RECESSION
It Depends On Where You Live

By Paul E. Polzin
Bureau of Business and Economic Research
The University of Montana
Annual Percent Change in Nonfarm Labor Income (in Constant Dollars) 2001-2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>2.9</td>
</tr>
<tr>
<td>2002</td>
<td>5.0</td>
</tr>
<tr>
<td>2003</td>
<td>5.8</td>
</tr>
<tr>
<td>2004</td>
<td>3.1</td>
</tr>
<tr>
<td>2005</td>
<td>3.9</td>
</tr>
<tr>
<td>2006</td>
<td>3.9</td>
</tr>
<tr>
<td>2007</td>
<td>2.6</td>
</tr>
</tbody>
</table>

The graph shows the annual percent change in nonfarm labor income from 2001 to 2007.
Annual Percent Change in Nonfarm Labor Income (Preliminary), (in Constant Dollars) 2007Q4 – 2008Q4
Annual Percent Change in Nonfarm Labor Income Without Construction (Preliminary), (in Constant Dollars) 2007Q4 – 2008Q4

<table>
<thead>
<tr>
<th>Gallatin</th>
<th>Flathead</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>-2.5</td>
</tr>
<tr>
<td>-0.2</td>
<td>1.4</td>
</tr>
<tr>
<td>-1.7</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Note: The table and graph show changes in nonfarm labor income without construction, with preliminary data for 2007Q4 and 2008Q4.
Annual Percent Change in Employment

Recession Declared 1991

United States
Montana
Cascade County
Annual Percent Change in Employment

- United States
- Montana
- Cascade County

Recession Declared

2001

2002

2003

2004

2005
Cascade County Economic Base
2006-2008

- Other: 6%
- Transportation: 6%
- State Gov’t and Higher Ed.: 6%
- Manufacturing: 6%
- Trade Center - Other: 6%
- Trade Center - Health: 11%
- Federal Civ.: 10%
- Malmstrom AFB: 37%

Feb. ‘09
Stable
Pay Freeze
Stable
Reform
Normal Growth
Stimulus

Aug. ‘09
Stimulus

Stable
Pay Freeze
No Bad News
Stable
Reform
??
Stimulus
Stimulus
Actual and Projected Change in Nonfarm Labor Income, Cascade County, 2006-2012
Actual and Projected Change in Nonfarm Labor Income, Cascade County, 2006-2012

- Actual Change:
  - '06: 4.3%
  - '07: 3.4%
  - '08: 1.9%
  - '09: 2.0%
  - '10: 0.8%
  - '11: 1.2%
  - '12: 1.6%

- Projected Change:
  - '06: 4.9%
  - '07: 0.9%
  - '08: 1.9%
  - '09: 2.0%
  - '10: 0.7%
  - '11: 0.9%
  - '12: 1.2%
Questions?