Flathead County

According to the numbers, the recession hit the Flathead economy harder than any other major urban area in the state. The nonfarm labor income decline of 2.7 percent in 2008 and the 9.3 percent decrease in 2009 were the largest among the cities reported. Although not shown in the Outlook book, Flathead County’s unemployment rate hit 11.3 percent in November 2010, higher than any of the other large counties in the state. These sizable impacts were the result of permanent closures (such as Columbia Falls Aluminum Company) combined with cyclic declines in major industries such as wood products, nonresident travel, and construction. On the positive side, the evolution of Kalispell into a regional trade and service center continues to be one of the growing sectors of the economic base. It will be at least 2014 before real nonfarm labor income (an overall measure of the economy) in Flathead County regains its 2007 peak. It will take even longer for employment to regain its pre-recession level.

Figure 2
Actual and Projected Percent Change in Nonfarm Labor Income, Flathead County, 2007-2014

Figure 3
Nonfarm Wage and Salary Employment, Montana & Flathead County, 2003 Q1 to 2010 Q2

Figure 4
Nonfarm Labor Income and Nonfarm Basic Labor Income, Flathead County, Percent Change, 1971-2008 (In Constant Dollars)

Figure 5
Labor Income in Basic Industries, Flathead County, 2008-2010 (Percent of Total)