Butte-Anaconda
Serving the World’s Economy
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The Great Recession was relatively mild for the Butte-area economy. The modest 2008-09 decline includes smaller bonuses at Montana Resources – an open pit copper and molybdenum mine in Butte – due to temporary softness in copper prices as well as some employment declines and cutbacks in other industries.

The mining and manufacturing industries in the Butte-area economy are closely tied to the global economy and are strongly influenced by international trends. The rapid growth in developing countries during the mid-2000s caused rising commodity and metal prices – including copper. This led to sizable increases in Montana Resources’ employment and the return of mining as a major component of the Butte-Anaconda area economic base. This company now employs approximately 350 workers. Overall, the mining industry (which includes other companies) accounts for about 22 percent of the economic base in Butte-Anaconda.

Another company, Renewable Energy Corporation (known as REC Silicon), has positively influenced Butte’s economy. The manufacturing plant near Butte was formerly known as Advanced Silicon Materials before REC Silicon – a Norwegian company – bought it in the last decade. The continued operation and stability of this facility, which specializes in renewable energy and has facilities worldwide, provides a good example of benefits of an ownership change. REC Silicon announced in late 2011 that it would close several of its older European plants but that the U.S. facilities would be unaffected. All of the Butte-area manufacturing facilities together account for about 10 percent of the local economic base.

The mild local recession impacts also can be attributed to other noncyclic components of the economic base. These include the federal government (10 percent), Montana Tech and other state government (15 percent), and the headquarters of NorthWestern Energy (14 percent).

The Butte-area economy is projected to grow about 1.7 percent per year from 2012 to 2015. This projected growth rate is slightly less than the 2.4 percent statewide average and down almost a full percentage point from the pre-recession figures for the Butte-area economy. The major uncertainties concern worldwide economic trends and their influence on commodity prices.