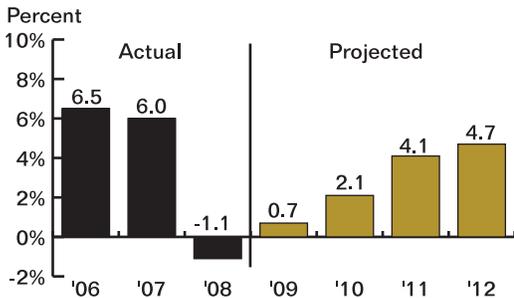


Flathead County

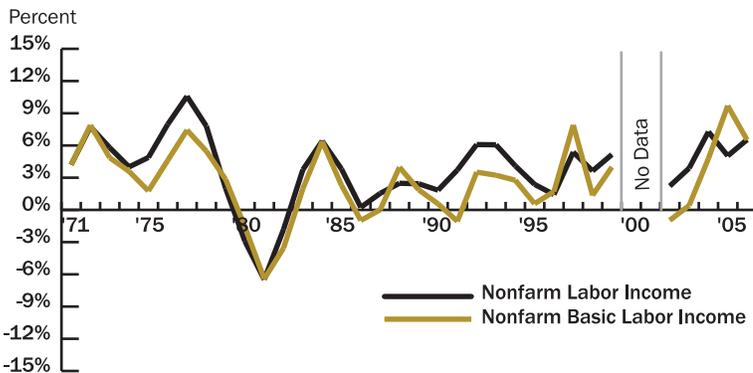
Flathead County was one of the fastest growing areas in Montana. But repeated blows during 2008 resulted in a 1.1 percent decline in the overall economy. First came the collapse of the high-flying construction and real estate industries. Then there was a seemingly endless series of cutbacks and shift reductions in the wood products industry. The national economy took its toll on the nonresident travel industry. During late-2008 there were further announcements of layoffs and cutbacks in manufacturing industries and nearby mining operations. Still to come is the looming possibility of a final shutdown of the Columbia Falls Aluminum Company. On the positive side, the evolution of Kalispell into a regional trade center continues to be one of the major contributors to growth in the economic base. After the negative figure in 2008, the Flathead economy is projected to recover relatively quickly, reaching 4 to 5 percent growth by 2012.

Figure 2
Actual and Projected Percent Change in Nonfarm Labor Income, Flathead County, 2006-2012



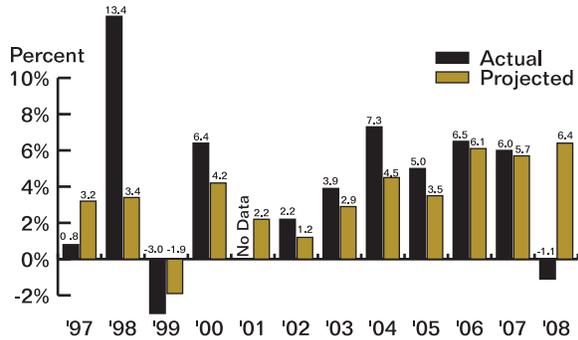
Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.

Figure 4
Nonfarm Labor Income and Nonfarm Basic Labor Income, Flathead County, Percent Change, [in constant dollars]



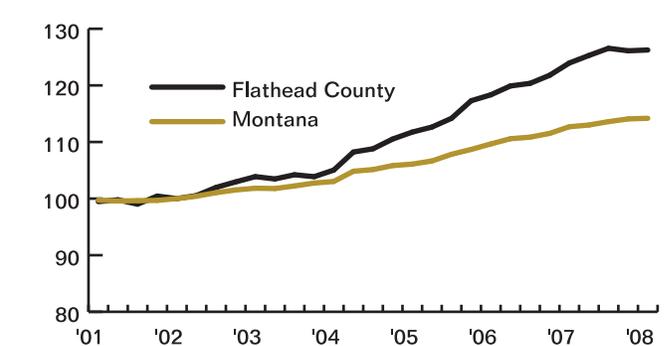
Note: 1971-1999 are three-year averages.
Source: Bureau of Economic Analysis, U.S. Department of Commerce.

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Flathead County, 1997-2008



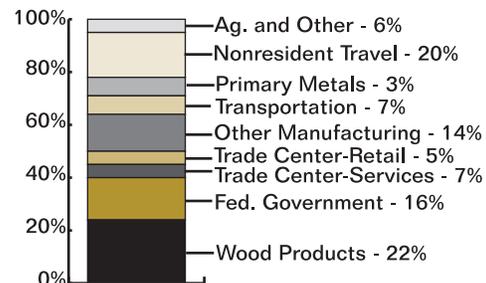
Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.

Figure 3
Nonfarm Wage and Salary Employment, Montana & Flathead County, 2001 Q1 to 2008 Q1 (2001Q1 = 100)



Note: Data seasonally adjusted by BBER.
Source: U.S. Bureau of Labor Statistics.

Figure 5
Labor Income in Basic Industries, Flathead County, 2006-2008 [percent of total]



Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.