

# Montana Manufacturing & Forest Products: 2012 Outlook

**BUREAU OF  
BUSINESS**  
**AND ECONOMIC  
RESEARCH**

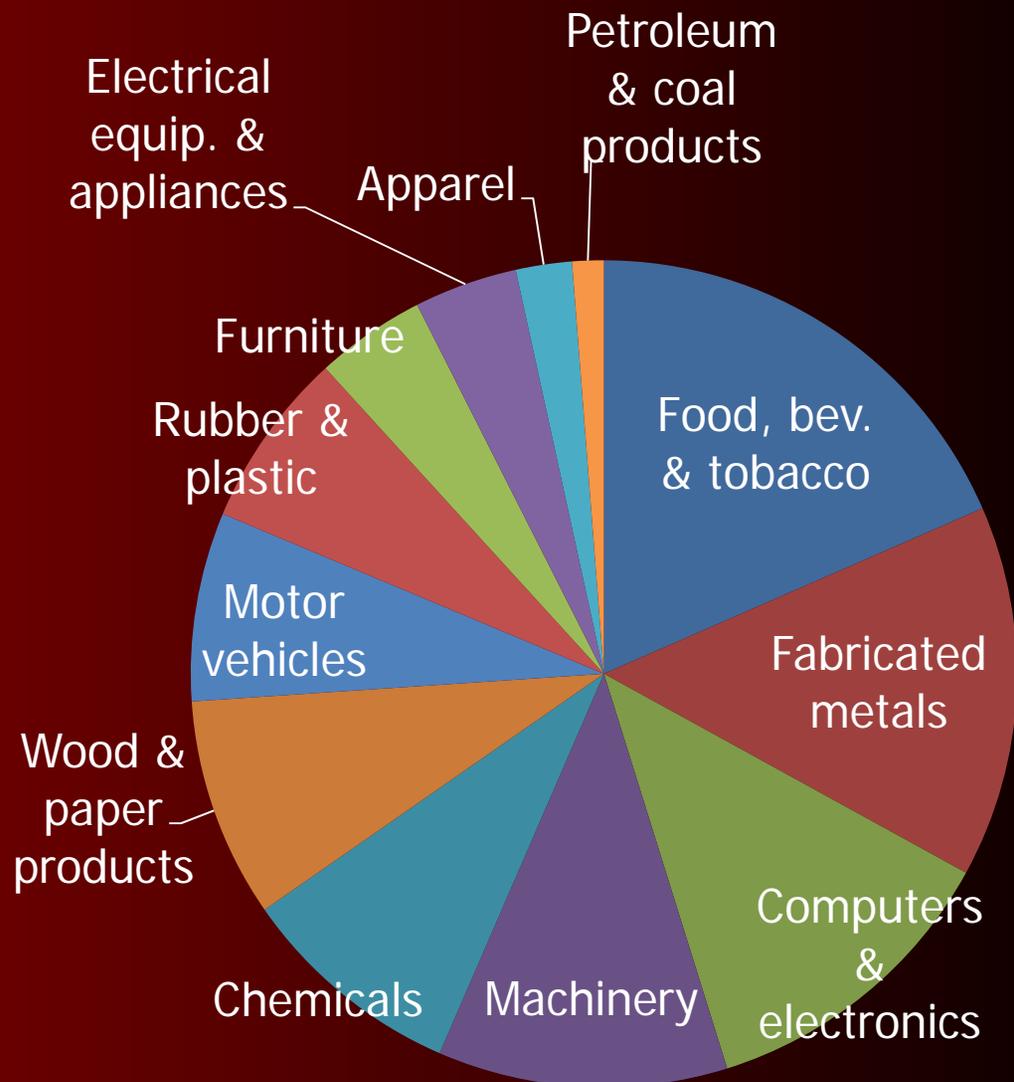
Todd A. Morgan, CF

# U.S. Manufacturing

➤ **5.5 million fewer jobs than in 2000**

➤ **Annual worker income down by \$49 billion**

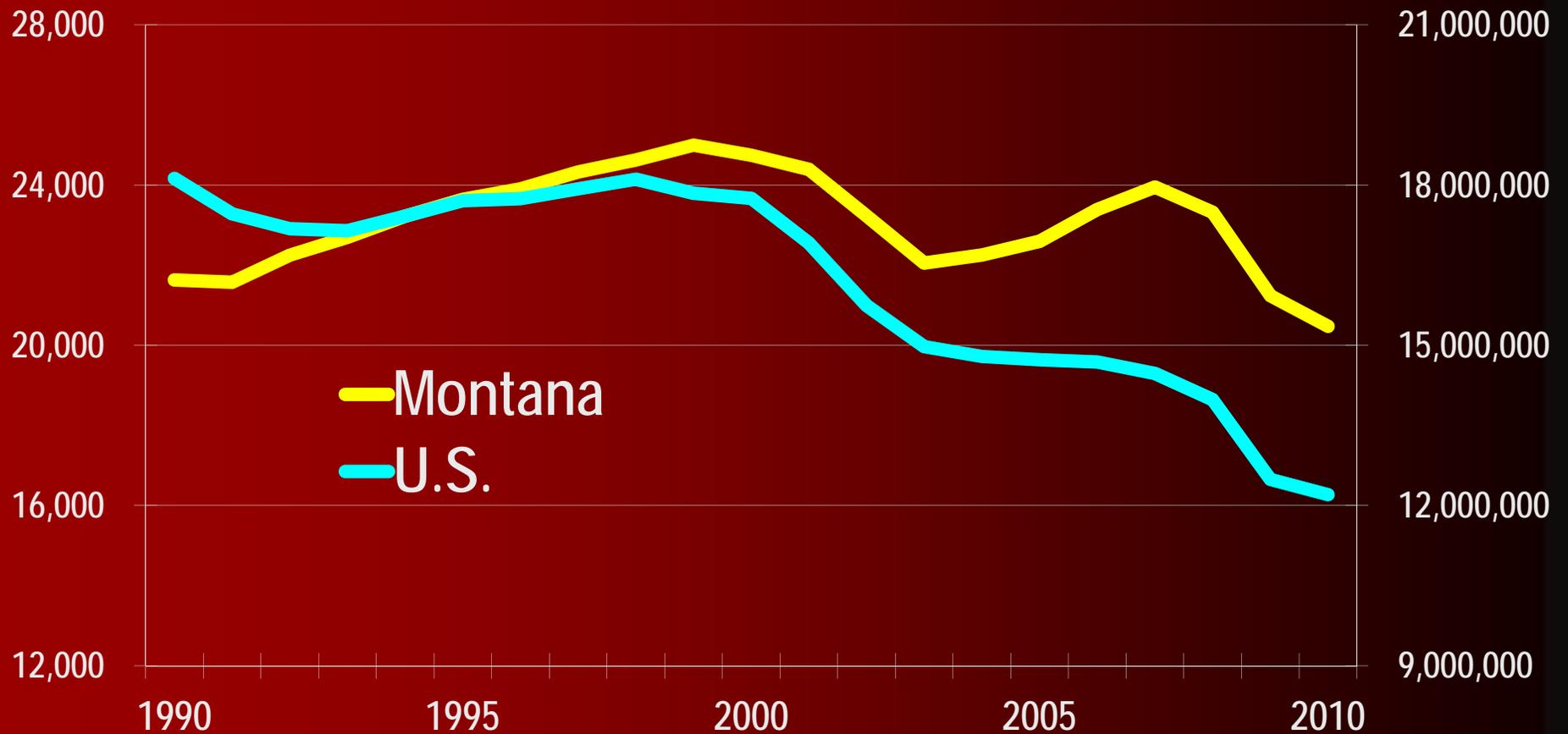
➤ **Gross output down by \$296 billion**



# Montana & U.S. Manufacturing Employment 1990-2010

MT workers

US workers



Source: BEA-REIS SA-25N

# Montana Manufacturing

## 2011 Labor Income

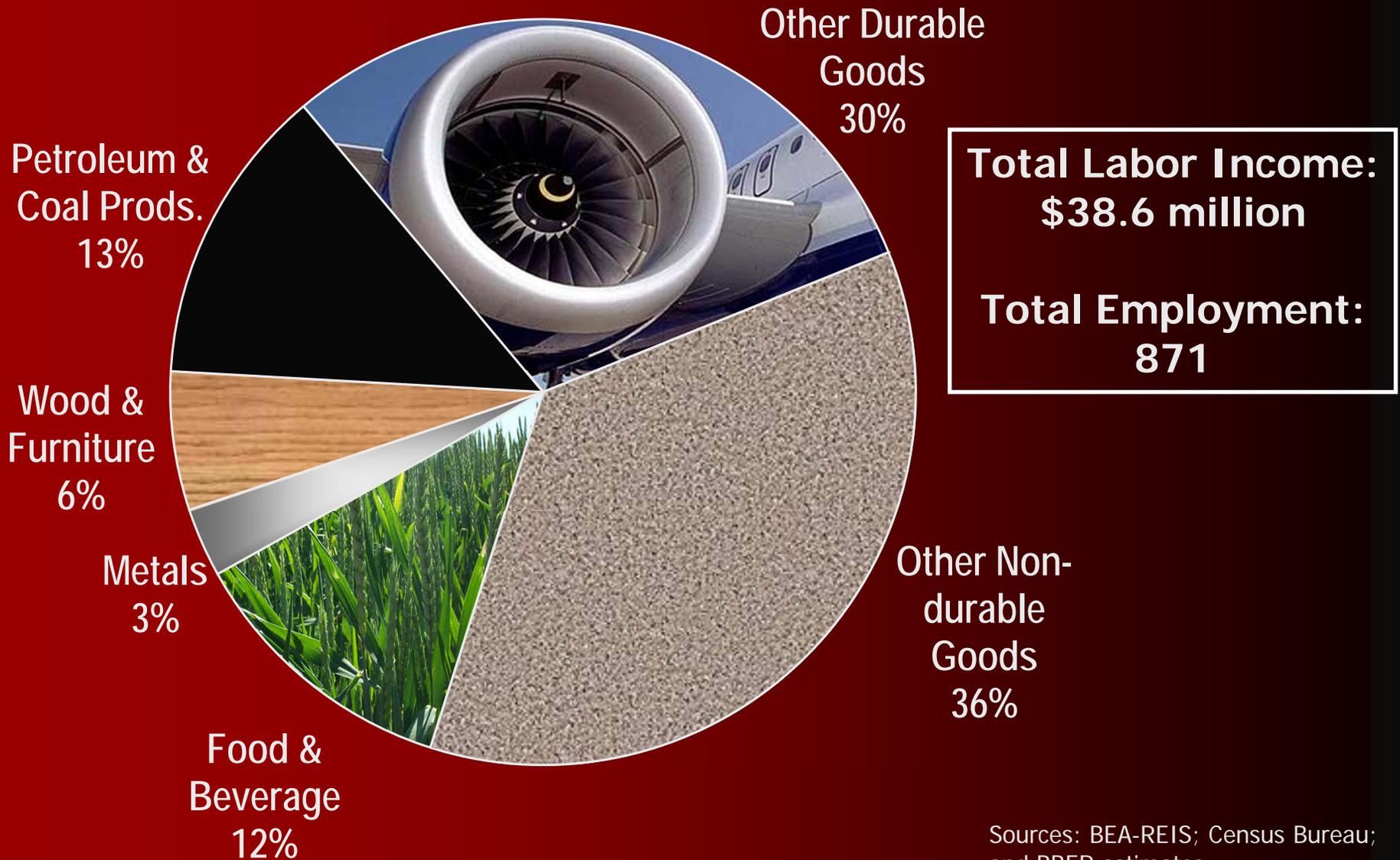
**Total Employment:**  
~19,938

**Total Labor Income:**  
\$1.08 billion



Sources: BEA-REIS; Census Bureau;  
and BBER estimates

# Lewis & Clark County Manufacturing 2009 Labor Income



Sources: BEA-REIS; Census Bureau;  
and BBER estimates

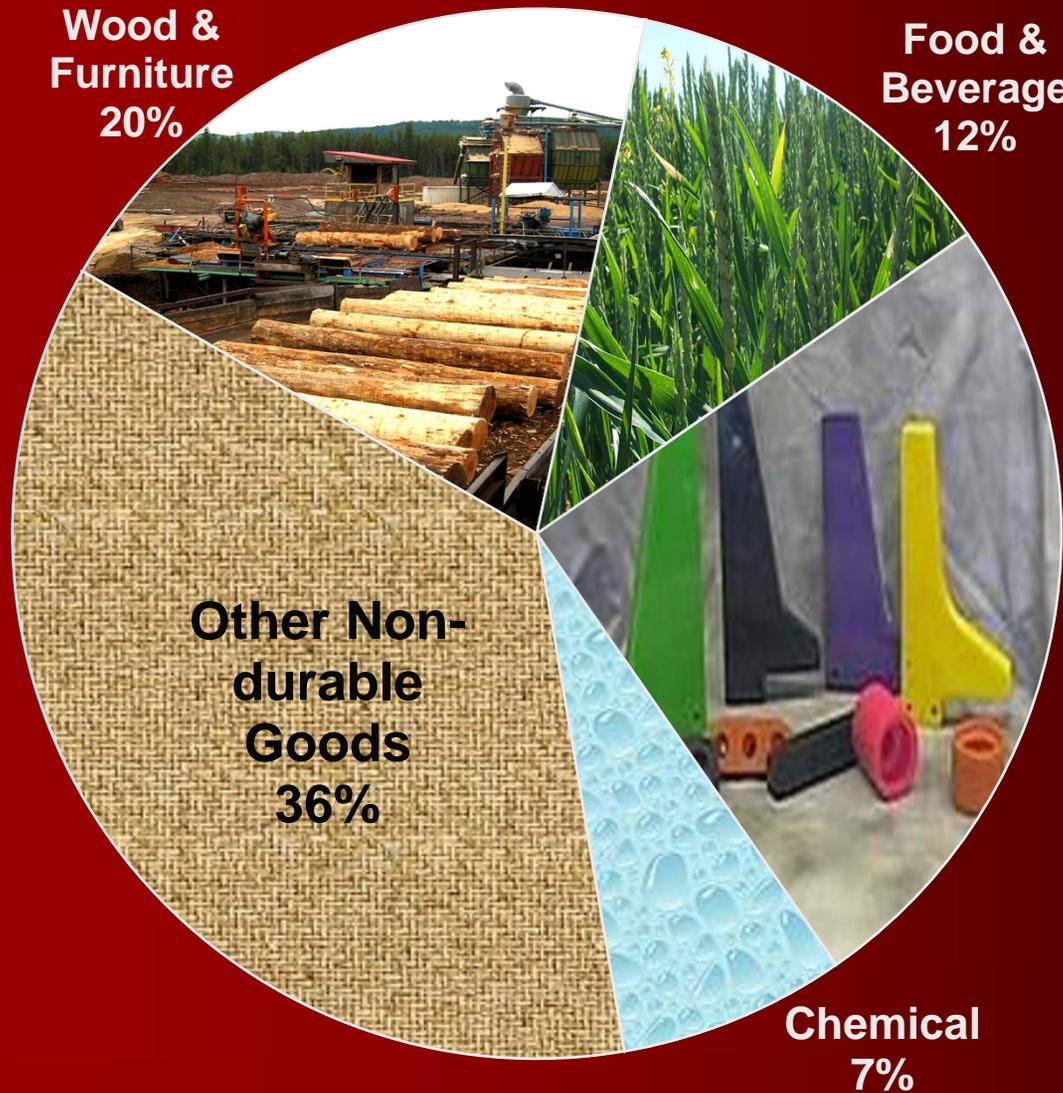
# Cascade County Manufacturing

## 2009 Labor Income



Sources: BEA-REIS; Census Bureau; and BBER estimates

# Missoula County Manufacturing 2009 Labor Income



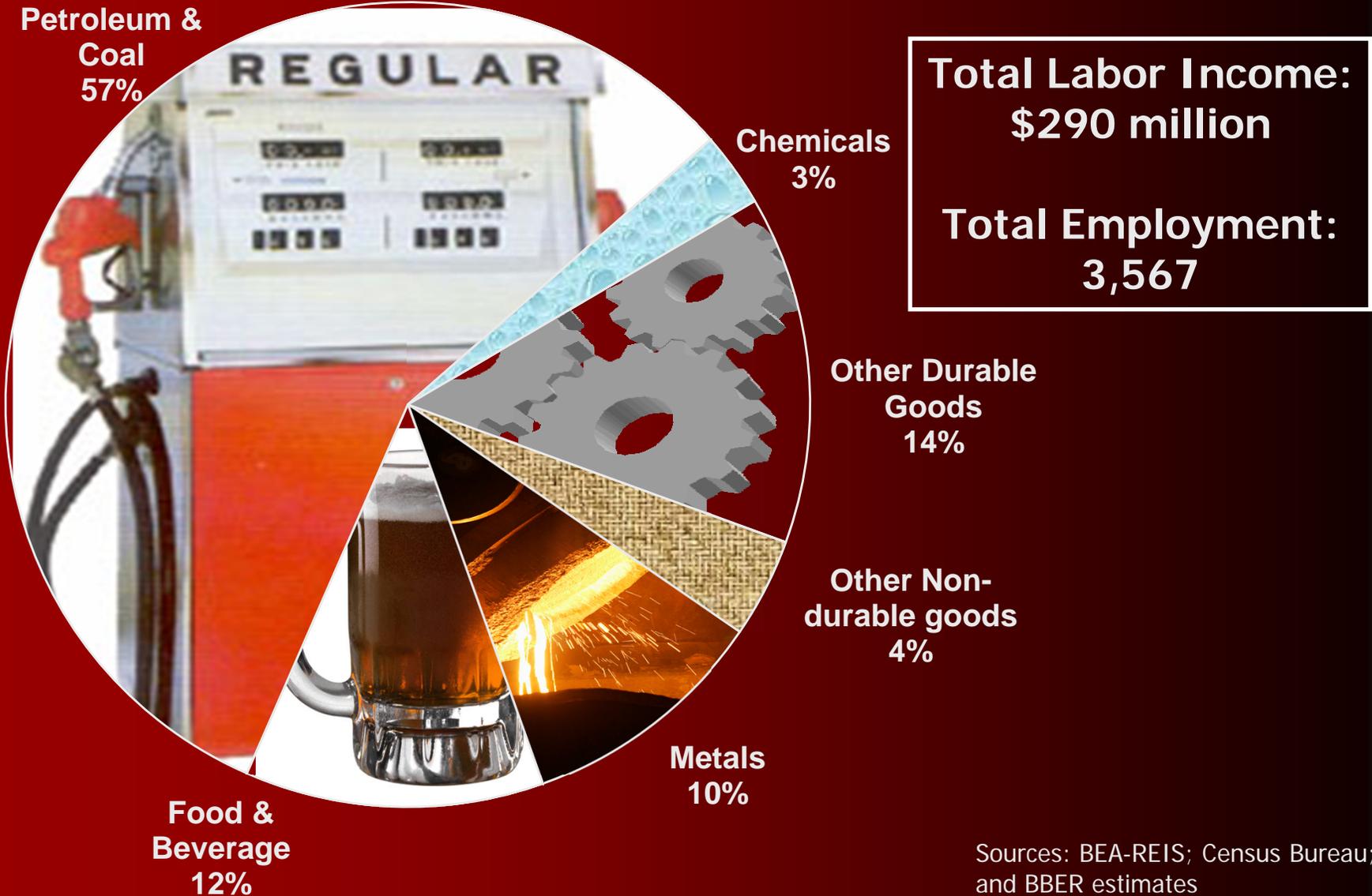
**Total Labor Income:**  
**\$128 million**

**Total Employment:**  
**2,530**

**Other  
Durable  
Goods  
25%**

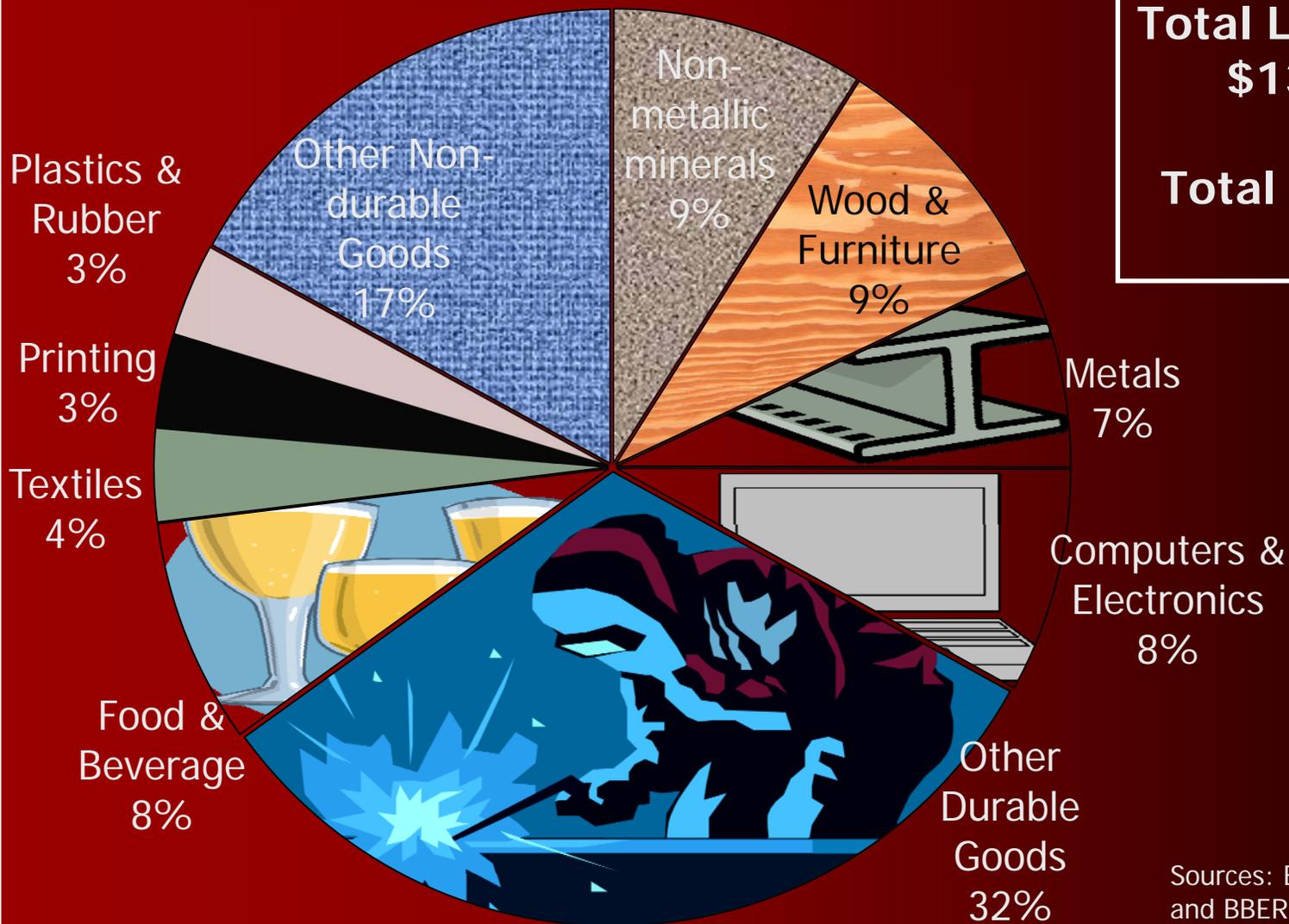
Sources: BEA-REIS; Census Bureau;  
and BBER estimates

# Yellowstone County Manufacturing 2009 Labor Income



Sources: BEA-REIS; Census Bureau; and BBER estimates

# Gallatin County Manufacturing 2009 Labor Income



**Total Labor Income:**  
**\$133 million**

**Total Employment**  
**2,718**

Sources: BEA-REIS; Census Bureau;  
and BBER estimates

# Butte-Silver Bow County Manufacturing

**Total Labor Income:  
\$39 million**

**Total Employment:  
608**

# Flathead County Manufacturing

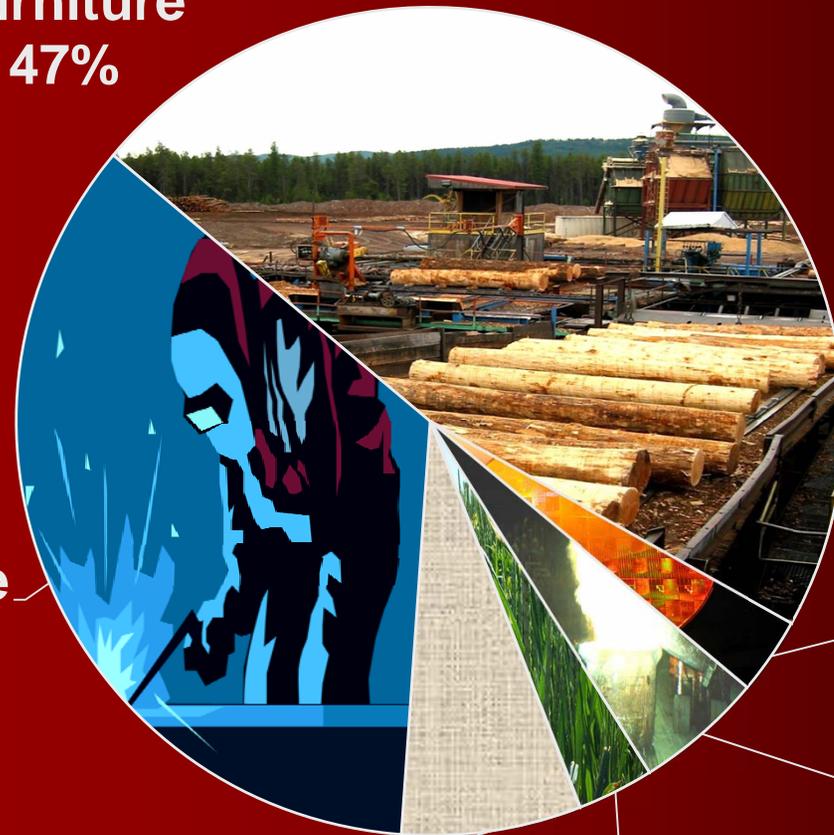
## 2009 Labor Income

Wood &  
Furniture  
47%

Total Labor Income:  
\$149.5 million

Total Employment:  
3,040

Other  
Durable  
Goods  
35%



Computers  
&  
Electronics  
3%

Metals &  
Related  
5%

Other Non-  
durable  
Goods  
7%

Food &  
Beverage  
3%

Sources: BEA-REIS; Census Bureau

# 2011-2012 Montana Manufacturers Survey

- annual survey
- conducted in December
- open-ended & multi-choice questions
- current & coming year
- 211 firms participated
- response rate >88%





# Montana Manufacturing 2011 Recap

- Better than 2010 for many firms
- Employment down at one-quarter of firms
- Many firms reported increased production, sales, and profits
- Few firms reported curtailments
- 44% of firms did make major capital expenditures

# Montana Manufacturing Outlook for the Coming Year

Percent of Firms

■ Outlook for 2012

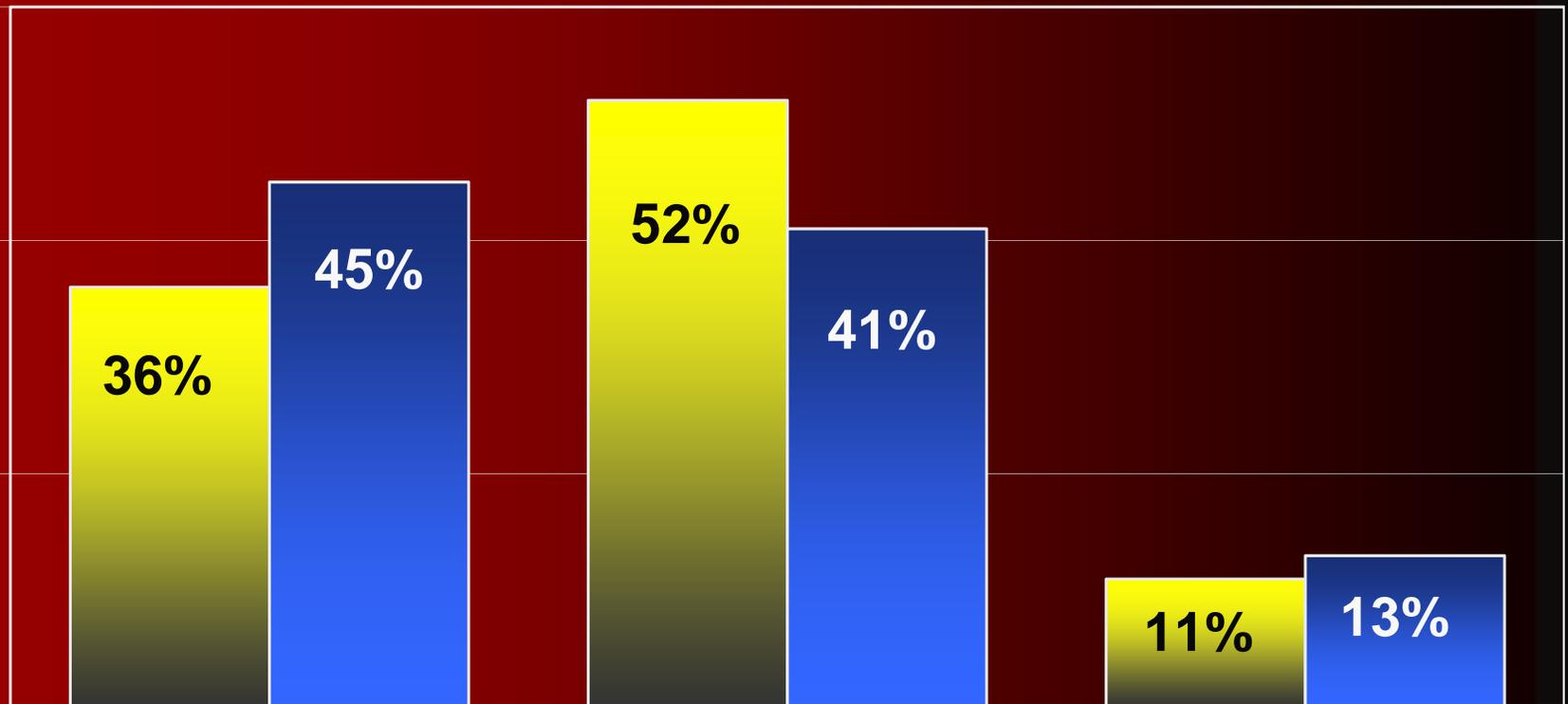
■ Outlook for 2011

60%

40%

20%

0%



Better than last year

Same as last year

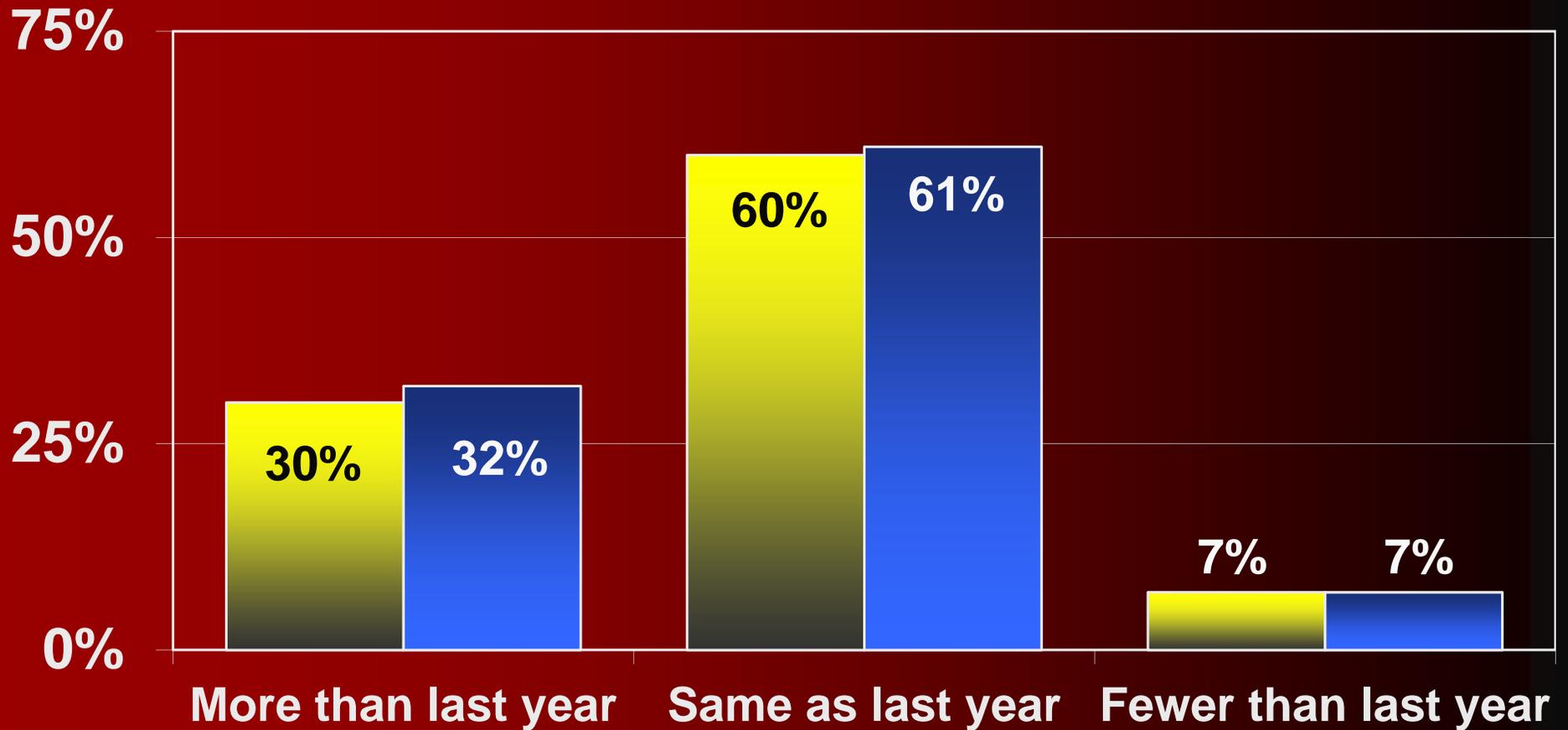
Worse than last year

# Manufacturing Employment in the Coming Year

Percent of  
Firms

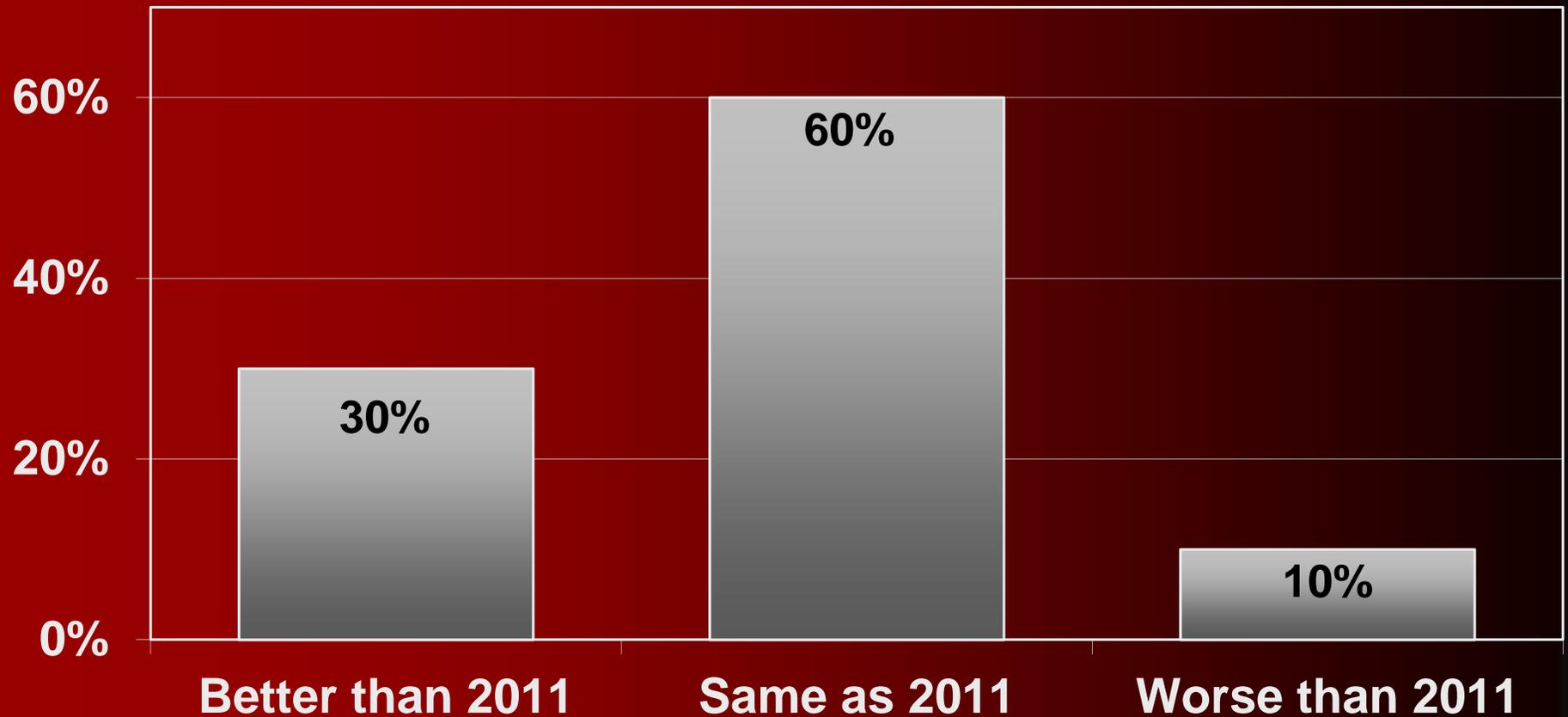
■ Outlook for 2012

■ Outlook for 2011



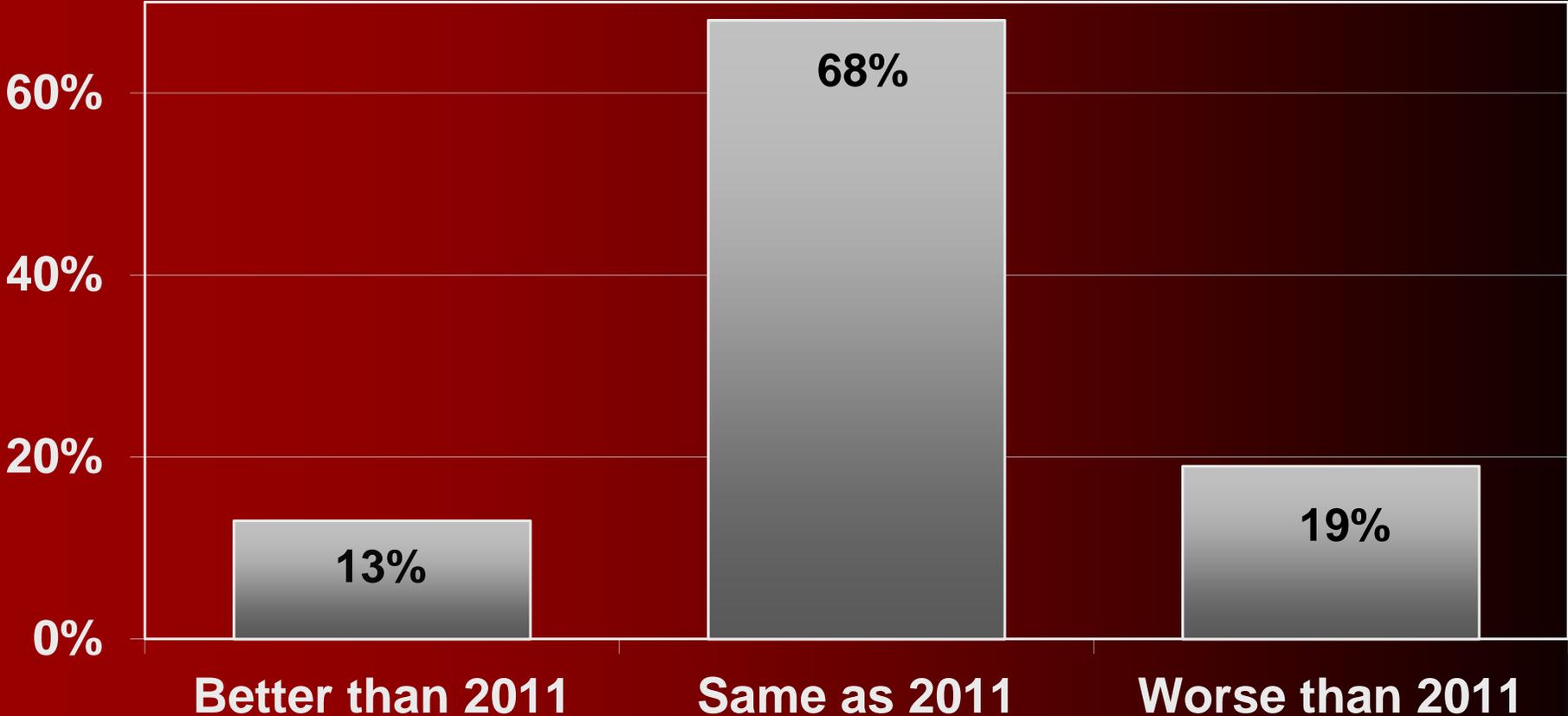
# Lewis & Clark County Manufacturing Outlook for 2012

Percent of  
Firms



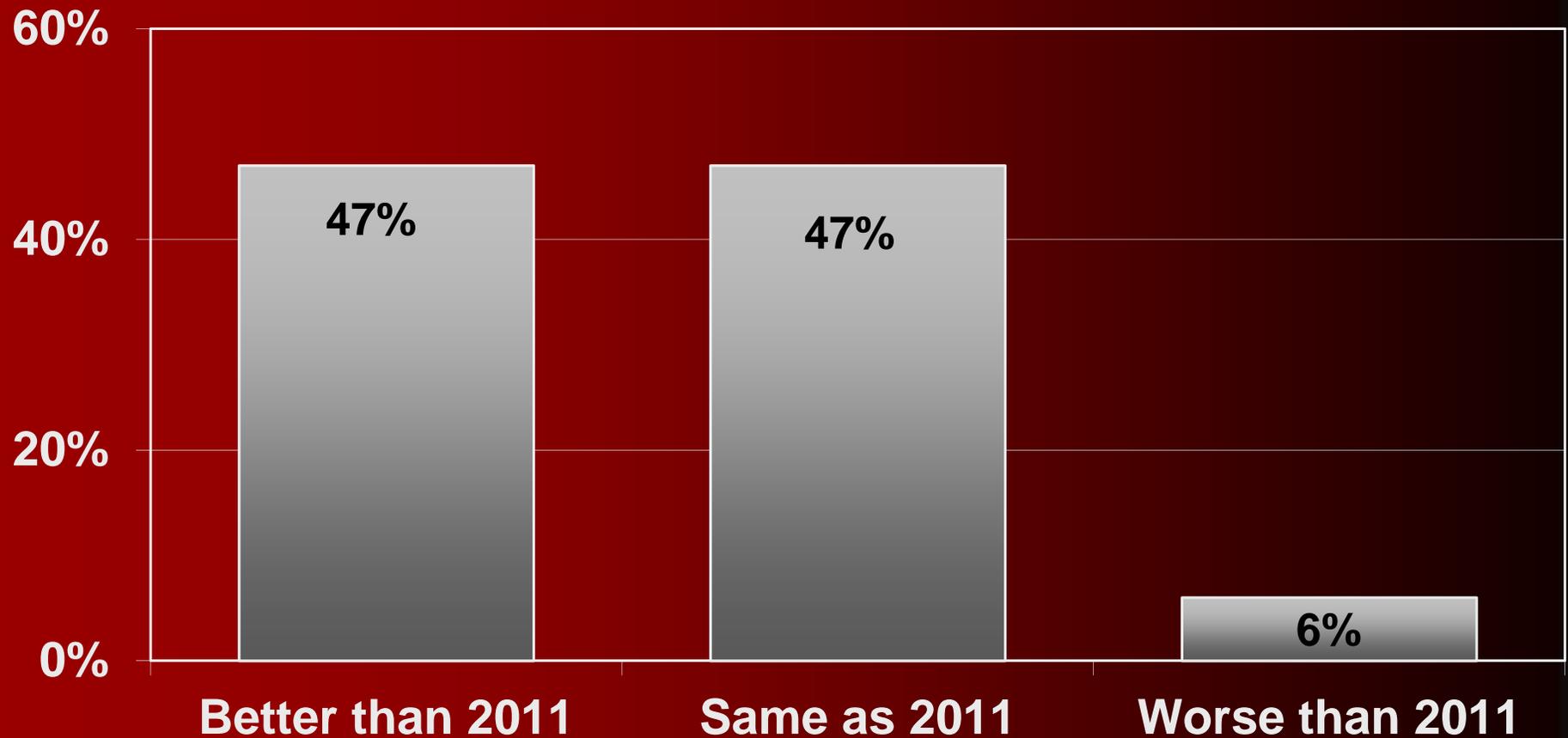
# Cascade County Manufacturing Outlook for 2012

Percent of Firms



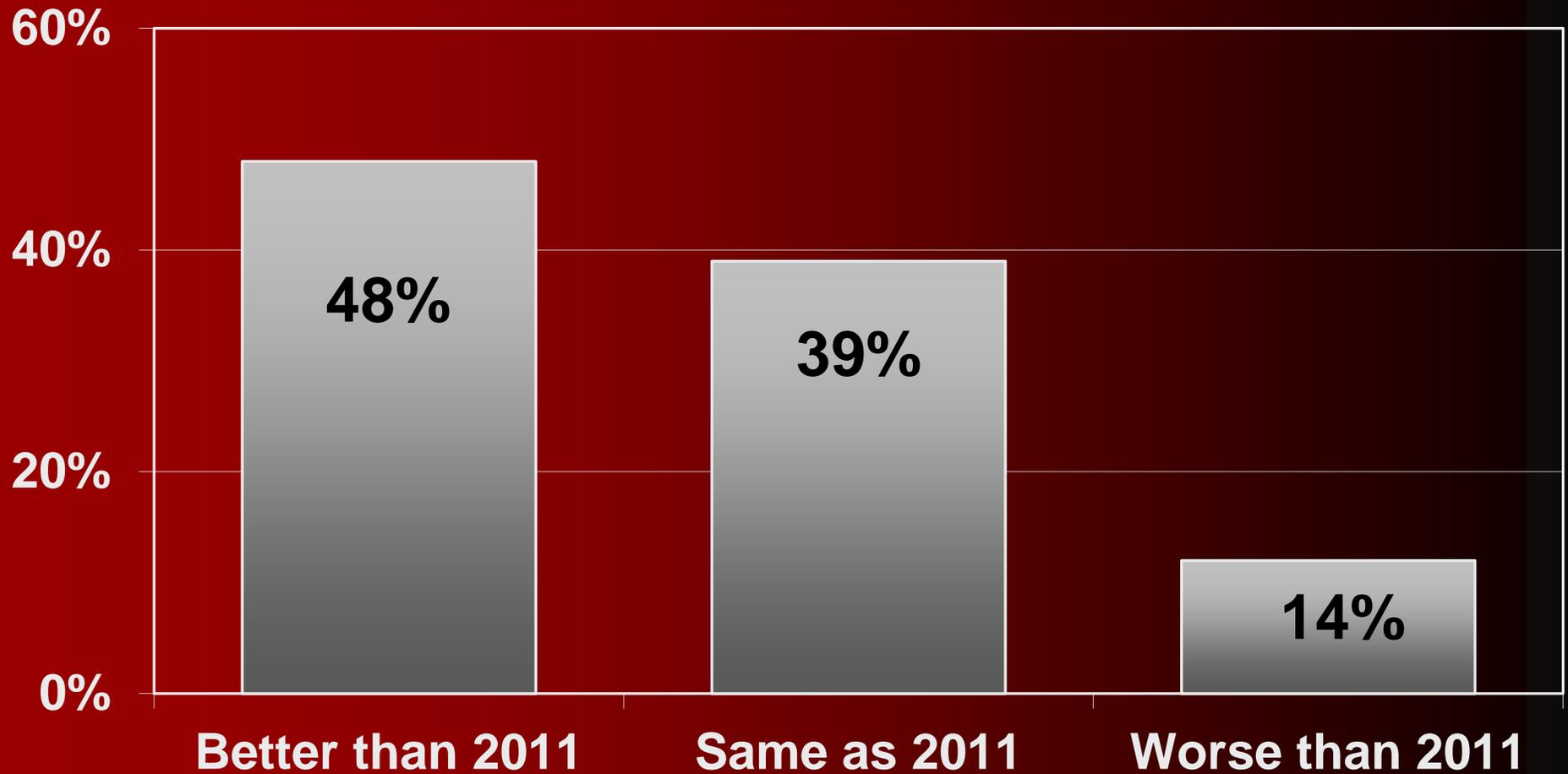
# Missoula County Manufacturing Outlook for 2012

Percent of Firms



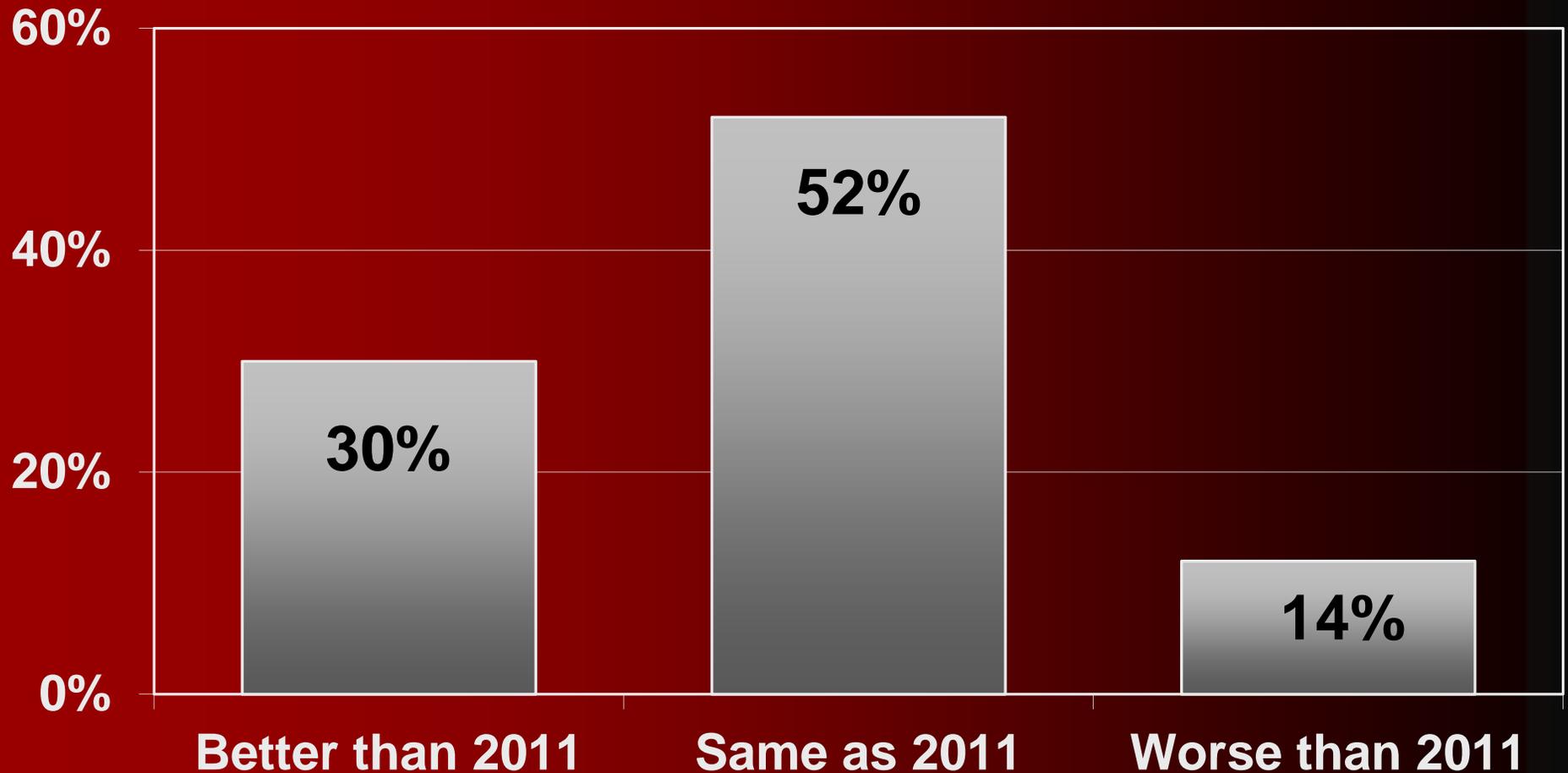
# Yellowstone County Manufacturing Outlook for 2012

Percent of  
Firms



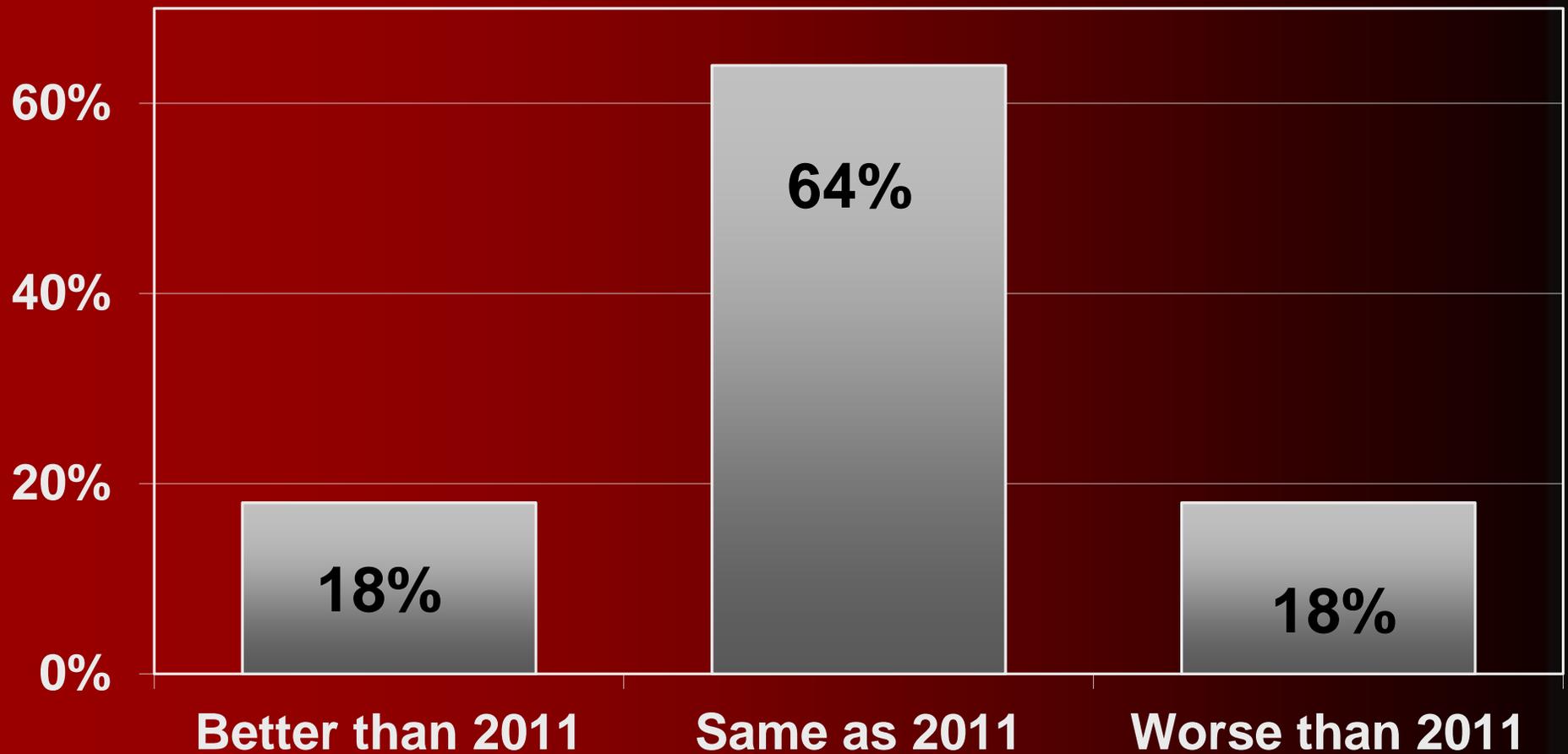
# Gallatin County Manufacturing Outlook for 2012

Percent of Firms



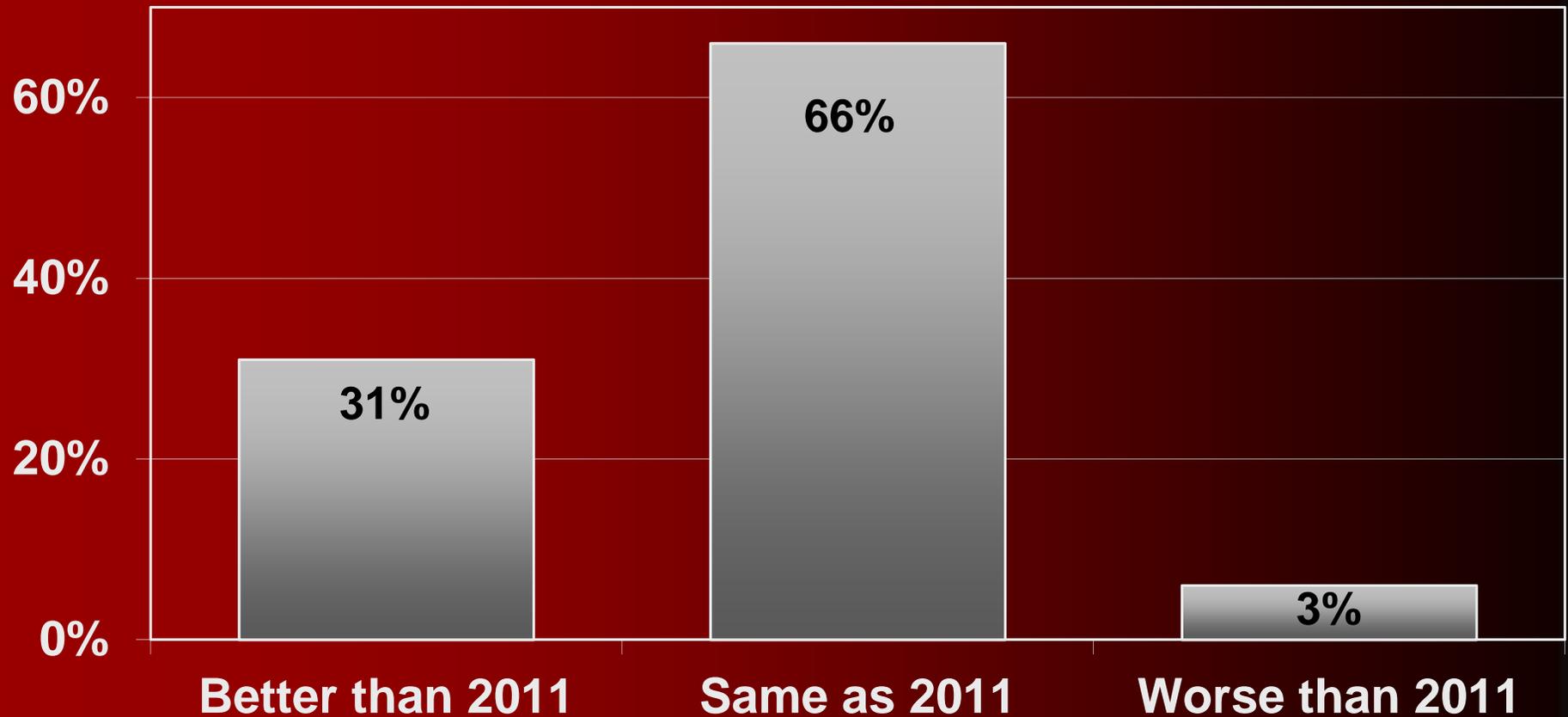
# Butte-Silver Bow County Manufacturing Outlook for 2012

Percent of  
Firms



# Flathead County Manufacturing Outlook for 2012

Percent of Firms



# Montana Manufacturing Forecast for 2012

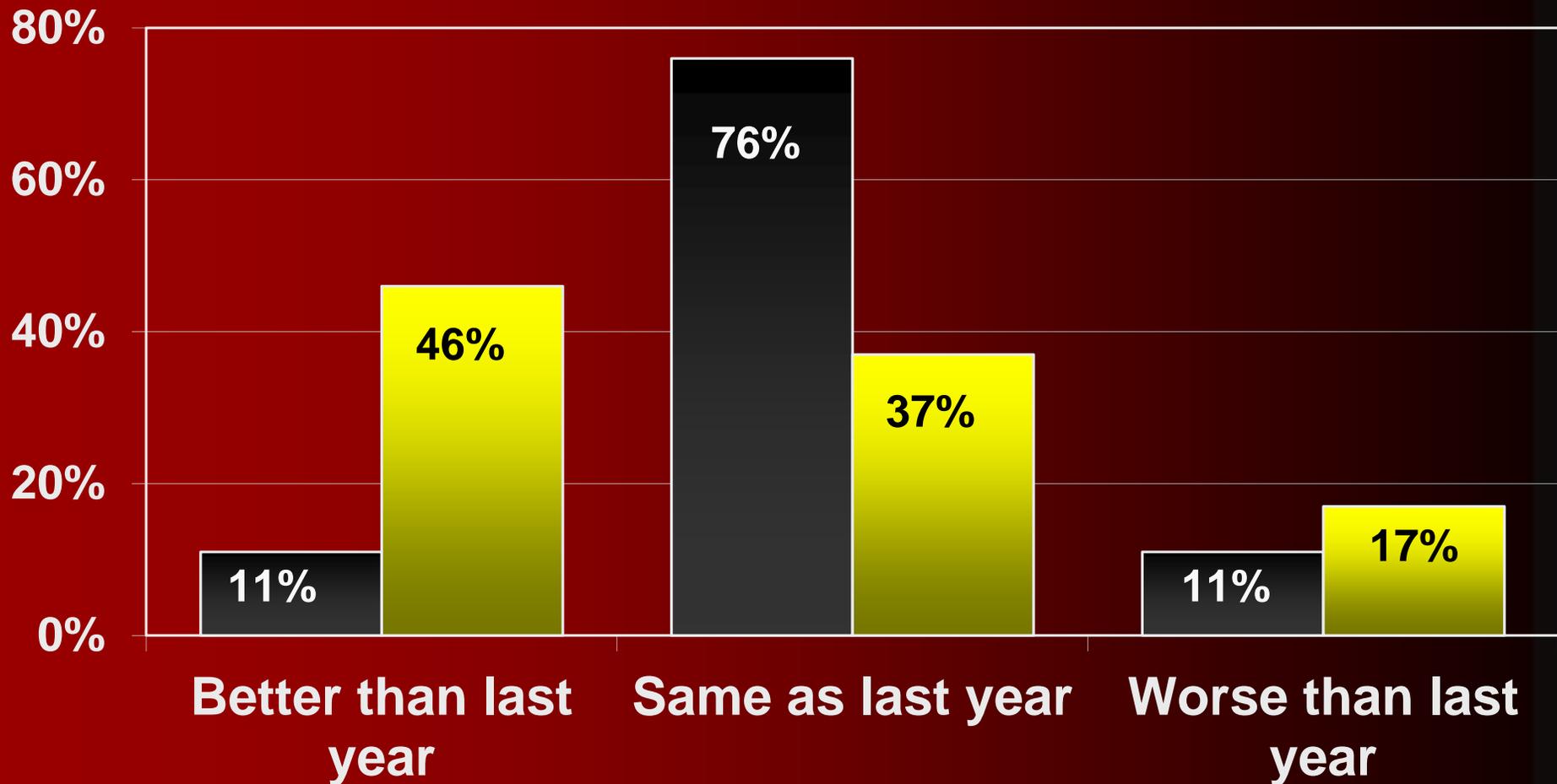
- Little change is expected
- Recovery dependent on broader US economy & international factors
- Health insurance costs & workers comp remain the greatest concerns
- Half of MT manufacturers expect their energy costs to increase

# Montana Forest Products Outlook for the Coming Year

Percent of Firms

■ Outlook for 2012

■ Outlook for 2011

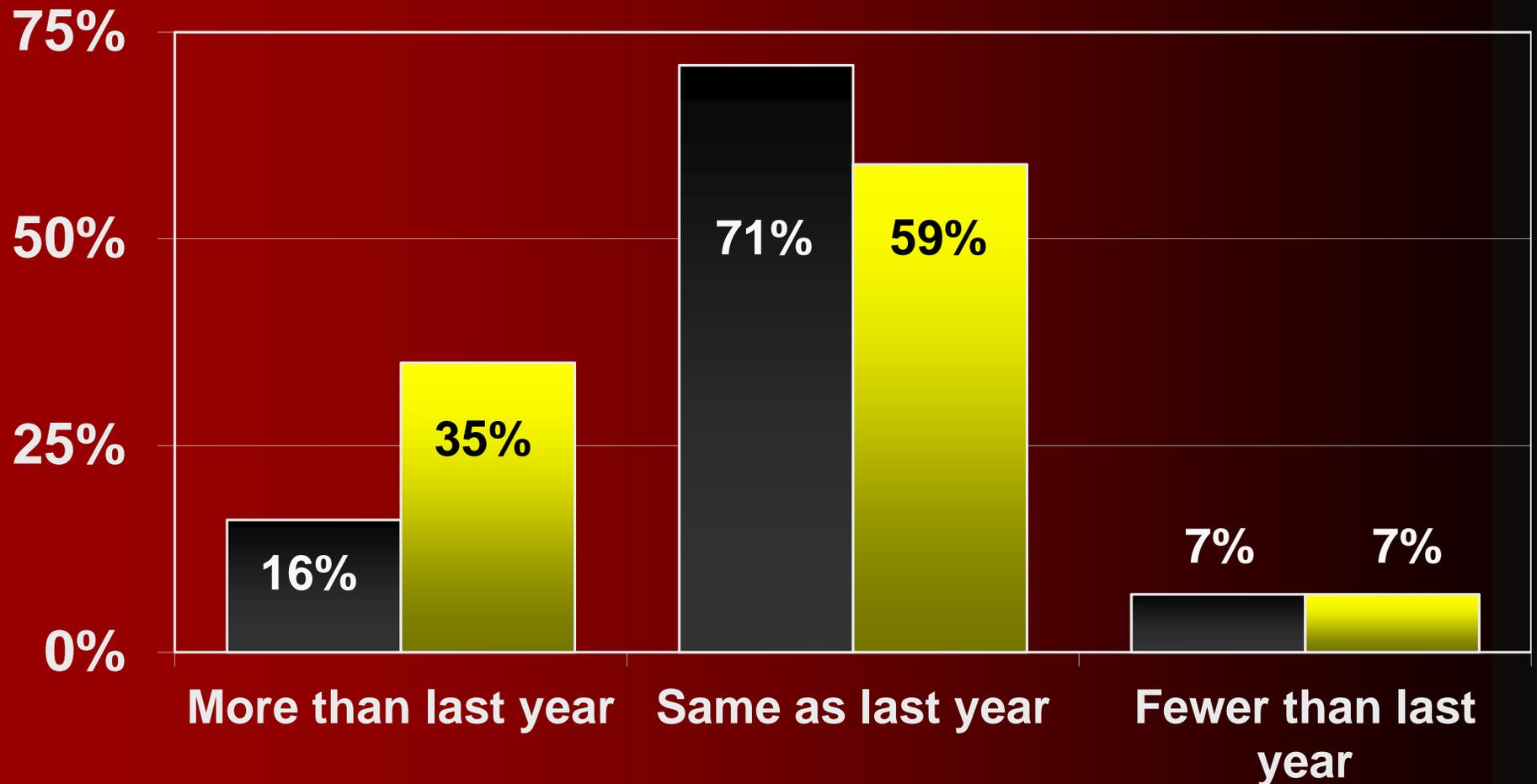


# Forest Products Employment Outlook for the Coming Year

Percent of Firms

■ Outlook for 2012

■ Outlook for 2011



# Forest Industry Conditions

- Slow recovery in US housing
- Chinese lumber & log demand could impact Montana
- Wood energy markets are slowly emerging
- Retaining industry is important to forest landowners
- The industry is changing

# Montana Forest Products Industry Forecast

- 2012 markets are expected to be somewhat better than 2011.
- Timber harvest & lumber production may increase slightly.
- Employment is expected to stay low.
- Forests will become more expensive to manage.

