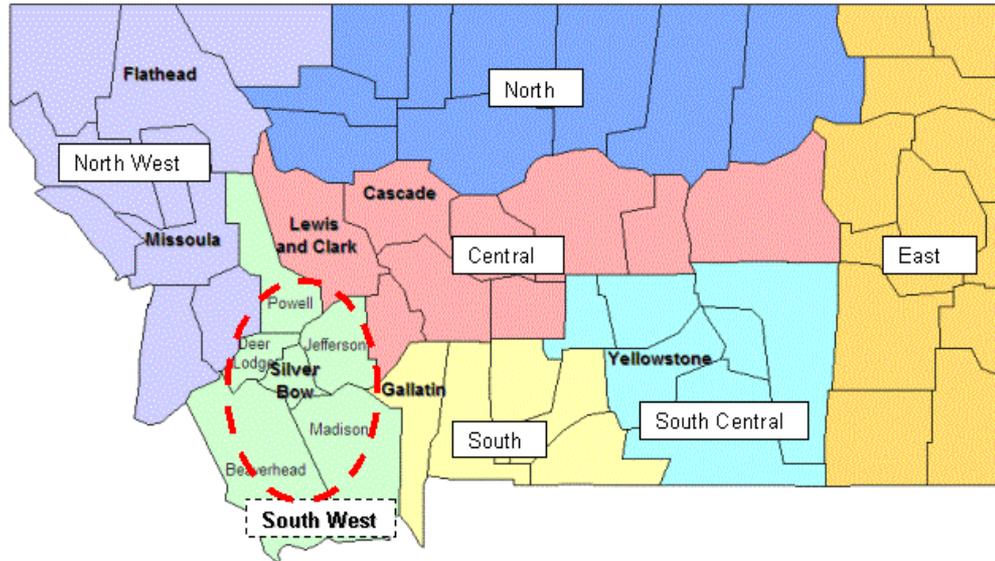




Southwest MT and Silver Bow County



Recent Performance and Outlook Our People, Jobs, and Earnings

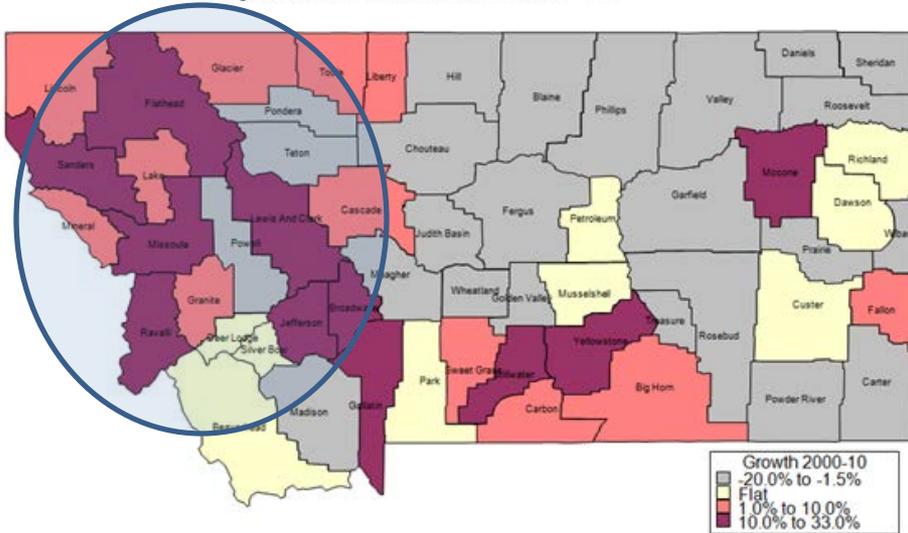
Outlook Seminar – February 6, 2014

John Kasperick - Economist – Director FP&A
NorthWestern Energy



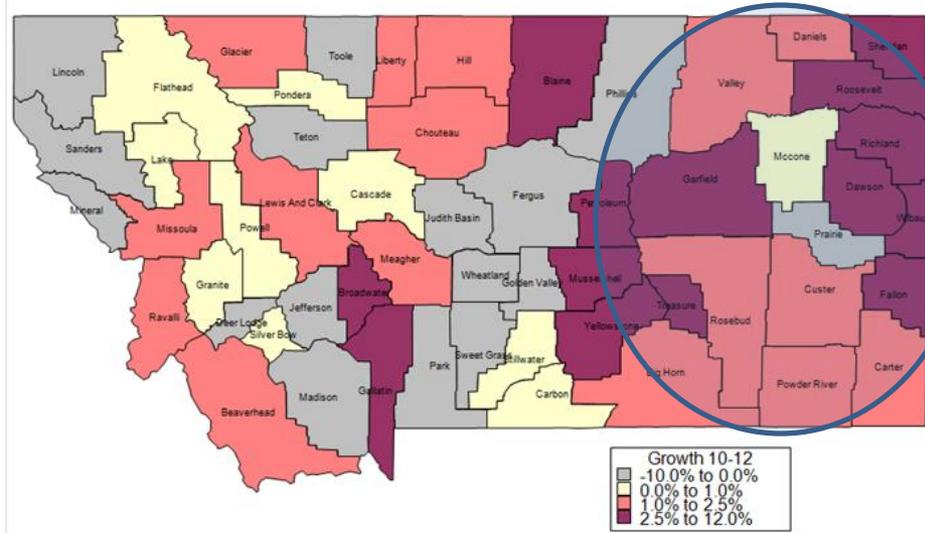
- Statewide Population Growth is shifting

Population Growth 2000-10



Average Annual Growth 0.9%

Population Growth 2010-12



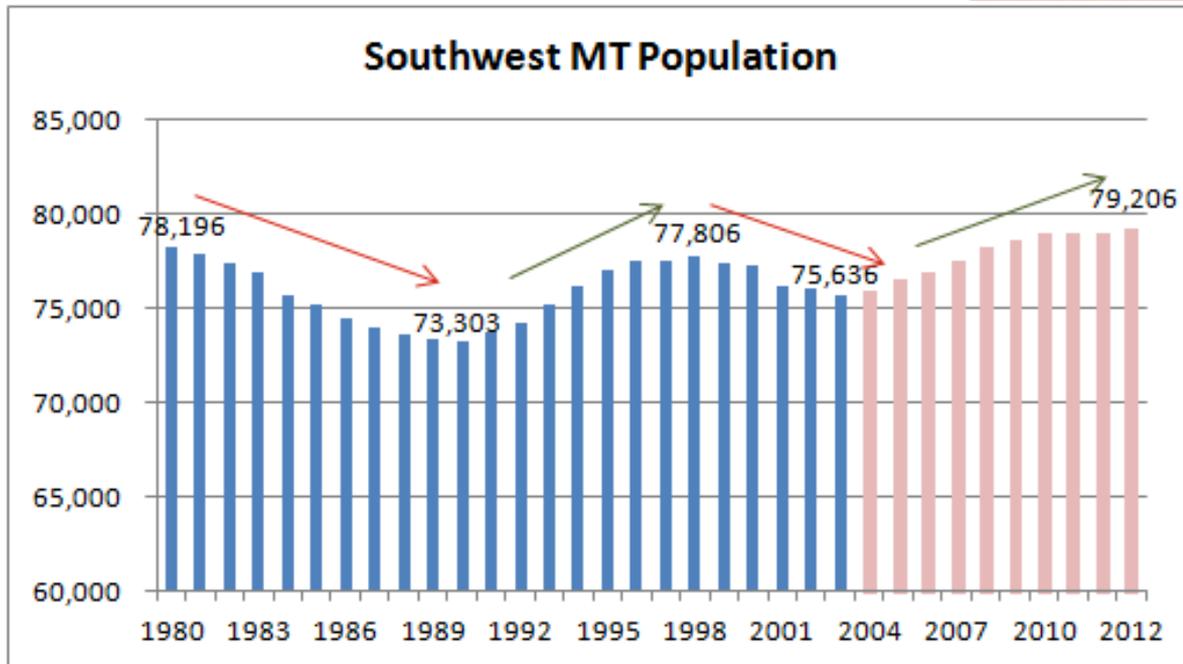
Average Annual Growth 0.8%

- Growth has moved from western part of the state to eastern part of the state due to the Bakken growth.

Our People: Census Population and Demographics

2012 Census Estimate Data - U.S. Census Bureau								
	Beaverhead	Deer Lodge	Jefferson	Madison	Powell	Silver Bow	SW MT	MT
Population, 2012 estimate	9,346	9,227	11,401	7,733	7,096	34,403	79,206	1,005,141
Population, 2010 census	9,246	9,298	11,406	7,691	7,027	34,200	78,868	989,417
Population, 2000 census	9,202	9,417	10,049	6,851	7,180	34,606	77,305	902,195
Population, percent change, 2010 to 2012	1.1%	-0.8%	0.0%	0.5%	1.0%	0.6%	0.4%	1.6%
Population, percent change, 2000 to 2010	0.5%	-1.3%	13.5%	12.3%	-2.1%	-1.2%	2.0%	9.7%
Persons under 18 years, percent, 2012	19.3%	18.8%	21.6%	16.6%	16.3%	20.9%	20.3%	22.1%
Persons 65 years and over, percent, 2012	18.4%	19.6%	16.9%	23.3%	17.3%	16.6%	16.9%	15.7%
Female persons, percent, 2012	48.8%	47.1%	49.2%	48.2%	38.2%	49.3%	48.0%	49.8%
Sex Ratio (M:F)	104.9	112.3	103.3	107.5	161.8	102.8	108.9	100.8
Median Age 2000	37.6	42.3	40.2	43.4	39.7	38.9	39.8	37.5
Median Age 2011	44.0	46.2	46.8	50.0	45.4	41.7	44.3	39.9
White persons, percent, 2012	95.1%	93.1%	95.3%	97.0%	92.3%	94.8%	94.8%	89.7%
American Indian and Alaska Native, percent	1.6%	3.4%	1.5%	0.6%	4.7%	2.0%	2.2%	6.5%
Persons of Hispanic or Latino, percent, 2012	3.9%	2.9%	1.9%	2.7%	2.2%	3.9%	3.1%	3.1%
High school graduates, percent age 25+	93.3%	85.9%	93.9%	95.5%	90.4%	90.6%	90.8%	91.9%
Bachelor's degree or higher, pct age 25+	28.3%	17.6%	34.1%	31.6%	20.0%	22.1%	24.9%	28.5%
Homeownership rate, 2008-2012	62.1%	71.4%	84.8%	72.2%	71.8%	66.0%	69.7%	68.5%
Median value of owner-occupied housing units	\$171,600	\$116,100	\$230,200	\$238,000	\$118,400	\$127,400	\$162,247	\$183,000
Persons below poverty level, percent	12.5%	24.9%	7.8%	10.7%	14.5%	17.2%	14.6%	14.8%
Persons per household, 2008-2012	2.09	2.17	2.43	1.99	2.35	2.21	2.31	2.37
Per-Capita Personal Income 2008-2012	\$ 34,849	\$ 32,989	\$ 43,406	\$ 38,326	\$ 29,519	\$ 44,641	\$ 39,979	\$ 38,555

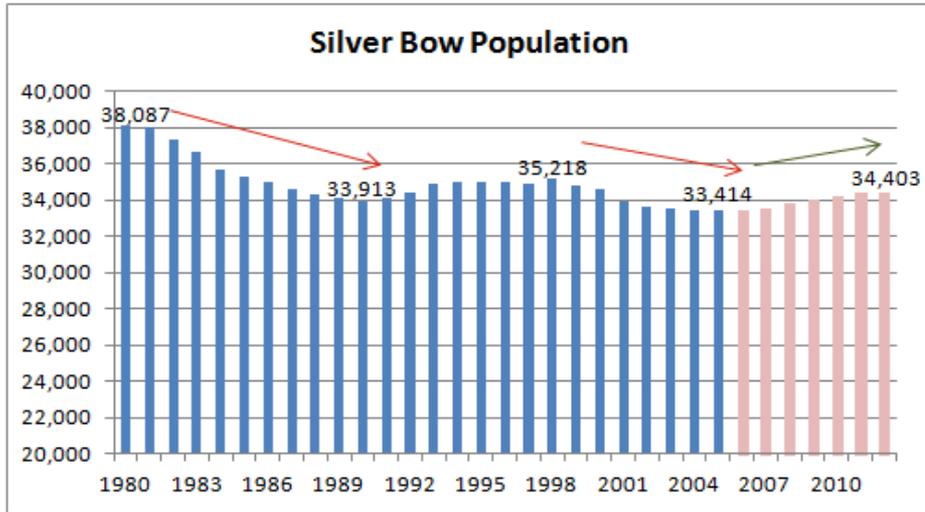
Our People: Census Population and Demographics



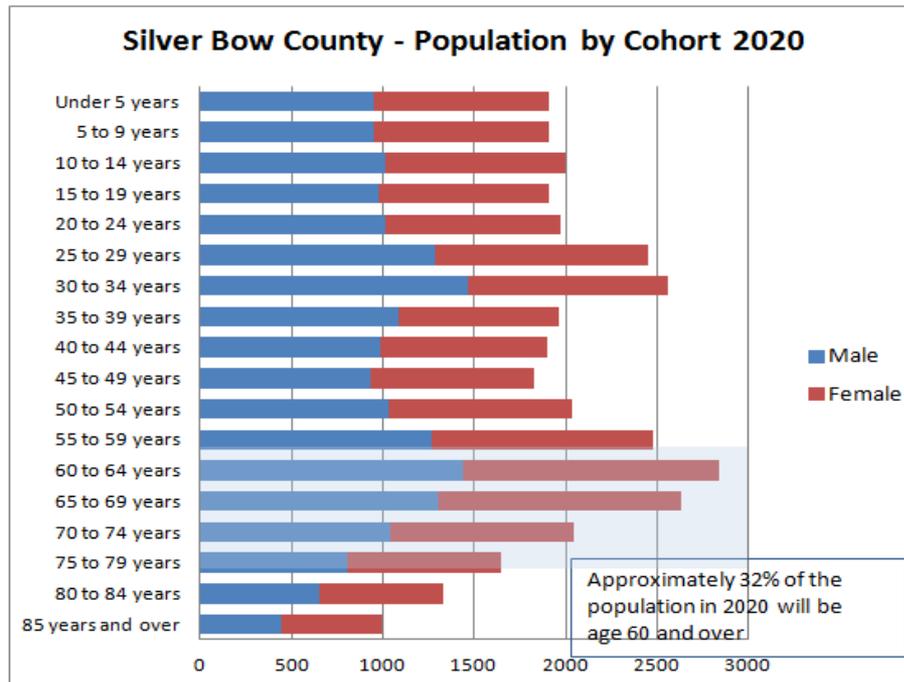
- 10 consecutive years of slow population growth in Southwest MT.
- Between 2003 and 2012 added 3,570 people or 0.5% increase per year.
- Population levels in 2013 remain above pre Anaconda Company closure.

Population Estimates - US Bureau of Census						Growth
	2008	2009	2010	2011	2012	2007-12
Powell	7,036	7,093	7,027	7,092	7,096	-0.3%
Madison	7,674	7,674	7,691	7,683	7,733	2.3%
Beaverhead	9,166	9,200	9,246	9,191	9,346	3.5%
Deer Lodge	9,351	9,260	9,298	9,241	9,227	-0.4%
Jefferson	11,203	11,364	11,406	11,429	11,401	3.3%
Silver Bow	33,812	34,008	34,200	34,362	34,403	2.7%
SW MT	78,242	78,599	78,868	78,998	79,206	2.2%
Montana	976,415	983,982	989,415	998,199	1,005,141	4.2%

Our People: Census Population and Demographics



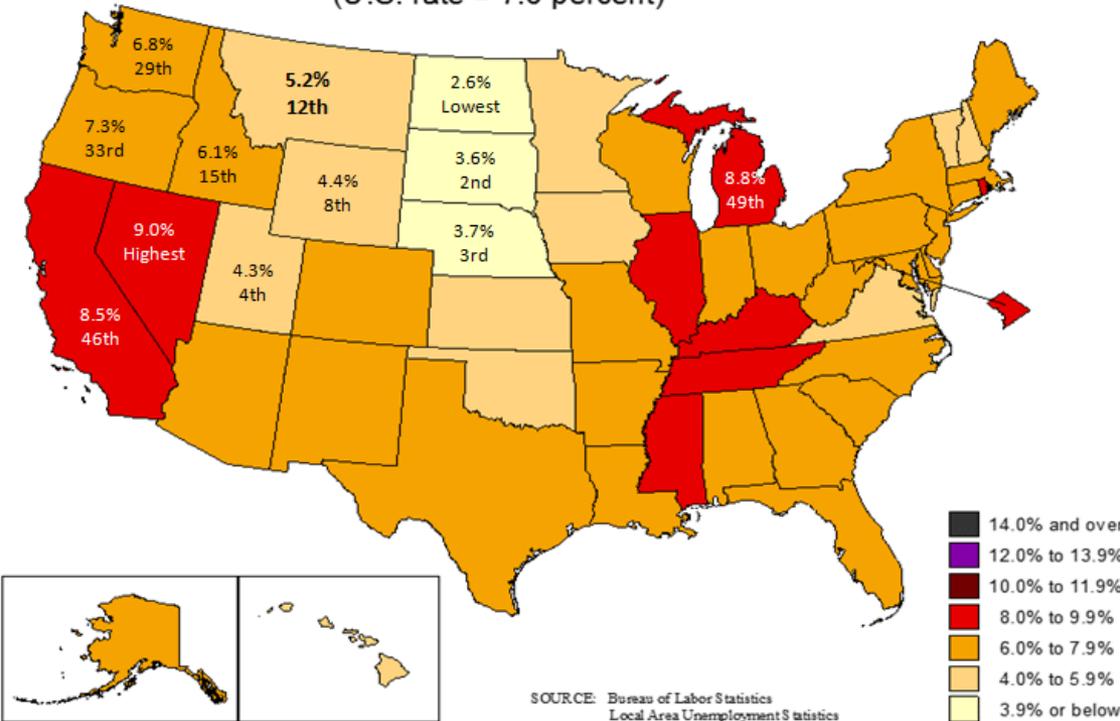
- 7 consecutive years of population growth in Silver Bow County.
- Since 2005 added nearly 1,000 people, with average growth of 0.4% per year
- By 2020, approximately 1/3rd of SBC population could be age 60 and over.





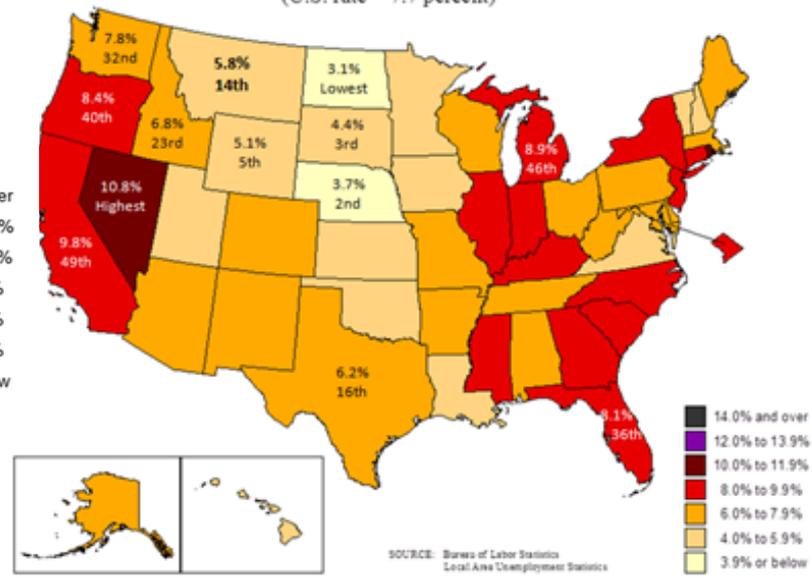
Our Jobs: Labor Force, Employment, Unemployment

Unemployment rates by state, seasonally adjusted, November 2013 (U.S. rate = 7.0 percent)



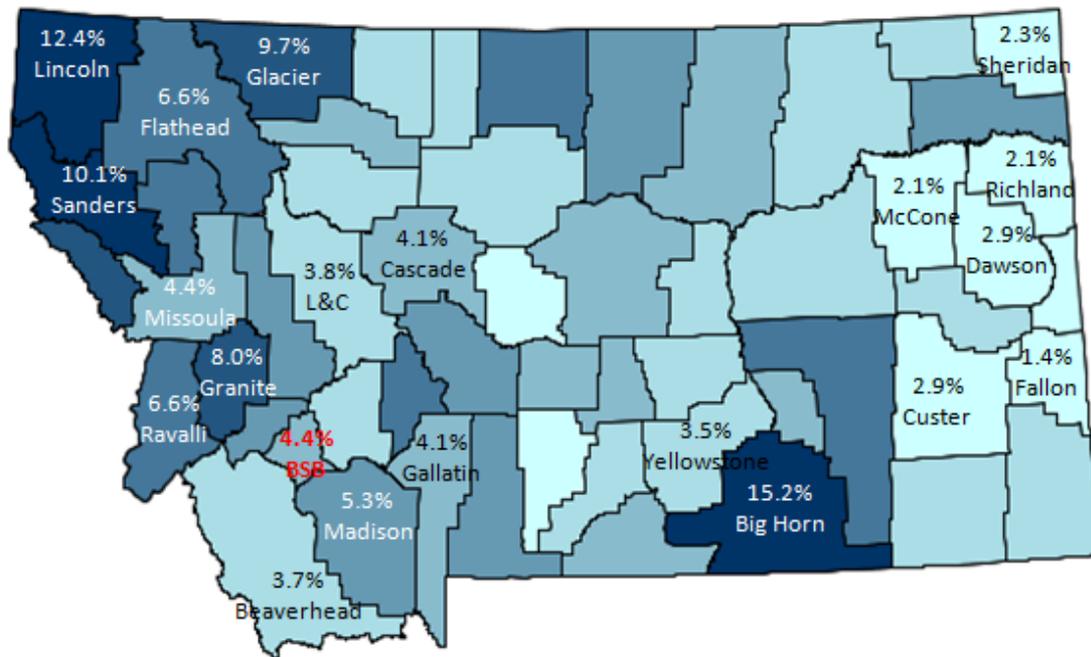
- MT's unemployment rate at 5.2% of the labor force ranked 12th lowest of the 50 states, and well below U.S. Average of 7.0%
- All states saw improvement since last year.

Unemployment rates by state, seasonally adjusted, November 2012 (U.S. rate = 7.7 percent)

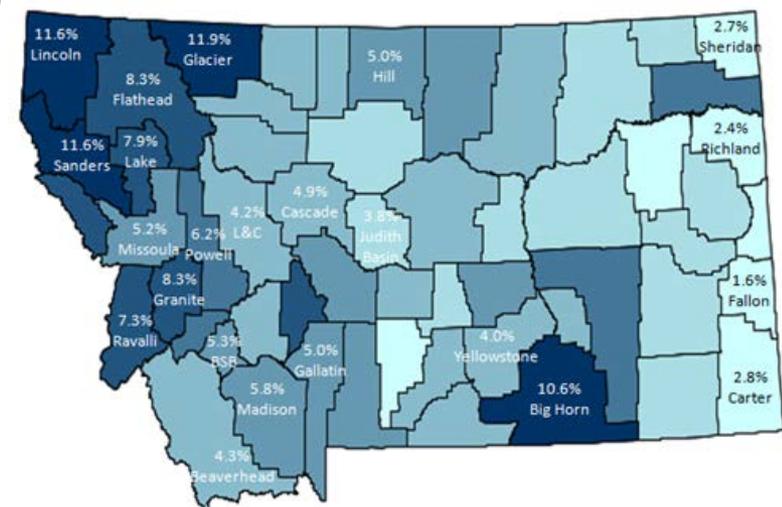
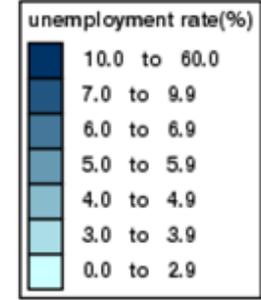




Our Jobs: Labor Force, Employment, Unemployment



2013 MT = 5.2%

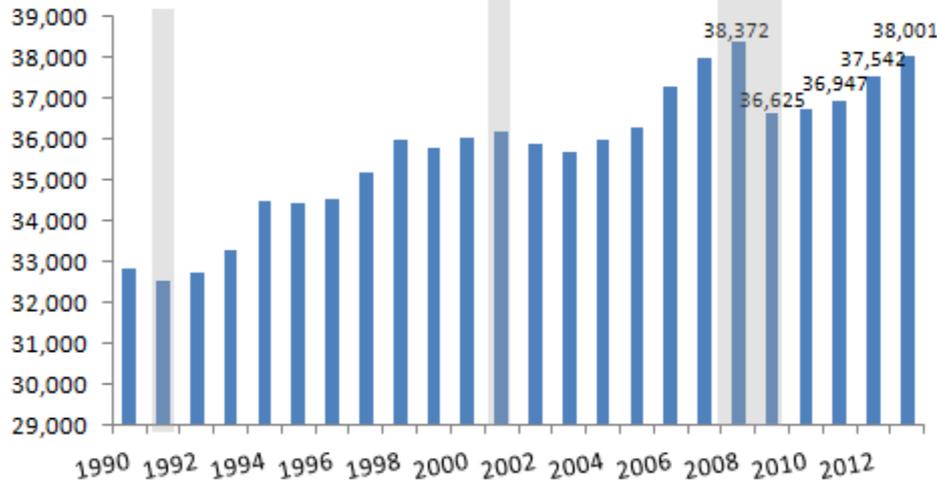


2012 MT = 5.8%

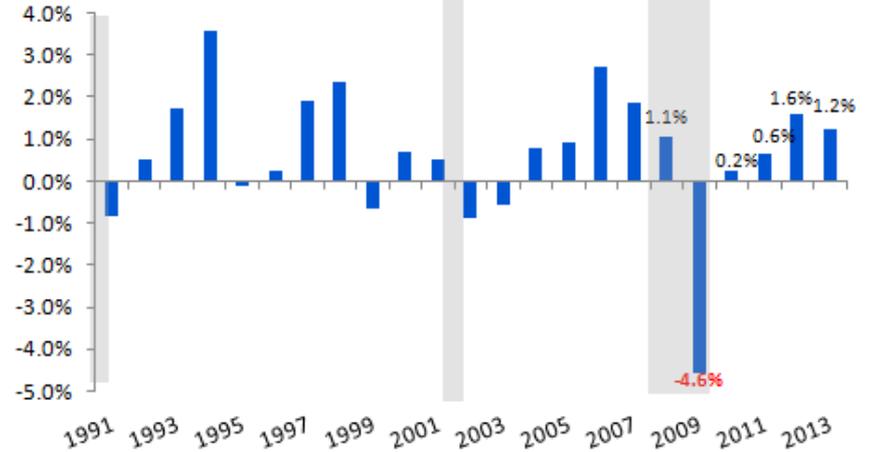


Our Jobs: SW MT Labor Force, Employment, Unemployment

SW MT Average Annual Employment



SW MT Average Annual Employment Growth

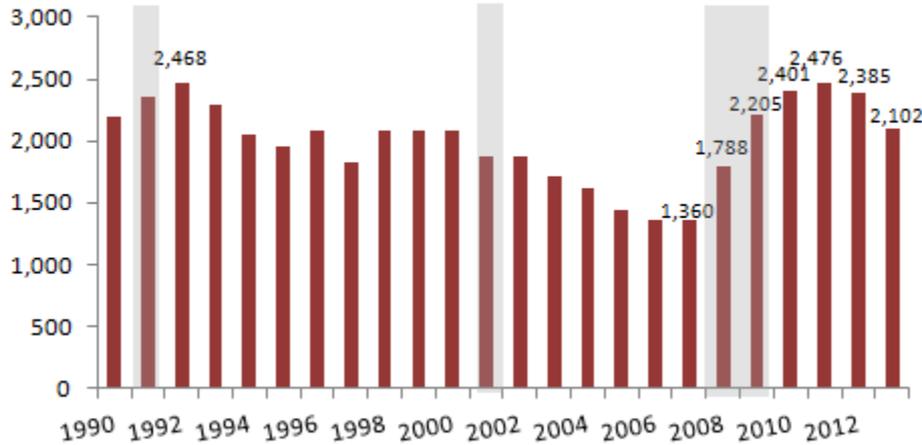


Average Annual Employment (note: 2013 annual average through November)

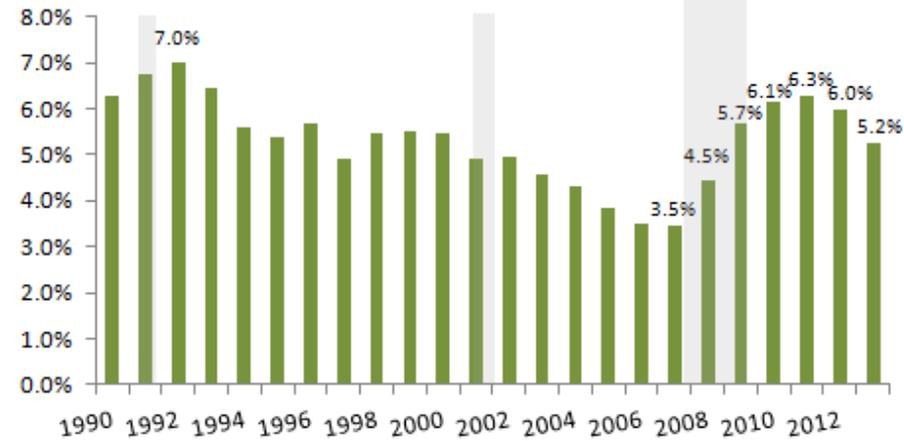
	Beaverhead	Deer Lodge	Jefferson	Madison	Powell	Silver Bow	SW MT	MT
2007	4,906	3,725	5,683	4,330	2,509	16,811	37,964	485,500
2008	4,952	3,617	5,759	4,387	2,562	17,087	38,364	486,704
2009	4,885	3,624	5,631	3,926	2,461	16,098	36,625	465,005
2010	4,825	3,730	5,487	3,674	2,507	16,487	36,710	462,278
2011	4,832	3,736	5,468	3,795	2,559	16,557	36,947	466,372
2012	4,829	3,794	5,570	3,790	2,600	16,959	37,542	477,050
2013	4,831	3,860	5,676	3,746	2,639	17,250	38,001	481,878
2007-10	-1.7%	0.1%	-3.4%	-15.2%	-0.1%	-1.9%	-3.3%	-4.8%
2010-11	0.1%	0.2%	-0.3%	3.3%	2.1%	0.4%	0.6%	0.9%
2011-12	-0.1%	1.6%	1.9%	-0.1%	1.6%	2.4%	1.6%	2.3%
2012-13	0.0%	1.7%	1.9%	-1.2%	1.5%	1.7%	1.2%	1.0%

Our Jobs: SW MT Labor Force, Employment, Unemployment

SW MT Average Annual Unemployed

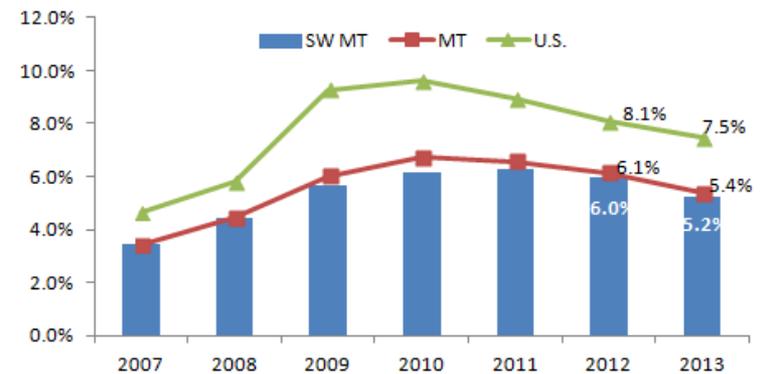


SW MT Average Annual Unemployment Rate



Average Annual Unemployment

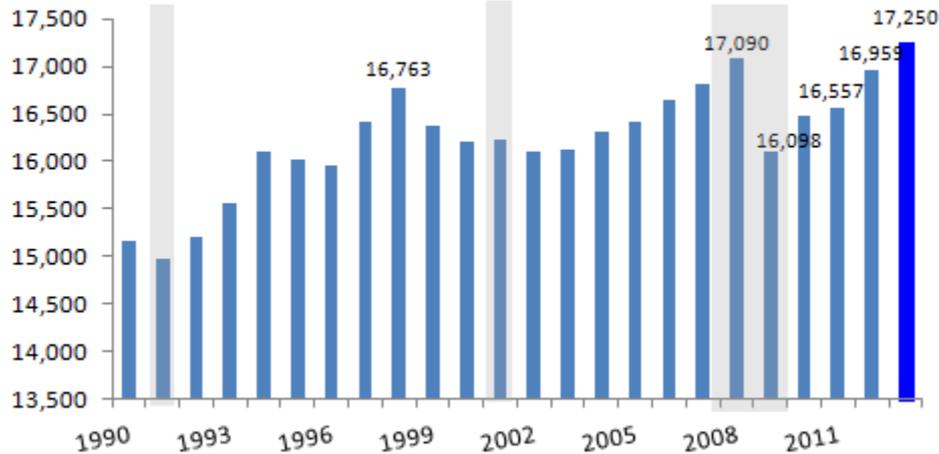
	Beaverhead	Deer Lodge	Jefferson	Madison	Powell	Silver Bow	SW MT	MT
2007	135	180	177	123	137	608	1,360	17,206
2008	185	226	244	170	187	763	1,775	22,759
2009	224	259	334	231	214	943	2,205	29,799
2010	270	297	316	272	225	1,021	2,401	33,479
2011	284	309	319	271	235	1,058	2,476	32,840
2012	264	305	304	244	220	1,048	2,385	30,515
2013	227	264	278	214	187	932	2,102	27,401
2007-10	135	117	139	149	88	413	1,041	16,273
2010-11	14	12	3	(1)	10	37	75	(639)
2011-12	(20)	(4)	(15)	(27)	(15)	(10)	(91)	(2,325)
2012-13	(37)	(41)	(26)	(30)	(33)	(116)	(283)	(3,114)



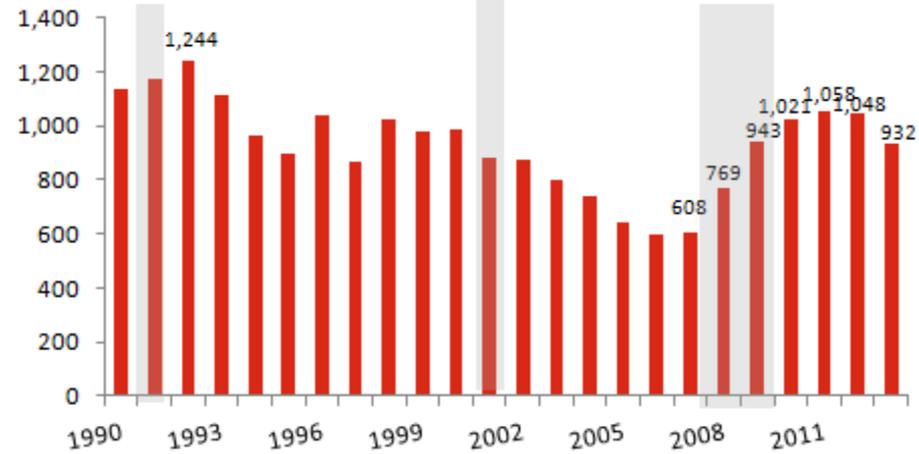


Our Jobs: SBC Labor Force, Employment, Unemployment

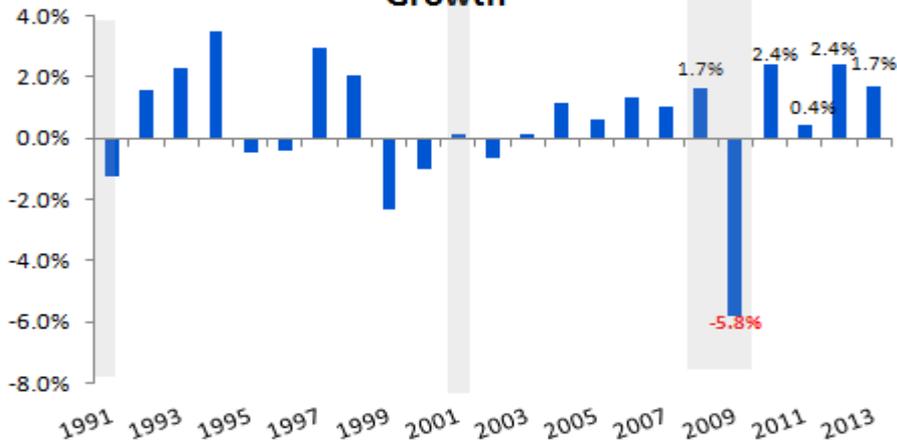
Silver Bow Average Annual Employment



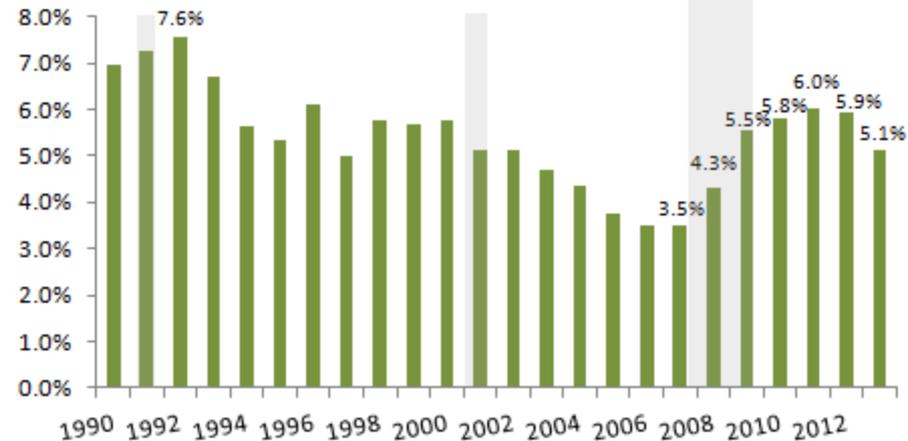
Silver Bow Average Annual Unemployed



Silver Bow Average Annual Employment Growth



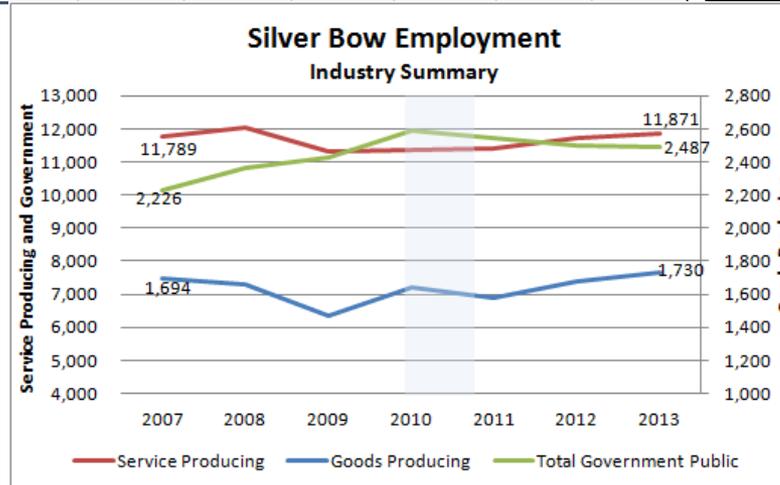
Silver Bow Avg Annual Unemployment Rate





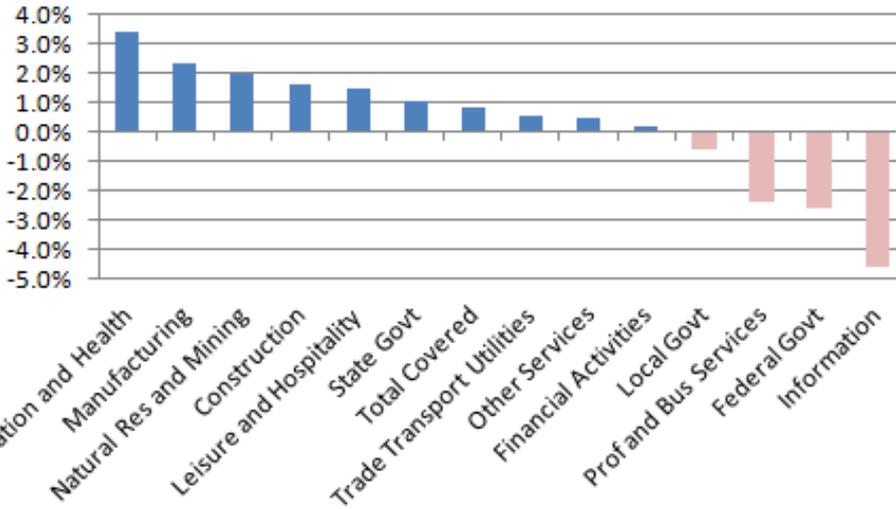
Our Jobs: SBC Labor Force, Employment, Unemployment

Covered Employment Counts:												
	2007	2008	2009	2010	2011	2012	2013	2003-13	2010-12	2011-12	2012-13	2011-13
Total Covered	15,709	16,081	15,225	15,596	15,542	15,902	16,088	0.9%	1.0%	2.3%	1.2%	546
Total Private	13,483	13,717	12,793	13,004	12,994	13,400	13,601	1.3%	1.5%	3.1%	1.5%	607
Goods Producing	1,694	1,658	1,470	1,642	1,575	1,676	1,730	2.0%	1.0%	6.4%	3.2%	155
Natural Resources and Mining	456	455	397	410	426	489	501	2.0%	8.8%	14.8%	2.5%	75
Construction	608	597	492	623	510	549	540	1.6%	-6.3%	7.6%	-1.6%	30
Manufacturing	630	606	581	609	639	638	689	2.4%	2.3%	-0.2%	8.0%	50
Service Producing	11,789	12,059	11,323	11,362	11,419	11,724	11,871	0.9%	1.6%	2.7%	1.3%	452
Trade Transport Utilities	3,542	3,693	3,406	3,445	3,457	3,526	3,535	0.5%	1.2%	2.0%	0.3%	78
Information	336	343	290	314	335	247	238	-4.5%	-12.0%	-26.3%	-3.6%	(97)
Financial Activities	511	520	497	466	457	470	467	0.2%	0.4%	2.8%	-0.6%	10
Prof and Bus Services	1,783	1,746	1,317	1,365	1,325	1,318	1,300	-2.3%	-1.8%	-0.5%	-1.4%	(25)
Education and Health	2,760	2,851	2,994	3,015	3,032	3,315	3,405	3.4%	4.7%	9.3%	2.7%	373
Leisure and Hospitality	2,304	2,370	2,252	2,221	2,269	2,288	2,366	1.5%	1.5%	0.8%	3.4%	97
Other Services	553	536	567	530	544	560	560	0.5%	2.8%	2.9%	0.0%	16
Unclassified				6								-
Total Government Public	2,226	2,364	2,432	2,592	2,548	2,502	2,487	-0.2%	-1.8%	-1.8%	-0.6%	(61)
Federal Govt	315	326	322	329	309	298	271	-2.5%	-4.9%	-3.6%	-9.1%	(38)
State Govt	675	822	879	1,023	945	955	963	1.1%	-3.4%	1.1%	0.8%	18
Local Govt	1,236	1,216	1,231	1,240	1,294	1,249	1,253	-0.5%	0.4%	-3.5%	0.3%	(41)

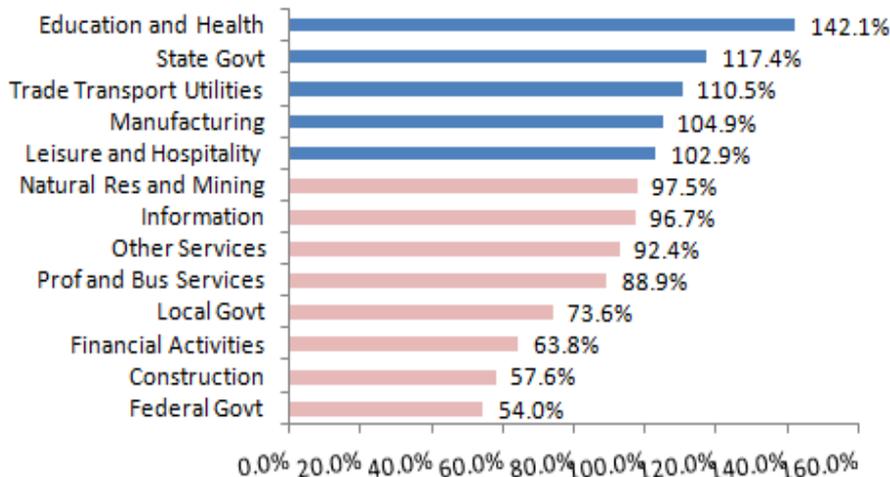


Our Jobs: SBC Labor Force, Employment, Unemployment

2003-13 SBC Avg Annual Employment %



Silver Bow 2013 Location Quotient



Strong Base-Derivative Employment and Earnings:

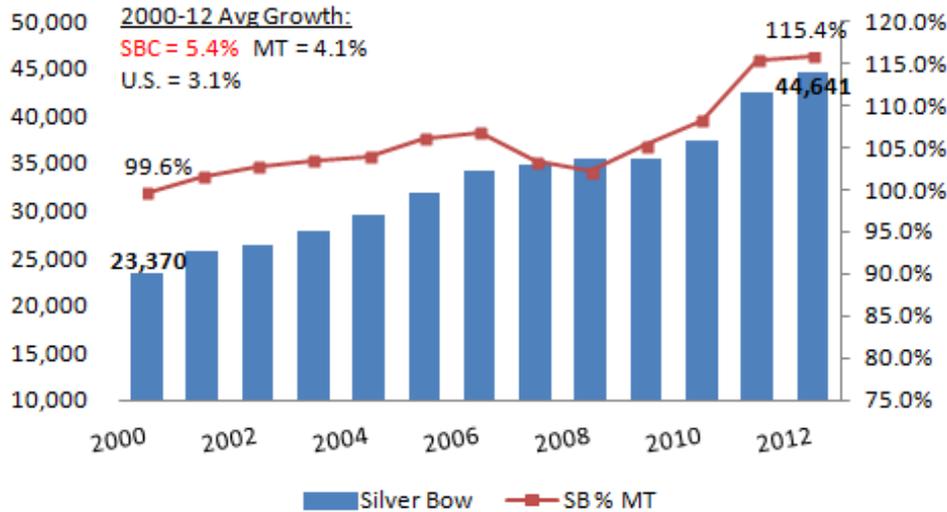
- **MT Tech:** nearly 90 new FTE's between 2009-14; approaching over 500 employees. (State Govt.)
- **NorthWestern Energy:** 42 new employees in Butte between 2009-13. 557 total employees with annual wage at over \$70k and significant contract employees. \$26M in Butte Division utility capital upgrades in 2014, and nearly \$25M investment in new G.O. adding part-time and full-time jobs (trade/utilities).
- **Montana Resources:** 300 base mining industries job remains stable goods producing mainstay of economy. Highest paying industry with profit sharing.
- **SeaCast:** Completed joint venture – growing and now approximately 100 employees. **REC** down, but still over 200 employees. Overall stable. (manufacturing)
- **St James and HealthCare:** Largest employer in county. Overall industry has seen largest growth in employment since 2003.
- **Town Pump and CCCS:** headquarters remain stable and major employers. CCCS Completed construction of MDCDC in 2013 added temporary and retaining permanent jobs (trade and services).
- **Acadia** headquartered in Butte and **Wal-Mart** remains stable solid employers (trade and services).

Location Quotient shows the % of employment in SBC as compared to the state average

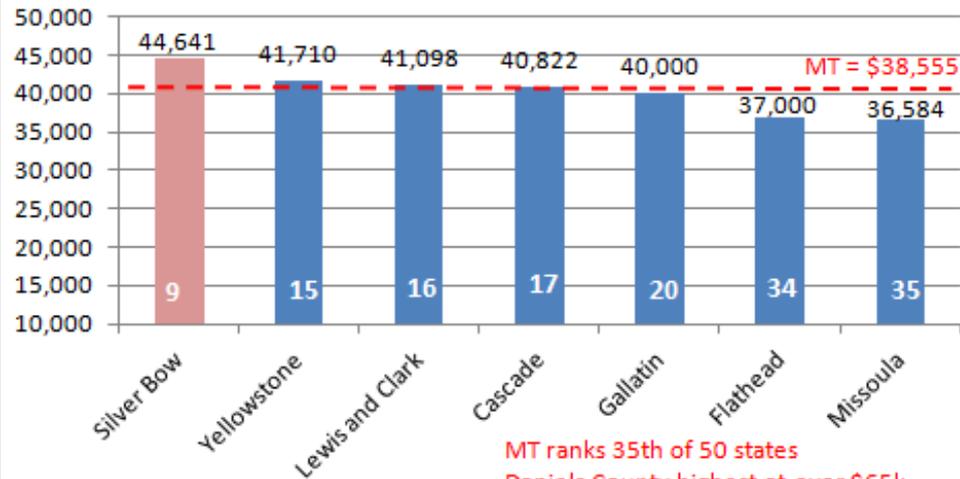


Our Earnings: Income and Wages

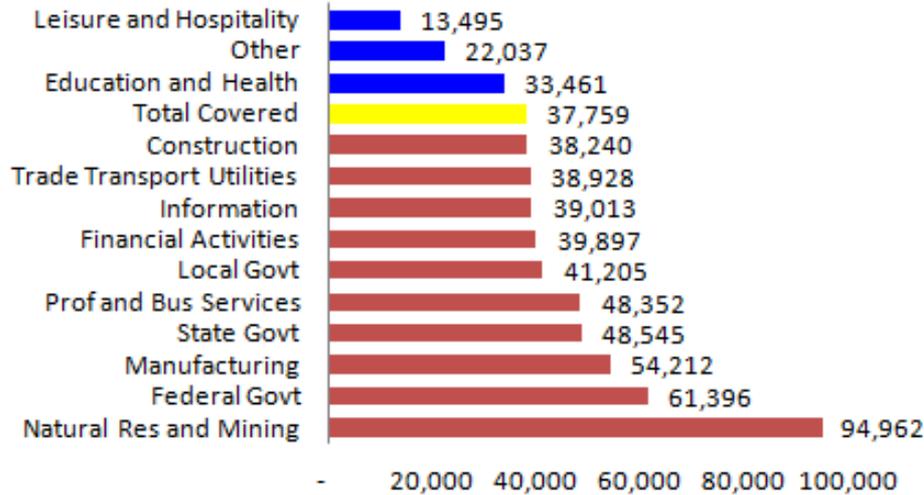
Silver Bow Per Capita Income



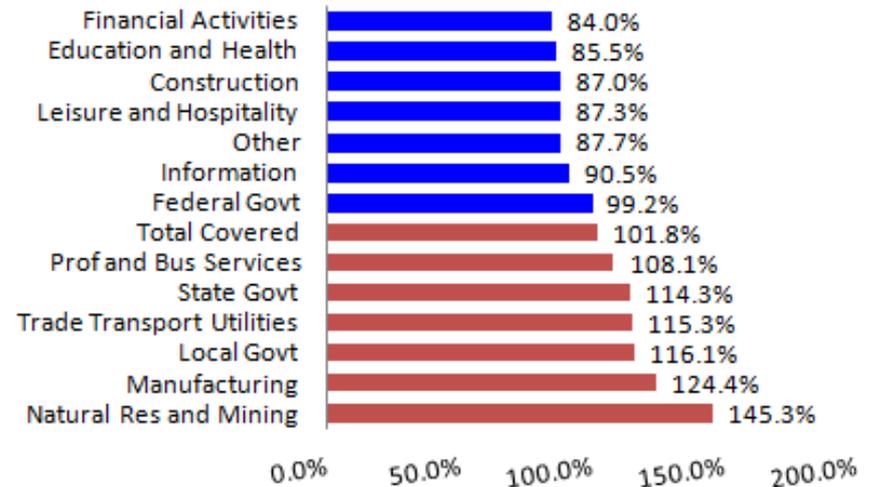
2012 Major County Per Capita Income



2012 June - SBC Avg Annual Wage



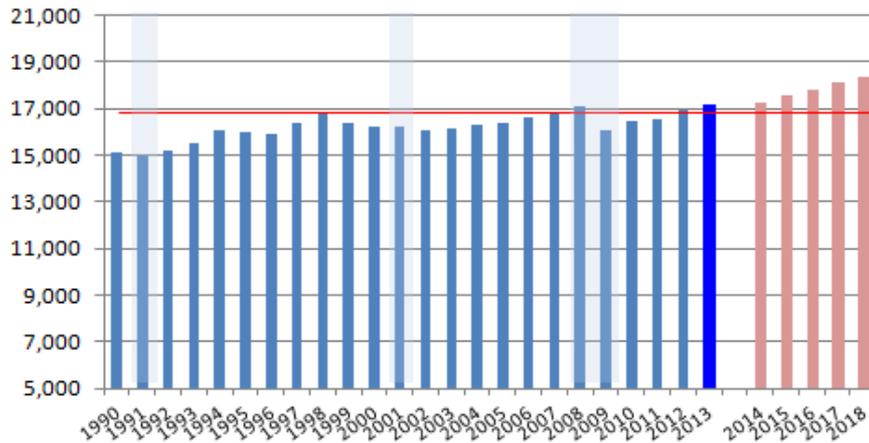
2012 June - SBC Avg Annual Wage % MT



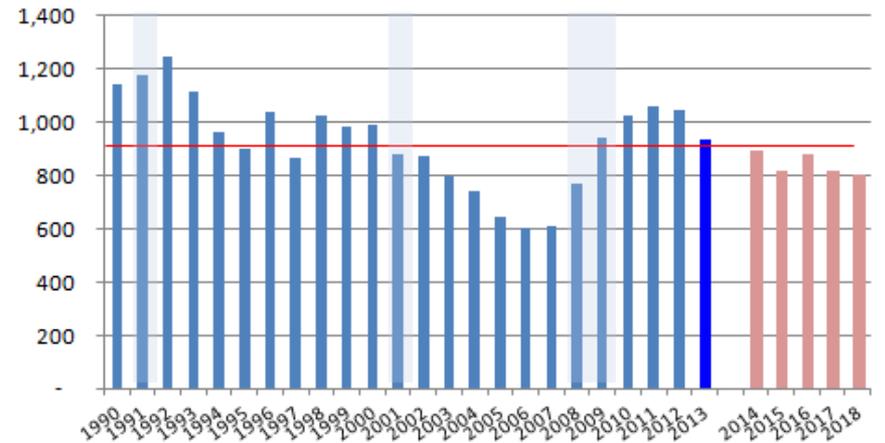
Silver Bow County Outlook - Annual Averages

	Historic Actuals							Outlook				
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Employment	16,811	17,087	16,098	16,487	16,557	16,959	17,200	17,281	17,540	17,681	17,893	18,126
Employment Growth	0.9%	1.6%	-5.8%	2.4%	0.4%	2.4%	1.4%	1.9%	1.5%	0.8%	1.2%	1.3%
Job Change	156	276	(989)	389	70	402	241	322	259	140	212	233
Unemployment	608	763	943	1,021	1,058	1,048	932	895	815	880	820	800
Unemployment Rate	3.5%	4.3%	5.5%	5.8%	6.0%	5.8%	5.1%	4.9%	4.4%	4.7%	4.4%	4.2%
Unemployed Change		155	180	78	37	(10)	(116)	(153)	(80)	65	(60)	(20)
Annual Wage	\$ 33,434	\$34,506	\$35,564	\$35,722	\$36,880	\$37,759	\$38,703	\$38,778	\$39,826	\$40,821	\$42,046	\$43,307
Wage Growth	5.6%	3.2%	3.1%	0.4%	3.2%	2.4%	2.5%	2.7%	2.7%	2.5%	3.0%	3.0%

Silver Bow County Total Employment



Silver Bow County Total Unemployed



Construction in uptown of the \$25 million NWE general office, YMCA building, Highland Gold mine, Sea Cast manufacturing, growth in trade and utilities, stability in professional/business and health care, partially offset by recent closures and reductions in leisure/hospitality, and smaller government reductions.