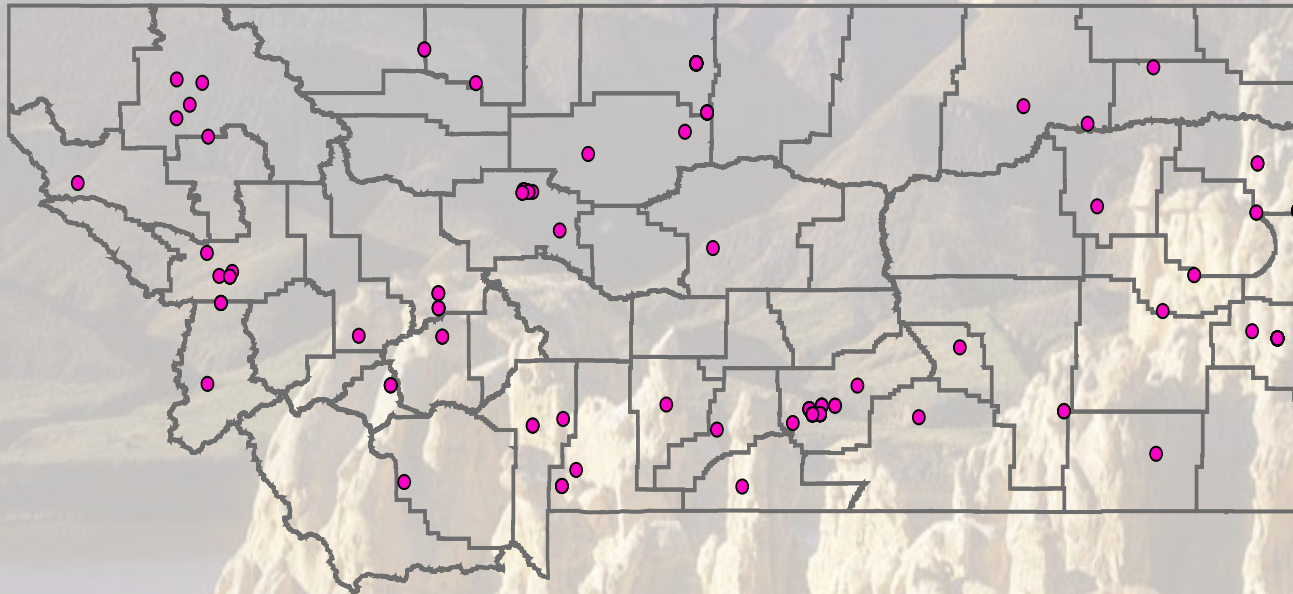
# Nonfarm and Salary Employment, 1986 to 2013, Richland and Williams Counties

Index, 1986=1.0



Source: U.S. Bureau of Economic Analysis

# Vendors to Montana's Oil Industry



Source: American Petroleum Institute

# Vendors to Montana's Oil Industry, by Community

<b>Community</b>	<b>Vendors</b>
<b>Billings Area</b>	<b>49</b>
<b>Sidney Area</b>	<b>22</b>
<b>Missoula Area</b>	<b>12</b>
<b>Great Falls Area</b>	<b>10</b>
<b>Bozeman Area</b>	<b>7</b>
<b>Helena Area</b>	<b>6</b>
<b>Flathead Area</b>	<b>5</b>
<b>Butte-Anaconda Area</b>	<b>4</b>
<b>Miles City Area</b>	<b>3</b>
<b>Total</b>	<b>118</b>

Source: American Petroleum Institute



# Workers, by place of Work and Residence, 2011

Residence	Place of Work	
	Far Eastern MT	Western ND
Flathead County	24	12
Missoula-Ravalli Counties	56	58
Cascade County	65	99
Lewis-Clark County	39	65
Gallatin County	41	90
Yellowstone County	191	244
Butte-Anaconda	5	0
Custer County	185	42
Dawson County	310	293

Source: U.S. Bureau of the Census

# How Big is the Bakken “Economy”?

	2010	2013		Employment
Richland, MT	7,504	9,600	Flathead, MT	58,900
Williams, ND	20,344	43,289	Gallatin, MT	70,300
Dunn, ND	2,401	4,475	Yellowstone, MT	102,284
McKenzie, ND	5,682	11,623		
Mountrail, ND	5,270	8,492		
<b>Total</b>	<b>41,201</b>	<b>77,479</b>		
		<b>Growth, '10-'13</b>		
		<b>36,278</b>		

Source: U.S. Bureau of Economic Analysis

# How Big is the Bakken “Economy”?

	Personal Income (Thous.)		Personal Income(Thous.), 2013	
	2010	2013		
Richland, MT	\$455,035	\$711,622	Flathead, MT	\$3,614,032
Williams, ND	\$1,273,238	\$3,429,967	Gallatin, MT	\$3,852,235
Dunn, ND	\$170,715	\$403,350	Yellowstone, MT	\$6,572,726
McKenzie, ND	\$356,246	\$839,875	Burleigh, ND (Bismarck)	\$4,387,787
Mountrail, ND	\$417,623	\$849,601		
<b>Total</b>	<b>\$2,672,857</b>	<b>\$6,234,415</b>		
		<b>Growth, '10-'13</b>		
		<b>\$3,561,558</b>		

Source: U.S. Bureau of Economic Analysis

A landscape photograph featuring a body of water on the left, rolling green hills in the middle ground, and a prominent, light-colored rocky outcrop in the foreground. The sky is blue with scattered white clouds. The text "Questions?" is overlaid in the center.

Questions?