



Local Outlook: Flathead County

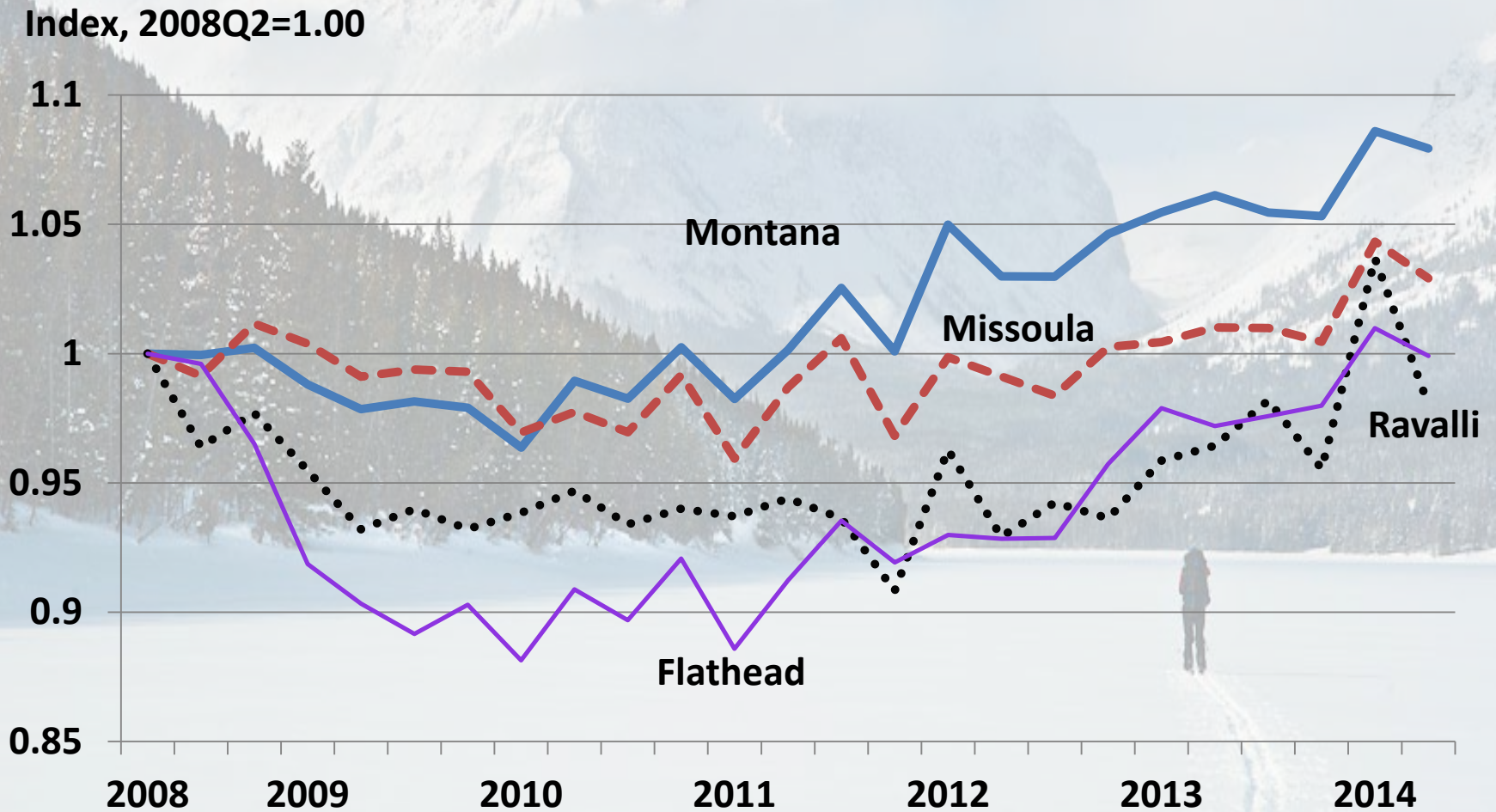
By Paul E. Polzin

Director Emeritus

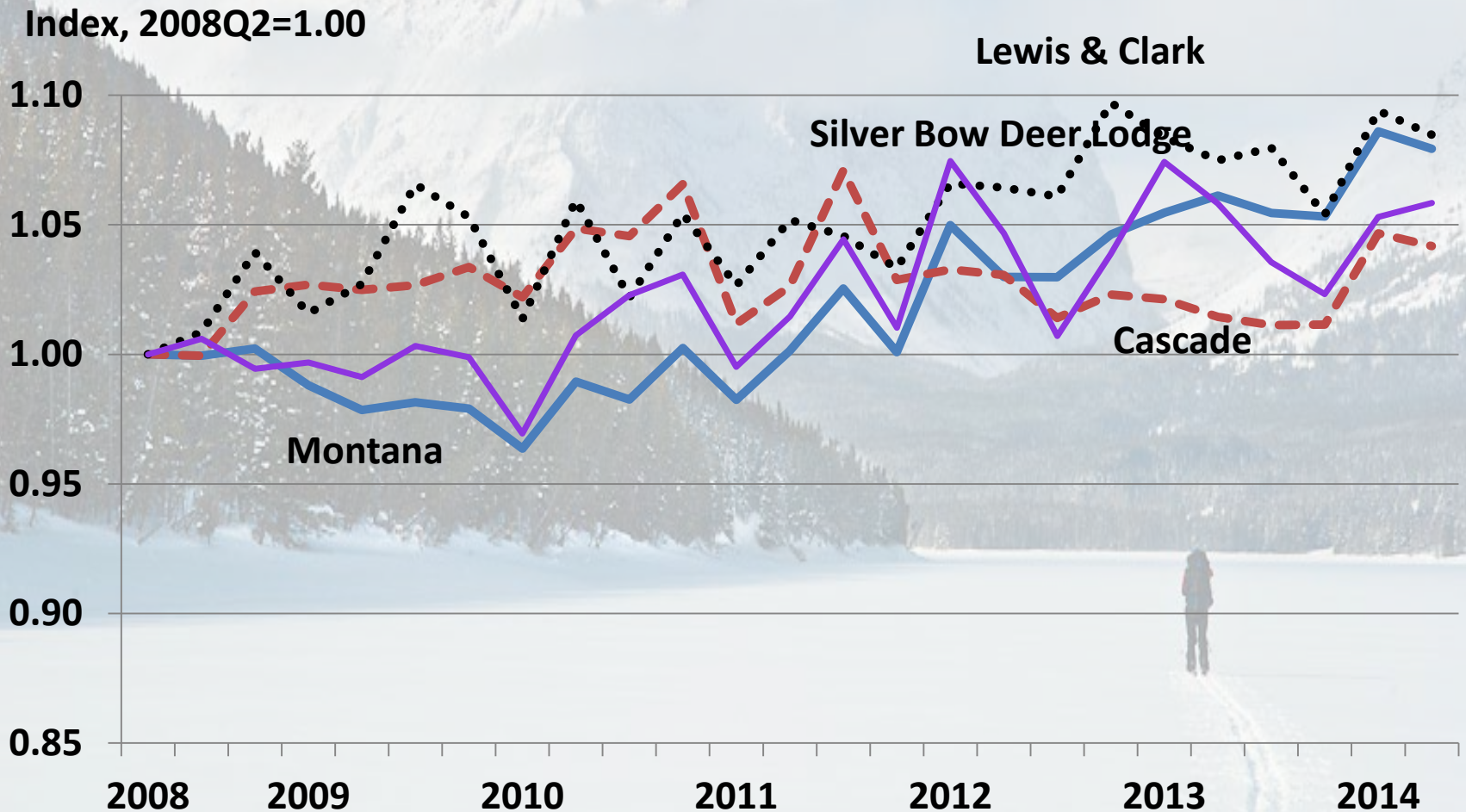
Bureau of Business and Economic Research

University of Montana

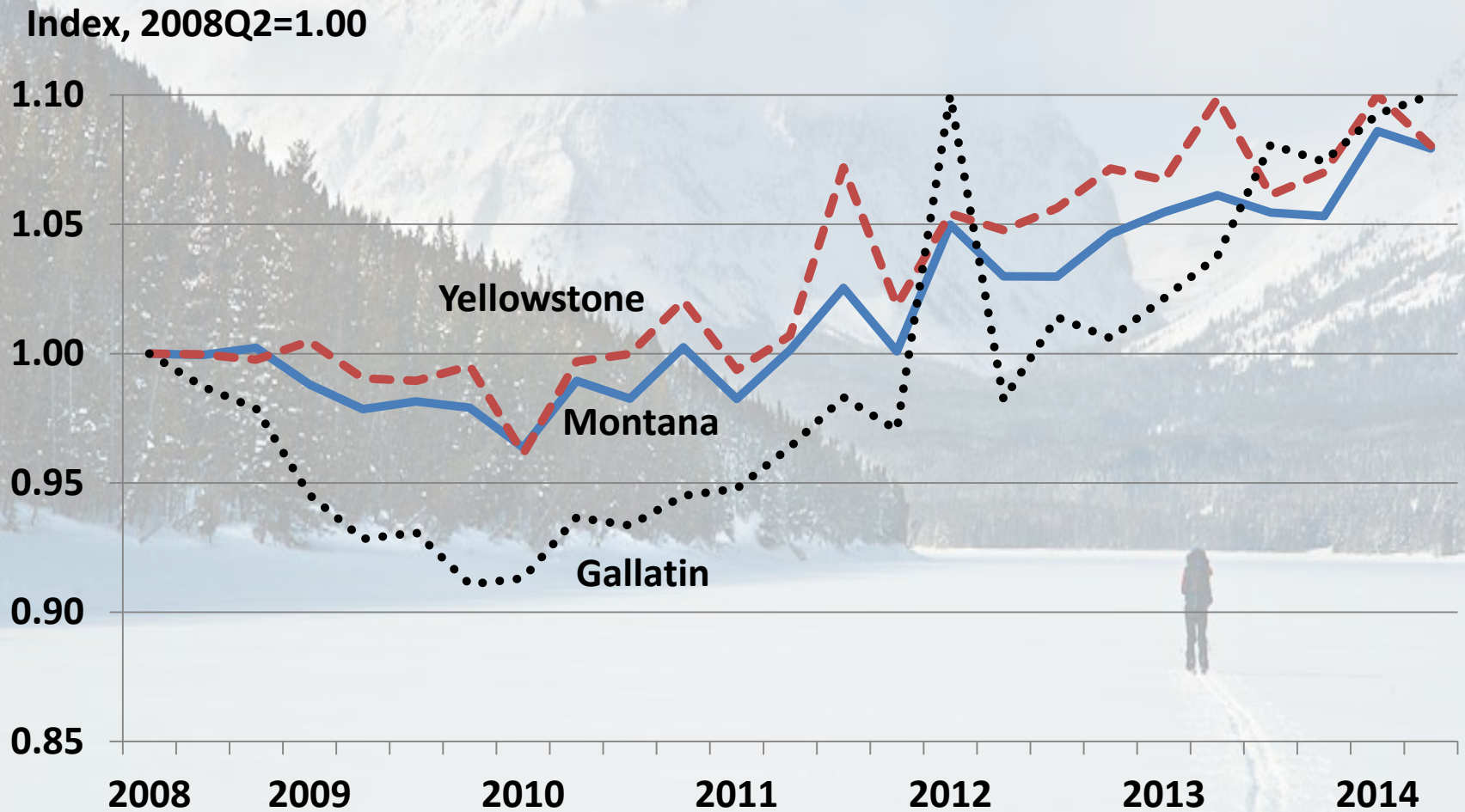
Inflation Adjusted Wages and Salaries, 2008-2014



Inflation Adjusted Wages and Salaries, 2008-2014

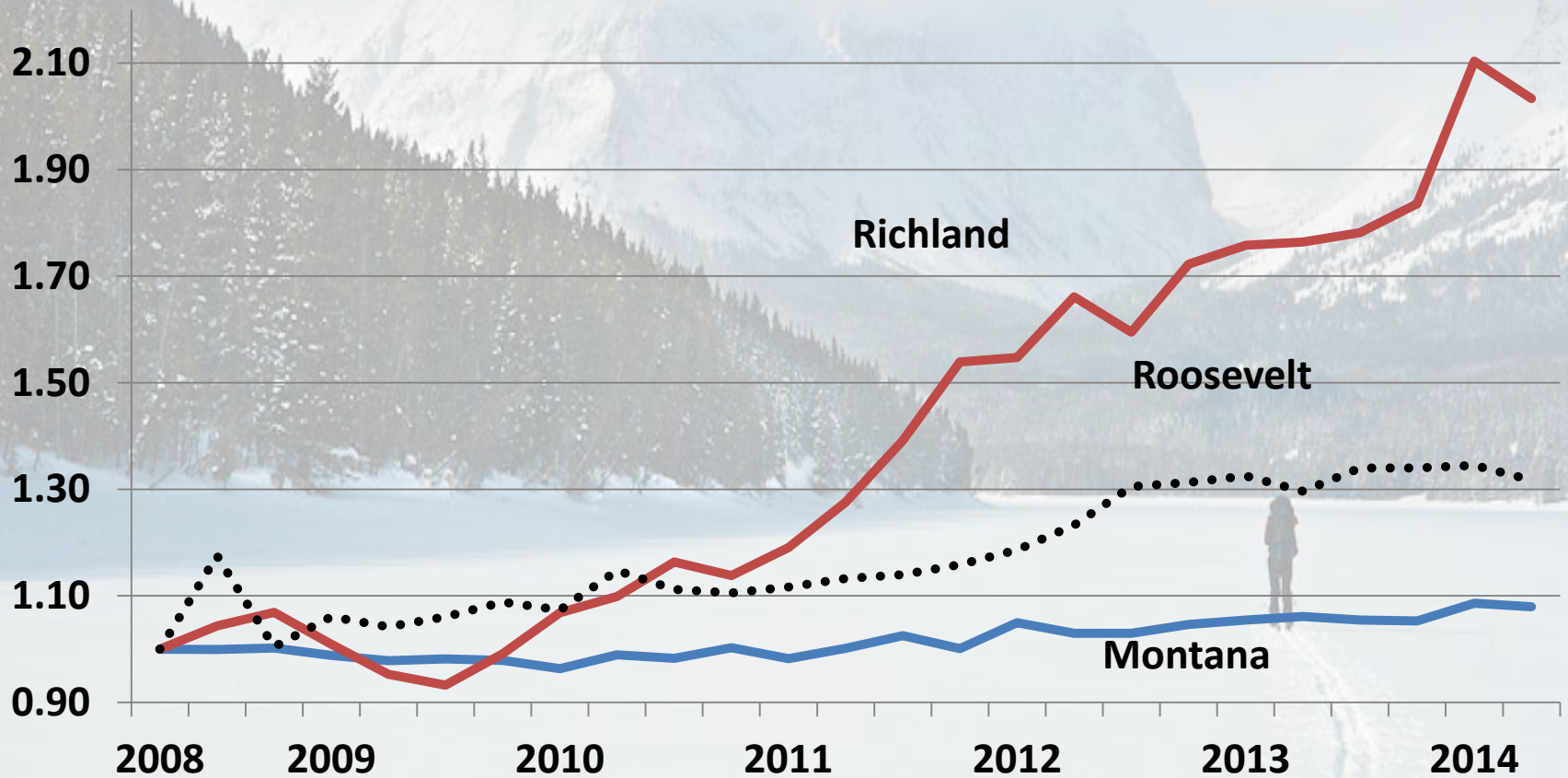


Inflation Adjusted Wages and Salaries, 2008-2014



Inflation Adjusted Wages and Salaries, 2008-2014

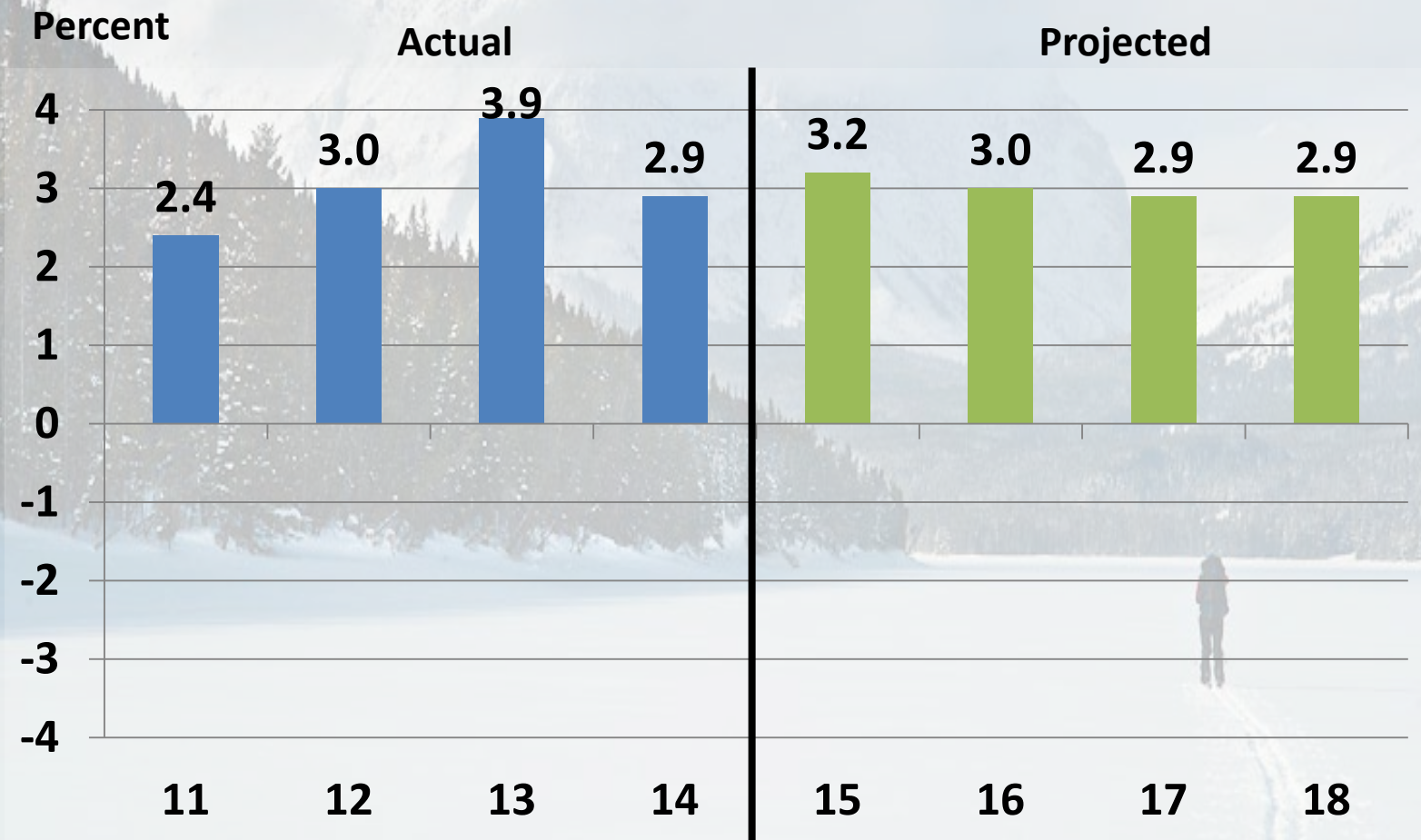
Index, 2008Q2=1.00



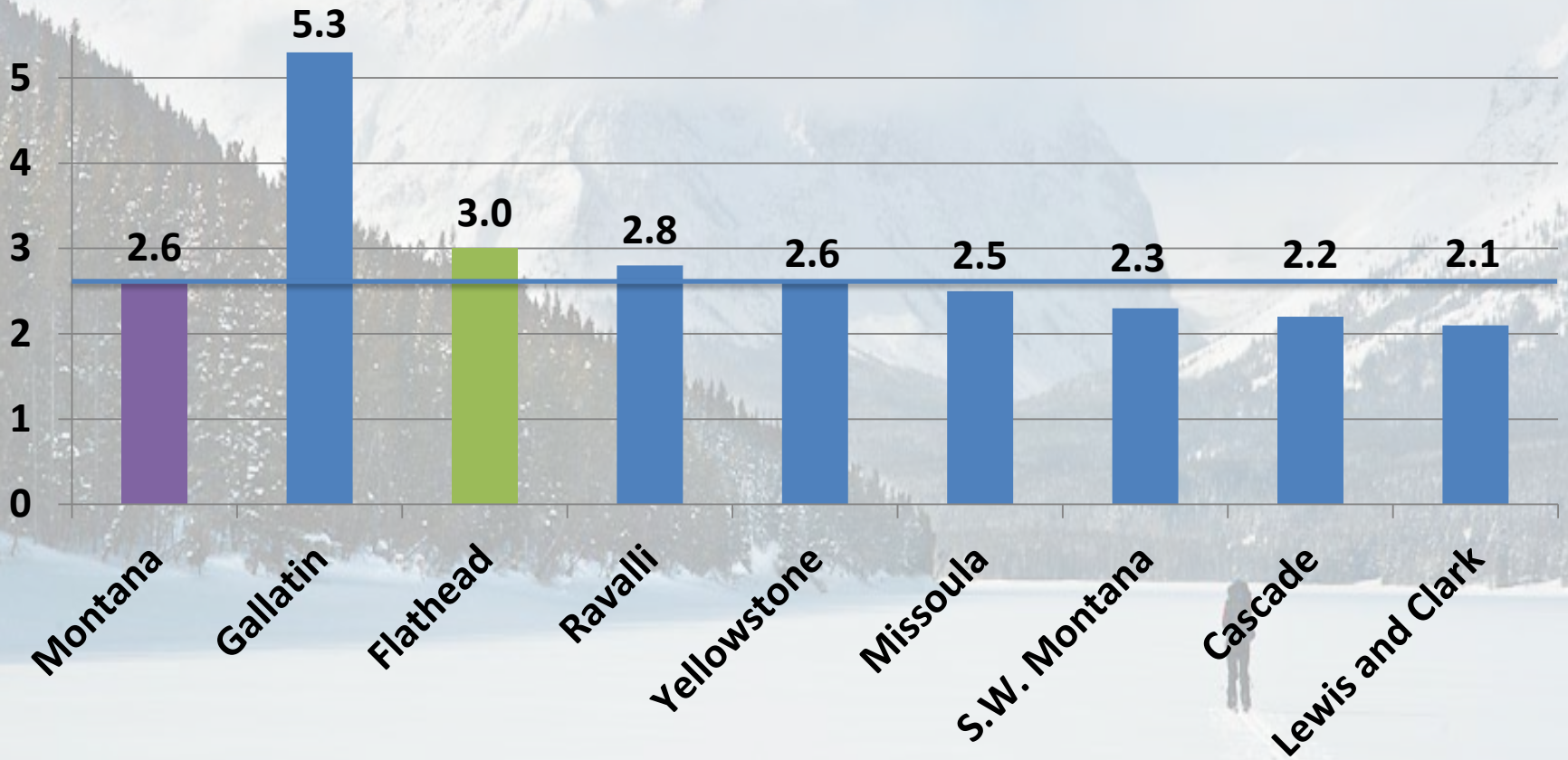
Flathead County's Economic Base 2013-2015

Trade Center-Retail	4%	Still Growing
Ag. and Other	5%	
Trade Center-Services	14%	Moderate Growth
Transportation	7%	Energy Growth
Health Care	10%	Canadians?
Other Manufacturing	15%	Solid
Wood Products	13%	Growing, but Smaller
Federal Government	13%	Headwinds
Nonresident Travel	19%	Canadians?
Construction		Almost Back to 2008

Actual and Projected Change in Nonfarm Earnings, Flathead 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

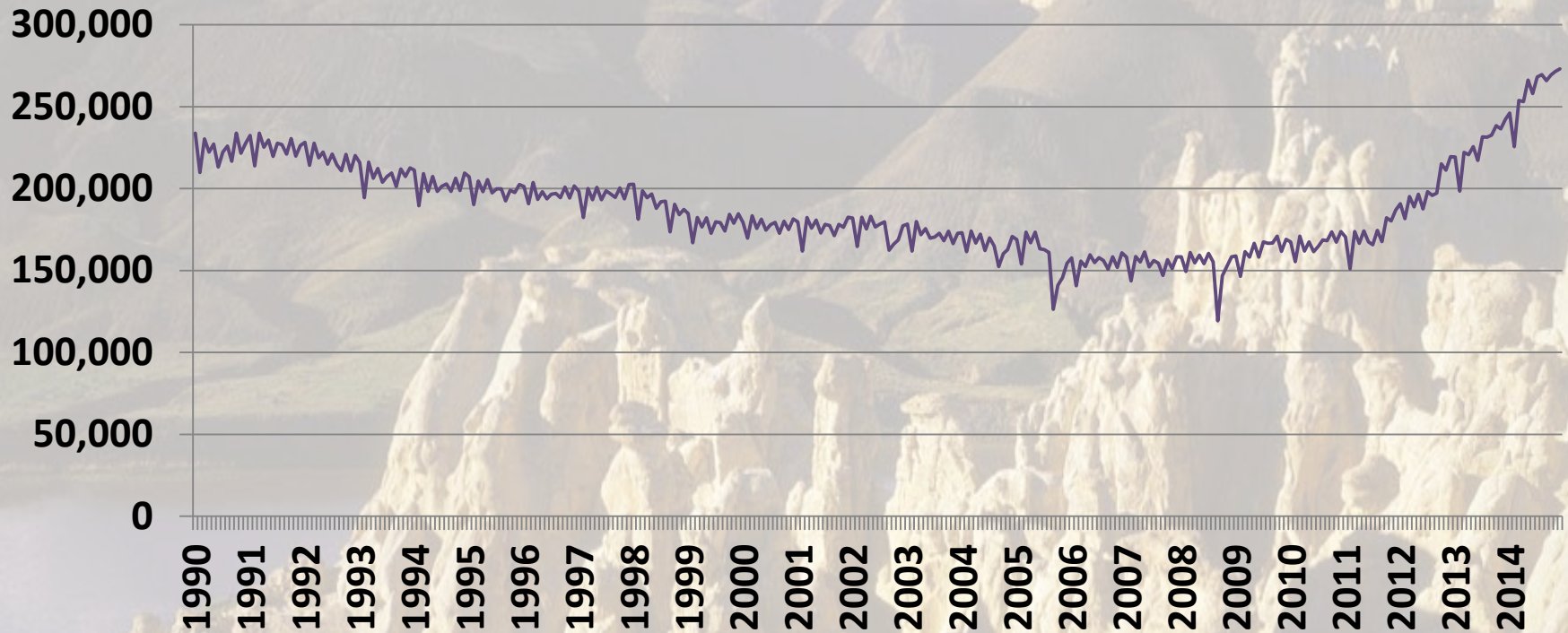
Since July 2014:

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

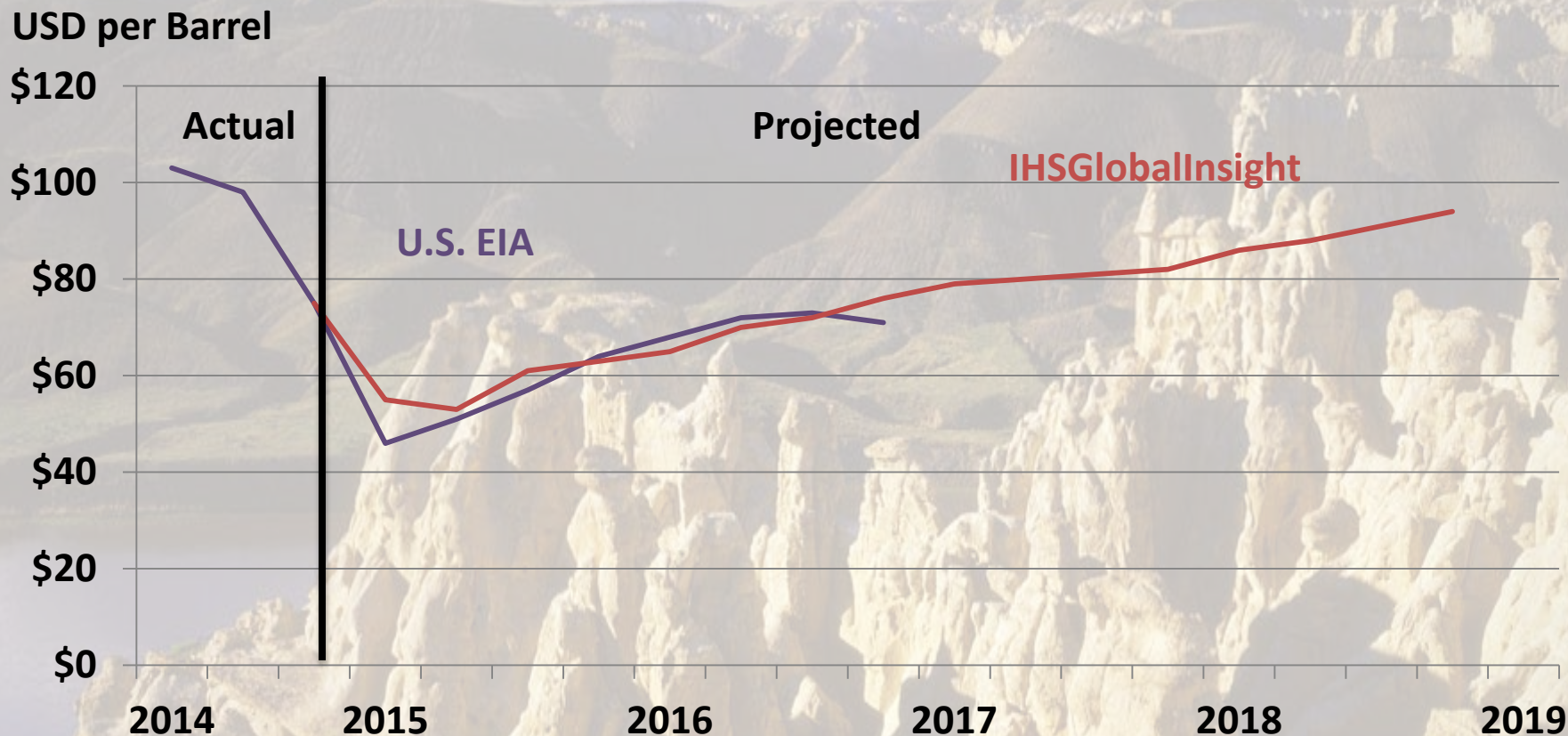
Determinants of Future Oil Trends

How long producers think low oil prices will last

How fast world energy demand grows

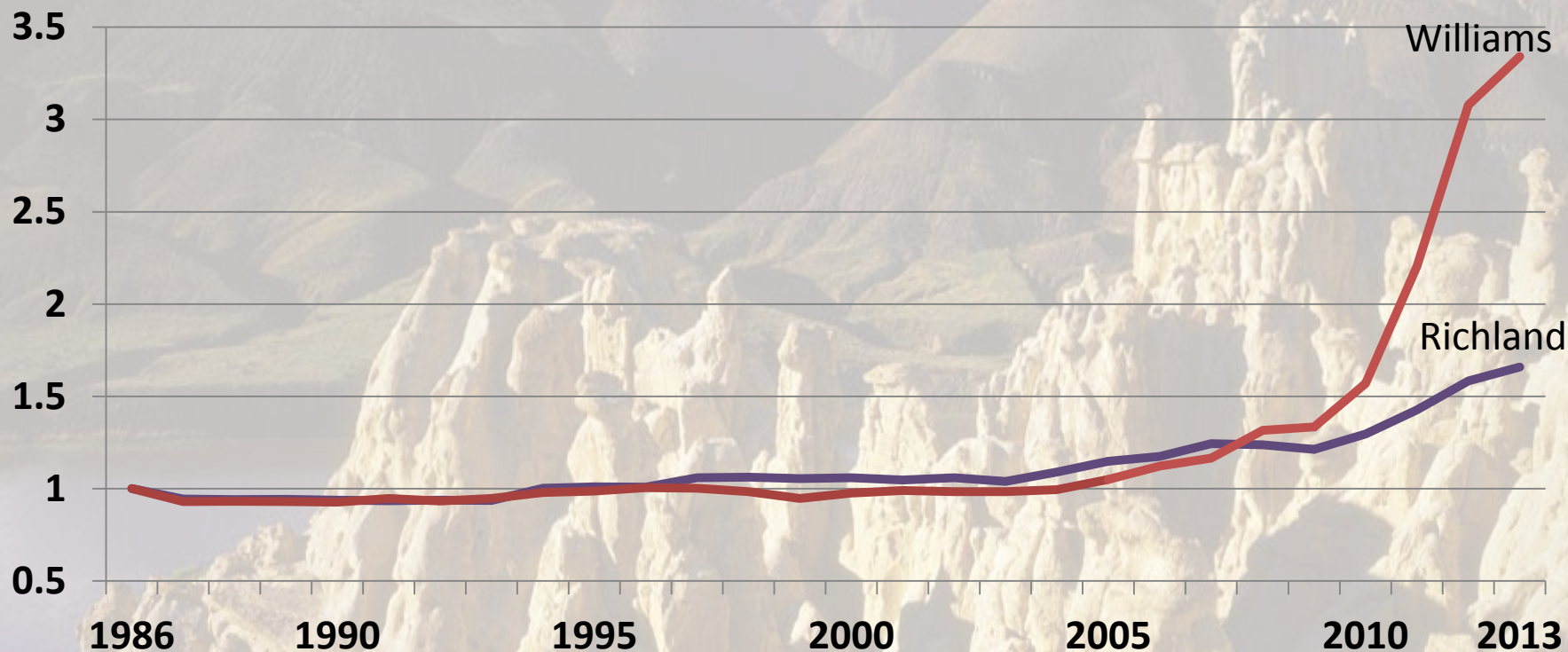
Political instability in oil producing countries

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



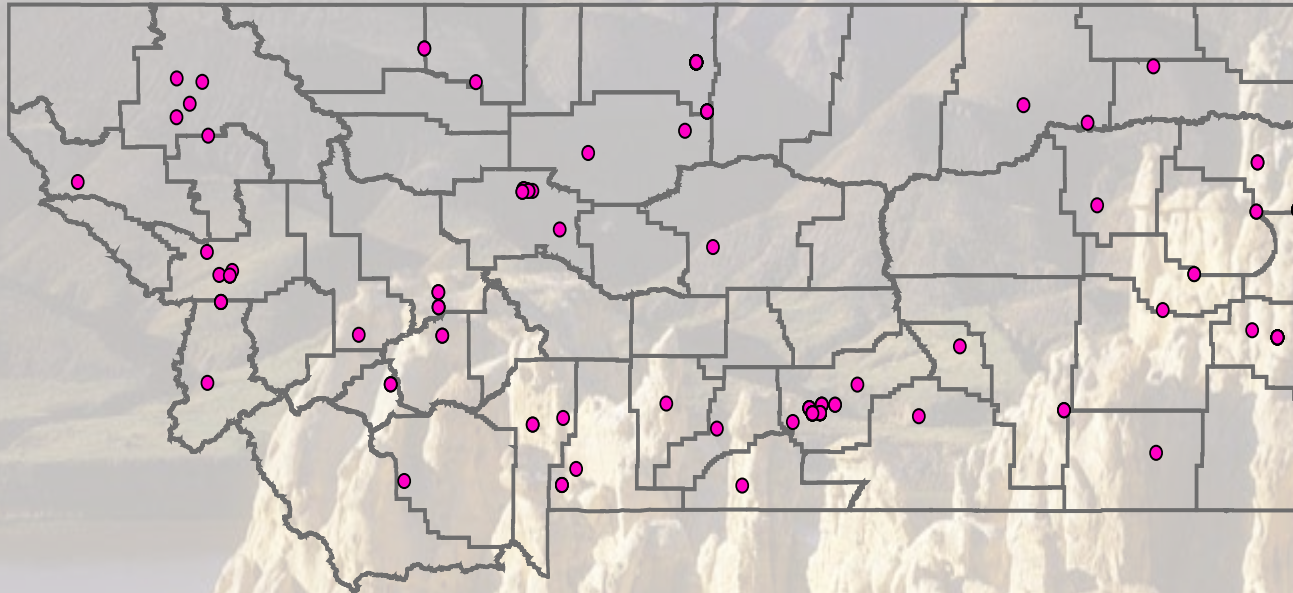
Nonfarm and Salary Employment, 1986 to 2013, Richland and Williams Counties

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

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

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		
Total	41,201	77,479		
		Growth, '10-'13		
		36,278		

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		
Total	\$2,672,857	\$6,234,415		

Growth, '10-'13
\$3,561,558

Source: U.S. Bureau of Economic Analysis

A landscape photograph featuring a body of water in the lower-left corner, rolling green hills in the middle ground, and a prominent, light-colored rocky outcrop in the foreground. The sky is a clear blue with scattered white clouds. The overall scene is bright and scenic.

Questions?