



# Flathead County Midyear 2015

By Paul E. Polzin

Director Emeritus

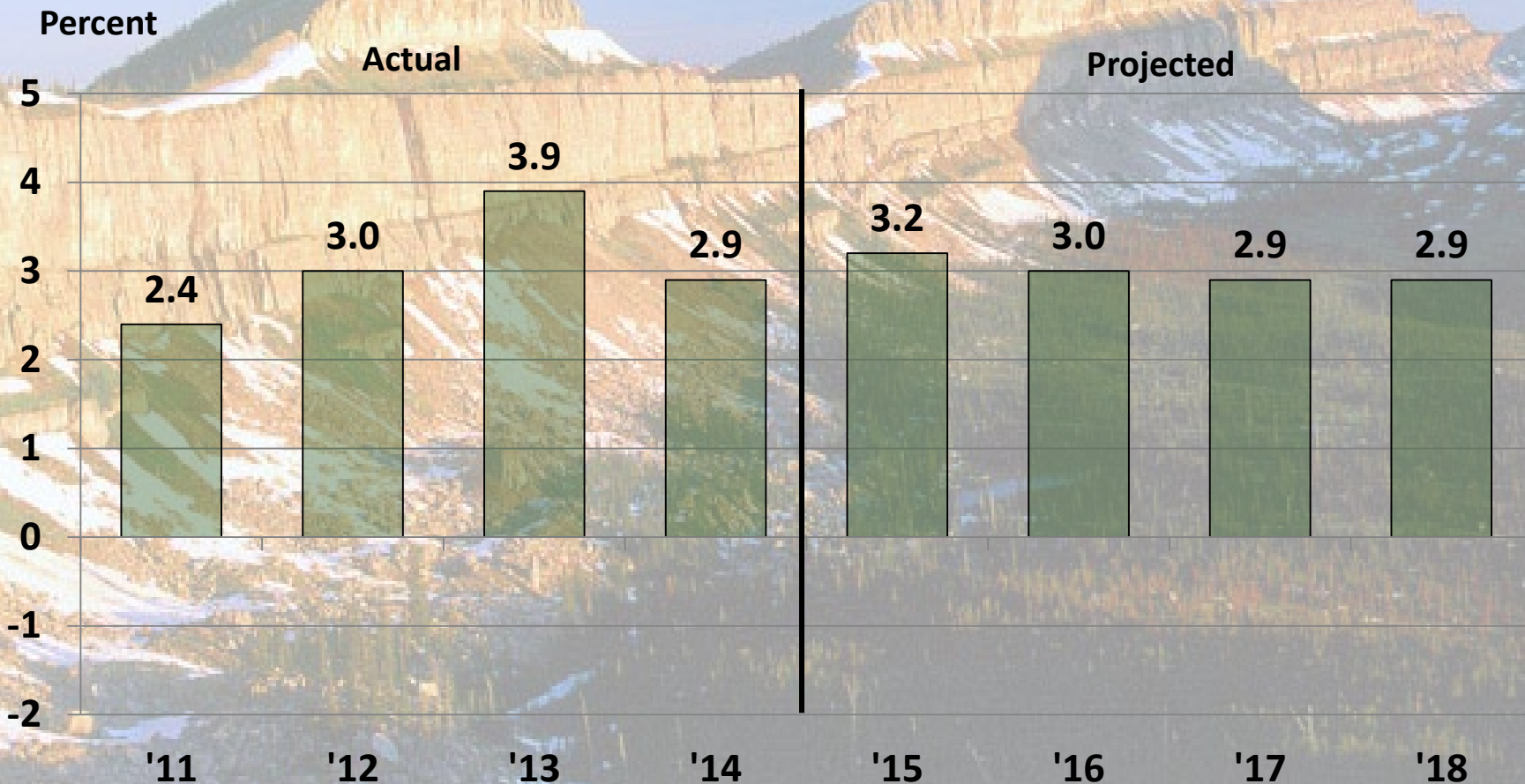
Bureau of Business and Economic Research

The University of Montana

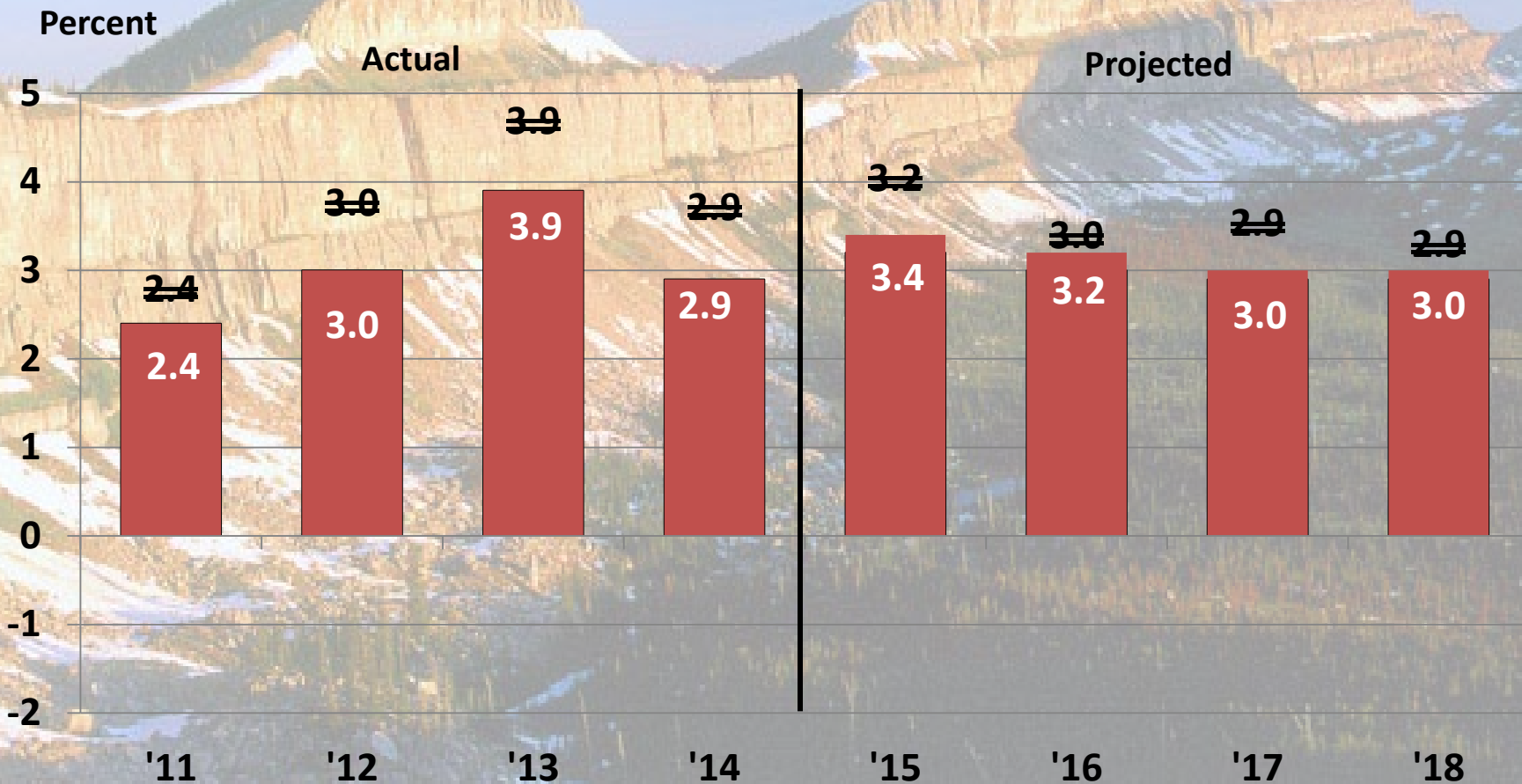
# Flathead County's Economic Base 2013-2015

|                         |     | <u>Feb. '15</u>     | <u>Aug. '15</u>    |
|-------------------------|-----|---------------------|--------------------|
| Trade Center - Retail   | 4%  | Still Growing       | Increased Capacity |
| Ag. And Other           | 5%  | CFAC Dormant        | ✓                  |
| Trade Center - Services | 14% | Moderate Growth     | ✓                  |
| Transportation          | 7%  | Energy Growth       | ✓                  |
| Health Care             | 10% | Canadians?          | ✓                  |
| Other Manufacturing     | 15% | Solid               | New Spinoff        |
| Wood Products           | 13% | Growing but Smaller | Log Supply Limited |
| Federal Government      | 13% | Headwinds?          | Declines           |
| Nonresident Travel      | 19% | Canadians?          | Very Strong        |
| Construction            |     | Almost back to 2008 | ✓                  |

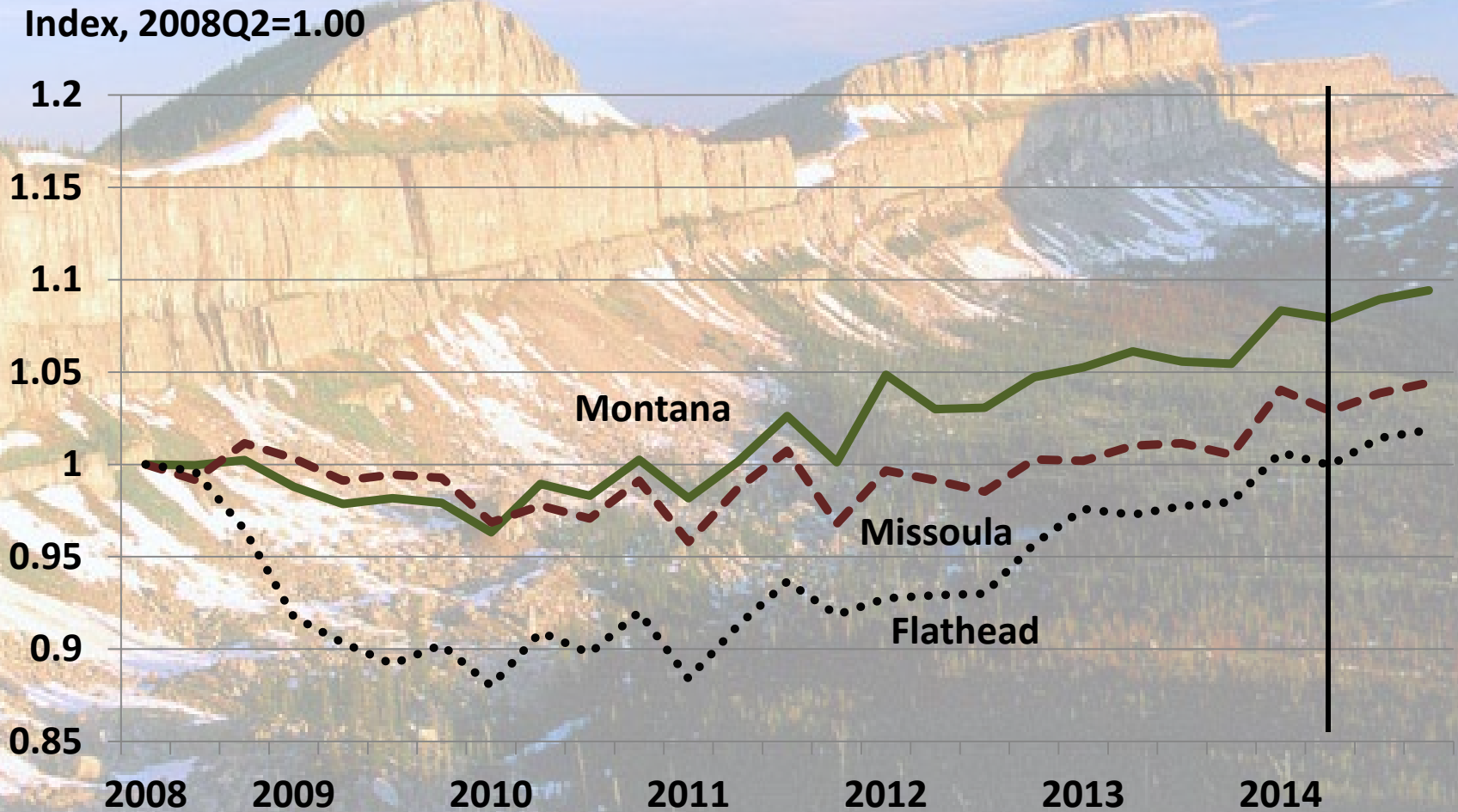
# Actual and Projected Change in Nonfarm Earnings, Flathead County, 2011-2018



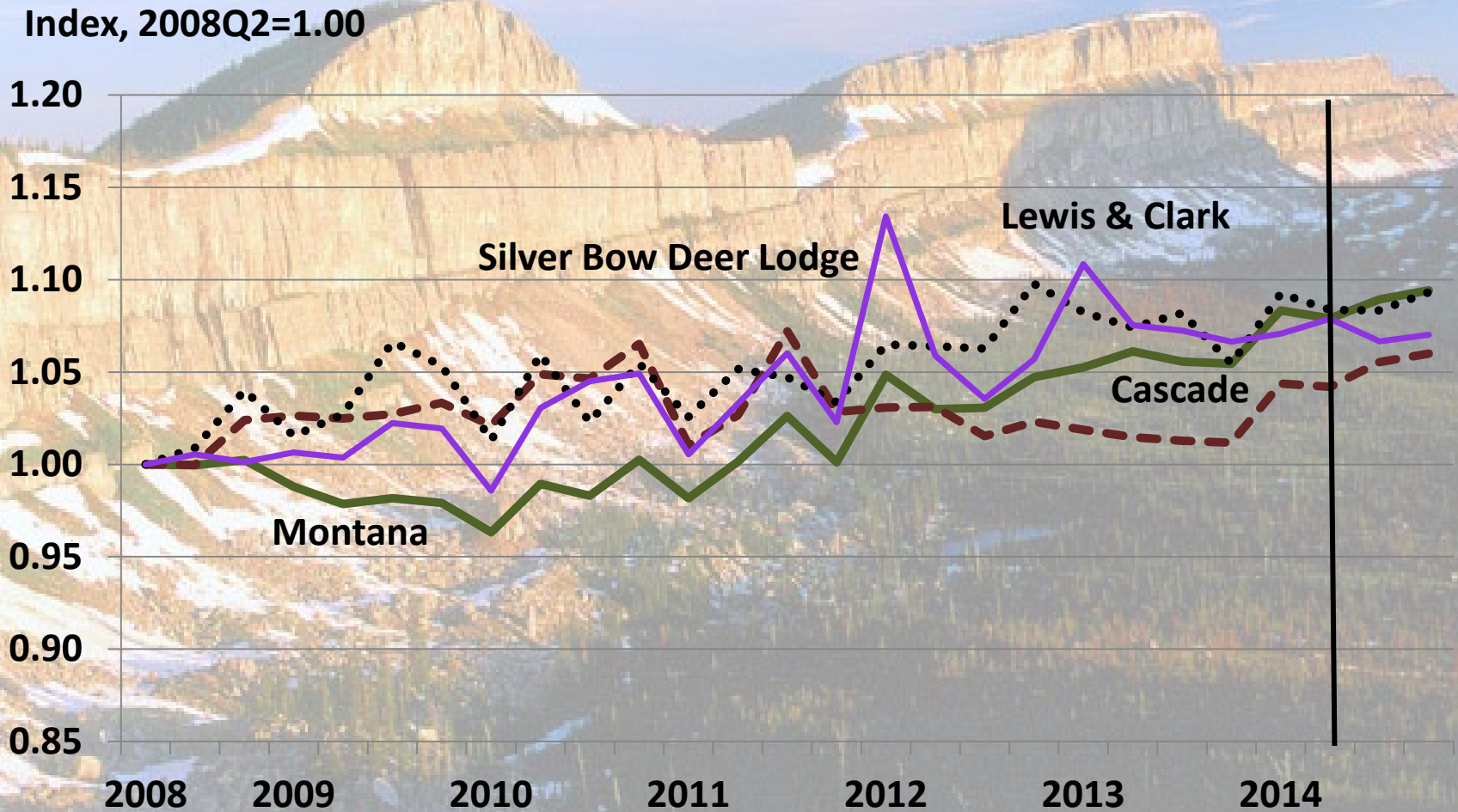
# Actual and Projected Change in Nonfarm Earnings, Flathead County, 2011-2018



# Inflation Adjusted Wages and Salaries, 2008-2014

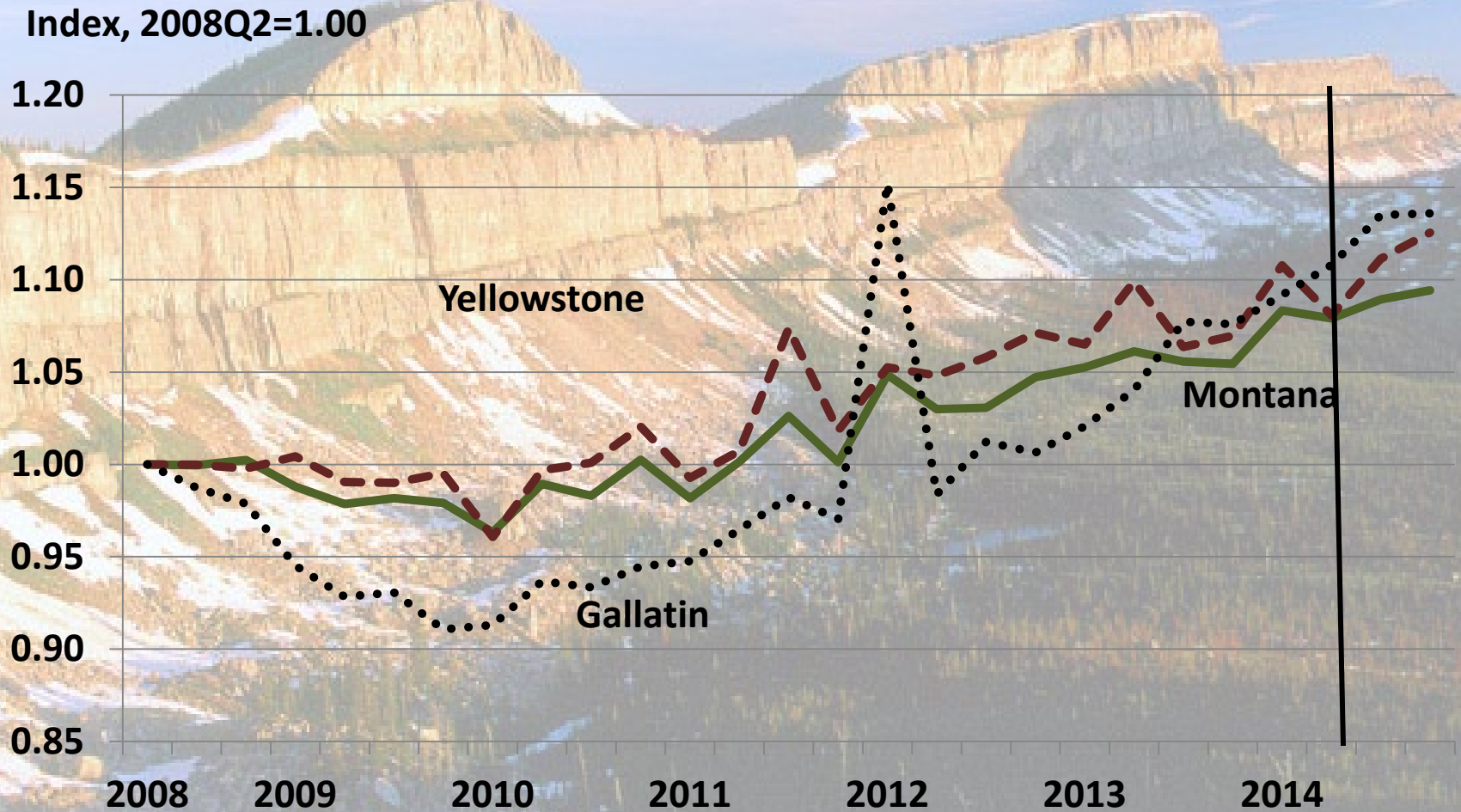


# Inflation Adjusted Wages and Salaries, 2008-2014



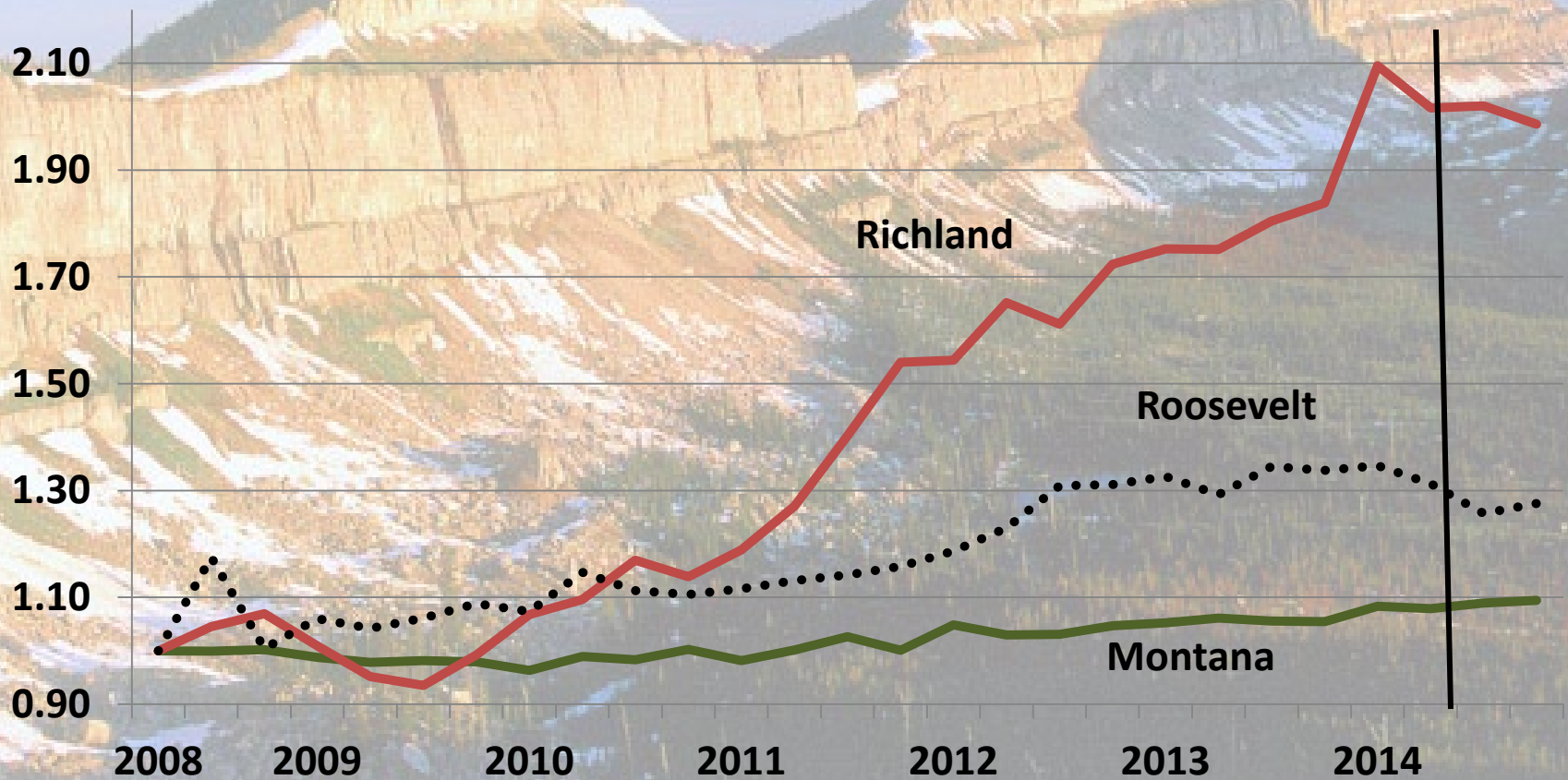


# Inflation Adjusted Wages and Salaries, 2008-2014



# Inflation Adjusted Wages and Salaries, 2008-2014

Index, 2008Q2=1.00







# 2015: A Different Oil “Bust”

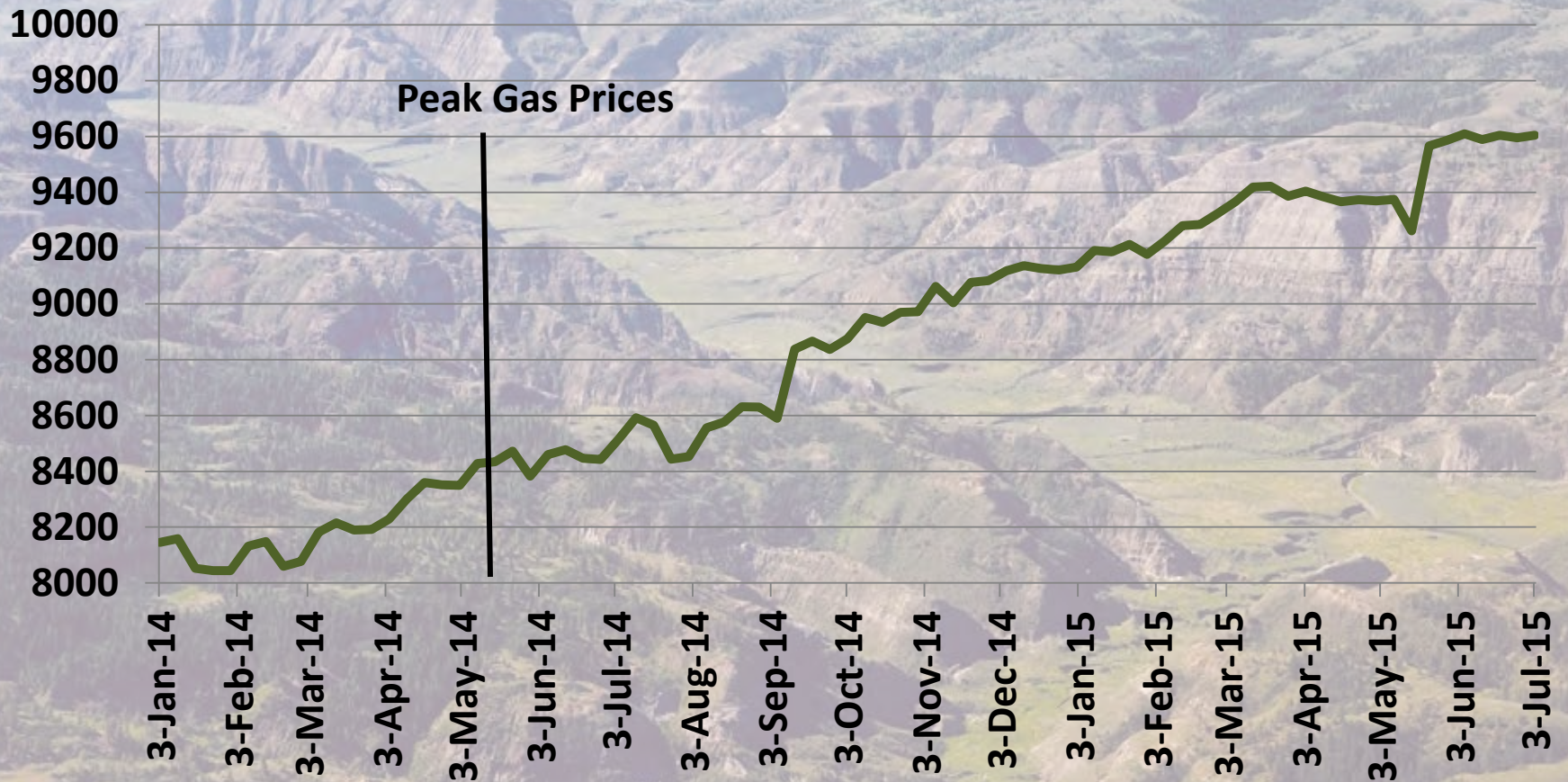
By Paul E. Polzin

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



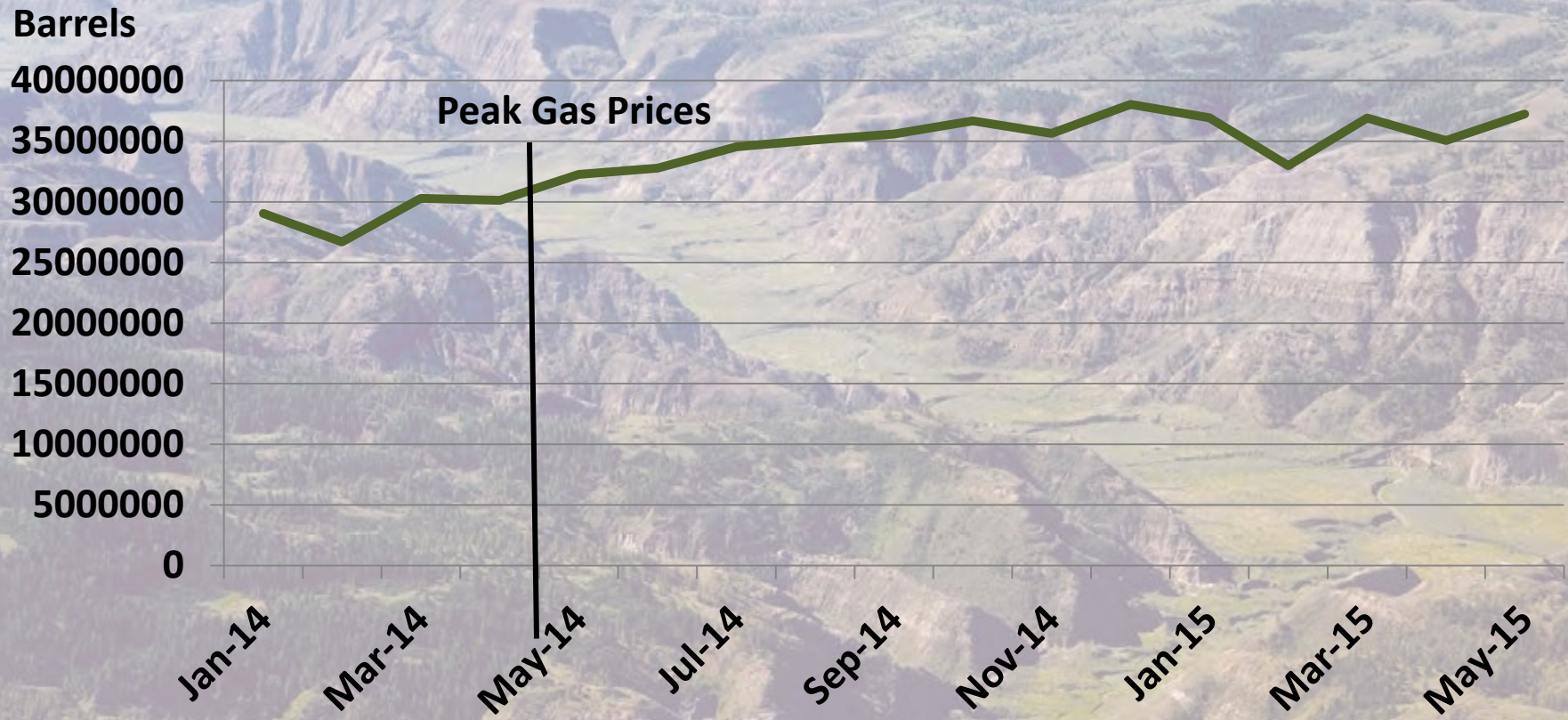
# Weekly U.S, Crude Oil Production, 2014-2015

Thous. Barrels /day



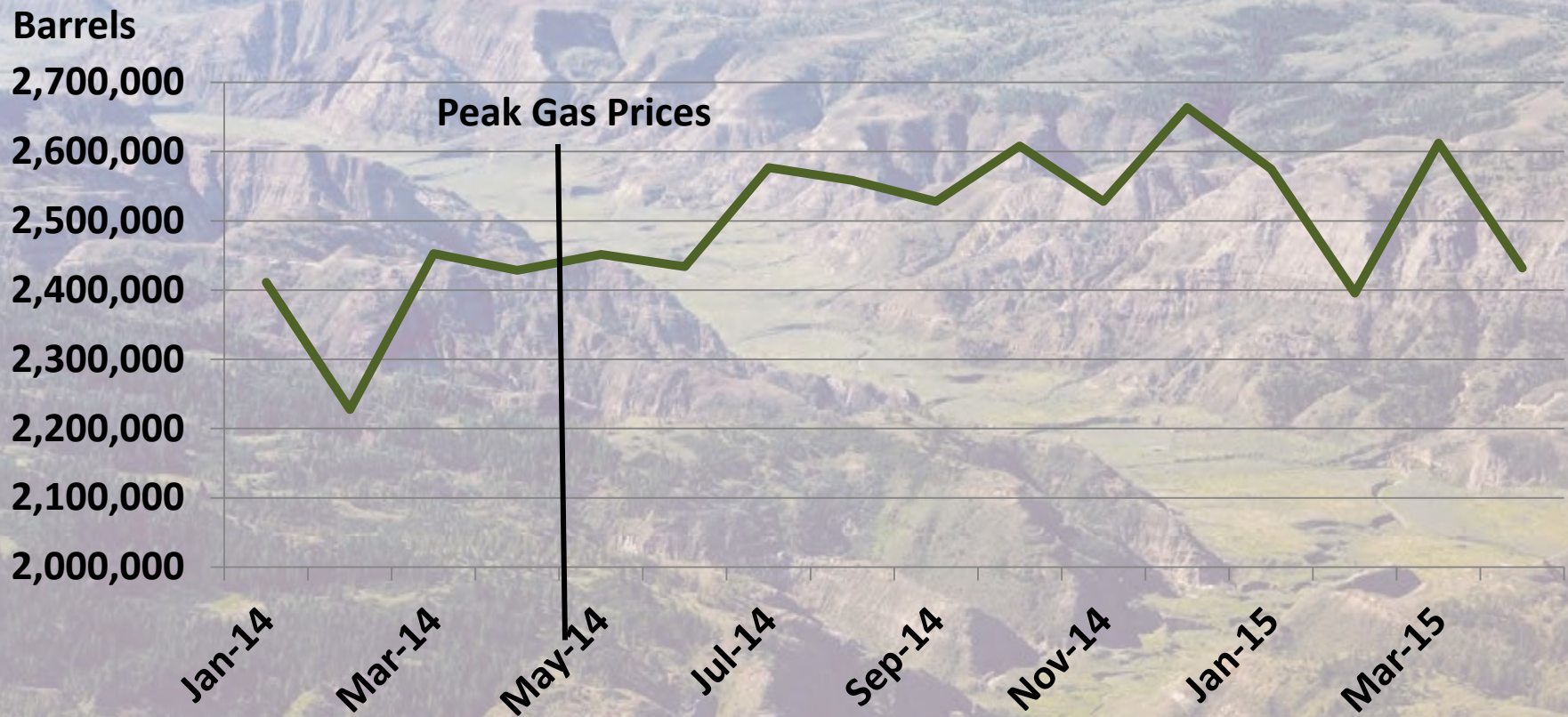


# Monthly Oil Production, North Dakota, 2014-2015





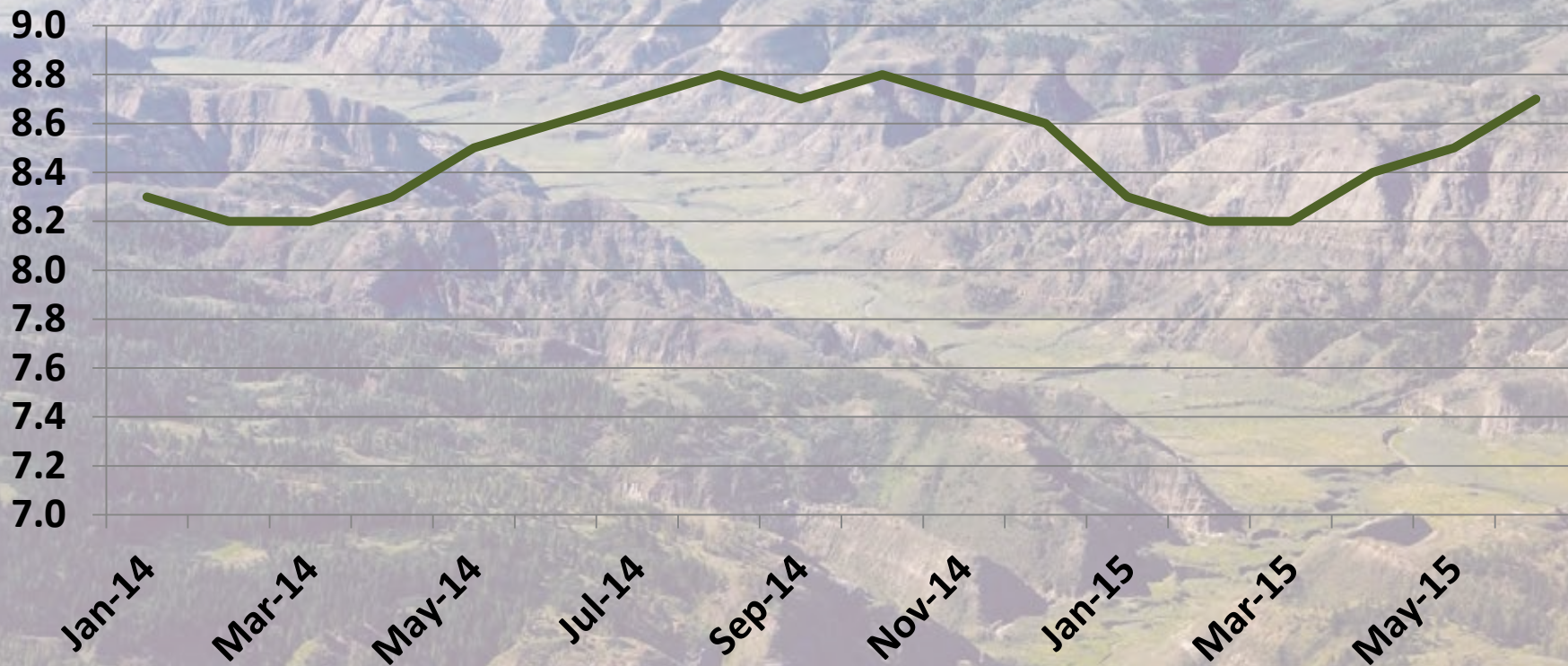
# Monthly Oil Production, Montana 2014-2015





# Monthly Employment, Mining and Logging, Montana, 2014-2015

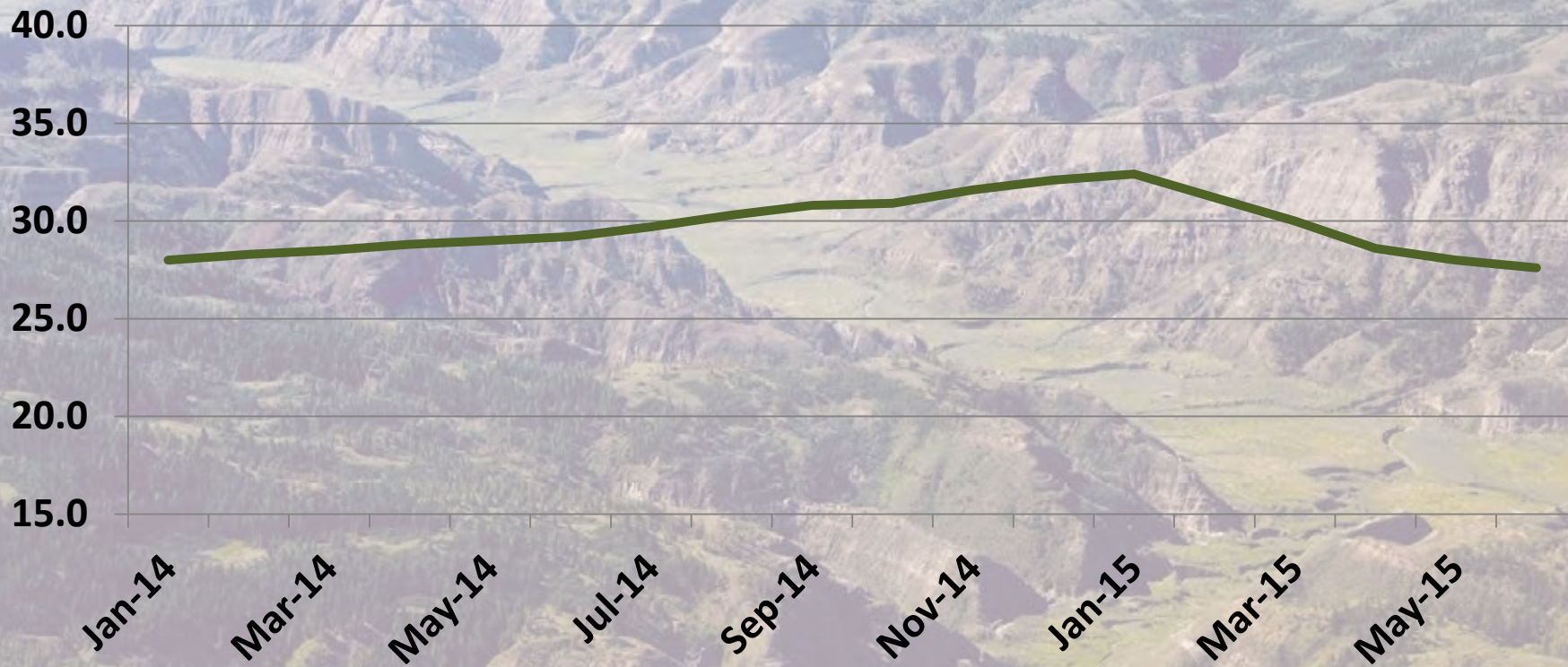
Thousands of Workers





# Monthly Employment, Mining and Logging, North Dakota, 2014-2015

Thousands of Workers





An aerial photograph of a rugged mountain range. The terrain is characterized by deep, winding valleys filled with green vegetation, interspersed with brown, rocky ridges and peaks. The perspective is from a high altitude, looking down into the valleys. The sky is a pale, hazy blue, suggesting a clear but slightly overcast day. The overall scene conveys a sense of vast, natural beauty and geological complexity.

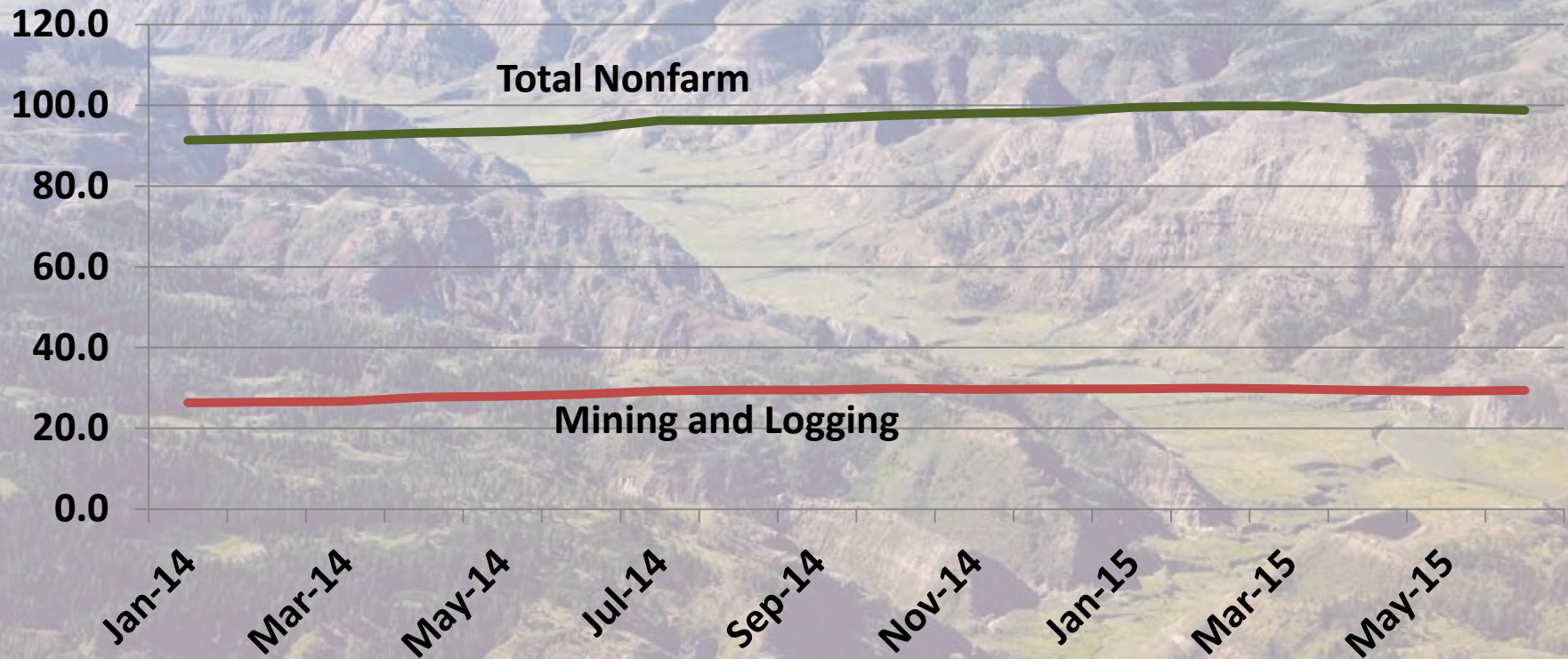
Economist, July 4, 2015, P. 53

“Midland has witnessed multiple booms and busts since the 1920s. Graced by Ferraris during the 2012-2014 boom, its highways are now populated by pickup trucks. Some 20,000-30,000 temporary workers have left.”

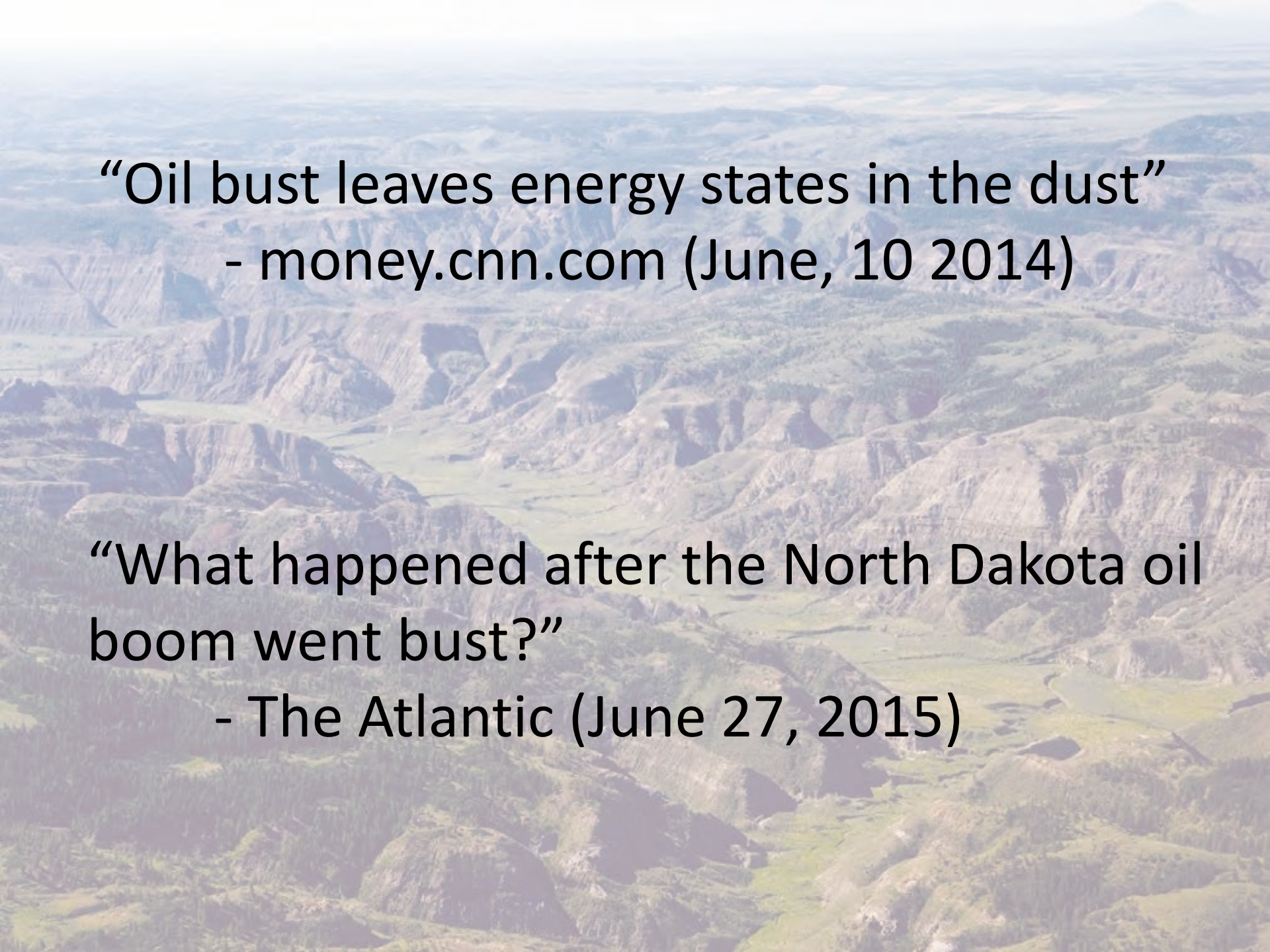


# Monthly Employment, Midland, TX Metro Area 2014-2015

Thousands of Workers



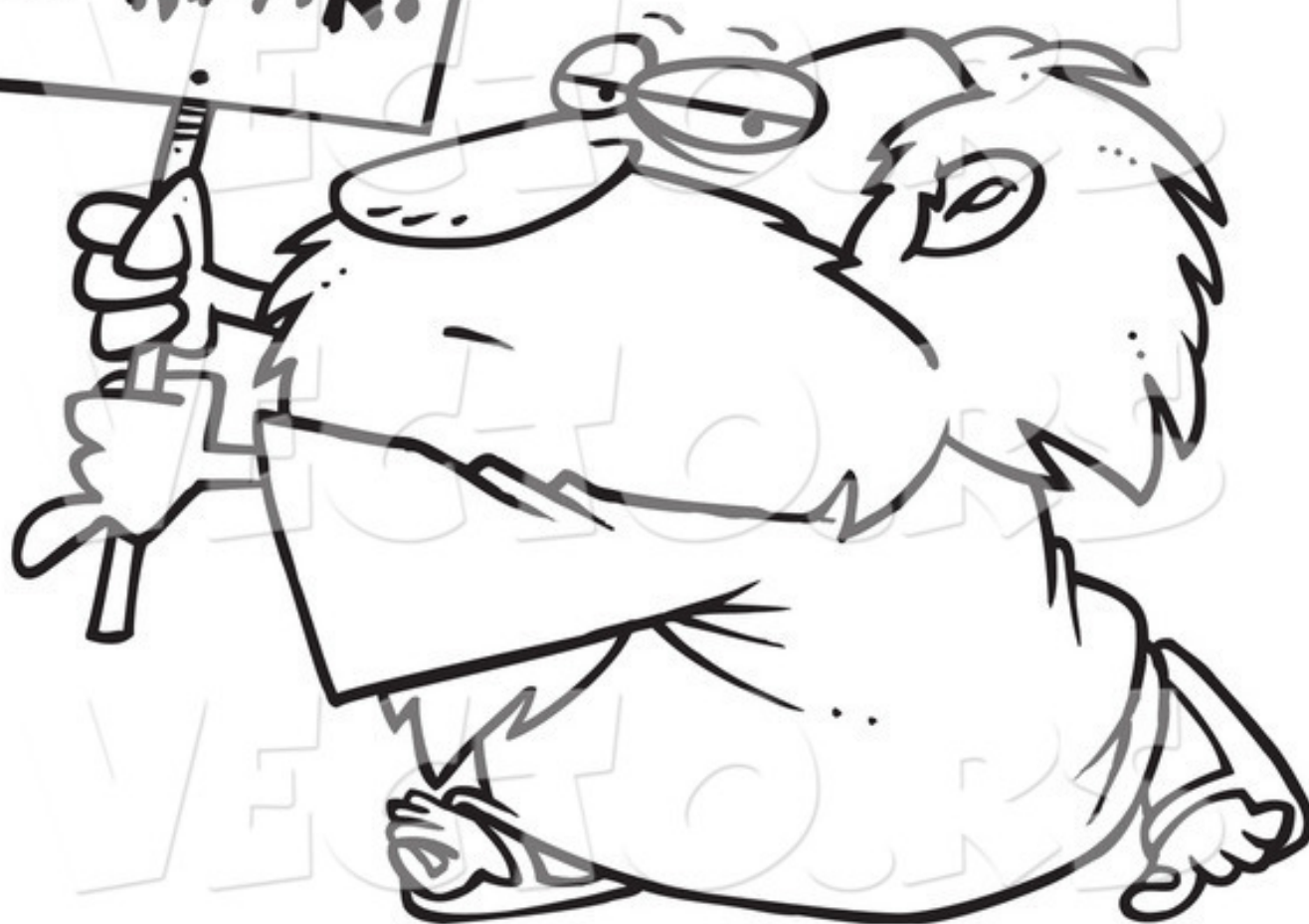




“Oil bust leaves energy states in the dust”  
- money.cnn.com (June, 10 2014)

“What happened after the North Dakota oil boom went bust?”  
- The Atlantic (June 27, 2015)

**THE END  
IS NEAR!**



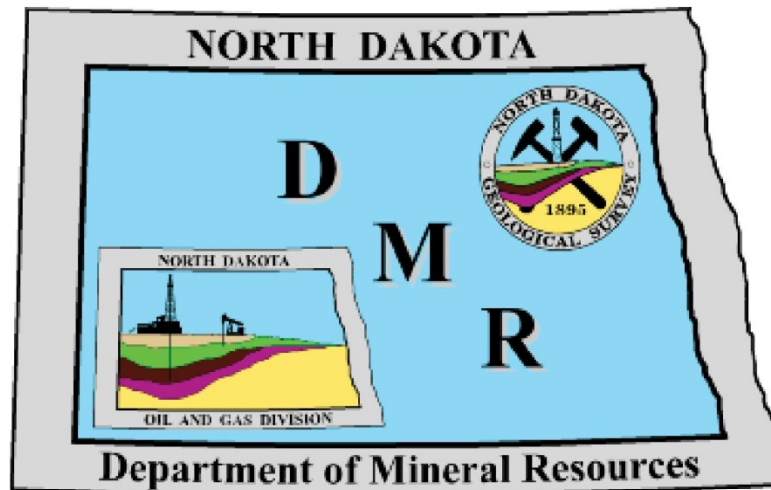


# North Dakota Department of Mineral Resources

House Appropriations Committee

01/08/2015

Lynn D. Helms, Director



<http://www.oilgas.nd.gov>

<http://www.state.nd.us/ndgs>

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***Bismarck, ND 58505-0840***

***(701) 328-8020 (701) 328-8000***

|                      | <b>Breakeven</b> | <b>Rigs</b>       |                 |
|----------------------|------------------|-------------------|-----------------|
|                      |                  | <b>12/12/2014</b> | <b>1/7/2015</b> |
| <b>Billings</b>      | <b>\$44</b>      | <b>2</b>          | <b>1</b>        |
| <b>BOT-REN</b>       | <b>\$52</b>      | <b>5</b>          | <b>4</b>        |
| <b>BOW-SLP</b>       | <b>\$75</b>      | <b>2</b>          | <b>3</b>        |
| <b>Burke</b>         | <b>\$62</b>      | <b>3</b>          | <b>2</b>        |
| <b>Divide</b>        | <b>\$73</b>      | <b>4</b>          | <b>6</b>        |
| <b>Dunn</b>          | <b>\$29</b>      | <b>28</b>         | <b>26</b>       |
| <b>Golden Valley</b> | <b>\$52</b>      | <b>0</b>          | <b>1</b>        |
| <b>McKenzie</b>      | <b>\$30</b>      | <b>64</b>         | <b>59</b>       |
| <b>McLean</b>        | <b>\$77</b>      | <b>1</b>          | <b>0</b>        |
| <b>Mountrail</b>     | <b>\$41</b>      | <b>33</b>         | <b>28</b>       |
| <b>Stark</b>         | <b>\$37</b>      | <b>0</b>          | <b>1</b>        |
| <b>Williams</b>      | <b>\$36</b>      | <b>40</b>         | <b>35</b>       |
|                      |                  | <b>183</b>        | <b>166</b>      |

Breakeven costs reflect a price at which new drilling would cease.  
The price at which production from existing wells would be shut-in is \$15/bbl.

An aerial photograph of a vast, rugged landscape. The terrain is characterized by deep, winding canyons and valleys. The lower elevations are covered in lush green vegetation, including dense forests and grassy fields. The higher elevations and canyon walls are rocky and appear in shades of brown and tan. The overall scene is one of a dramatic, mountainous region. The word "Questions?" is overlaid in the center in a large, black, sans-serif font.

Questions?