Richland County

THE BEST MEDICINE

How can Montanans take charge of changes in health care?

Inside:
National, State, and Local Forecasts • Health Care • Travel and Recreation
Agriculture • Manufacturing • Forest Products
Housing • Energy

Published with the support of the Montana Chamber of Commerce
OUTLOOK 2013
Published with the support of the Montana Chamber of Commerce

Advisory Board
Elizabeth Ching
Office of U.S. Senator Max Baucus

John Goodnow
Benefis Health System

James Grunke
Missoula Economic Partnership

Diana Holshue
Federal Reserve Bank of Minneapolis

Heather McDowell
PPL Montana, LLC

Chuck Roady
F. H. Stoltze Land and Lumber Company

Timothy P. Waldo
AXA Equitable AgriFinance

Outlook 2013
Larry Gianchetta
Dean, School of Business Administration

Patrick M. Barkey
Director, Bureau of Business and Economic Research

Christina Henderson
Marketing Director
Seminar Coordinator

Shannon Furniss
Outlook Editor
Communications Director

Nate Hegyi
Publications Assistant
# Table of Contents

2  Introduction and Overview  
   by Patrick M. Barkey

4  State and National Outlook  
   by Patrick M. Barkey

17  Health Care Outlook  
   by Gregg Davis

28  Travel and Recreation Outlook  
   by Norma Nickerson

33  Agricultural Outlook  
   by George Haynes

47  Manufacturing and Forest Products Outlook  
   by Todd A. Morgan

56  Housing Outlook  
   by Scott Rickard

70  Energy Outlook  
   by Terry Johnson

78  The Best Medicine  
   by Larry White

83  Chamber of Commerce Report  
   by Leslie Messer
THE BEST
MEDICINE

By
Patrick M. Barkey

HOW CAN MONTANANS TAKE CHARGE OF CHANGES IN HEALTH CARE?

Introduction and Overview
Big Provisions of the Affordable Care Act Less Than One Year Away

Health Insurance Exchanges
Medicaid Eligibility Expansion
Individual Mandate
Employer Mandate

- Small business tax credit
- Age 26 Coverage
- Tanning salon tax
- Flexible savings plan limits
- Brand name drug tax
- Medical device tax
- Medicare tax increase for higher earners
- More FSA limits


Debate Never Ends, But New Decisions Will Quickly Be Upon Us

- Consumers
  Sign up for exchange? Which one?
  Shopping for care

- Businesses
  Drop group coverage?
  Self-insure?

- Providers: End of the individual practitioner?

- State Government
The State and National Economic Outlook: Smooth Sailing Toward a Cliff?

Patrick M. Barkey, Director
Bureau of Business and Economic Research
The University of Montana

2012: A Better Year for Montana

- Strong income growth, but not quite as strong as state tax collections would suggest
- Evidence of energy activity is everywhere
- A glimmer of growth in the west
- Sitting out the party: retail and government
Real Wage Growth, Percent, 2011Q2-2012Q2

Where’s the Growth? Montana Real Wage Growth

Difference between Inflation-adjusted Wages and Salaries, FY2012 vs. FY2011
Where’s the Growth? Total Real Wage Growth

Difference between Inflation-adjusted Wages and Salaries, FY2012 vs. FY2011

Where’s the Growth? Construction Real Wage Growth

Difference between inflation-adjusted Wages and Salaries, FY2012 vs. FY2011
Where’s the Growth?  
Public Admin. Real Wage Growth

Difference between inflation-adjusted Wages and Salaries, FY2012 vs. FY2011

2013: Risks and Uncertainty

<table>
<thead>
<tr>
<th>Risk</th>
<th>Bad Outcome</th>
<th>Impact on Montana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Prices</td>
<td>Price spike from war or international event</td>
<td>Consumer spending adversely affected</td>
</tr>
<tr>
<td></td>
<td>threatening supplies</td>
<td></td>
</tr>
<tr>
<td>Global Economic Growth</td>
<td>EU Recession, Asian Slowdown</td>
<td>Commodity price collapse, exports decline</td>
</tr>
<tr>
<td>Uncertainty</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Global Growth Has Stumbled

Percent Change in Real Gross Domestic Product
Source: Moody's Analytics

2013: Risks and Uncertainty

<table>
<thead>
<tr>
<th>Risk</th>
<th>Bad Outcome</th>
<th>Impact on Montana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Prices</td>
<td>Price spike from war or international event threatening supplies</td>
<td>Consumer spending adversely affected</td>
</tr>
<tr>
<td>Global Economic Growth Uncertainty</td>
<td>EU Recession, Asian Slowdown</td>
<td>Commodity price collapse, exports decline</td>
</tr>
<tr>
<td>Federal Budget and Tax Uncertainty: Fiscal Cliff Issues</td>
<td>Government Shutdown, Default or Abrupt Fiscal Contraction</td>
<td>New recession, disruption to federal activities</td>
</tr>
</tbody>
</table>
The 2013 Fiscal Cliff as of December 1

Tax Increases:
- Bush Tax Cut Expiration
- Payroll Tax Cut Expiration
- Depreciation Incentives Expiration
- Alternative Minimum Tax

Spending Cuts:
- Budget Sequester
- Emergency Unemployment Insurance Expiration
- Medicare Reimbursement Cuts

2013 Total:
- $621 Billion
- 3.8 percent of GDP

Implications of the Cliff for GDP

![Graph showing implications of the Fiscal Cliff for GDP.](source: Bureau of Economic Analysis and IHS Global Insight)
The 2013 Fiscal Cliff as of January 4

Tax Increases:
- Bush Tax Cut Expiration  Most Rates Maintained
- Payroll Tax Cut Expiration  ✔
- Depreciation Incentives Expiration  Extended
- Alternative Minimum Tax  Permanent Fix

 Spending Cuts:
- Budget Sequester  Delayed 2 months
- Emergency Unemployment Insurance Expiration  Extended through 2013
- Medicare Reimbursement Cuts  Delayed

2013 Total
$139 Billion

0.9 percent of GDP

Implications of the Cliff for GDP

Source: Bureau of Economic Analysis and IHS Global Insight
Bust vs. Recovery
Percent Change in Montana Home Price Index

Source: Federal Home Finance Agency

New Homes Becoming More Price Competitive

Median Prices, New and Existing Montana Homes
Forecasts from IHS Global Insight
Summary

- Montana goes into 2013 with good momentum, but some factors helping 2012 growth won’t be sustained
- Too much uncertainty to forecast anything better than continued slow growth in U.S. economy
- Recovery in housing makes us more optimistic about Montana’s short-term prospects
Outlook for Key Industries

Energy and Mining:

Not a boom, but plenty of activity. Low natural gas prices affecting all markets.

Composition of Earnings in Montana’s Basic Industries, 2010-12

Outlook for Key Industries

Agriculture and Related:

Sustained high prices offset drought impacts. Policy uncertainty ahead.

Composition of Earnings in Montana’s Basic Industries, 2010-12
Outlook for Key Industries

Federal Military and Civilian:

Short- and medium-term risks have risen. Current mild declines expected to continue.

Composition of Earnings in Montana’s Basic Industries, 2010-12

Change in Nonfarm Earnings, Montana, 2010-2016

<table>
<thead>
<tr>
<th>Actual</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>'10</td>
<td>1.6</td>
</tr>
<tr>
<td>'11</td>
<td>1.8</td>
</tr>
<tr>
<td>'12</td>
<td>2.0</td>
</tr>
<tr>
<td>'13</td>
<td>2.7</td>
</tr>
<tr>
<td>'14</td>
<td>3.0</td>
</tr>
<tr>
<td>'15</td>
<td>3.0</td>
</tr>
<tr>
<td>'16</td>
<td>3.0</td>
</tr>
</tbody>
</table>
Outlook 2013

Is Montana’s Health Care Workforce Ready for the Affordable Care Act?
By Gregg Davis

www.csi.mt.gov/health/reports.asp

• Leif Associates
  – Health Insurance Market Study

• Bureau of Business and Economic Research
  – The Status of Montana’s Health Insurance Population
  – Montana’s Health Insurance Market: Prospects for 2014 and Beyond
  – An Estimate of the Economic Ramifications Attributable to the Potential Medicaid Expansion on the Montana Economy
Lots of questions remain about the Affordable Care Act

- Will health insurance premiums increase?
- Will competition emerge in the Exchange, and will it have a favorable impact on consumers?
- Will businesses dump employees into the Exchange?
- Will Medicare beneficiaries struggle to find doctors?
- Will ACA bend the health care cost curve upward instead of downward?

Often Missing from the Discussion...

- Ability of health care workforce to accommodate potential added demands as uninsured become insured.

\[
\begin{array}{cc}
16,000 & 55,000 \\
87,000 & 69,000 \\
\end{array}
\]
Often Missing from the Discussion...

- Ability of health care infrastructure, primarily health care workforce, to absorb potential added demands.

<table>
<thead>
<tr>
<th>16,000</th>
<th>55,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>87,000</td>
<td>69,000</td>
</tr>
</tbody>
</table>
Often Missing from the Discussion...

- Ability of health care infrastructure, primarily health care workforce, to absorb potential added demands.

16,000  55,000

87,000  69,000

The numbers for Richland County...

- Uninsured eligible for Medicaid expansion
  - 658
- Uninsured eligible for advanceable premium tax credits
  - 881
- Uninsured eligible for both tax credits and cost-sharing reductions
  - 510
like shopping for corn flakes in the cereal isle of your local grocery store...

Montana family of 4: Head of Household Age 40

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>100% FPL</td>
<td>Medicaid $12,130</td>
<td>Medicaid $117 (4%)</td>
<td>Medicaid $894</td>
<td>Medicaid $4,167</td>
</tr>
<tr>
<td>150% FPL</td>
<td>$12,130</td>
<td>$393 (8%)</td>
<td>$618</td>
<td>$6,250</td>
</tr>
<tr>
<td>250% FPL</td>
<td>$12,130</td>
<td>$742 (9.5%)</td>
<td></td>
<td>$8,333</td>
</tr>
<tr>
<td>400% FPL</td>
<td>$12,130</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Many ACA provisions focus on primary care...

– Reimbursement (10% bonuses), parity between Medicaid and Medicare,
– Welcome to Medicare exams, preventive services with no cost sharing,
– Individual mandate,
– Comprehensive Primary Care Initiative pilot,
– Patient Centered Homes (ACO’s, Medical Homes),
– Community Health Centers
Primary Care Provider Deficit: 2008 to 2025

- 52,000 more docs needed
  - 33,000 due to population growth
  - 10,000 due to aging
  - 8,000 due to Affordable Care Act


Pre ACA Primary Care Demand in Montana, Richland County

<table>
<thead>
<tr>
<th>Expected Source of Payment</th>
<th>Montana</th>
<th>Richland County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Sponsored Insurance</td>
<td>742,310</td>
<td>9,217</td>
</tr>
<tr>
<td>Direct Purchase</td>
<td>295,037</td>
<td>1,050</td>
</tr>
<tr>
<td>Medicare</td>
<td>415,287</td>
<td>4,281</td>
</tr>
<tr>
<td>Medicaid</td>
<td>141,863</td>
<td>2,244</td>
</tr>
<tr>
<td>No Insurance, Unknown</td>
<td>142,035</td>
<td>1,462</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2009-2011, National Ambulatory Medical Care Survey, BBER
### ACA Impact on Health Care Demand, Montana

<table>
<thead>
<tr>
<th></th>
<th>Primary Care</th>
<th>Surgical Specialty</th>
<th>Medical Specialty</th>
<th>Hospital Outpatient</th>
<th>Hospital Emergency</th>
<th>Total Additional Office Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Coverage</td>
<td>131,999</td>
<td>39,485</td>
<td>32,713</td>
<td>(1,979)</td>
<td>(19,795)</td>
<td>182,423</td>
</tr>
<tr>
<td>Medicaid</td>
<td>129,283</td>
<td>10,853</td>
<td>10,102</td>
<td>44,846</td>
<td>27,713</td>
<td>222,797</td>
</tr>
<tr>
<td>Total Additional Office Visits</td>
<td>261,281</td>
<td>50,338</td>
<td>42,815</td>
<td>42,867</td>
<td>7,919</td>
<td>405,220</td>
</tr>
</tbody>
</table>

Source: American Community Survey, National Ambulatory Medical Care Survey, BBER

### ACA Impact on Health Care Demand, Richland County

<table>
<thead>
<tr>
<th></th>
<th>Ambulatory Care Setting</th>
<th>Total Additional Office Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary Care</td>
<td>Surgical Specialty</td>
</tr>
<tr>
<td>Private Insurance</td>
<td>1,371</td>
<td>410</td>
</tr>
<tr>
<td>Medicaid</td>
<td>1,328</td>
<td>76</td>
</tr>
<tr>
<td>Total Increase</td>
<td>2,699</td>
<td>486</td>
</tr>
</tbody>
</table>

American Community Survey 2009-2011, National Ambulatory Medical Care Survey, BBER
Primary Care Capacity

- 2009 study by Davis, Roberts, White
  - Includes Family Practice, Internal Medicine, Pediatrics
  - Mid-level practitioners excluded (nurse practitioners, physicians’ assistants)
- U.S. DHHS Guideline of 4,200 office visits/year
  - Contrasts with 5,400 office visits per AMA guidelines

Estimated Shortage/Surplus of Primary Care Office Visits, Montana

<table>
<thead>
<tr>
<th>Primary Care Supply</th>
<th>Primary Care Demand</th>
<th>Shortage (-) Surplus (+) Office Visits per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,079,000</td>
<td>1,997,814</td>
<td>+ 81,186</td>
</tr>
</tbody>
</table>
Estimated Shortage/Surplus of Primary Care Office Visits, Richland County

<table>
<thead>
<tr>
<th>Primary Care Supply</th>
<th>Primary Care Demand</th>
<th>Shortage (-) Surplus (+) Office Visits per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>21,000</td>
<td>20,954</td>
<td>+46</td>
</tr>
</tbody>
</table>

Health Care Earnings, 2012-2014

- 2012: Predicted 3.6%, Revised 2.9%
- 2013: Predicted 2.5%, Revised 1.6%
- 2014: Predicted 3.2%, Revised 5.1%
gregg.davis@business.umt.edu

- “I don’t believe there’s any problem in this country, no matter how tough it is, that Americans, when they roll up their sleeves, can’t completely ignore.”
  — George Carlin 1937-2008
Travel & Recreation: Jobs, Lifestyle, & Growth

Norma P. Nickerson
Institute for Tourism & Recreation Research
University of Montana
www.itrr.umt.edu

Nonresident Visitors to MT

*preliminary

Institute of Tourism and Recreation Research

28 | Nonresident Travel Outlook
**Yearly Resident Travel**

- 15.4 million person-trips (> 50 miles from home)
- Residents spent $833 million on pleasure trips
- $1.03 billion in combined economic activity
- $85/day trip; $208/overnight trip

---

**2012 Preliminary Economic Contribution of Travel: Nonresident & Resident**

- **Resident**
  - $695 million Direct
  - $343 million Indirect & Induced

- **Nonresident**
  - $1.5 billion Indirect & Induced

Combined: $5.1 billion Economic Contribution to Montana in 2012
Nonresident travel supports 42,860 jobs
Resident travel supports 11,830 jobs

People choose to live/work in Montana because...

Looking for a town with no traffic report, clean air, simple life, and kind people....

It wasn’t the job at first but the lifestyle. As I grew with the business and eventually became a partner, the job came more into play, but then so did the lifestyle.

A summer job in Yellowstone brought me here, then I fell in love with Montana. I transferred to a Montana college and tourism marketing became my career.

The vast open space, quality of air and water.

My wife and I thought it was a good combination of our favorite places in the world, there was plenty of business opportunity and a great place to raise a family.

I love to fly fish!
Travel Trends

Airport Deboardings 3rd Q: +8%

Nat’l Park System 3rd Q: +6%

Amtrak Deboardings 3rd Q: +17%

Skier Visits: -6%

Bed Tax Collections 3rd Q: +5%
2013 Outlook

- Consumer confidence improving
- US Travel spending at record level ($8,467 billion in 2012 vs $5.45 billion in 2002).
- Overseas travel to US setting new records (29.2 million in 2012; 19.1 million in 2001)
- Hotel room demand is at an all time high (+3%)
- Restaurant industry on the incline (+3.5%)
- Gas prices on the way down (for now)
- 2% increase in nonresident travelers to MT
- 4% increase in traveler spending in MT
2013 Montana Agricultural Outlook

George Haynes
Department of Agricultural Economic & Economics
MSU Extension

Data Source: National Agricultural Statistics Service
Montana Field Office (NASS) and Livestock Marketing Information Center (LMIC)

2012 “Recap”

- **Crops**
  - All wheat prices – strong
  - All wheat production
    - Winter wheat production – down
    - Spring wheat production – up
  - Hay prices - strong

- **Cattle**
  - Cattle and Calf Prices – strong
  - Cow Herd – stable

- **Consumer Food Prices**
  - Increased
Gross Revenue Estimates
(2012 dollars)

Source: NASS and MSU Estimates
Droughts 2011 and 2012
(severe, extreme & exceptional – D2 – D4)

### 2011

<table>
<thead>
<tr>
<th>Week</th>
<th>Nothing</th>
<th>D0-D4</th>
<th>D1-D4</th>
<th>D2-D4</th>
<th>D3-D4</th>
<th>D4</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 11</td>
<td>57.83</td>
<td>42.17</td>
<td>30.47</td>
<td>23.85</td>
<td>17.12</td>
<td>9.76</td>
</tr>
<tr>
<td>October 9</td>
<td>23.38</td>
<td>76.72</td>
<td>63.55</td>
<td>39.91</td>
<td>20.16</td>
<td>6.48</td>
</tr>
</tbody>
</table>

Drought Impacts:
Higher Corn, Barley, and Spring Wheat Prices

Source: LMIC and USDA, U.S. Corn, Feed Barley and Hard Red Spring Wheat
Drought Impacts:
Higher Cattle and Calf Prices

![Graph showing $/CWT (inflation-adjusted) trend from 1990 to 2012.](image)

Source: NASS

---

Drought Status – October 2012

![Map showing drought status by county in Montana.](image)
CROPS (GRAIN AND HAY)

Source: WASDE, Total U.S. Exports = 1,050 mb in 2011/2012 and 1,050 mb in 2012/2013 (higher wheat production in 2012)
Where are Montana exports going?

  - Total 152.4 million bushels
    - Exports are 80% of total Montana wheat production
  - Destination
    - West 121.8 million bushels
      - Japan (50%), other Asian, Canada, & Mexico
    - East 30.6 million bushels

- **Export competition**
  - Canada, Australia, EU-27 & FSU-12 (Russia/Kazakhstan/Ukraine)

---

**Global Wheat Market Shares**

<table>
<thead>
<tr>
<th>Country</th>
<th>2011/2012 shares</th>
<th>2012/2013 shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>mmt</td>
<td>%</td>
</tr>
<tr>
<td>Australia</td>
<td>29.9</td>
<td>4.3</td>
</tr>
<tr>
<td>Canada</td>
<td>25.3</td>
<td>3.6</td>
</tr>
<tr>
<td>China</td>
<td>117.4</td>
<td>16.9</td>
</tr>
<tr>
<td>EU-27</td>
<td>137.2</td>
<td>19.7</td>
</tr>
<tr>
<td>India</td>
<td>86.9</td>
<td>12.5</td>
</tr>
<tr>
<td>FSU-12</td>
<td>114.8</td>
<td>16.5</td>
</tr>
<tr>
<td>U.S.</td>
<td>54.4</td>
<td>7.8</td>
</tr>
<tr>
<td>Other</td>
<td>130.5</td>
<td>18.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>696.4</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: WASDE-613, December 2012
Futures Prices
(no basis adjustment – 12/26/12)

<table>
<thead>
<tr>
<th>Location</th>
<th>Units</th>
<th>5/13</th>
<th>7/13</th>
<th>9/13</th>
<th>12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minneapolis Grain Exchange</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard Red Spring Wheat $/bu</td>
<td>8.80</td>
<td>8.89</td>
<td>8.87</td>
<td>8.92</td>
<td></td>
</tr>
<tr>
<td>Kansas City Board of Trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winter Wheat $/bu</td>
<td>8.35</td>
<td>8.42</td>
<td>8.54</td>
<td>8.69</td>
<td></td>
</tr>
<tr>
<td>Chicago Board of Trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corn $/bu</td>
<td>6.96</td>
<td>6.94</td>
<td>6.20</td>
<td>6.00</td>
<td></td>
</tr>
</tbody>
</table>

Sources: MGE, KBOT, CBOT and MGGA Market Manager

Montana Wheat 2012

- 2012/2013 Winter Wheat Plantings → ???
- Influence of corn prices (public policy)
- Influence of the 2011 & 2012 droughts
- 2013 Production/Prices
  - MT 2013 All Wheat Price: optimistic
CATTLE

U.S. Beef Production and Cattle Herd Size

Source: LMIC and MSU Agricultural Marketing Policy Center
U.S. Beef and Veal Exports
Percentage of Total U.S. Production

Source: LMIC, Beef and veal exports 2.5 billion pounds in 2012

Exports – who’s buying U.S. beef

Source: NASS
Futures Prices
(no basis adjustments – 12/26/12)

<table>
<thead>
<tr>
<th>Location</th>
<th>05/13</th>
<th>08/13</th>
<th>10/13</th>
<th>11/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago Mercantile Exchange</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feeder Cattle, $/cwt</td>
<td>159</td>
<td>163</td>
<td>163</td>
<td>164</td>
</tr>
<tr>
<td>Live Cattle, $/cwt</td>
<td>132</td>
<td>132</td>
<td>135</td>
<td>137</td>
</tr>
</tbody>
</table>

Source: Chicago Mercantile Exchange

Montana Cattle 2012/13

- **Strong prices for cow/calf producers**
  - Optimistic about calf prices through 2013 and beyond

- **Opportunity to increase cattle herd**
  - Beef demand – sell more beef at the same price
  - Farm programs – good insurance, good subsidies
    - *why* produce beef
  - Labor issue – more skills required to work on a ranch
  - Age of ranchers – little incentive
2013 Forecast

- **Crops**
  - Wheat, barley, & hay – prices higher than historical average

- **Livestock**
  - Cattle and calves – prices higher than historical average

- **Consumer Impact**
  - 3 to 4% increase in food prices
Montana Manufacturing & Forest Products: 2013 Outlook

Todd A. Morgan, CF

U.S. Manufacturing

- Approaching 12.5 million workers.
- Annual worker income is rising.
- Value of output per worker is increasing.
## Montana Brewery Survey Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>2010</th>
<th>2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer production (barrels)</td>
<td>87,442</td>
<td>102,925</td>
<td>18%</td>
</tr>
<tr>
<td>Beer sales (millions)</td>
<td>$21.8</td>
<td>$26.1</td>
<td>20%</td>
</tr>
<tr>
<td>Employment</td>
<td>231</td>
<td>320</td>
<td>39%</td>
</tr>
<tr>
<td>Compensation (millions)</td>
<td>$5.2</td>
<td>$6.4</td>
<td>23%</td>
</tr>
<tr>
<td>Expenditures (millions)</td>
<td>$15.6</td>
<td>$18.8</td>
<td>21%</td>
</tr>
</tbody>
</table>

(excluding employee compensation)

## Statewide Economic Impacts Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Units</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment</td>
<td>Jobs</td>
<td>434</td>
</tr>
<tr>
<td>Output (private sector sales)</td>
<td>$ Millions</td>
<td>48.4</td>
</tr>
<tr>
<td>Compensation (private non-farm)</td>
<td>$ Millions</td>
<td>9.8</td>
</tr>
<tr>
<td>Compensation (government)</td>
<td>$ Millions</td>
<td>1.8</td>
</tr>
<tr>
<td>Population</td>
<td>People</td>
<td>36</td>
</tr>
<tr>
<td>State government revenues</td>
<td>$ Millions</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Note: “Impact” refers to the difference between the baseline with brewing scenario, and the alternative without brewing scenario.
Richland County Manufacturing

Total Labor Income: $17 million

Total Employment: 358

2012-2013 Montana Manufacturers Survey

- annual survey
- conducted in November
- open-ended & multi-choice questions
- current & coming year
- 180+ firms participate
- response rate 80%
Montana Manufacturing 2012 Recap

- Better than 2011 for many firms
- Employment down at one-quarter of firms, up at 30%
- Many firms reported increased production, sales, and profits
- Few firms reported curtailments
- 40% of firms did make major capital expenditures
Montana Forest Products
Industry 2013 Forecast

- U.S. homebuilding recovering.
- Markets are expected to be better than 2012.
- Lumber production & sales should increase.
- Employment & worker earnings may increase slightly.
- Timber supply ...

Montana Manufacturing
Outlooks by City/Region

- Helena
- Great Falls
- Missoula
- Billings
- Bozeman
- Butte
- Kalispell
- All Respondents
Montana Manufacturing Forecast for 2013

- Continued improvements anticipated.
- Modest growth expected in statewide employment & worker earnings.
- Health insurance costs and continued economic recovery are major concerns.
- 65% of MT manufacturers expect their health insurance costs to increase.
Montana Housing Outlook 2013

2012 was a good year.
Sales increased.

### Single Family Homes 2012 Sales

<table>
<thead>
<tr>
<th>Area</th>
<th># Sales</th>
<th>1 Year % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billings</td>
<td>2,001</td>
<td>18%</td>
</tr>
<tr>
<td>Bitterroot*</td>
<td>374</td>
<td>13%</td>
</tr>
<tr>
<td>Butte*</td>
<td>380</td>
<td>11%</td>
</tr>
<tr>
<td>Gallatin</td>
<td>1,079</td>
<td>18%</td>
</tr>
<tr>
<td>Great Falls</td>
<td>897</td>
<td>12%</td>
</tr>
<tr>
<td>Helena</td>
<td>779</td>
<td>24%</td>
</tr>
<tr>
<td>Missoula</td>
<td>962</td>
<td>23%</td>
</tr>
<tr>
<td>Flathead Co.*</td>
<td>1,238</td>
<td>20%</td>
</tr>
<tr>
<td><strong>OVERALL</strong></td>
<td><strong>7,333</strong></td>
<td><strong>19%</strong></td>
</tr>
</tbody>
</table>
## Single Family Homes 2008-12 Sales

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billings</td>
<td>1946</td>
<td>1967</td>
<td>1721</td>
<td>1698</td>
<td>2001</td>
</tr>
<tr>
<td>Flathead</td>
<td>990</td>
<td>912</td>
<td>1039</td>
<td>1029</td>
<td>1238</td>
</tr>
<tr>
<td>Great Falls</td>
<td>967</td>
<td>924</td>
<td>856</td>
<td>804</td>
<td>897</td>
</tr>
<tr>
<td>Missoula</td>
<td>901</td>
<td>913</td>
<td>830</td>
<td>779</td>
<td>962</td>
</tr>
<tr>
<td>Gallatin</td>
<td>744</td>
<td>688</td>
<td>796</td>
<td>911</td>
<td>1079</td>
</tr>
<tr>
<td>Helena</td>
<td>672</td>
<td>692</td>
<td>606</td>
<td>627</td>
<td>779</td>
</tr>
</tbody>
</table>

---

## Single Family Homes 2008-12 Sales

<table>
<thead>
<tr>
<th>1st</th>
<th>Billings</th>
<th>Billings</th>
<th>Billings</th>
<th>Billings</th>
<th>Billings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2nd</td>
<td>Flathead</td>
<td>Great Falls</td>
<td>Flathead</td>
<td>Flathead</td>
<td>Flathead</td>
</tr>
<tr>
<td>3rd</td>
<td>Great Falls</td>
<td>Missoula</td>
<td>Great Falls</td>
<td>Gallatin</td>
<td>Gallatin</td>
</tr>
<tr>
<td>4th</td>
<td>Missoula</td>
<td>Flathead</td>
<td>Missoula</td>
<td>Great Falls</td>
<td>Missoula</td>
</tr>
<tr>
<td>5th</td>
<td>Gallatin</td>
<td>Helena</td>
<td>Gallatin</td>
<td>Missoula</td>
<td>Great Falls</td>
</tr>
<tr>
<td>6th</td>
<td>Helena</td>
<td>Gallatin</td>
<td>Helena</td>
<td>Helena</td>
<td>Helena</td>
</tr>
</tbody>
</table>
So did prices.

<table>
<thead>
<tr>
<th>Area</th>
<th>Median Price</th>
<th>1 Year % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billings</td>
<td>$197,500</td>
<td>7%</td>
</tr>
<tr>
<td>Bitterroot*</td>
<td>$168,000</td>
<td>-4%</td>
</tr>
<tr>
<td>Butte*</td>
<td>$92,250</td>
<td>4%</td>
</tr>
<tr>
<td>Gallatin</td>
<td>$253,750</td>
<td>7%</td>
</tr>
<tr>
<td>Great Falls</td>
<td>$155,500</td>
<td>4%</td>
</tr>
<tr>
<td>Helena</td>
<td>$189,450</td>
<td>1%</td>
</tr>
<tr>
<td>Missoula</td>
<td>$209,450</td>
<td>2%</td>
</tr>
<tr>
<td>Flathead Co.*</td>
<td>$185,600</td>
<td>3%</td>
</tr>
</tbody>
</table>

2012 Median Prices
### Single Family 2008-2012 Avg. Prices

<table>
<thead>
<tr>
<th>Area</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missoula</td>
<td>$428.3</td>
<td>$334.7</td>
<td>$330.1</td>
<td>$328.1</td>
<td>$335.7</td>
</tr>
<tr>
<td>Gallatin</td>
<td>$339.3</td>
<td>$277.6</td>
<td>$271.9</td>
<td>$251.8</td>
<td>$265.7</td>
</tr>
<tr>
<td>Flathead Co.</td>
<td>$223.1</td>
<td>$212.3</td>
<td>$214.8</td>
<td>$205.2</td>
<td>$214.7</td>
</tr>
<tr>
<td>Helena</td>
<td>$206.4</td>
<td>$200.5</td>
<td>$212.7</td>
<td>$208.5</td>
<td>$220.6</td>
</tr>
<tr>
<td>Great Falls</td>
<td>$171.0</td>
<td>$163.3</td>
<td>$161.3</td>
<td>$164.7</td>
<td>$187.4</td>
</tr>
</tbody>
</table>

In $ Thousands

---

### Single Family 2012 Days on Market

<table>
<thead>
<tr>
<th>Area</th>
<th>Avg. Days on Mkt</th>
<th>1 Year % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billings</td>
<td>58</td>
<td>-18%</td>
</tr>
<tr>
<td>Gallatin</td>
<td>101</td>
<td>-10%</td>
</tr>
<tr>
<td>Missoula</td>
<td>123</td>
<td>-3%</td>
</tr>
<tr>
<td>Helena</td>
<td>141</td>
<td>0%</td>
</tr>
<tr>
<td>Great Falls</td>
<td>152</td>
<td>8%</td>
</tr>
<tr>
<td>Butte*</td>
<td>161</td>
<td>8%</td>
</tr>
<tr>
<td>Flathead Co.*</td>
<td>249</td>
<td>-30%</td>
</tr>
<tr>
<td>Bitterroot*</td>
<td>354</td>
<td>0.3%</td>
</tr>
<tr>
<td>OVERALL</td>
<td>213</td>
<td>-11%</td>
</tr>
</tbody>
</table>
What’s selling?

2,060 Square Feet
35 Years Old
3 Bed
2+ Bath
2 Car Garage
You still can’t afford it.

Resort | 2008-2012 Median Prices
--- | --- | --- | --- | --- | ---
Gallatin Val./Big Sky/W. Yellow. | $1,100.0 | $550.0 | $582.5 | $552.0 | $535.0
Paradise Valley & Gardiner | $450.0 | $334.1 | $306.0 | $343.0 | $342.5
Bigfork | $305.0 | $315.0 | $336.0 | $247.3 | $252.2
Whitefish | $305.0 | $256.8 | $226.0 | $246.6 | $227.0
Lakeside | $295.0 | $305.0 | $238.5 | $243.5 | $217.9

$ thousands
<table>
<thead>
<tr>
<th>Resort</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whitefish</td>
<td>182</td>
<td>157</td>
<td>216</td>
<td>218</td>
<td>215</td>
</tr>
<tr>
<td>Bigfork</td>
<td>78</td>
<td>67</td>
<td>83</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Lakeside</td>
<td>42</td>
<td>43</td>
<td>50</td>
<td>48</td>
<td>49</td>
</tr>
<tr>
<td>Gallatin Val./Big Sky/W. Yellow.</td>
<td>39</td>
<td>41</td>
<td>52</td>
<td>64</td>
<td>73</td>
</tr>
<tr>
<td>Paradise Valley &amp; Gardiner</td>
<td>19</td>
<td>18</td>
<td>31</td>
<td>28</td>
<td>20</td>
</tr>
</tbody>
</table>

“<It’s got it all. Style. Location>.”
## Location Estimate

<table>
<thead>
<tr>
<th>Location</th>
<th>Price/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silver Bow</td>
<td>$ 64</td>
</tr>
<tr>
<td>Cascade</td>
<td>$ 82</td>
</tr>
<tr>
<td>Other</td>
<td>$ 89</td>
</tr>
<tr>
<td>Yellowstone</td>
<td>$ 93</td>
</tr>
<tr>
<td>Ravalli</td>
<td>$ 101</td>
</tr>
<tr>
<td>Flathead</td>
<td>$ 113</td>
</tr>
<tr>
<td>Lewis&amp;Clark</td>
<td>$ 127</td>
</tr>
<tr>
<td>Gallatin</td>
<td>$ 129</td>
</tr>
<tr>
<td>Lake</td>
<td>$ 146</td>
</tr>
<tr>
<td>Missoula</td>
<td>$ 154</td>
</tr>
</tbody>
</table>

## Style Estimate

<table>
<thead>
<tr>
<th>Style</th>
<th>Price/SF</th>
<th>Style</th>
<th>Price/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>$ 63</td>
<td>1 Level</td>
<td>$ 101</td>
</tr>
<tr>
<td>1.5 Level</td>
<td>$ 71</td>
<td>Split F/B</td>
<td>$ 101</td>
</tr>
<tr>
<td>Bungalow</td>
<td>$ 82</td>
<td>Cottage</td>
<td>$ 108</td>
</tr>
<tr>
<td>Split Level</td>
<td>$ 82</td>
<td>3 Level</td>
<td>$ 108</td>
</tr>
<tr>
<td>Split Entry</td>
<td>$ 87</td>
<td>Traditional</td>
<td>$ 108</td>
</tr>
<tr>
<td>3 Story</td>
<td>$ 88</td>
<td>1.5 or 2 Lev.</td>
<td>$ 113</td>
</tr>
<tr>
<td>2 Story</td>
<td>$ 89</td>
<td>Townhouse</td>
<td>$ 114</td>
</tr>
<tr>
<td>Manufactured</td>
<td>$ 90</td>
<td>Other</td>
<td>$ 133</td>
</tr>
<tr>
<td>Contemporary</td>
<td>$ 90</td>
<td>Tri-Level</td>
<td>$ 133</td>
</tr>
<tr>
<td>Ranch</td>
<td>$ 95</td>
<td>Custom</td>
<td>$ 142</td>
</tr>
<tr>
<td>4 Level</td>
<td>$ 95</td>
<td>Condo</td>
<td>$ 146</td>
</tr>
<tr>
<td>Baseline</td>
<td>$ 97</td>
<td>Cabin</td>
<td>$ 272</td>
</tr>
</tbody>
</table>
### Ranch Style Estimate

<table>
<thead>
<tr>
<th>Area</th>
<th>Price/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silver Bow</td>
<td>$ 71</td>
</tr>
<tr>
<td>Cascade</td>
<td>$ 97</td>
</tr>
<tr>
<td>Yellowstone</td>
<td>$112</td>
</tr>
<tr>
<td>Flathead</td>
<td>$122</td>
</tr>
<tr>
<td>Ravalli</td>
<td>$127</td>
</tr>
<tr>
<td>Lewis &amp; Clark</td>
<td>$133</td>
</tr>
<tr>
<td>Gallatin</td>
<td>$135</td>
</tr>
<tr>
<td>Lake</td>
<td>$135</td>
</tr>
<tr>
<td>Missoula</td>
<td>$158</td>
</tr>
</tbody>
</table>

### Condo Estimate

<table>
<thead>
<tr>
<th>Area</th>
<th>Price/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missoula</td>
<td>$211</td>
</tr>
<tr>
<td>Gallatin / Lake</td>
<td>$181</td>
</tr>
<tr>
<td>Lewis &amp; Clark</td>
<td>$178</td>
</tr>
<tr>
<td>Flathead</td>
<td>$163</td>
</tr>
<tr>
<td>Yellowstone</td>
<td>$150</td>
</tr>
<tr>
<td>Cascade</td>
<td>$130</td>
</tr>
</tbody>
</table>

### Price Per SF

![Floor plan of a house with labeled rooms and dimensions.](image-url)
Overall Estimate 2012 Home Values

3% to 4% Increase

Who is buying?
### When Do They Buy? By Age Range

<table>
<thead>
<tr>
<th>Buying Type</th>
<th>% of All Buyers</th>
<th>% by Age Range</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>18-24</td>
</tr>
<tr>
<td>1st-Time</td>
<td>41%</td>
<td>4%</td>
</tr>
<tr>
<td>Prev. But Not Current</td>
<td>43%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>2nd Home Purchaser</td>
<td>13%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>3rd Home Purchased (+)</td>
<td>4%</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

### Homeowners Years Between Moves

- SFH Owners
- Condo Owners
2013 has potential.

Thank you.
Presentation Outline

- Fossil Fuel Focus
  - Coal
  - Oil
  - Natural Gas
- Renewables, Minerals, Alternatives
- What Changed? 2008 to 2011
- Energy Outlook
- What Does This All Mean?
Oil Production Value Decline: What Happened?

Montana Oil Production By Quarter

<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$88.87</td>
<td>31.9</td>
</tr>
<tr>
<td>2011</td>
<td>$88.77</td>
<td>24.0</td>
</tr>
</tbody>
</table>

Gas Production Value Decline: What Happened?

Montana Natural Gas Production By Quarter

<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
<th>MCF's</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$6.90</td>
<td>116.2</td>
</tr>
<tr>
<td>2011</td>
<td>$3.47</td>
<td>76.6</td>
</tr>
</tbody>
</table>
Reasons for Production Value Change – 2008 to 2011

- Coal
  - Price increases due to world demand
  - International energy policies
- Oil
  - Stable prices (on average)
  - Slow implementation of new technology
- Natural Gas
  - Weak demand, over supply
  - Transportation

Montana’s Energy Outlook

Coal --- ↔

- Why?
  - International Demand
  - International Natural Gas Price vs. Coal Price
- What to monitor
  - Federal Environmental Rules
  - Construction of Port Facilities
### International Coal Consumption, 2010

- **China, 46.2%**
- **United States, 13.1%**
- **India, 9.0%**
- **Other, 31.7%**

---

### Montana’s Energy Outlook

#### Oil

- **Why?**
  - Rig Count Improvement
  - Economic Recovery
  - U.S. Energy Independence
- **What to monitor**
  - Environmental Issues With “Fracking”
  - Transportation Issues
  - Federal & State Taxation Policies
Montana Oil Rig Count

Montana Oil Rig Counts By Month

Montana’s Energy Outlook
Natural Gas ---

- Why?
  - Electricity Generation
  - Environmental Issues with Coal

- What to monitor
  - Environmental Issues With “Fracking”
  - Federal & State Taxation Policies
  - International Energy Policies
U.S. Electricity Generation by Fuel Type

What Does This All Mean?

- Economic Growth
  - Eastern Montana
  - Other Areas (Billings for example)
- Enhanced Governmental Revenue
  - Natural Resource Taxes
  - Income Taxes
  - Consumption Taxes
- Governmental Service Pressures
  - Education
  - Public Safety
  - Infrastructure (State and Local)
Questions

• Some Interesting Energy Facts
  – Montana has the highest estimated recoverable coal reserves in U.S.
  – Wyoming produced the most coal in U.S. (2011) – over 40%
  – U.S. was 3rd largest oil producer in 2011 – Saudi Arabia and Russia were 1st and 2nd, respectively
  – North Dakota was second largest oil producer in U.S. (2012)
  – U.S. natural gas production was highest level ever in 2011
  – U.S. natural gas use for electricity generation increased 188% from 1988 to 2011

Health Care:
Avg. Annual Growth = 7.0%

Total:
Avg. Annual Growth = 5.2%

Source: Centers for Medicare and Medicaid Services and Bureau of Economic Analysis
The Health Care System

**Inputs**
- Human Resources
- Financing
- Facilities and Equipment

**Process**
- Hospitals
- Doctors Offices
- Nursing Homes
- Home Care

**Outputs**
- Accessible Care
- Quality of Care
- Cost of Care

Montana’s 195,000 Uninsured: How ACA Can Help

- Eligible for Low Income Subsidy, 40,000
- Medicaid Eligible (<138% FPG), 69,000
- Remains Uninsured, 86,000
Richland County

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Uninsured</td>
<td>1,740</td>
</tr>
<tr>
<td>Percent of Total County Pop Uninsured</td>
<td>21%</td>
</tr>
<tr>
<td>Number Covered by Medicaid before ACA</td>
<td>545</td>
</tr>
<tr>
<td>Number Eligible for Medicaid after ACA</td>
<td>1,203</td>
</tr>
<tr>
<td>Hospital Cost of Uncompensated Care (2010)</td>
<td>$1,769,798</td>
</tr>
<tr>
<td>Physicians and Other Community Providers (Est)</td>
<td>$1,131,510</td>
</tr>
<tr>
<td>Total Uncompensated Care (Est)</td>
<td>$2,901,308</td>
</tr>
<tr>
<td>Uncompensated Care Reduction</td>
<td>$722,437</td>
</tr>
</tbody>
</table>

Health Insurance Exchange

- **Functions**
  - Internet virtual marketplace for individuals and small employers to shop for insurance
  - Provide consumer choice (bronze, silver, gold, platinum)
  - Increase transparency of products and prices
  - Ensure all plans offer “essential health benefits”
Financing Moves Away from Fee For Service

<table>
<thead>
<tr>
<th>Performance Risk</th>
<th>Utilization Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Care</td>
<td>Quality of Care</td>
</tr>
<tr>
<td>Volume of Care</td>
<td></td>
</tr>
</tbody>
</table>

**Bundled Pricing**
- Episodic Efficiency
- Readmission Reduction
- Care Standardization

**Pay-for-Performance**
- Process Reliability
- Clinical Quality
- Patient Experience

**Shared Savings**
- Chronic Care Management
- Care Substitution
- Disease Prevention

Source: Health Care Advisory Board Interviews and Analysis
© 2011 The Advisory Board Company- 21648

Montana Number of Employers by Employee Category, 2012

<table>
<thead>
<tr>
<th>Size of Employer by Number of Employees</th>
<th>Number of Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 4</td>
<td>25,327</td>
</tr>
<tr>
<td>5 to 9</td>
<td>6,899</td>
</tr>
<tr>
<td>10 to 19</td>
<td>4,337</td>
</tr>
<tr>
<td>20 to 49</td>
<td>2,382</td>
</tr>
<tr>
<td>50 to 99</td>
<td>686</td>
</tr>
<tr>
<td>100 to 249</td>
<td>264</td>
</tr>
<tr>
<td>250 to 499</td>
<td>53</td>
</tr>
<tr>
<td>500 to 999</td>
<td>19</td>
</tr>
<tr>
<td>1000 or more</td>
<td>18</td>
</tr>
</tbody>
</table>

© 2011 The Advisory Board Company- 21648
Primary Care Physicians Per 100,000 Population, 2005

- Urban: 71
- Large Rural: 61
- Small Rural: 59
- Isolated Small Rural: 36

Montana Physicians in Active Practice by County

- 0 Doctors (10 Counties)
- 1-5 Doctors (20 Counties)
- 6-20 Doctors (12 Counties)
- 21-100 Doctors (8 Counties)
- 100+ Doctors (6 Counties)
OUR MISSION

To take action or encourage action by others which will assist potential new or existing businesses to improve their chances of survival and contribution to economic growth in Richland County, Montana
OUR 2012 BOARD OF DIRECTORS

- Leif Anderson - Beagle Properties
- Pam Burman - Bank of Montana
- Russ Fullmer - DairyRays
- Shane Gorder - Richland County Comm
- Tara Hill - CHMS, PC
- Craig Averett - Big Sky Siding & Windows
- Tami Christensen - Ti-County Imp
- Chip Gifford - Johnson Hardware & Furniture
- Bill Henderson - Richland-Sioux Airport
- Wale McNeer - Bus, Ti County Imp

OUR 2012 BOARD OF DIRECTORS

- Linette Miller - Miles Center
- Mark Rehbein - Rancher
- Allen Seifried - Jensen Insurance
- Don Steinbeiser - Farmer
- Randy Olson - Blue Rock Products
- Gary Schoepf - ACTION Auto
- Cami Skinner - Elliott Insurance
- Jackie Weschebek - 1st Choice Collision
RED OPERATIONAL BUDGET 2012

- Businesses & Individuals: Annual contributions $57,500
- Richland County: $40,000
- City of Sidney: $7,750

ECONOMIC DEVELOPMENT

- Industrial and Commercial Development
- Retail/Downtown Development
- Entrepreneurial Development
- Tourism, Recreational, and Cultural
- Education and Training
- Government
- Social and Charitable Services
- Planning and Conservation
RICHLAND ECONOMIC DEVELOPMENT

SCOREBOARD
JOBS ASSISTED / CREATED
FROM 1999 – 2012

JOBS CREATED  JOBS RETAINED
649          538

OVERALL PERFORMANCE
• 60+ WALK IN DEVELOPERS
• 40+ SMALL BUS CONSULTATIONS
• 10 LETTERS OF SUPPORT
• 16 PRESENTATIONS
• 9 GRANT RESEARCH REQUESTS
• TOUCHED BASES W/ 100% OF MEMBERSHIP (7 NEW MEMBERS)
NEW WEB PAGE

www.richlandeconomicdevelopment.com

1, 120 VISITORS WEEKLY

REVOLVING LOAN RECIPIENTS

#7: Planet Hair

#8: Downtown Bistro
REVERSING LOAN RECIPIENTS

# 9: Irene's Place Mobile Home Park

RICHLAND COUNTY

- CIVILIAN LABOR FORCE: 7,036
- EMPLOYED: 6,880
- UNEMPLOYED: 156
- RATE: 2.2%
# TOP 10 PRIVATE EMPLOYERS:

<table>
<thead>
<tr>
<th>EMPLOYER</th>
<th>CLASS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensign US Drilling:</td>
<td>4</td>
</tr>
<tr>
<td>Franz Construction:</td>
<td>5</td>
</tr>
<tr>
<td>Hurley Enterprises:</td>
<td>5</td>
</tr>
<tr>
<td>Mitchell’s Oil Field Service:</td>
<td>6</td>
</tr>
<tr>
<td>Pauper Industries:</td>
<td>4</td>
</tr>
<tr>
<td>Reynolds Markets:</td>
<td>4</td>
</tr>
<tr>
<td>Sidney Health Center:</td>
<td>8</td>
</tr>
<tr>
<td>Sidney Sugars:</td>
<td>6</td>
</tr>
<tr>
<td>South 40:</td>
<td>4</td>
</tr>
<tr>
<td>Valley View IGA</td>
<td>5</td>
</tr>
</tbody>
</table>

Employment Size Class Coding: Class 9 = 1000+ employees, Class 8 = 500 to 999 employees, Class 7 = 250 to 499 employees, Class 6 = 100 to 249 employees, Class 5 = 50 to 99 employees, Class 4 = 20 to 49 employees, Class 3 = 10 to 19 employees.
HOW OIL REVENUES ARE ALLOCATED

- Impact starts immediately, however oil companies get an 18 mos holiday (Money doesn't get to the impacted areas for up to 24 mos)

- Taxes paid to Helena are then disbursed as follows:
  - State keeps 52%
  - County gets 23%
  - Schools get 20%
  - Transportation gets 5%
  - Impacted cities get .01%
SNAPSHOT OF OIL INDUSTRY IN RICHLAND CO. IN 2012

- 50 COMPANIES
- 745 EMPLOYEES
- $45 PER HOUR
- $1,763 WEEKLY INCOME
- $91,000 ANNUAL INCOME

Per Capita Personal Income, 2011

![Bar chart showing per capita personal income comparison between Richland, Montana, and the United States. Richland has the highest income, followed by Montana and then the United States.](chart_image)
Our office contacted Verizon and requested additional cell towers. We were recently told that at least three more cell towers were being considered in Eastern MT, because of our request. (In addition to Mid-Rivers new towers)
SHOPS AT FOX RUN

Golden Prairie Inn & Suites

Microtel Inn & Suites

Holiday Inn Express

- Hotels challenged to offer gov’t rates
- Per diem had been $77 per night (30 yrs)
- Our office wrote letters to Baucus, Tester and Rehberg urging them to pressure GSA
- GSA investigated our region—impacts
- New per diem rates applied ($96 per night) effective October 1st.
#1 Lack of Affordable Housing

Photo courtesy of Beagle Properties

#2 Lack of Employees

Help Wanted
Now Hiring
Eastern MT Impact Coalition

- Awarded $280,000 from Econ Dev Admin
- Total project cost: $380,000
- Quantify the impacts of oil & gas development
- Subcontract planner services
- Subcontract for resource coordinator

Impact Study on Infrastructure

- Housing
- Public Safety
- Agriculture
- Healthcare
- Education
- Community Amenities
OUR OFFICE IS LOCATED AT
1060 SOUTH CENTRAL AVE
SUITE 3
SIDNEY, MT

406-482-4679

ANY QUESTIONS?
Upcoming Events

Manufacturing/Trade Day at the Capitol
April 4, Helena

Montana Chamber Summer Meeting
June 18-19, Big Sky

2012 Governor’s Cup Golf Tournament
August 1-3
Flathead Valley
www.2013GovernorsCup.com

Montana Goes to China Tour
September 28-October 7
www.MontanaGoestoChina.com

Montana Goes to Cuba Tour
October 25-November 1
www.MontanaGoestoCuba.com

Membership Benefits
Office Depot Program
HR e-Source
Monthly Newsletter “Eye on Business “
Weekly membership e-updates

Programs
Montana Manufacturing Council

Montana High School Business Challenge
www.MTHSBC.com

Montana Chamber Choices
www.ChamberChoices.com

Montana Safety Choices
www.MTSafetyChoices.com
2013 Economic Update

**Kalispell**
Thursday August 1, 2013
12:00 – 1:30 p.m.
Red Lion Hotel

**Butte**
Wednesday August 7, 2013
12:00 – 1:30 p.m.
Comfort Inn

**Billings**
Tuesday August 6, 2013
7:00 – 8:30 a.m.
Crowne Plaza

**Great Falls**
Thursday August 8, 2013
7:00 – 8:30 a.m.
Hilton Garden Inn

**Bozeman**
Tuesday August 6, 2013
12:00 – 1:30 p.m.
Best Western GranTree

**Missoula**
Thursday August 8, 2013
12:00 – 1:30 p.m.
Holiday Inn Downtown

**Helena**
Wednesday August 7, 2013
7:00 – 8:30 a.m.
Jorgenson’s

Check out [www.MontanaChamber.com](http://www.montanachamber.com) for the latest Montana business news and resources

**2013 Montana Chamber of Commerce**
**Treasure State Investors**

---

[QR Code for Montana Chamber of Commerce](#)