Outlook 2011:
Different City, Different Recovery

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Annual Percent Change in Nonfarm Labor Income (in Constant Dollars) 2001-2007
Recession Impulses

Housing bust

• Impacted construction and real estate

Worldwide financial crisis

• Impacted consumer sentiment

Wood products layoffs and closures

• Impacted western Montana
Annual Percent Change in Nonfarm Labor Income (in Constant Dollars) 2008 and 2009

<table>
<thead>
<tr>
<th>Percent</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>MONTANA</td>
<td>-0.7</td>
<td>-2.0</td>
</tr>
<tr>
<td>CASCADE</td>
<td>0.5</td>
<td>2.0</td>
</tr>
<tr>
<td>LEWIS &amp; CLARK</td>
<td>2.6</td>
<td>2.1</td>
</tr>
<tr>
<td>FLATHEAD</td>
<td>-2.7</td>
<td>-2.3</td>
</tr>
<tr>
<td>GALLATIN</td>
<td>-5.5</td>
<td>-1.4</td>
</tr>
<tr>
<td>MISSOULA</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>SILVER BOW</td>
<td>1.0</td>
<td>-0.5</td>
</tr>
<tr>
<td>YELLOW STONE</td>
<td>4.0</td>
<td>-0.5</td>
</tr>
</tbody>
</table>
Percent Change in Construction Labor Income, 2008 and 2009

- CASCADE: 1.1% (2008)
- LEWIS & CLARK: -17.0% (2008)
- FLATHEAD: -16.5% (2008)
- GALLATIN: -17.9% (2008)
- MISSOULA: -16.3% (2008)
- SILVER BOW: -12.9% (2008) -7.1% (2009)

Note: Negative values indicate a decrease in construction labor income from 2008 to 2009.
Percent Change in Retail Trade Labor Income, 2008 and 2009
### Silver Bow County’s Economic Base
#### 2008-2010

<table>
<thead>
<tr>
<th>Sector</th>
<th>Feb. ‘10</th>
<th>Aug. ‘10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>Stable</td>
<td>✔</td>
</tr>
<tr>
<td>Federal Gov.</td>
<td>Stimulus</td>
<td>✔</td>
</tr>
<tr>
<td>Utility</td>
<td>Stable</td>
<td>✔</td>
</tr>
<tr>
<td>Trade Center Retail</td>
<td>Slow Growth</td>
<td>✔</td>
</tr>
<tr>
<td>Montana Tech, State Gov.</td>
<td>Pay Freeze</td>
<td>✔</td>
</tr>
<tr>
<td>Mining</td>
<td>Stable</td>
<td>Maybe longer freeze Stable</td>
</tr>
</tbody>
</table>

- **Maybe longer freeze**
Actual and Projected Change in Nonfarm Labor Income, Silver Bow County, 2007-2013

- Actual Percent:
  - '07: 2.9
  - '08: 4.5
  - '09: -2.0

- Projected Percent:
  - '10: 0.6
  - '11: 2.6
  - '12: 2.5
  - '13: 2.3
Actual and Projected Change in Nonfarm Labor Income, Silver Bow County, 2007-2013

Actual

Projected

Percent

'07  '08  '09  '10  '11  '12  '13

2.9  4.5  2.6  2.5  2.3  1.4

1.0  1.0  -0.5  1.5  1.1  1.4

0.6  0.7

-3 -2 -1 0 1 2 3 4 5

-2.0
Questions?