

Montana Manufacturing & Forest Products: 2013 Outlook

**BUREAU OF
BUSINESS
AND ECONOMIC
RESEARCH**

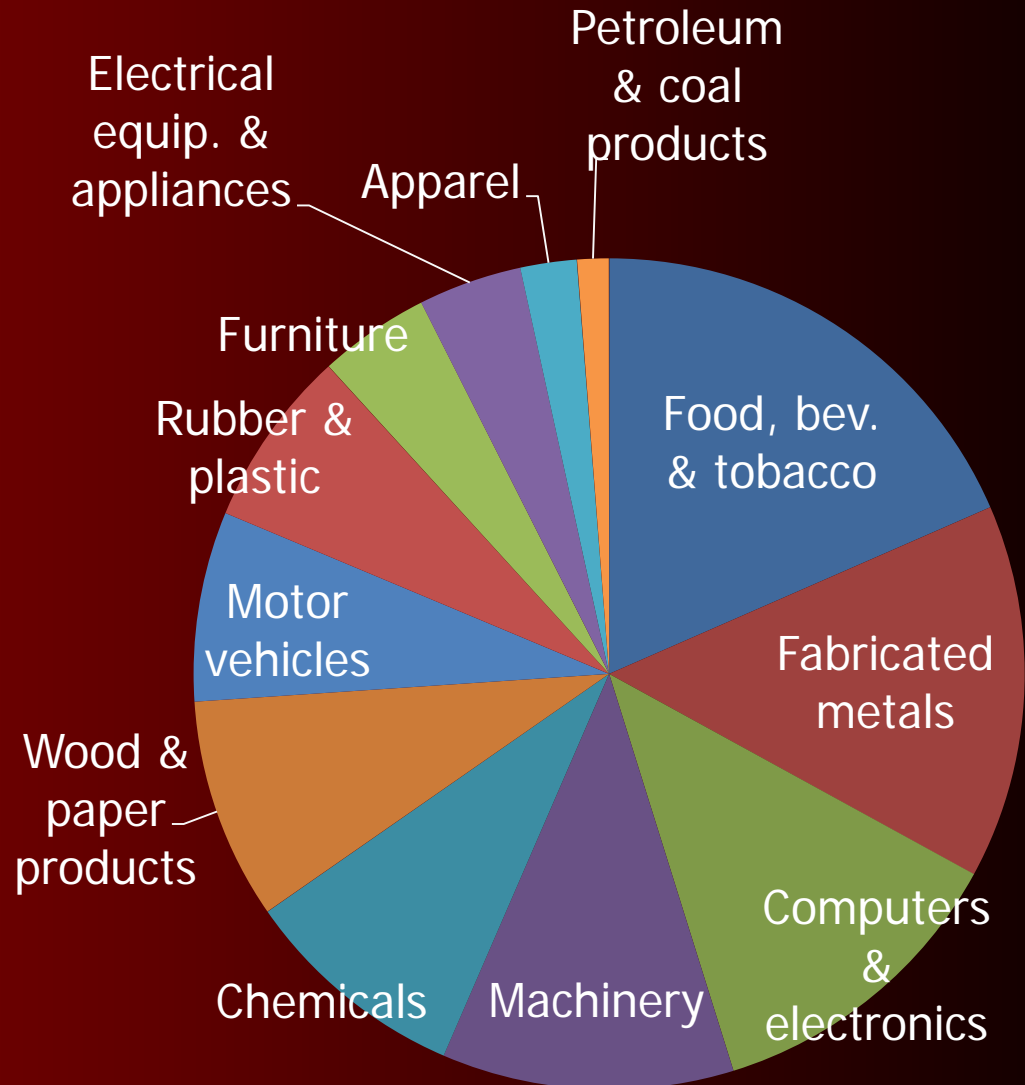
Todd A. Morgan, CF

U.S. Manufacturing

➤ **Approaching 12.5 million workers.**

➤ **Annual worker income is rising.**

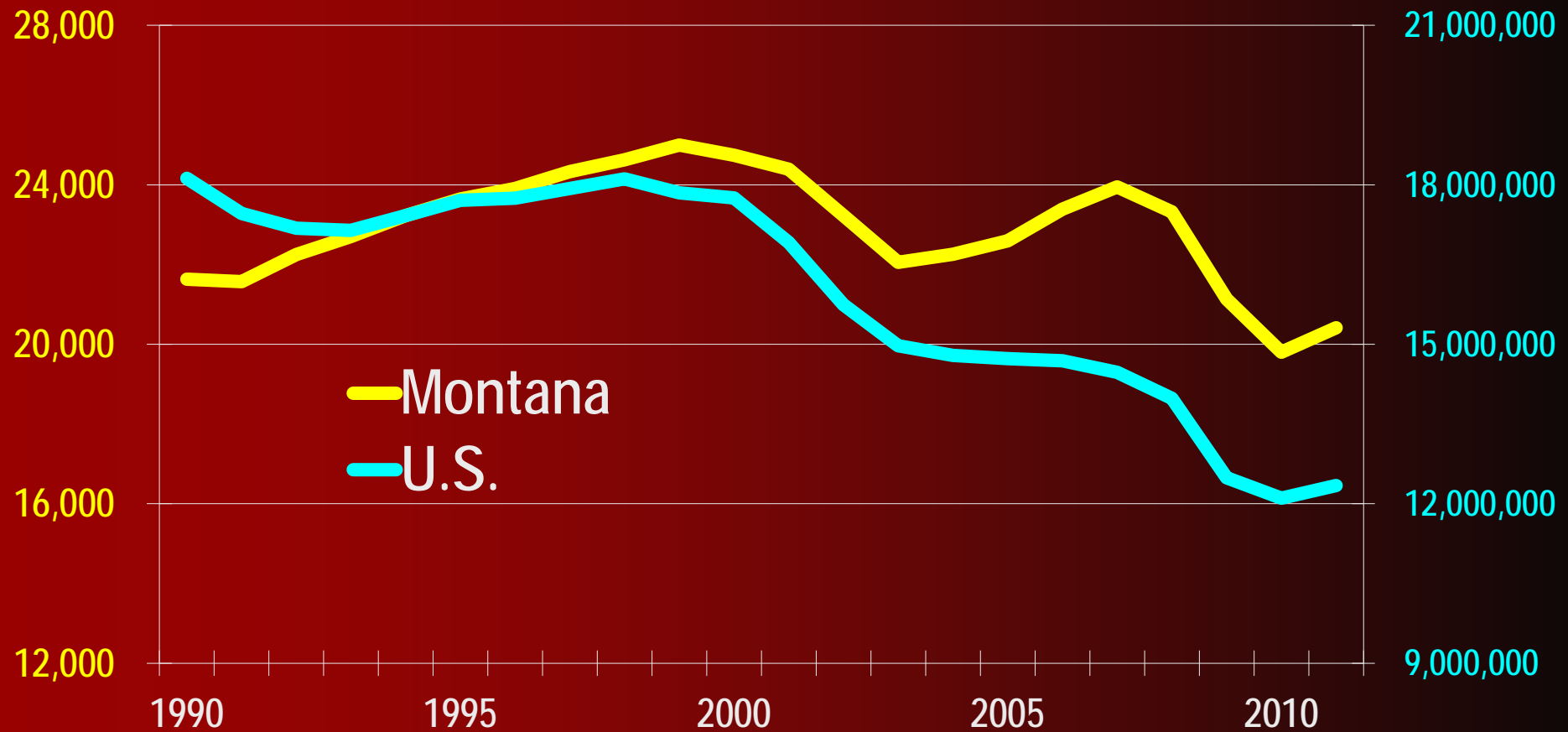
➤ **Value of output per worker is increasing.**



Montana & U.S. Manufacturing Employment 1990-2011

MT workers

US workers



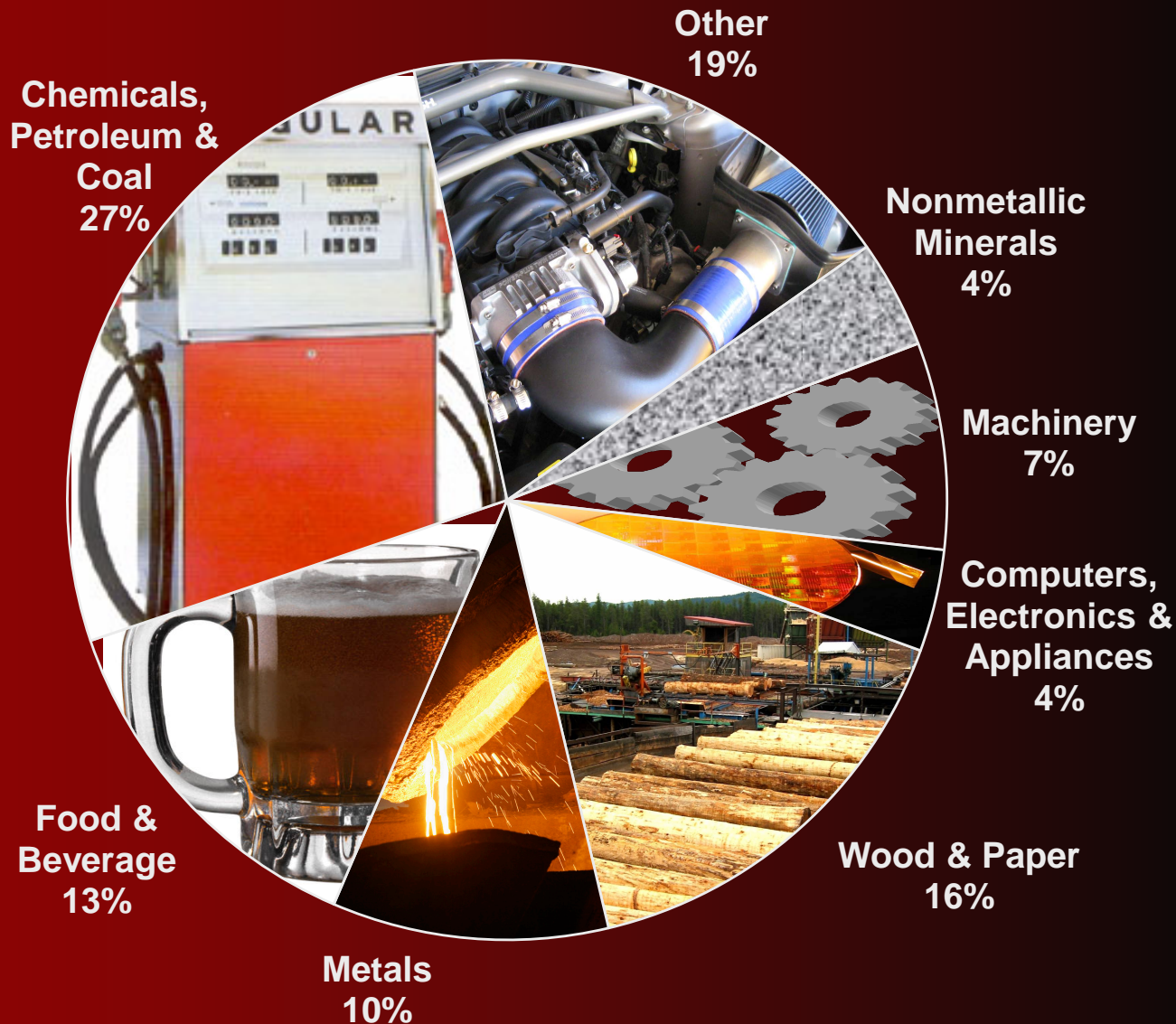
Montana Manufacturing

2012 Labor Income

**Total Sales:
\$13 billion**

**Total Employment:
~21,250**

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



Montana Brewery Survey Summary

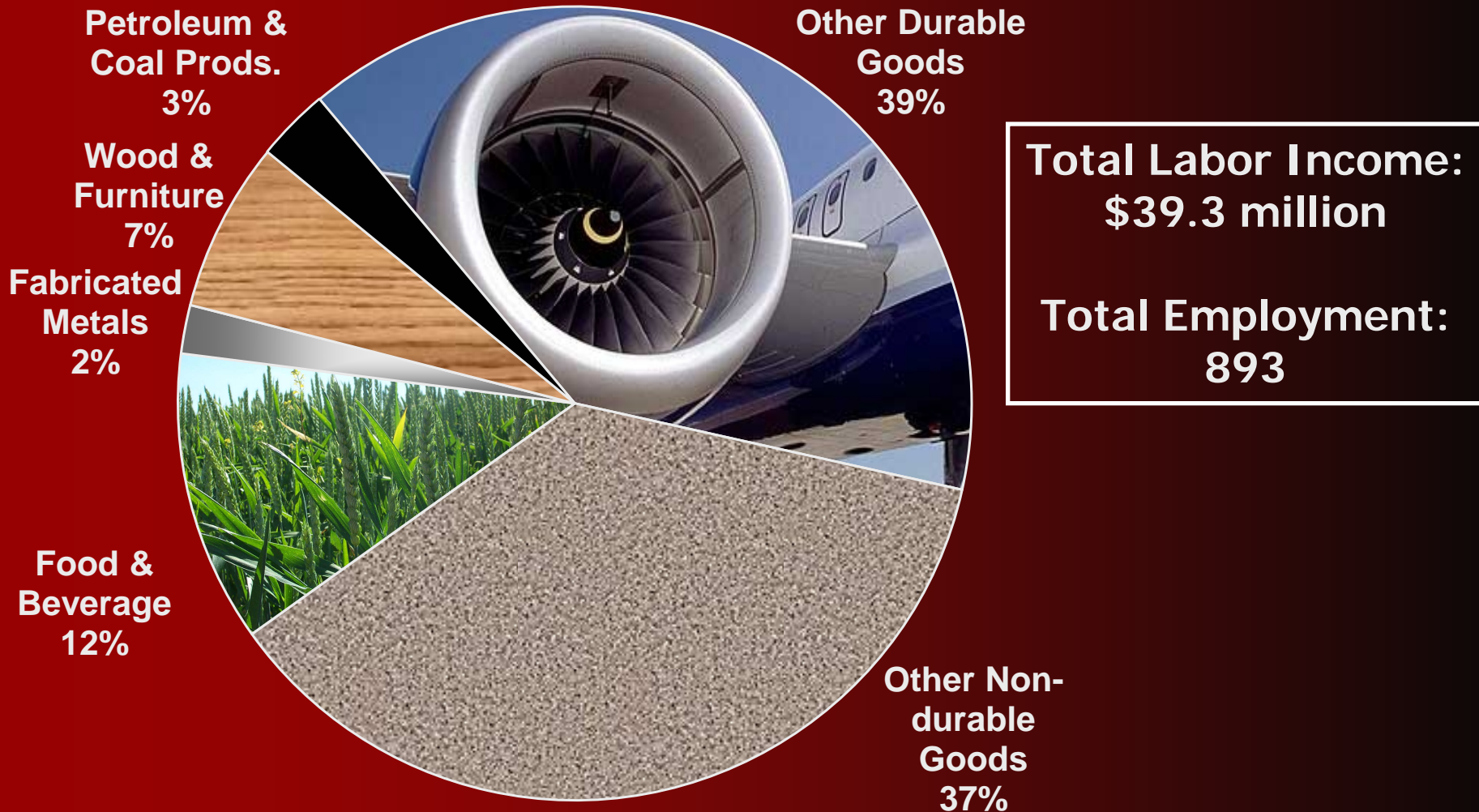
Category	2010	2011	Change
Beer production (barrels)	87,442	102,925	18%
Beer sales (millions)	\$21.8	\$26.1	20%
Employment	231	320	39%
Compensation (millions)	\$5.2	\$6.4	23%
Expenditures (millions) (excluding employee compensation)	\$15.6	\$18.8	21%

Statewide Economic Impacts Summary

Category	Units	Impact
Total Employment	Jobs	434
Output (private sector sales)	\$ Millions	48.4
Compensation (private non-farm)	\$ Millions	9.8
Compensation (government)	\$ Millions	1.8
Population	People	36
State government revenues	\$ Millions	1.5

Note: "Impact" refers to the difference between the baseline *with brewing* scenario, and the alternative *without brewing* scenario

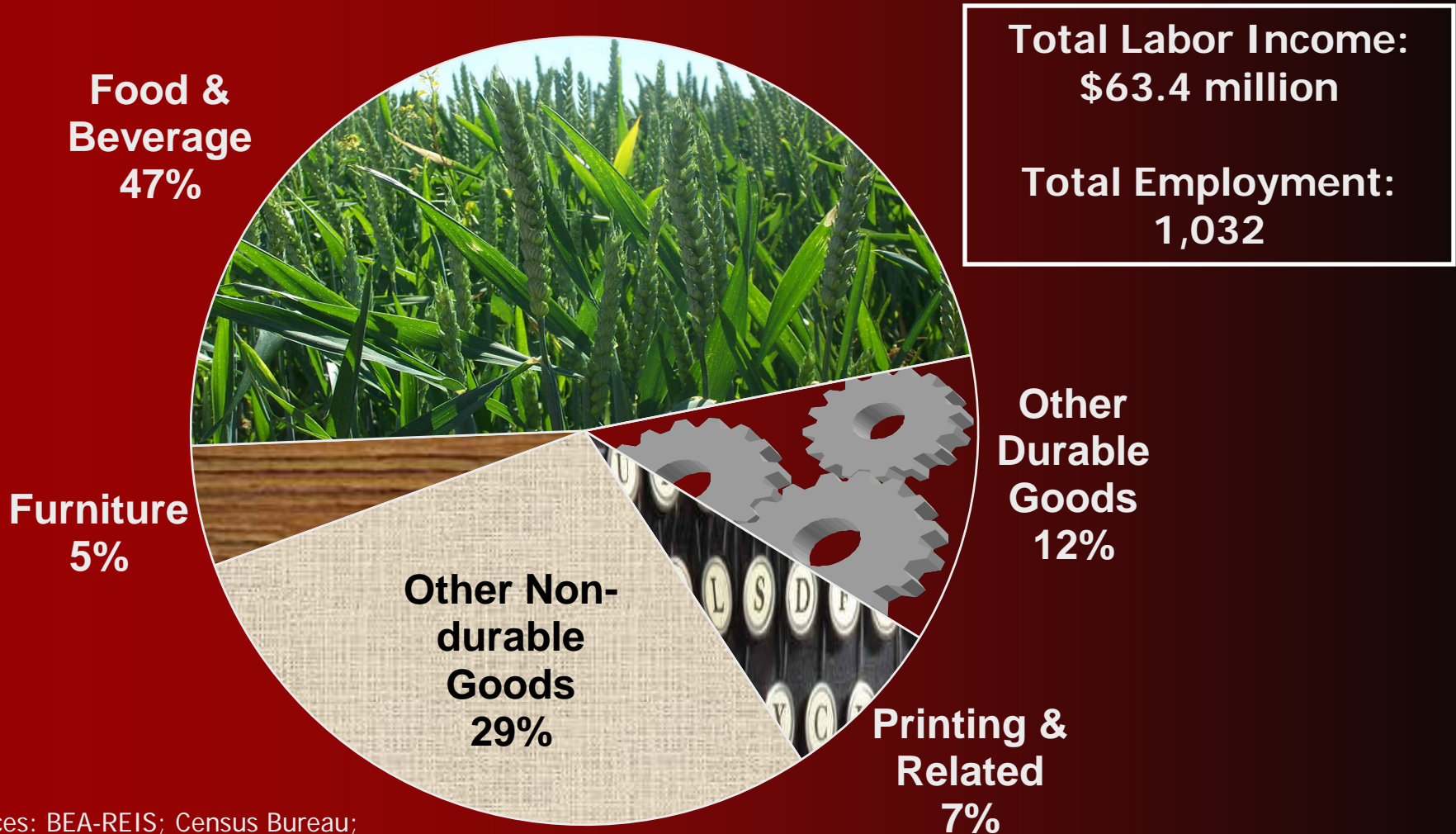
Lewis & Clark County Manufacturing 2011 Labor Income



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

Cascade County Manufacturing

2011 Labor Income



Missoula County Manufacturing

2011 Labor Income

Wood &
Furniture
24%

Food &
Beverage
19%

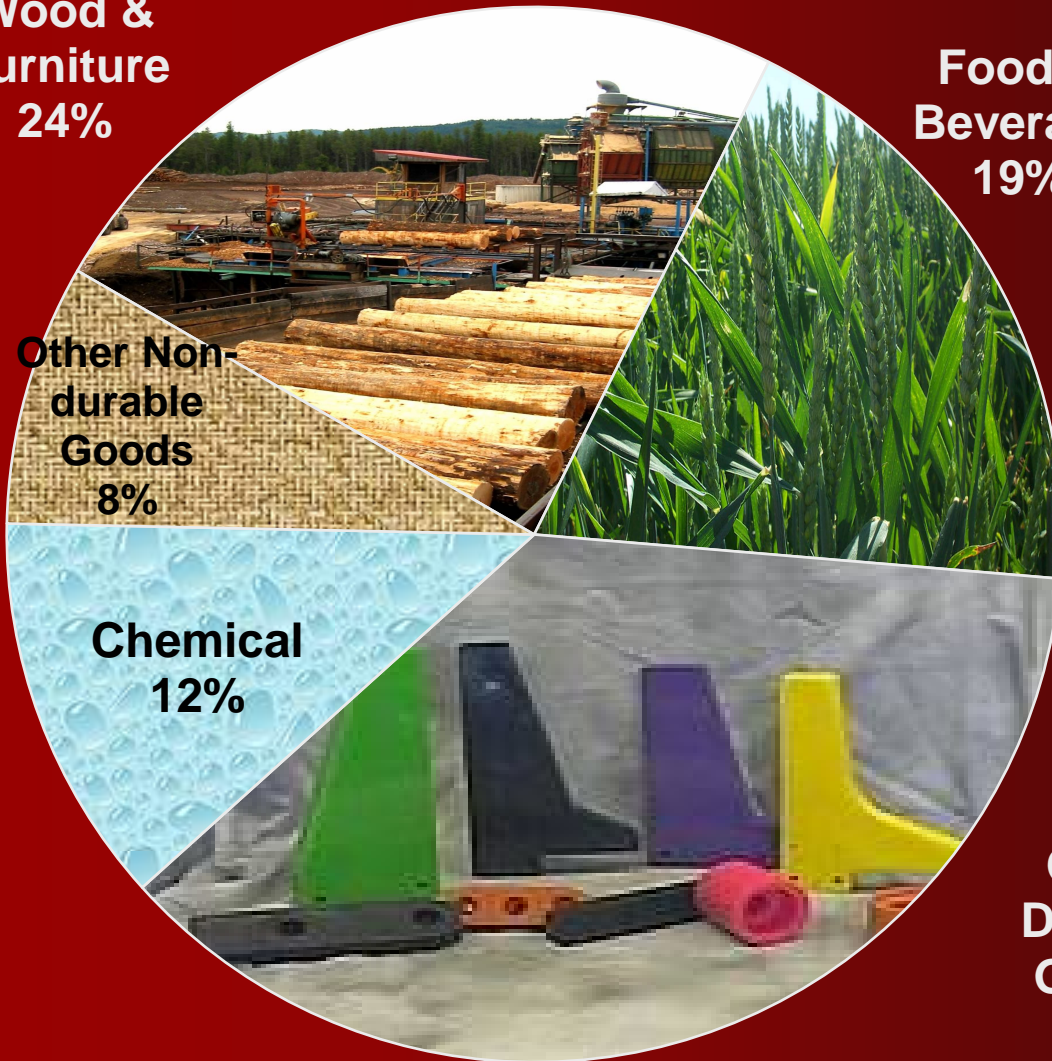
Total Labor Income:
\$93.8 million

Total Employment:
2,131

Other Non-
durable
Goods
8%

Chemical
12%

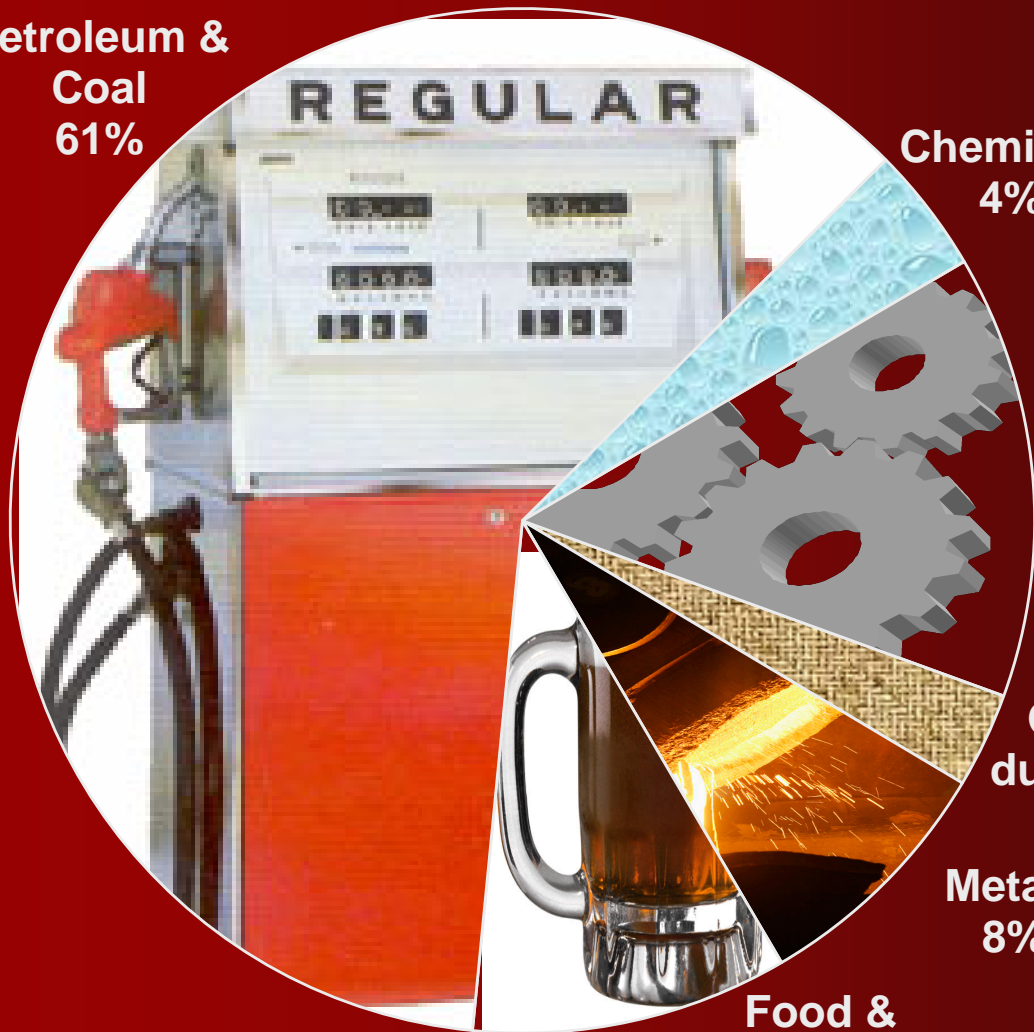
Other
Durable
Goods
37%



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

Yellowstone County Manufacturing 2011 Labor Income

**Petroleum &
Coal**
61%



Chemicals
4%

Total Labor Income:
\$298 million

Total Employment:
3,426

**Other Durable
Goods**
14%

**Other Non-
durable goods**
3%

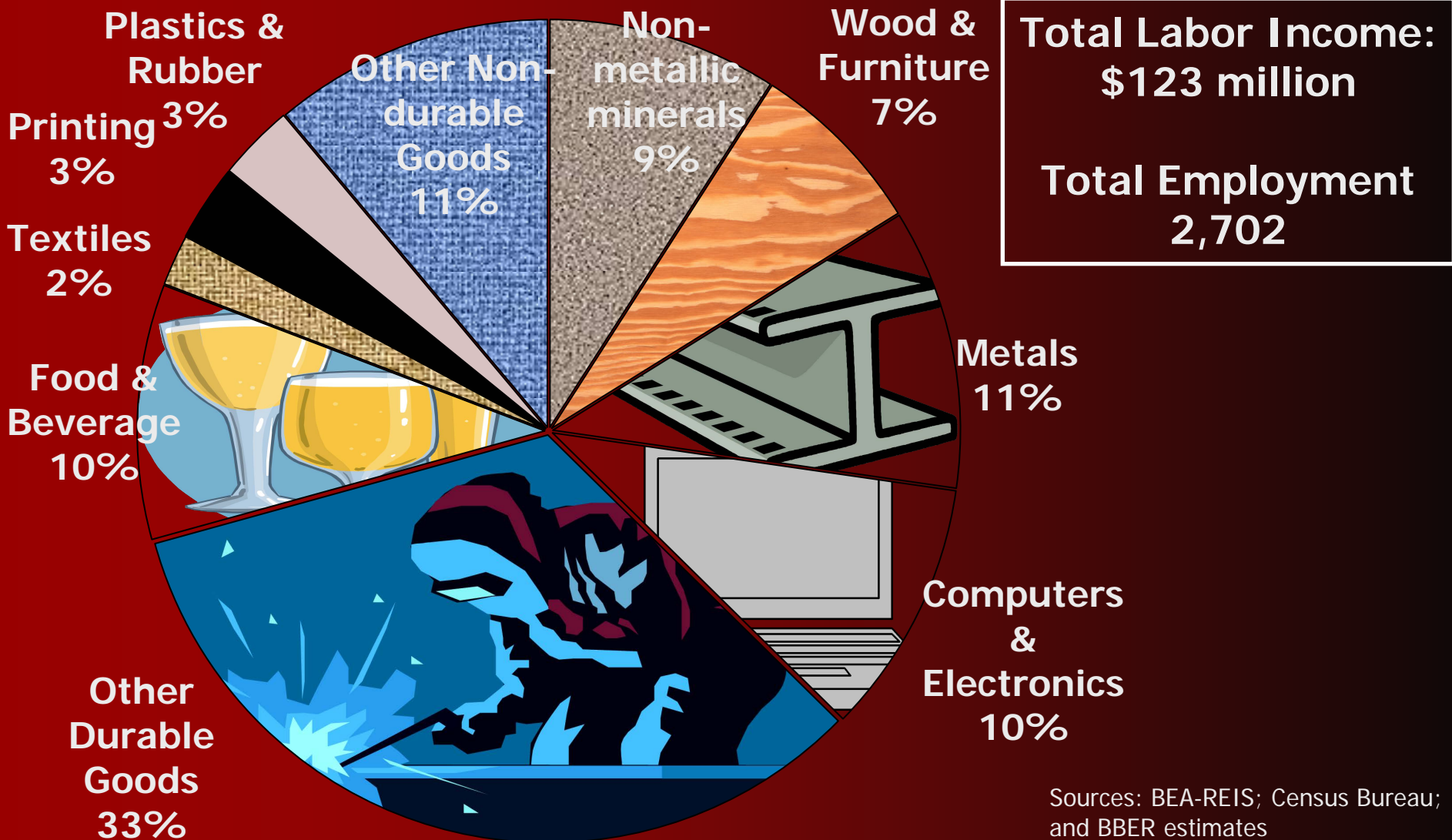
Metals
8%

**Food &
Beverage**
10%

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

Gallatin County Manufacturing

2011 Labor Income



Butte-Silver Bow County Manufacturing

**Total Labor Income:
\$46 million**

**Total Employment:
692**

Flathead County Manufacturing

2011 Labor Income



Richland County Manufacturing

**Total Labor Income:
\$17 million**

**Total Employment:
358**

Custer County Manufacturing

**Total Labor Income:
\$3.1 million**

**Total Employment:
104**

2012-2013 Montana Manufacturers Survey

- annual survey
- conducted in November
- open-ended & multi-choice questions
- current & coming year
- 180+ firms participate
- response rate 80%



Montana Manufacturing 2012 Recap

- Better than 2011 for many firms
- Employment down at one-quarter of firms, up at 30%
- Many firms reported increased production, sales, and profits
- Few firms reported curtailments
- 40% of firms did make major capital expenditures

Montana Manufacturing Outlook for the Coming Year

Percent of Firms

■ Outlook for 2012

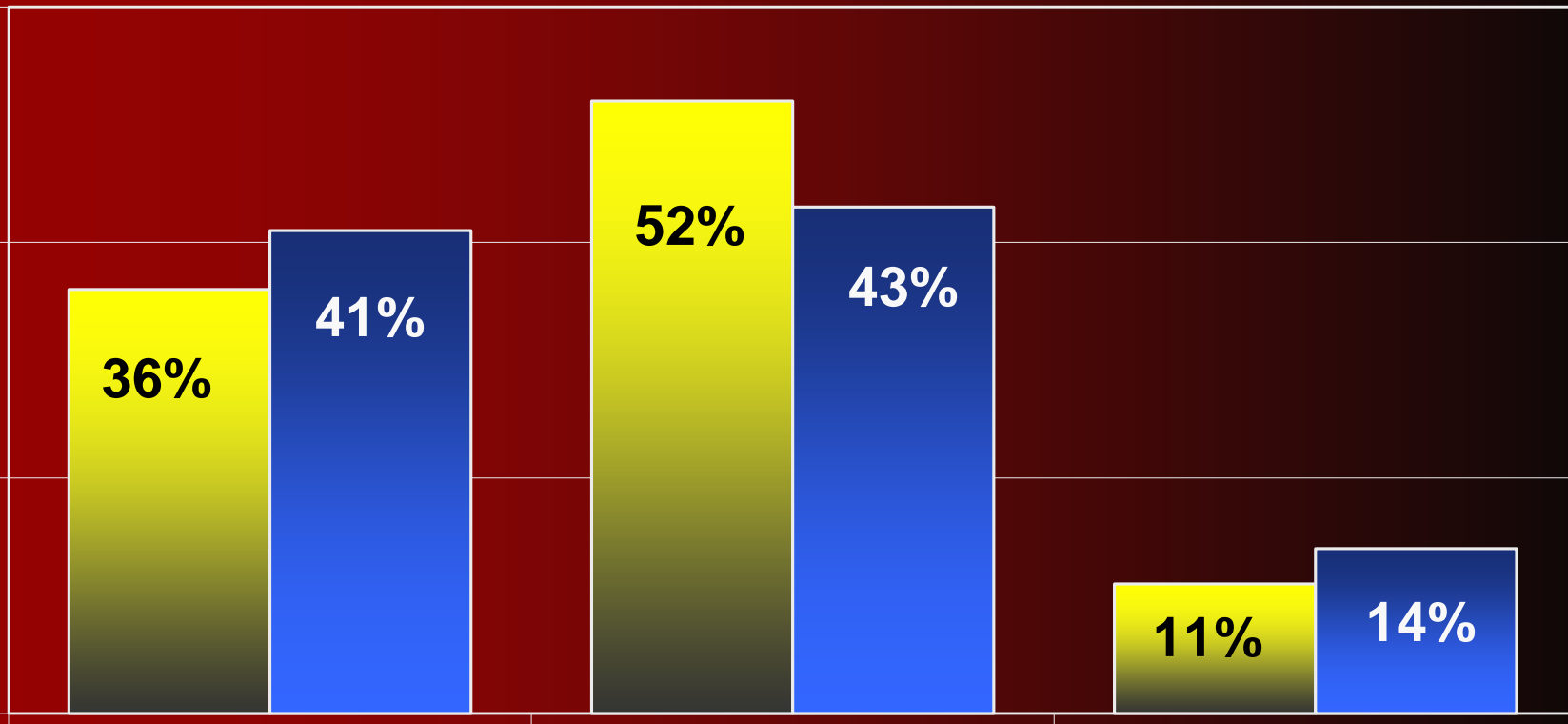
■ Outlook for 2013

60%

40%

20%

0%

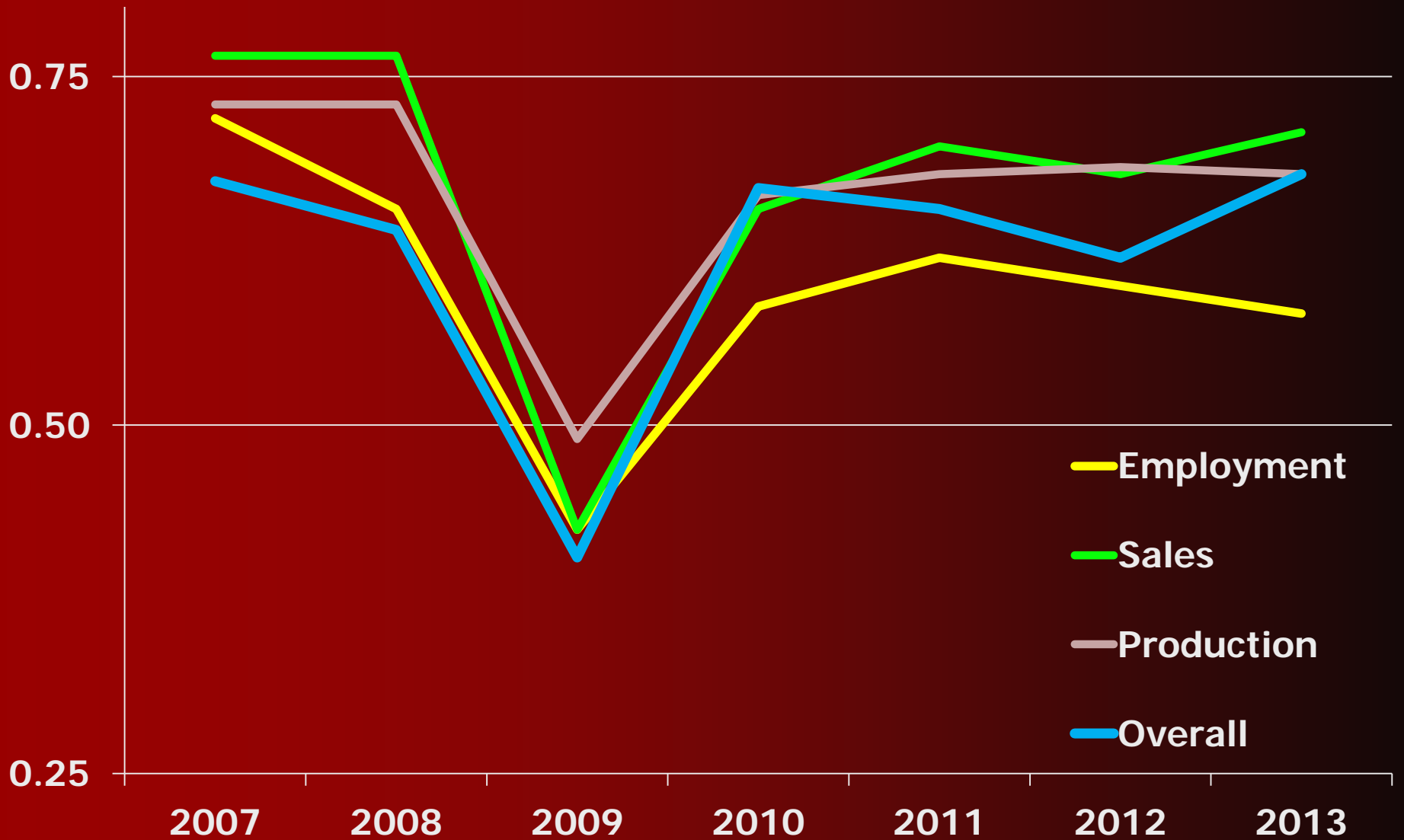


Better than last year

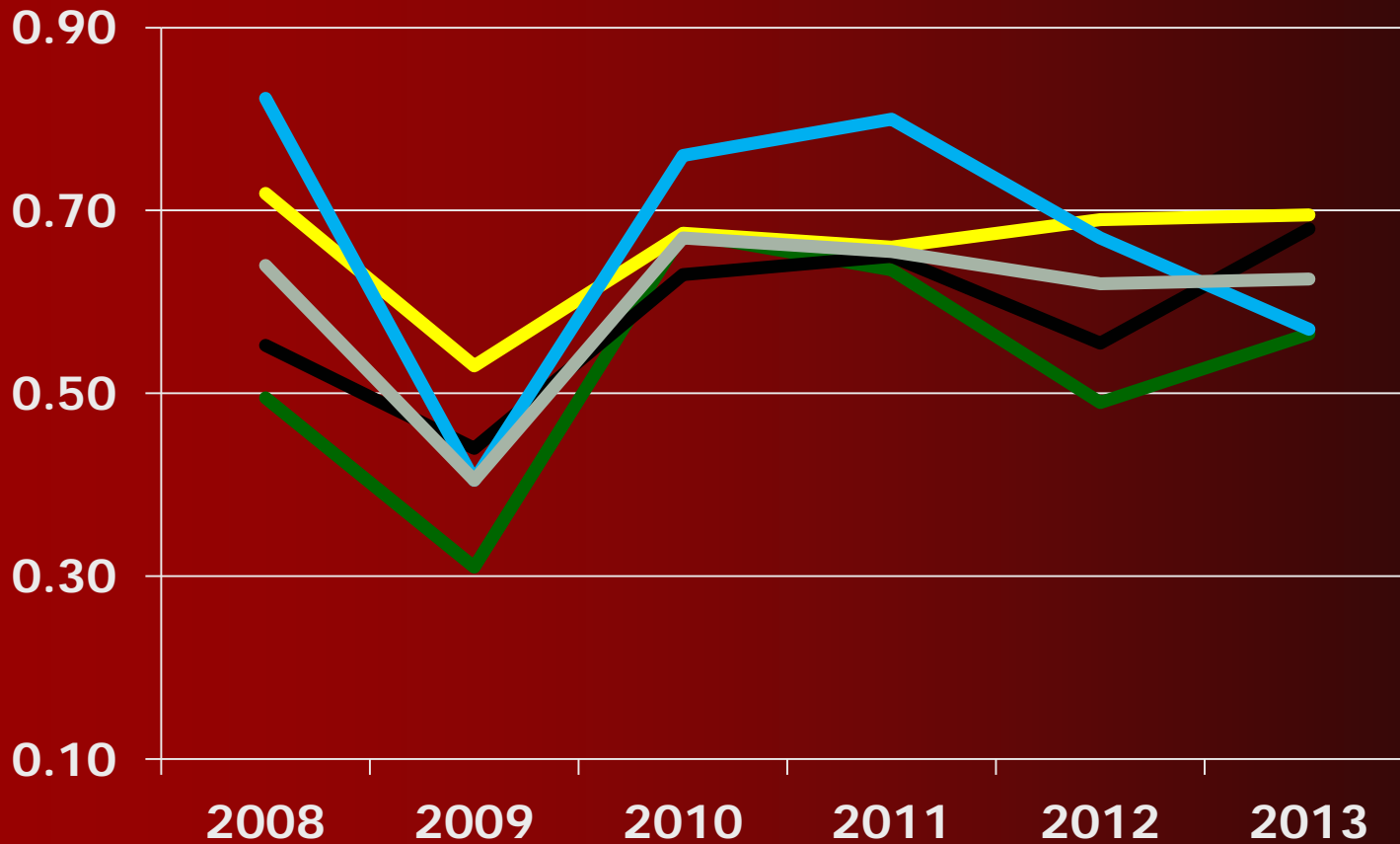
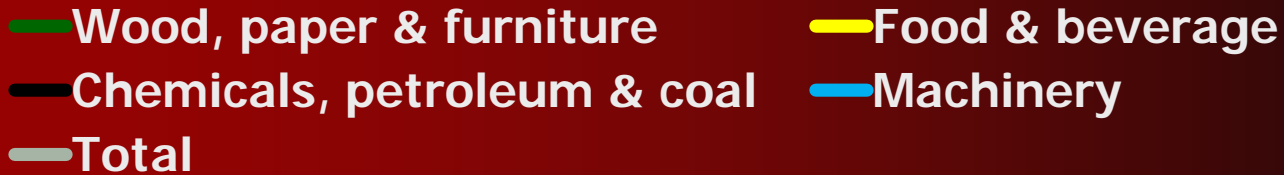
Same as last year

Worse than last year

Montana Manufacturers Outlook Trend



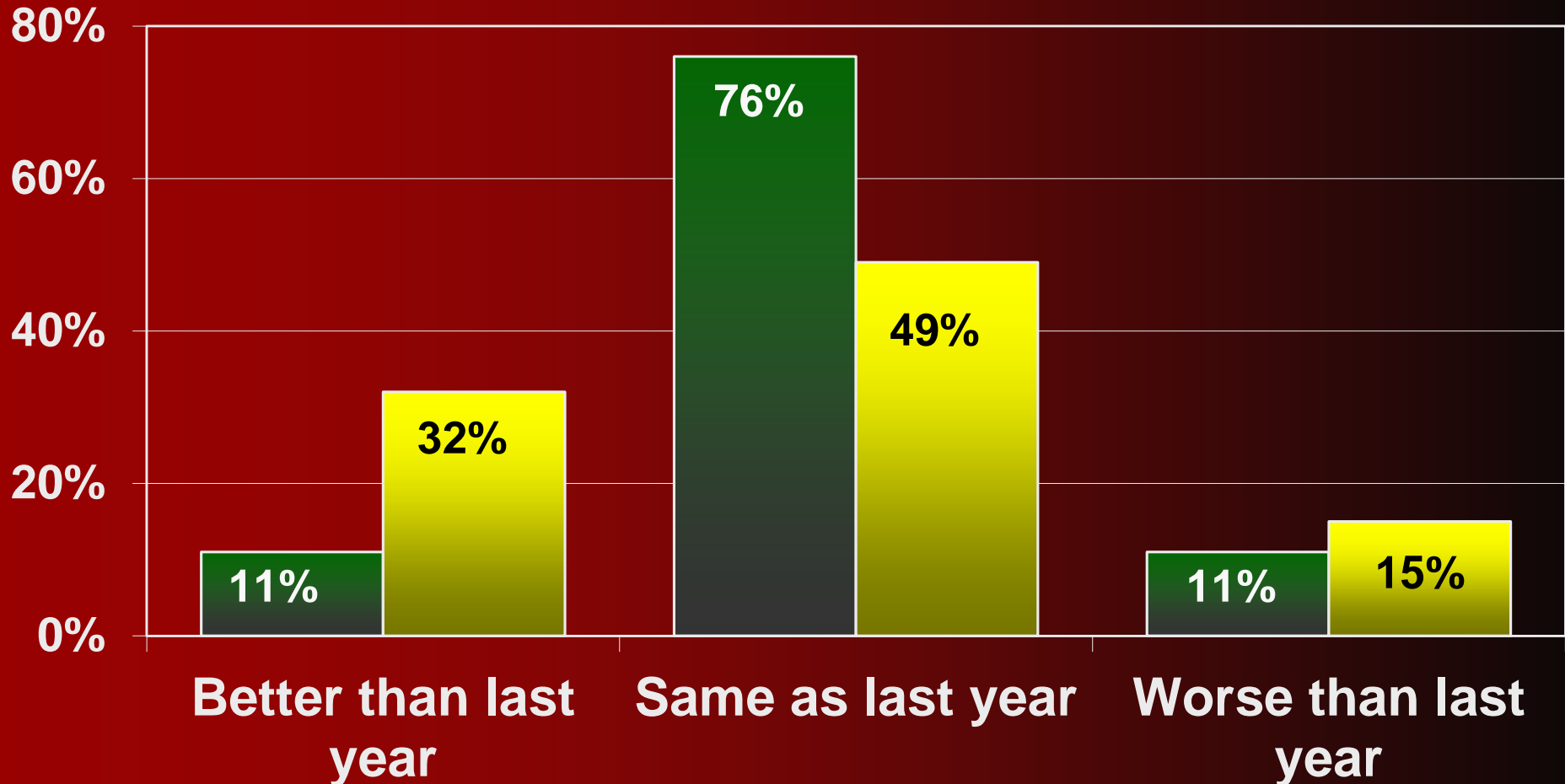
Montana Manufacturing Outlooks by Sector



Montana Forest Products Outlook for the Coming Year

Percent of Firms

■ Outlook for 2012 ■ Outlook for 2013

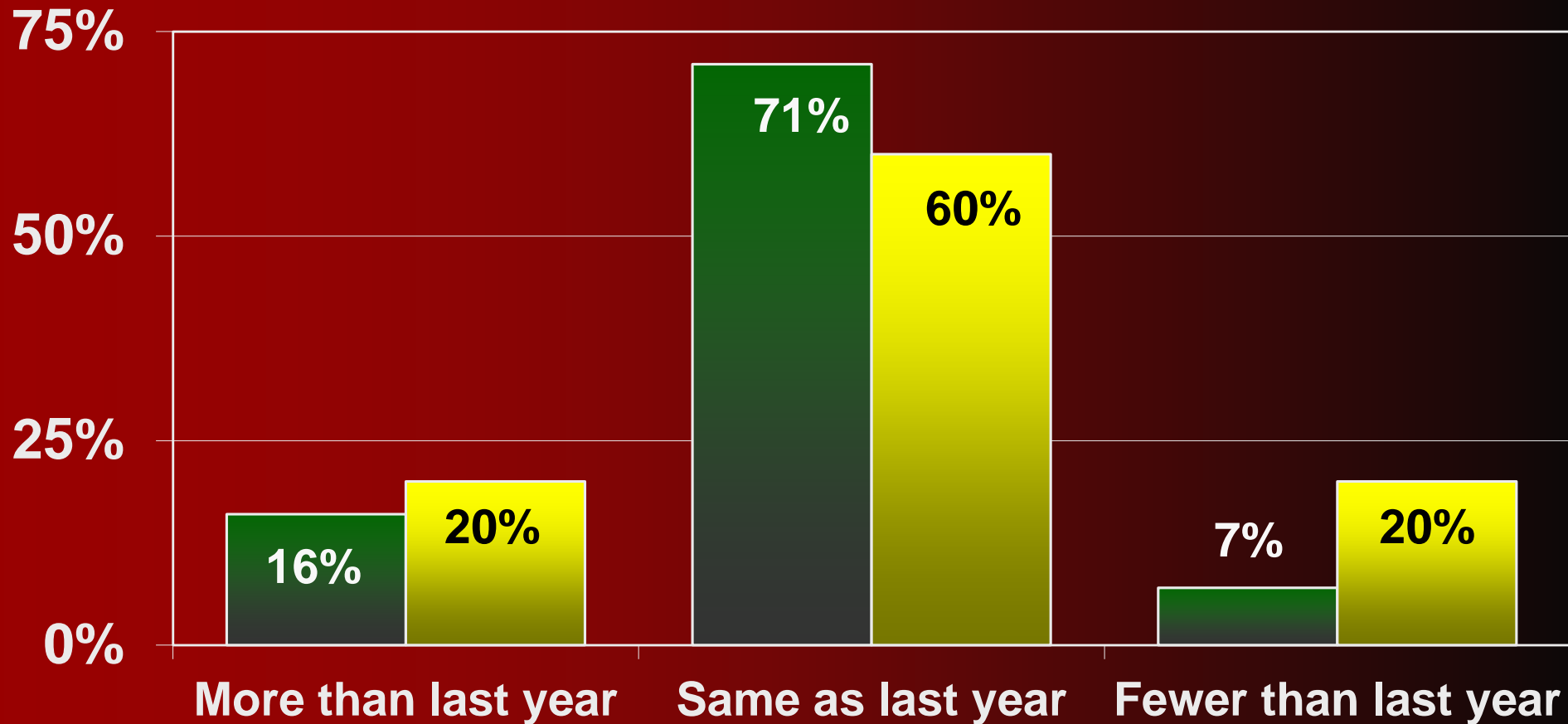


Forest Products Employment Outlook for the Coming Year

Percent of Firms

■ Outlook for 2012

■ Outlook for 2013

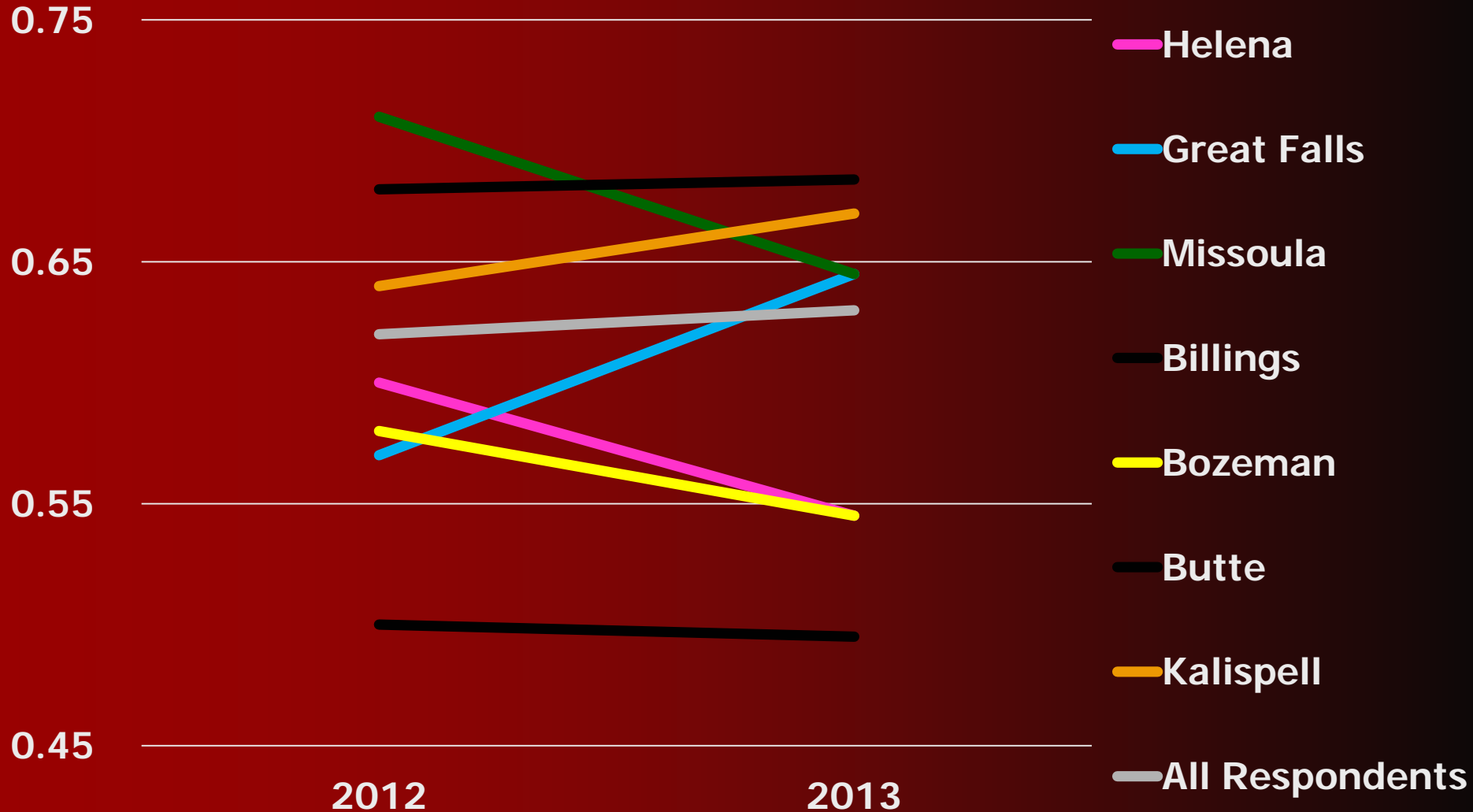


Montana Forest Products Industry 2013 Forecast



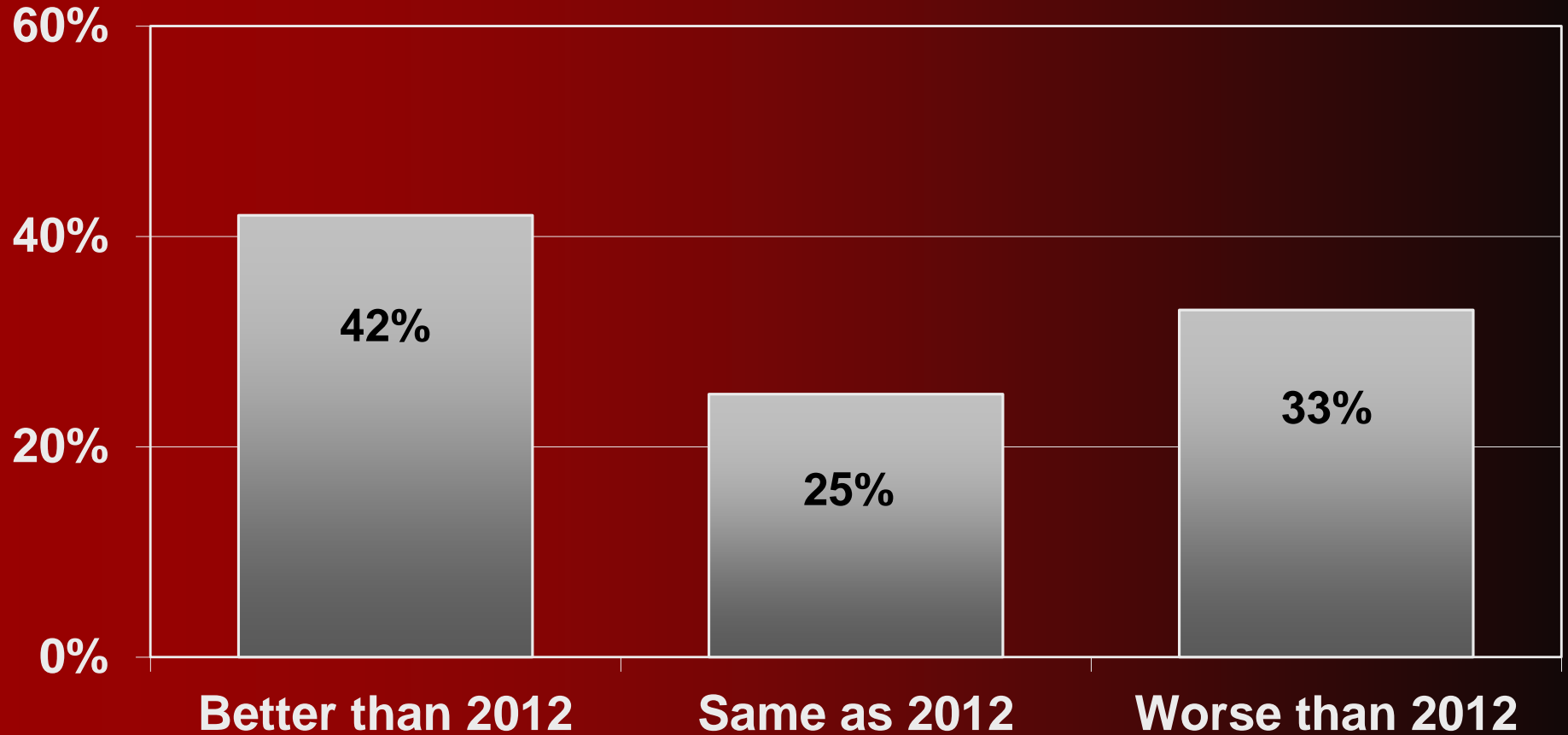
- U.S. homebuilding recovering.
- Markets are expected to be better than 2012.
- Lumber production & sales should increase.
- Employment & worker earnings may increase slightly.
- Timber supply ...

Montana Manufacturing Outlooks by City/Region



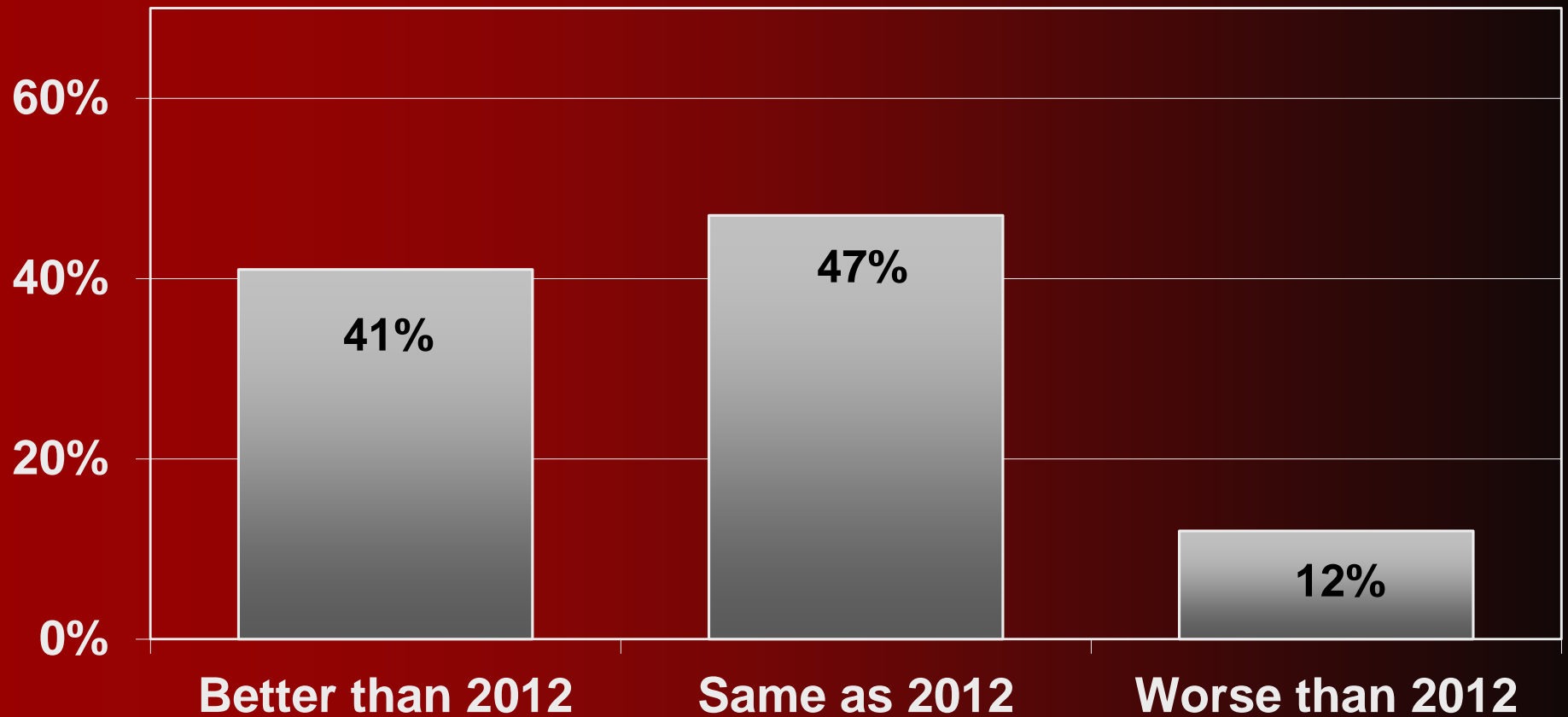
Lewis & Clark County Manufacturing Outlook for 2013

Percent of
Firms



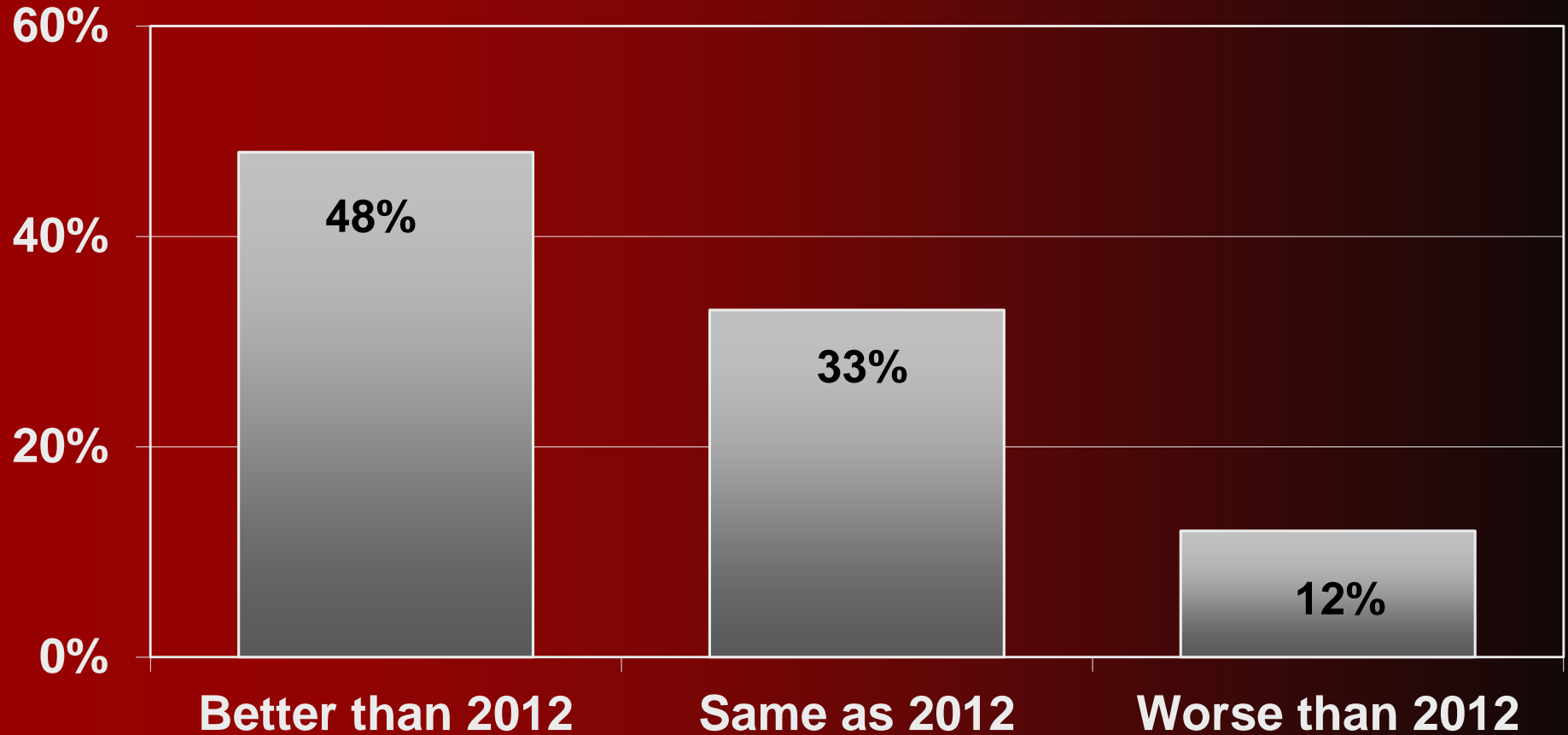
Cascade County Manufacturing Outlook for 2013

Percent of Firms



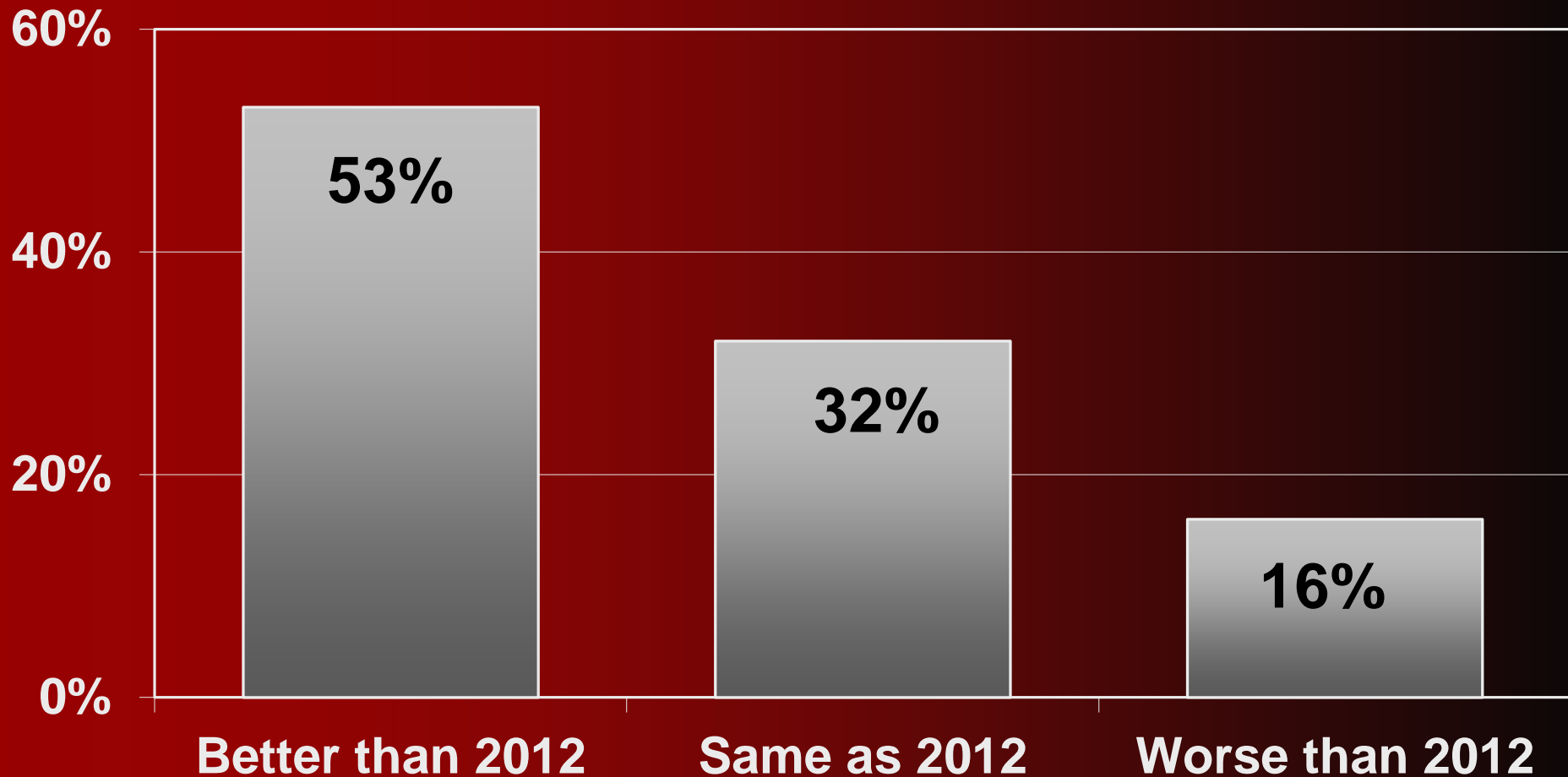
Missoula County Manufacturing Outlook for 2013

Percent of Firms



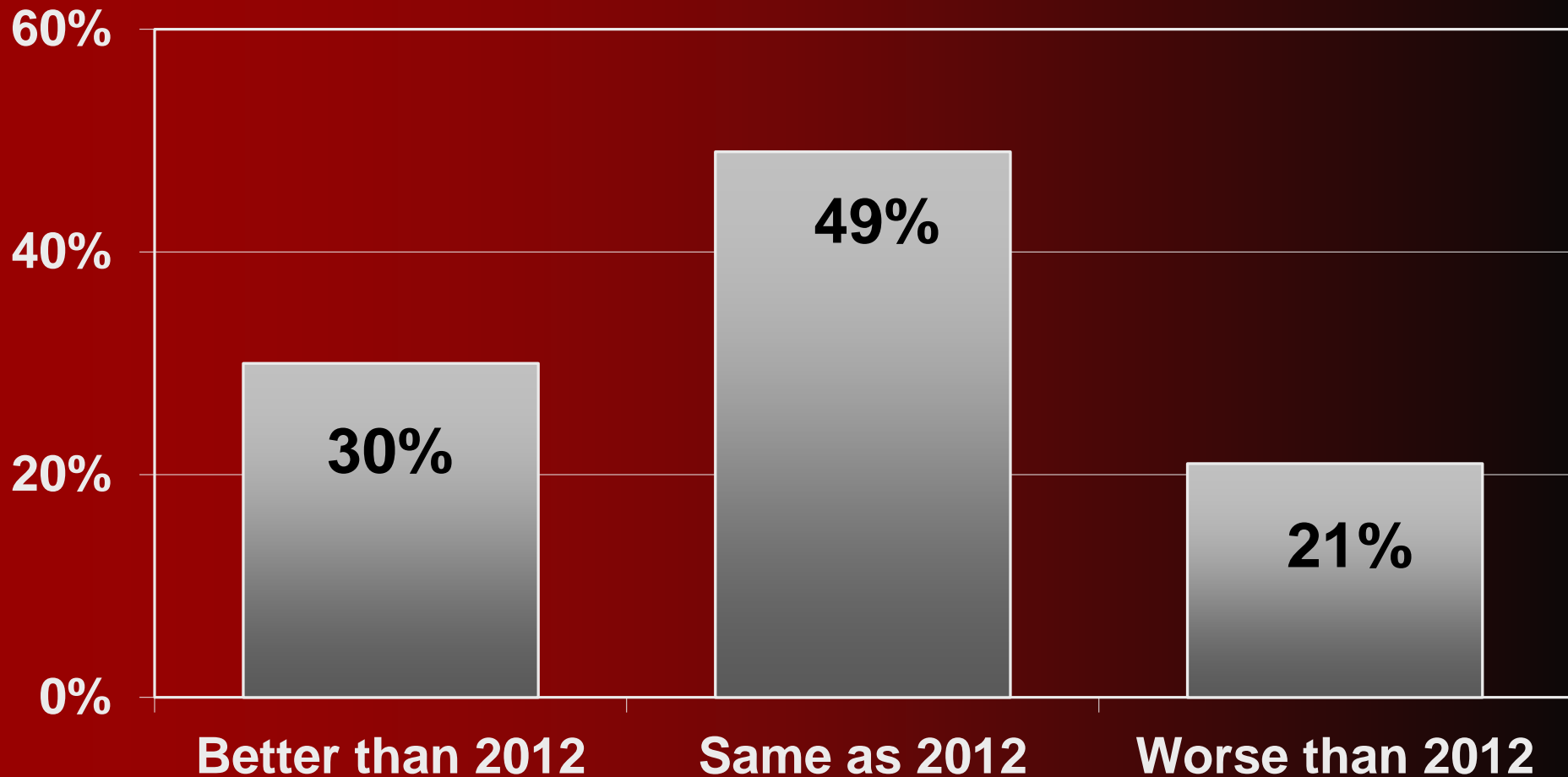
Yellowstone County Manufacturing Outlook for 2013

Percent of
Firms



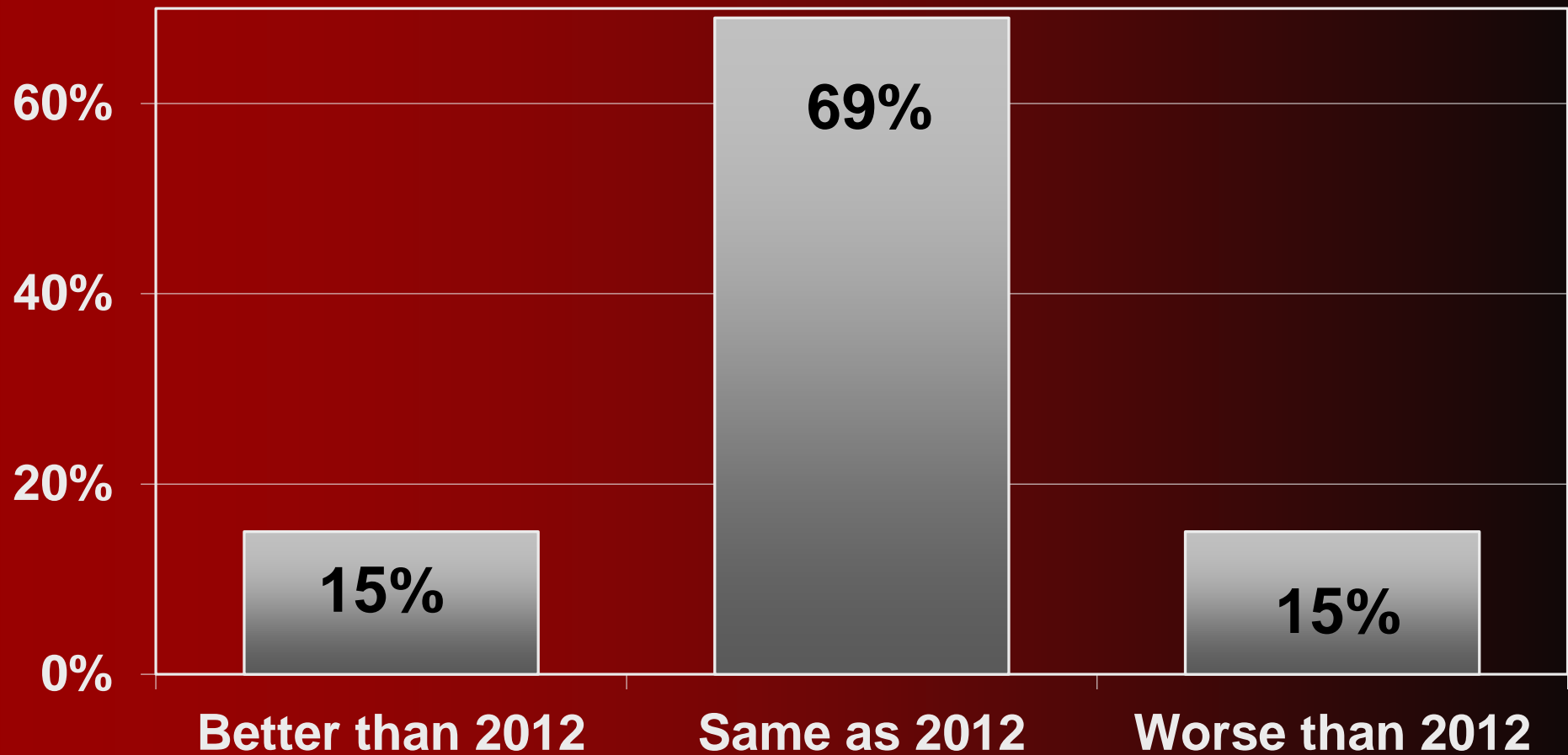
Gallatin County Manufacturing Outlook for 2013

Percent of Firms



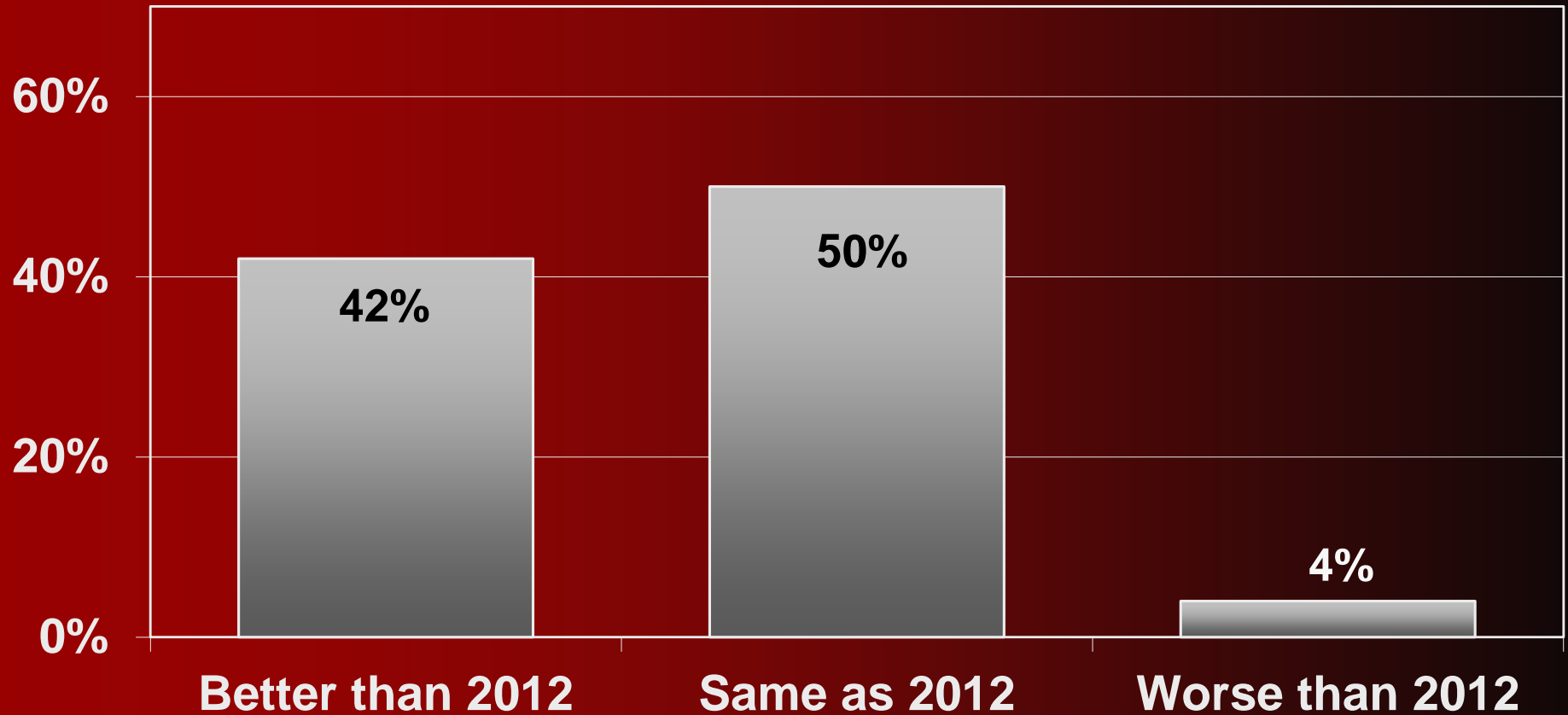
Butte-Silver Bow County Manufacturing Outlook for 2013

Percent of
Firms



Flathead County Manufacturing Outlook for 2013

Percent of Firms



Montana Manufacturing Forecast for 2013

- Continued improvements anticipated.
- Modest growth expected in statewide employment & worker earnings.
- Health insurance costs and continued economic recovery are major concerns.
- 65% of MT manufacturers expect their health insurance costs to increase.