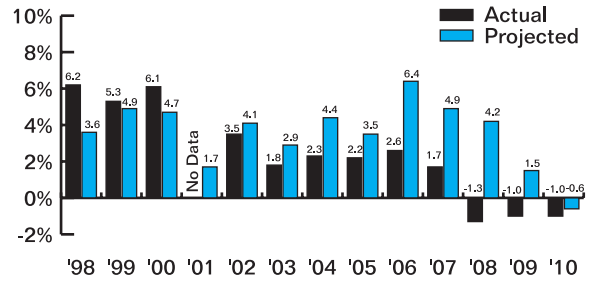


Missoula County

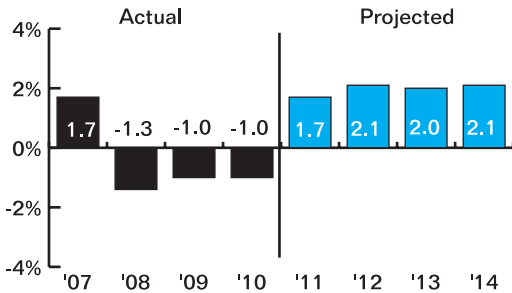
The recession has been long and hard for Missoula because cyclic job losses have been exacerbated by permanent closures and shutdowns. Missoula is the only major Montana city to experience three straight years of economic declines. The downward spiral began with the shutdown of the Bonner plywood plant in 2007 and was followed by the Bonner sawmill closure in 2008. The final shoe to drop was the closing of the Smurfit-Stone pulp mill in early 2010. Growth is projected to turn positive in 2011. Economic growth in Missoula County has consistently lagged behind the statewide average since mid-decade, and this is unlikely to change in the near future. Missoula continues as the dominant trade and service center in western Montana, but competition from other communities means that these sectors are contributing much less to local growth. It will be at least 2012 before Missoula's real nonfarm labor income (an overall measure of the economy) regains its 2007 peak.

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Missoula County, 1998-2010



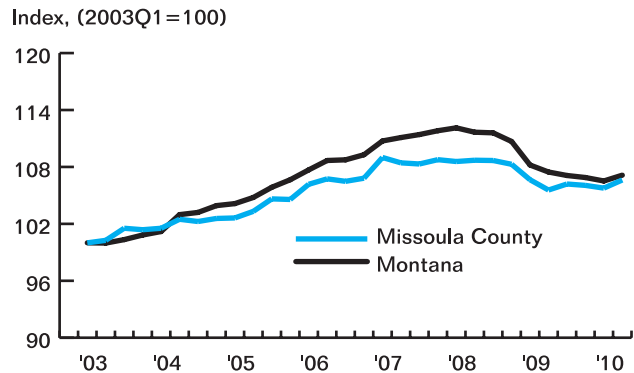
Sources: Bureau of Business and Economic Research, The University of Montana; Bureau of Economic Analysis, U.S. Department of Commerce.

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



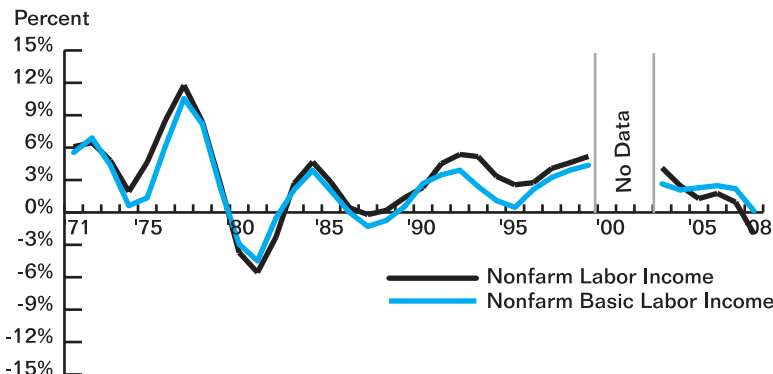
Sources: Bureau of Business and Economic Research, The University of Montana; Bureau of Economic Analysis, U.S. Department of Commerce.

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



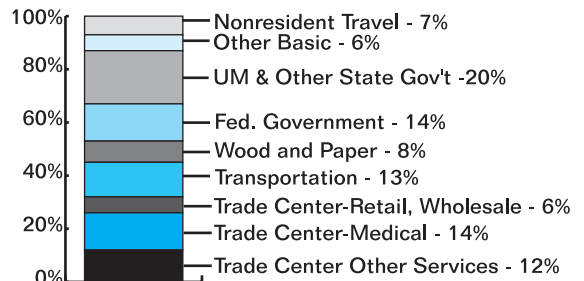
Note: Data seasonally adjusted by BBER. Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

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



Note: 1971-1999 are three-year averages. 2002-2008 are two-year averages. Source: Bureau of Economic Analysis, U.S. Department of Commerce.

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



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