U.S. Manufacturing

- 5.5 million fewer jobs than in 2000
- Annual worker income down by $49 billion
- Gross output down by $296 billion
Montana Manufacturing
2011 Labor Income

Total Employment: ~19,938
Total Labor Income: $1.08 billion

Sources: BEA-REIS; Census Bureau; and BBER estimates
Lewis & Clark County Manufacturing
2009 Labor Income

- Other Durable Goods: 30%
- Other Non-durable Goods: 36%
- Food & Beverage: 12%
- Metals: 3%
- Wood & Furniture: 6%
- Petroleum & Coal Prods.: 13%

Total Labor Income: $38.6 million
Total Employment: 871

Sources: BEA-REIS; Census Bureau; and BBER estimates
Cascade County Manufacturing
2009 Labor Income

- Food & Beverage: 48%
- Furniture: 4%
- Printing & Related: 8%
- Other Durable Goods: 12%
- Other Non-durable Goods: 28%

Total Labor Income: $58.1 million
Total Employment: 996

Sources: BEA-REIS; Census Bureau; and BBER estimates
Missoula County Manufacturing
2009 Labor Income

- Wood & Furniture: 20%
- Food & Beverage: 12%
- Chemical: 7%
- Other Durable Goods: 25%
- Other Non-durable Goods: 36%

Total Labor Income: $128 million
Total Employment: 2,530

Sources: BEA-REIS; Census Bureau; and BBER estimates
Yellowstone County Manufacturing
2009 Labor Income

Total Labor Income: $290 million
Total Employment: 3,567

- Petroleum & Coal: 57%
- Food & Beverage: 12%
- Metals: 10%
- Chemicals: 3%
- Other Non-Durable Goods: 4%
- Other Durable Goods: 14%

Sources: BEA-REIS; Census Bureau; and BBER estimates
Gallatin County Manufacturing
2009 Labor Income

Total Labor Income: $133 million
Total Employment 2,718

Non-metallic minerals 9%
Wood & Furniture 9%
Metals 7%
Computers & Electronics 8%
Other Durable Goods 32%
Other Non-durable Goods 17%
Plastics & Rubber 3%
Printing 3%
Textiles 4%
Food & Beverage 8%

Sources: BEA-REIS; Census Bureau; and BBER estimates
Butte-Silver Bow County Manufacturing

Total Labor Income: $39 million
Total Employment: 608

Sources: BEA-REIS; Census Bureau; and BBER estimates
Flathead County Manufacturing
2009 Labor Income

Total Labor Income: $149.5 million
Total Employment: 3,040

Wood & Furniture 47%
Computers & Electronics 3%
Metals & Related 5%
Food & Beverage 3%
Other Non-durable Goods 7%
Other Durable Goods 35%

Sources: BEA-REIS; Census Bureau
2011-2012 Montana Manufacturers Survey

- annual survey
- conducted in December
- open-ended & multi-choice questions
- current & coming year
- 211 firms participated
- response rate >88%
Montana Manufacturing
2011 Recap

• Better than 2010 for many firms

• Employment down at one-quarter of firms

• Many firms reported increased production, sales, and profits

• Few firms reported curtailments

• 44% of firms did make major capital expenditures
Montana Manufacturing Outlook for the Coming Year

- Better than last year: 36% (2012) vs 45% (2011)
- Same as last year: 52% (2012) vs 41% (2011)
- Worse than last year: 11% (2012) vs 13% (2011)
Manufacturing Employment in the Coming Year

Percent of Firms

<table>
<thead>
<tr>
<th>Category</th>
<th>Outlook for 2011</th>
<th>Outlook for 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than last year</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>Same as last year</td>
<td>61%</td>
<td>60%</td>
</tr>
<tr>
<td>Fewer than last year</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Outlook for 2011

Outlook for 2012
Lewis & Clark County Manufacturing Outlook for 2012

Percent of Firms

Better than 2011: 30%
Same as 2011: 60%
Worse than 2011: 10%
Cascade County Manufacturing Outlook for 2012

<table>
<thead>
<tr>
<th>Percent of Firms</th>
<th>Better than 2011</th>
<th>Same as 2011</th>
<th>Worse than 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>13%</td>
<td>68%</td>
<td>19%</td>
</tr>
</tbody>
</table>
Missoula County Manufacturing Outlook for 2012

Percent of Firms

- Better than 2011: 47%
- Same as 2011: 47%
- Worse than 2011: 6%
Yellowstone County Manufacturing Outlook for 2012

- Better than 2011: 48%
- Same as 2011: 39%
- Worse than 2011: 14%
Gallatin County Manufacturing Outlook for 2012

Percent of Firms

Better than 2011: 30%
Same as 2011: 52%
Worse than 2011: 14%
Butte-Silver Bow County Manufacturing Outlook for 2012

Percent of Firms

- Better than 2011: 18%
- Same as 2011: 64%
- Worse than 2011: 18%
Montana Manufacturing Forecast for 2012

- Little change is expected
- Recovery dependent on broader US economy & international factors
- Health insurance costs & workers comp remain the greatest concerns
- Half of MT manufacturers expect their energy costs to increase
Montana Forest Products
Outlook for the Coming Year

Percent of Firms

- Better than last year: 11% (2012), 46% (2011)
- Same as last year: 76% (2012), 37% (2011)
- Worse than last year: 11% (2012), 17% (2011)
Forest Products Employment Outlook for the Coming Year

Percent of Firms

- More than last year: 16% for 2012, 35% for 2011
- Same as last year: 71% for 2012, 59% for 2011
- Fewer than last year: 7% for 2012, 7% for 2011
Forest Industry Conditions

- Slow recovery in US housing
- Chinese lumber & log demand could impact Montana
- Wood energy markets are slowly emerging
- Retaining industry is important to forest landowners
- The industry is changing
Montana Forest Products Industry Forecast

- 2012 markets are expected to be somewhat better than 2011.
- Timber harvest & lumber production may increase slightly.
- Employment is expected to stay low.
- Forests will become more expensive to manage.