



# Cascade County Midyear 2015

By Paul E. Polzin

Director Emeritus

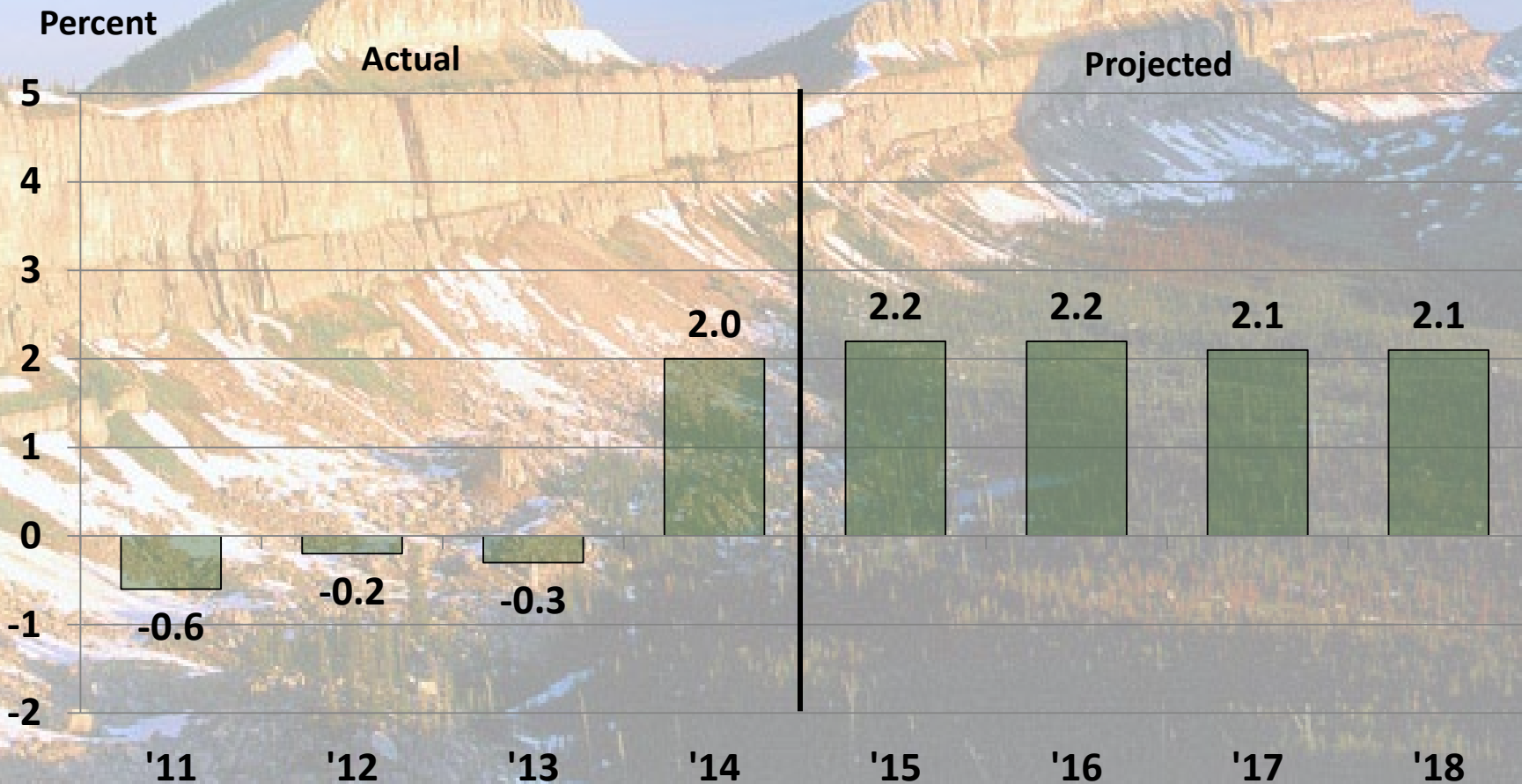
Bureau of Business and Economic Research

The University of Montana

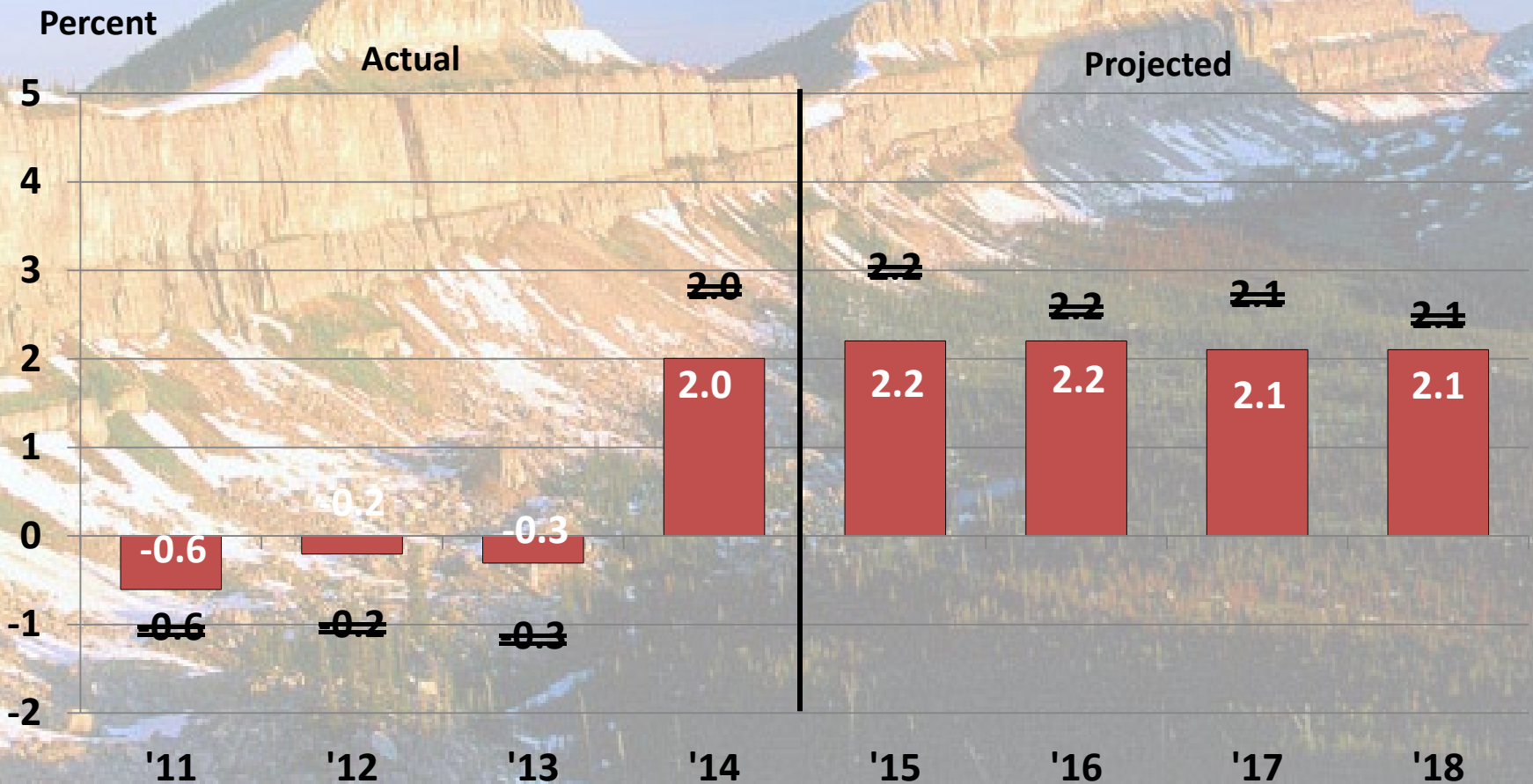
# Cascade County's Economic Base 2013-2015

	<u>Feb. '15</u>	<u>Aug. '15</u>
Other Basic	6%	
Agriculture and Related	3% Down Slightly	<b>Weather?</b>
Trade Center-Wholesale, Retail, Finance	4% 2015 Hopeful	<b>Asurion?</b>
Manufacturing	9% New Plants Open	<b>Strong Growth</b>
State Gov't and Higher Ed.	8% Pay Freeze Over	✓
Transportation	10% Energy Growth	✓
Trade Center-Health Care	8% Costs vs Demand	✓
Federal Civilian	12% Headwinds	<b>Declines</b>
Malmstrom AFB	40% ???	<b>No unit transfers</b>
Construction	End of Drag?	✓

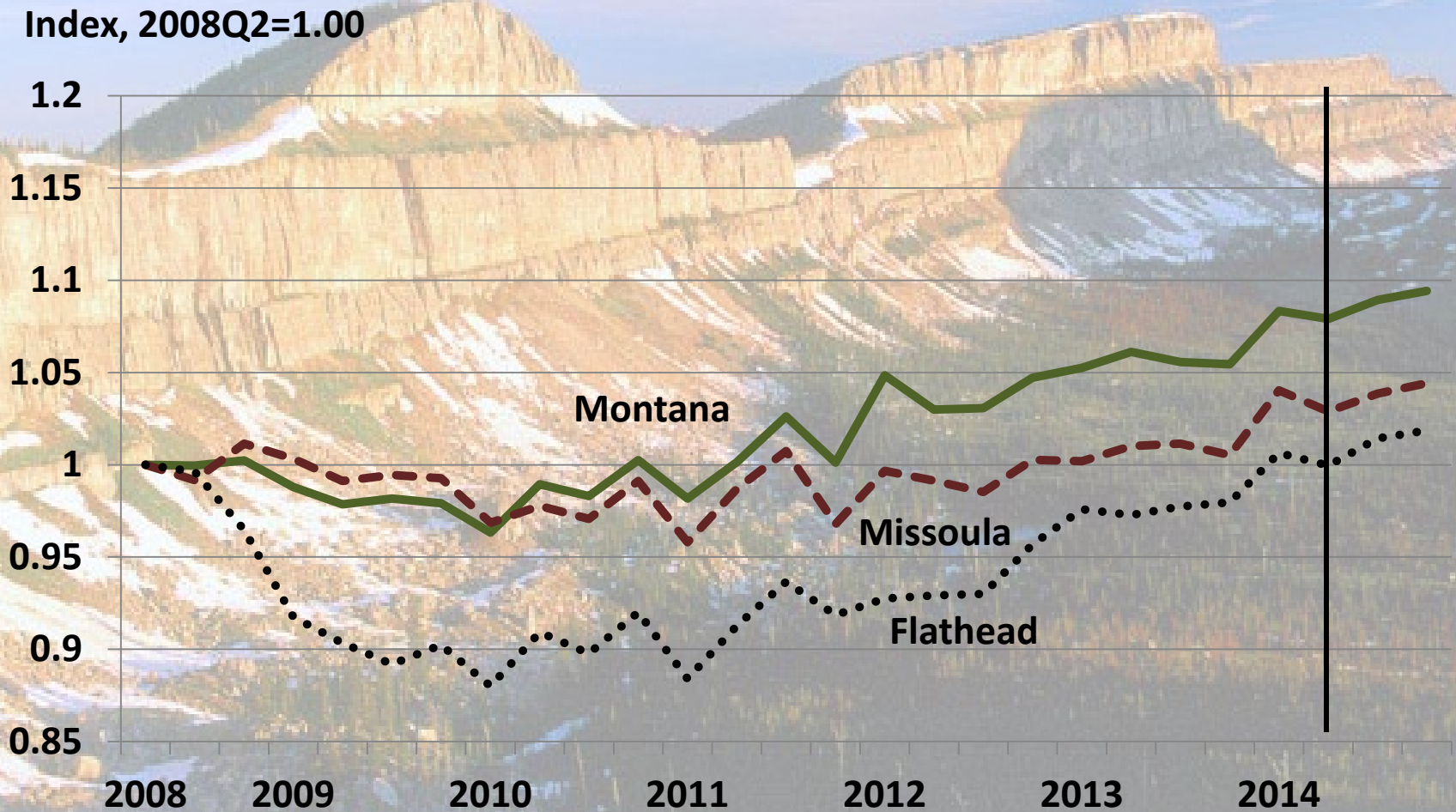
# Actual and Projected Change in Nonfarm Earnings, Cascade County, 2011-2018



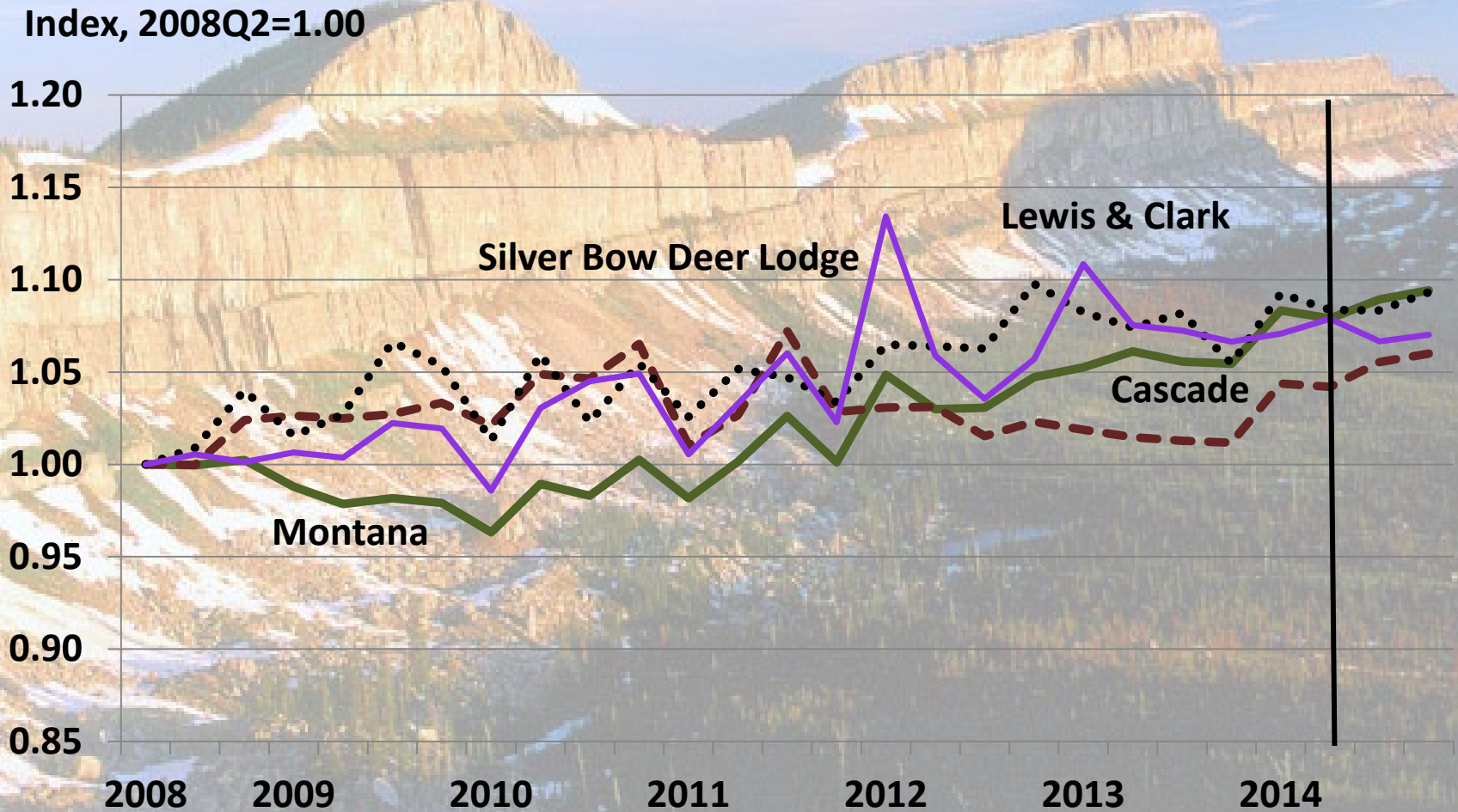
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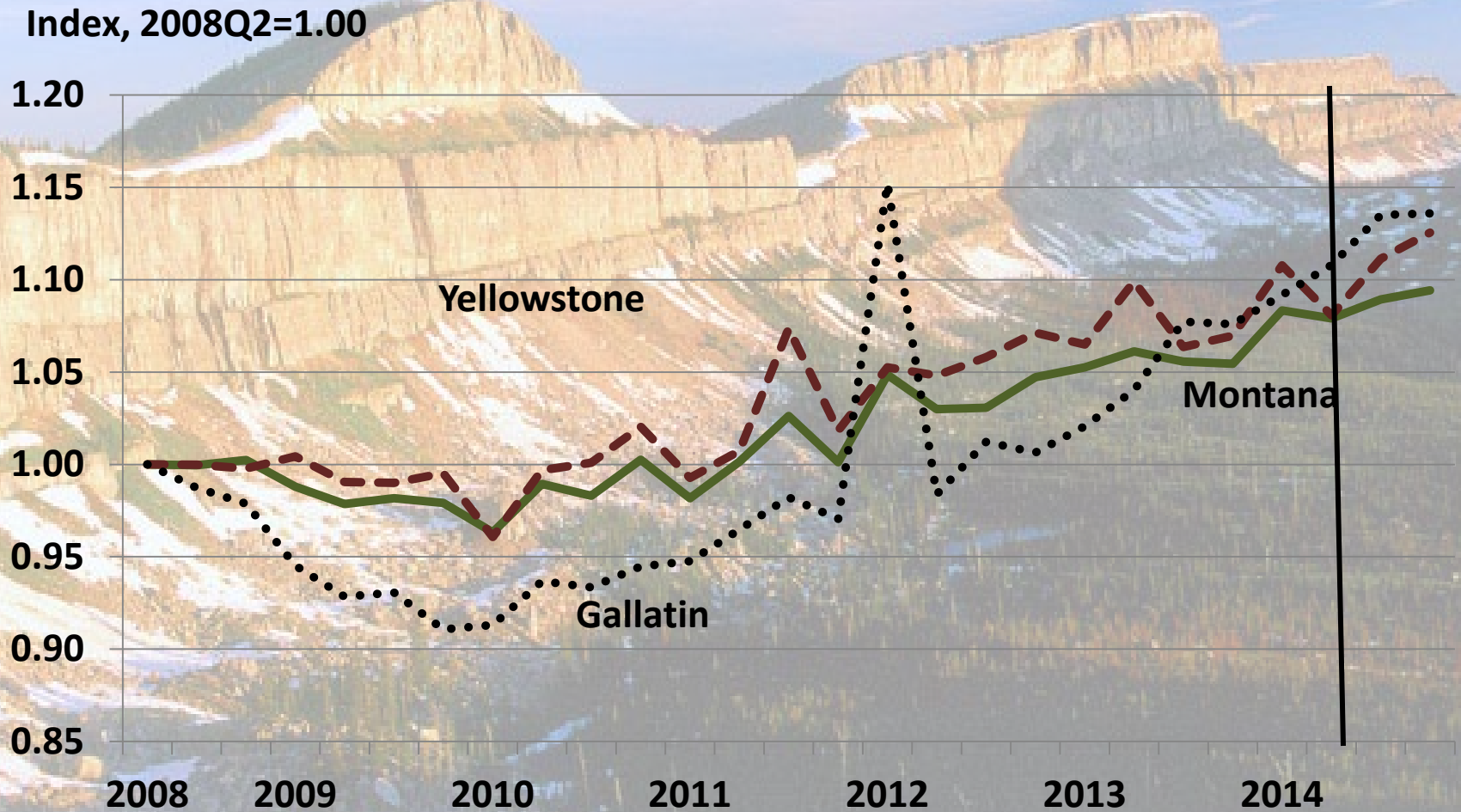
# Inflation Adjusted Wages and Salaries, 2008-2014



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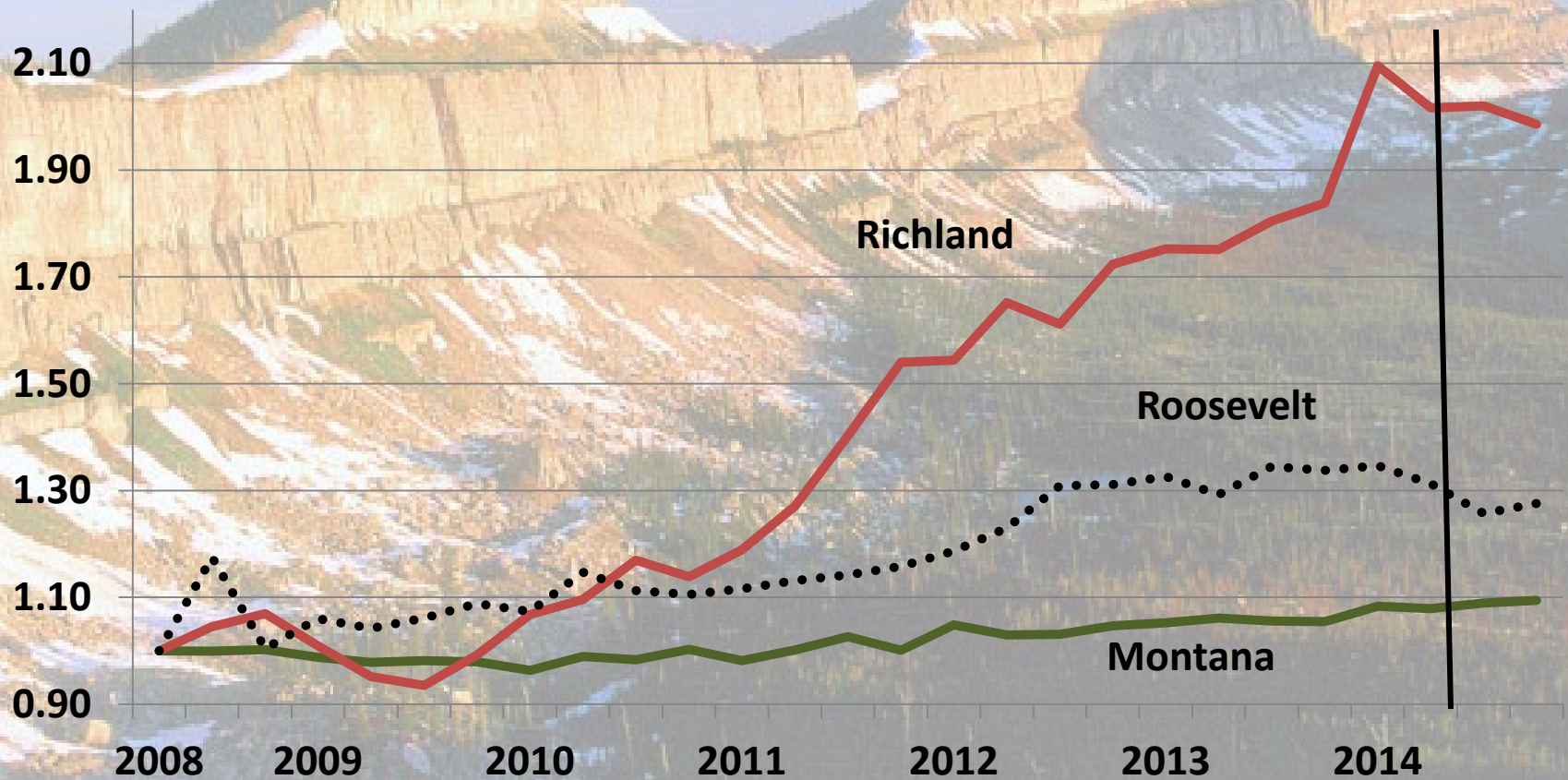


# Inflation Adjusted Wages and Salaries, 2008-2014



# Inflation Adjusted Wages and Salaries, 2008-2014

Index, 2008Q2=1.00







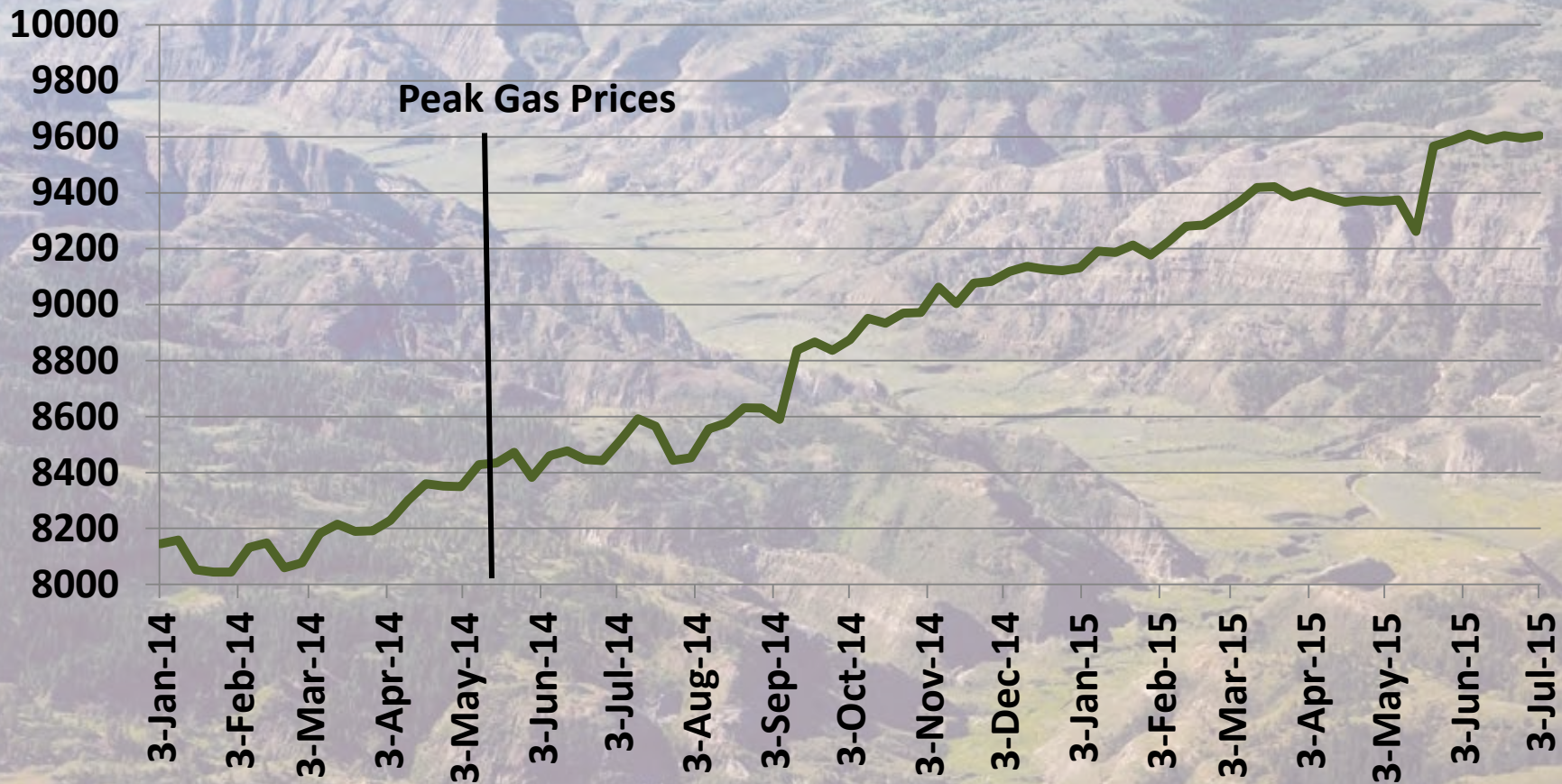
# 2015: A Different Oil “Bust”

By Paul E. Polzin

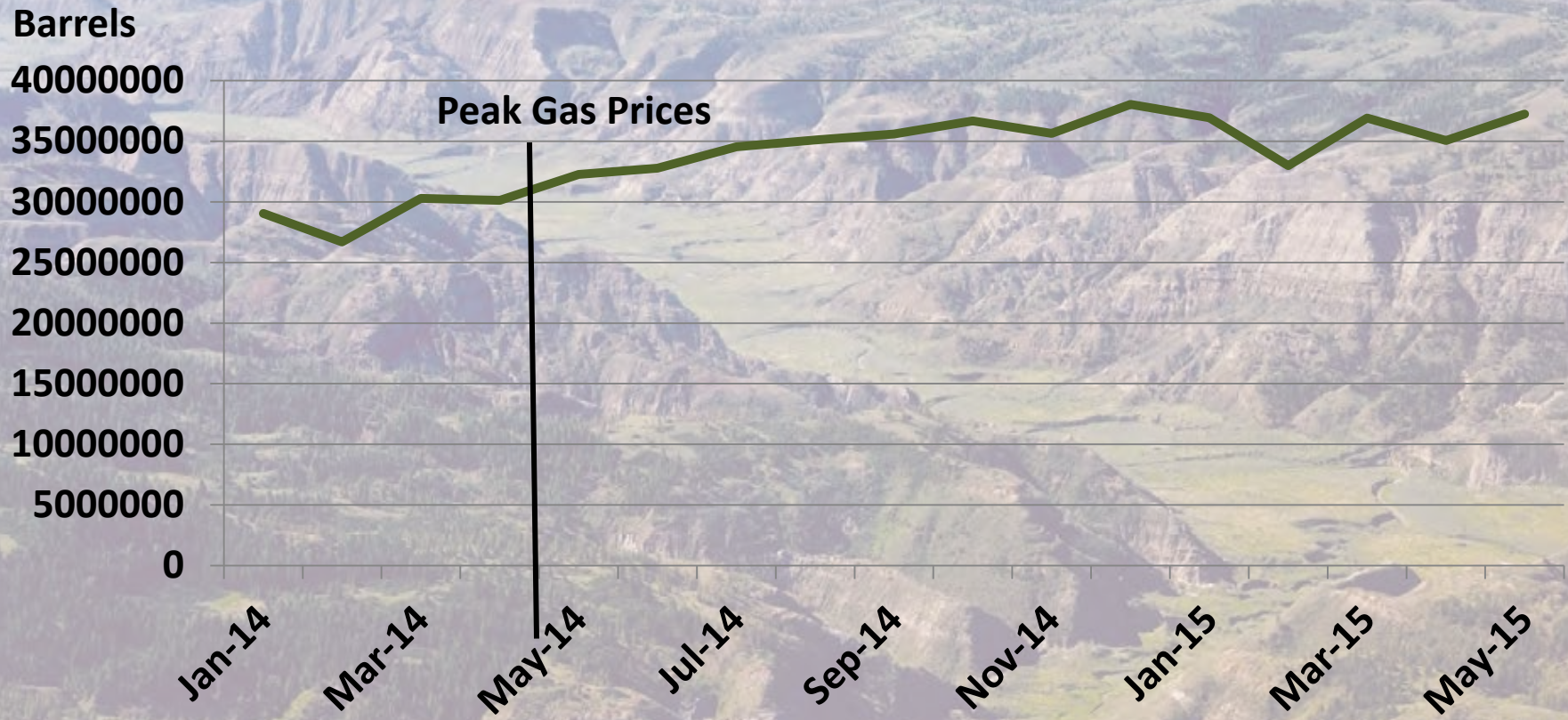
Program for Energy and Resource Economics  
Bureau of Business and Economic Research

# Weekly U.S, Crude Oil Production, 2014-2015

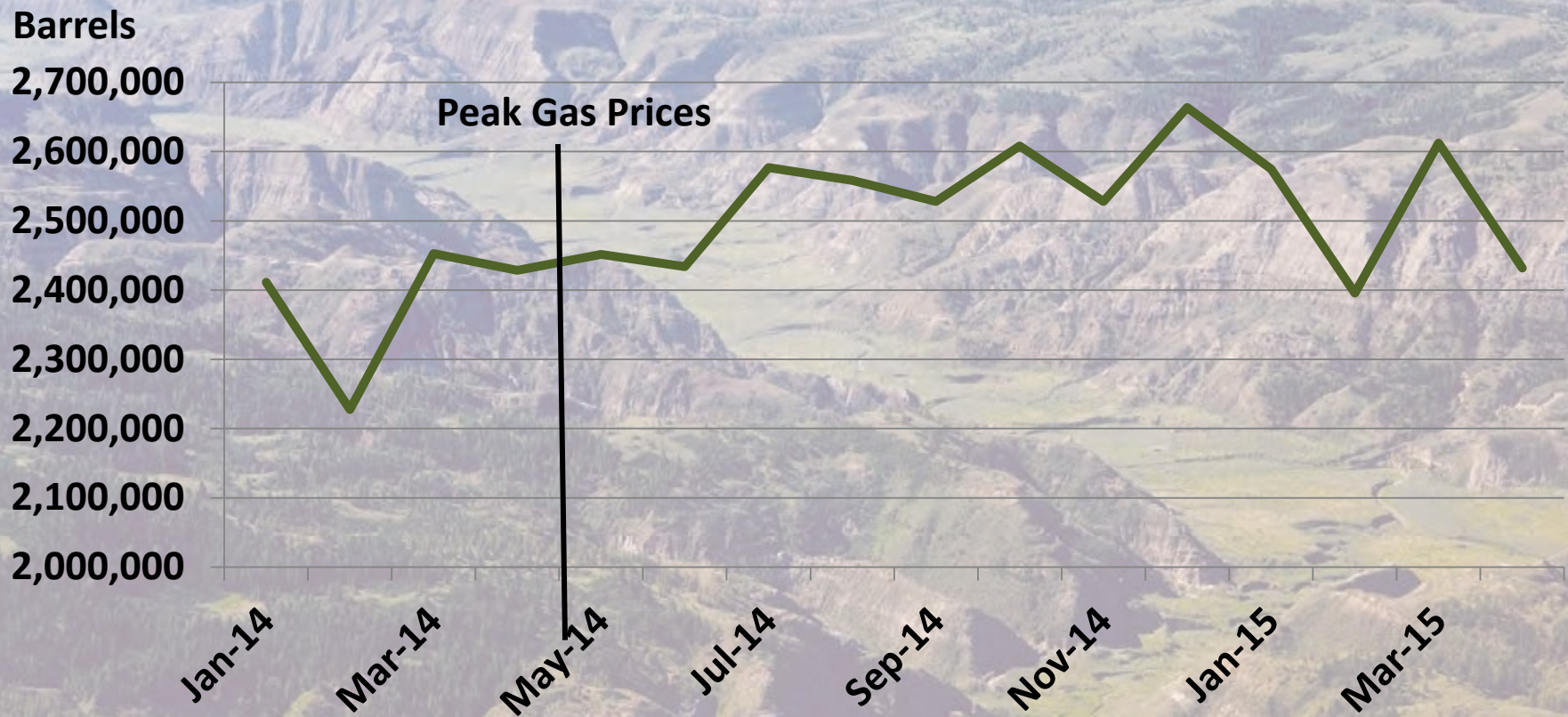
Thous. Barrels /day



# Monthly Oil Production, North Dakota, 2014-2015

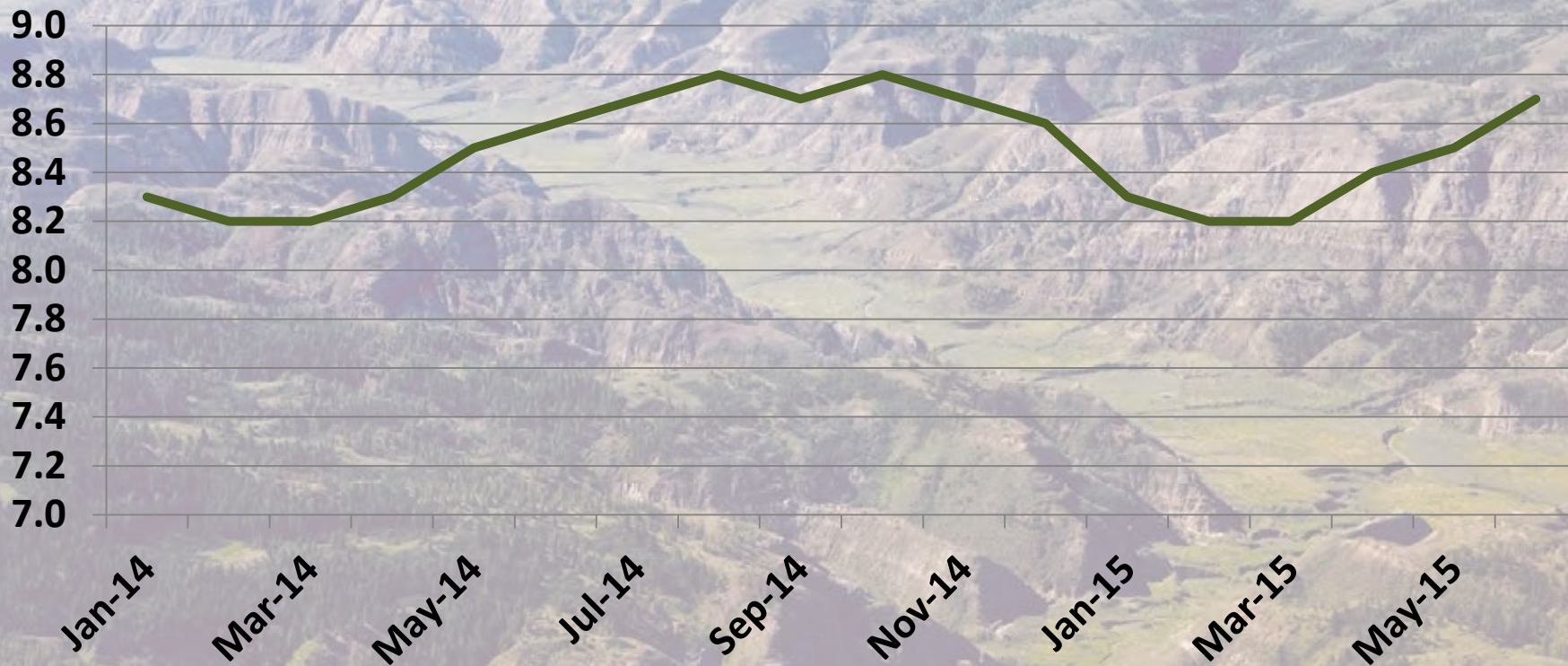


# Monthly Oil Production, Montana 2014-2015



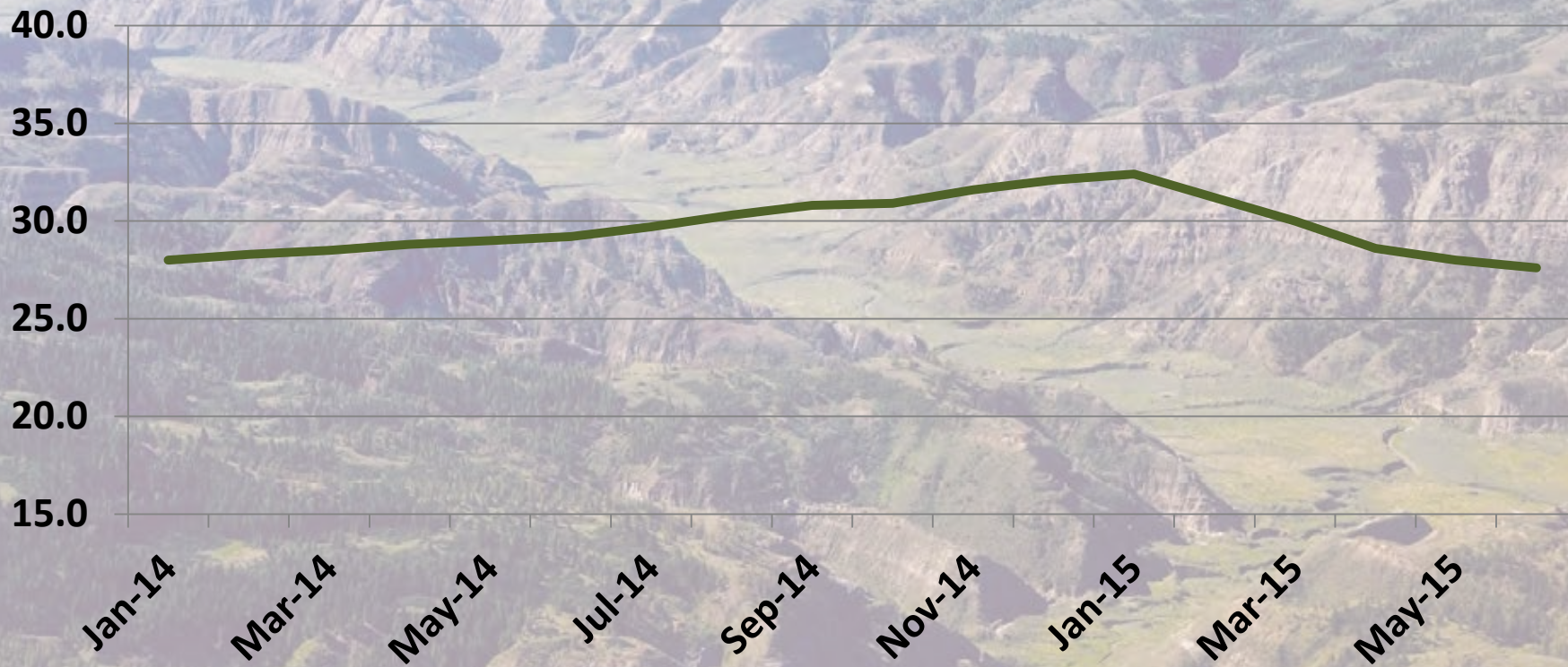
# Monthly Employment, Mining and Logging, Montana, 2014-2015

Thousands of Workers



# Monthly Employment, Mining and Logging, North Dakota, 2014-2015

Thousands of Workers



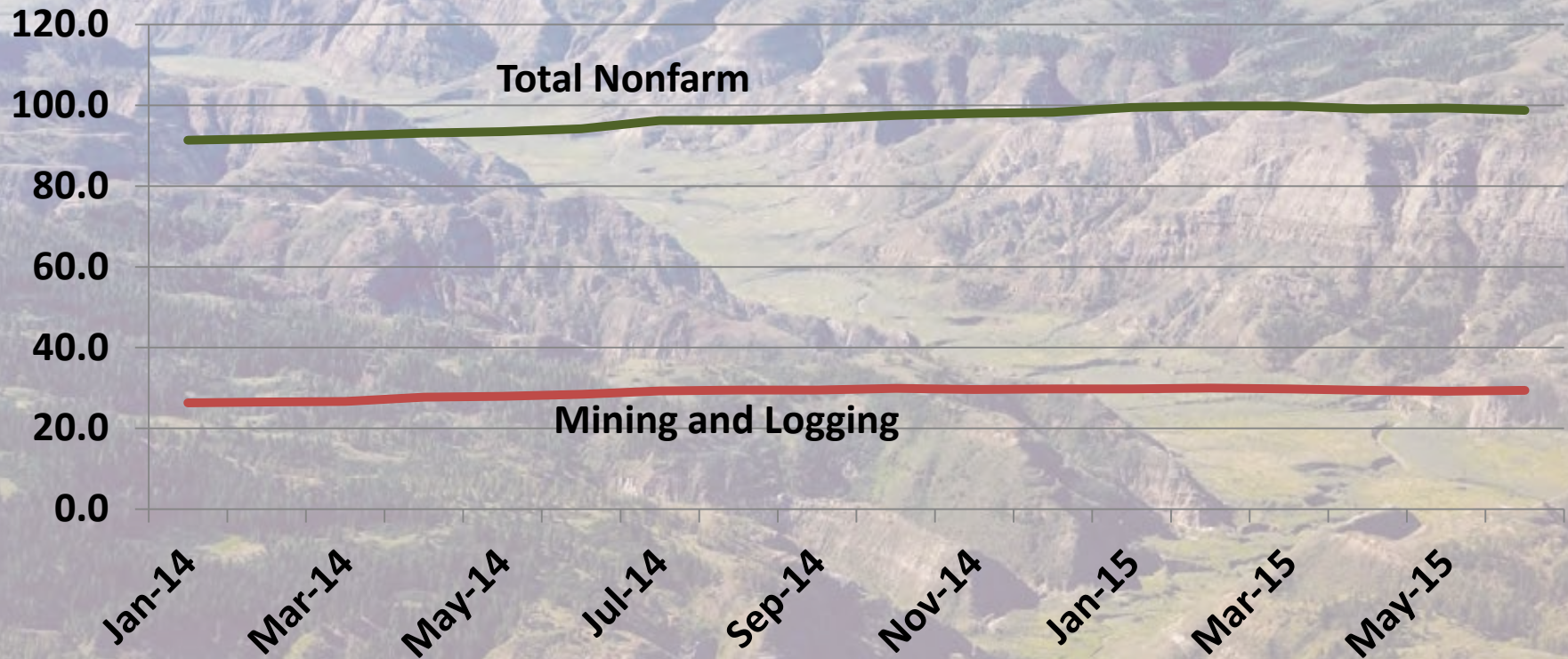
An aerial photograph of a rugged mountain range. The terrain is characterized by deep, winding valleys filled with green vegetation, likely forests or pastures, and high, rocky ridges that appear brownish-tan. The perspective is from a high altitude, looking down into the valleys. The sky is a pale, hazy blue, suggesting a clear but slightly overcast day. The overall scene conveys a sense of vast, natural beauty and geographical complexity.

Economist, July 4, 2015, P. 53

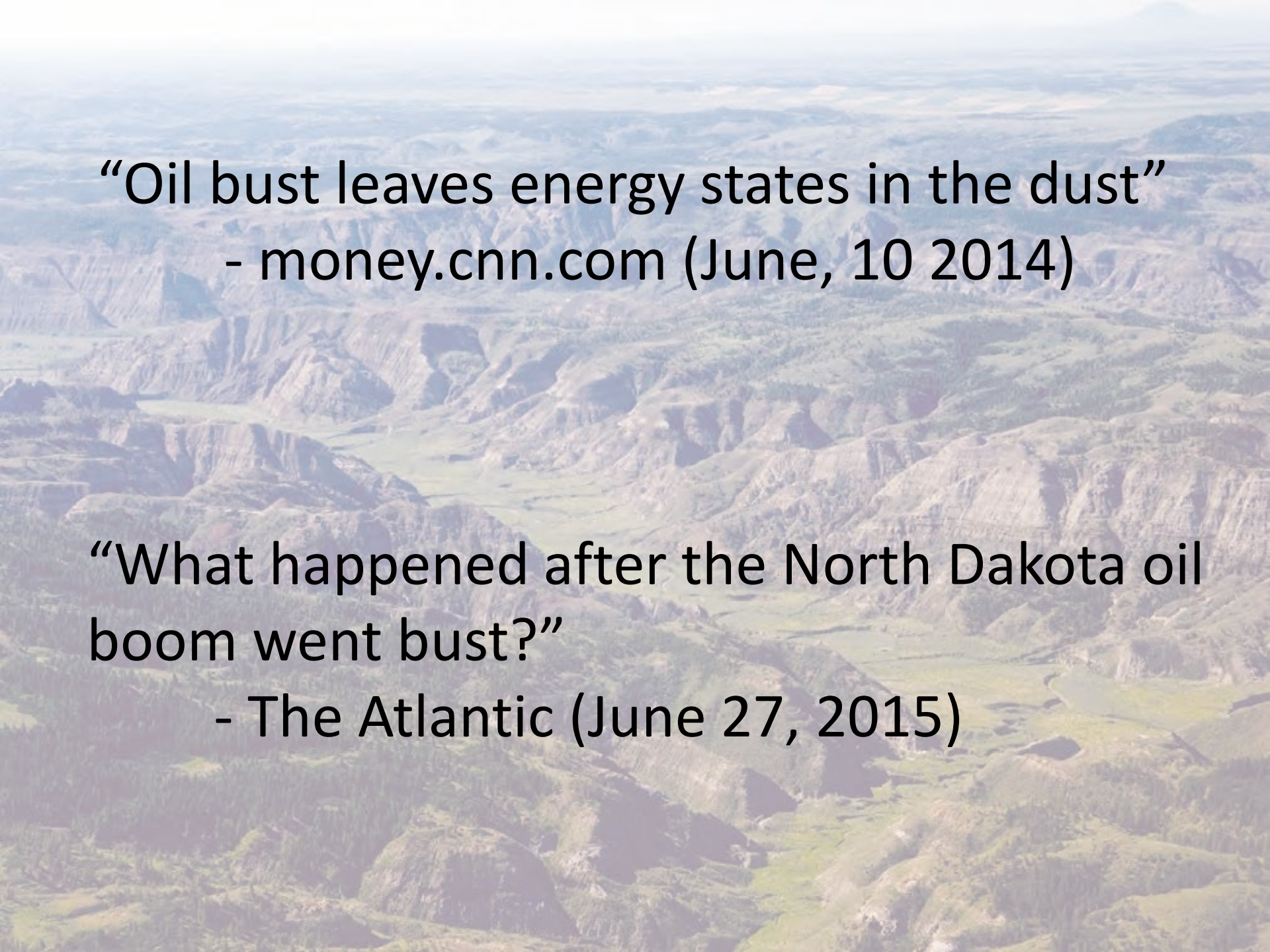
“Midland has witnessed multiple booms and busts since the 1920s. Graced by Ferraris during the 2012-2014 boom, its highways are now populated by pickup trucks. Some 20,000-30,000 temporary workers have left.”

# Monthly Employment, Midland, TX Metro Area 2014-2015

Thousands of Workers



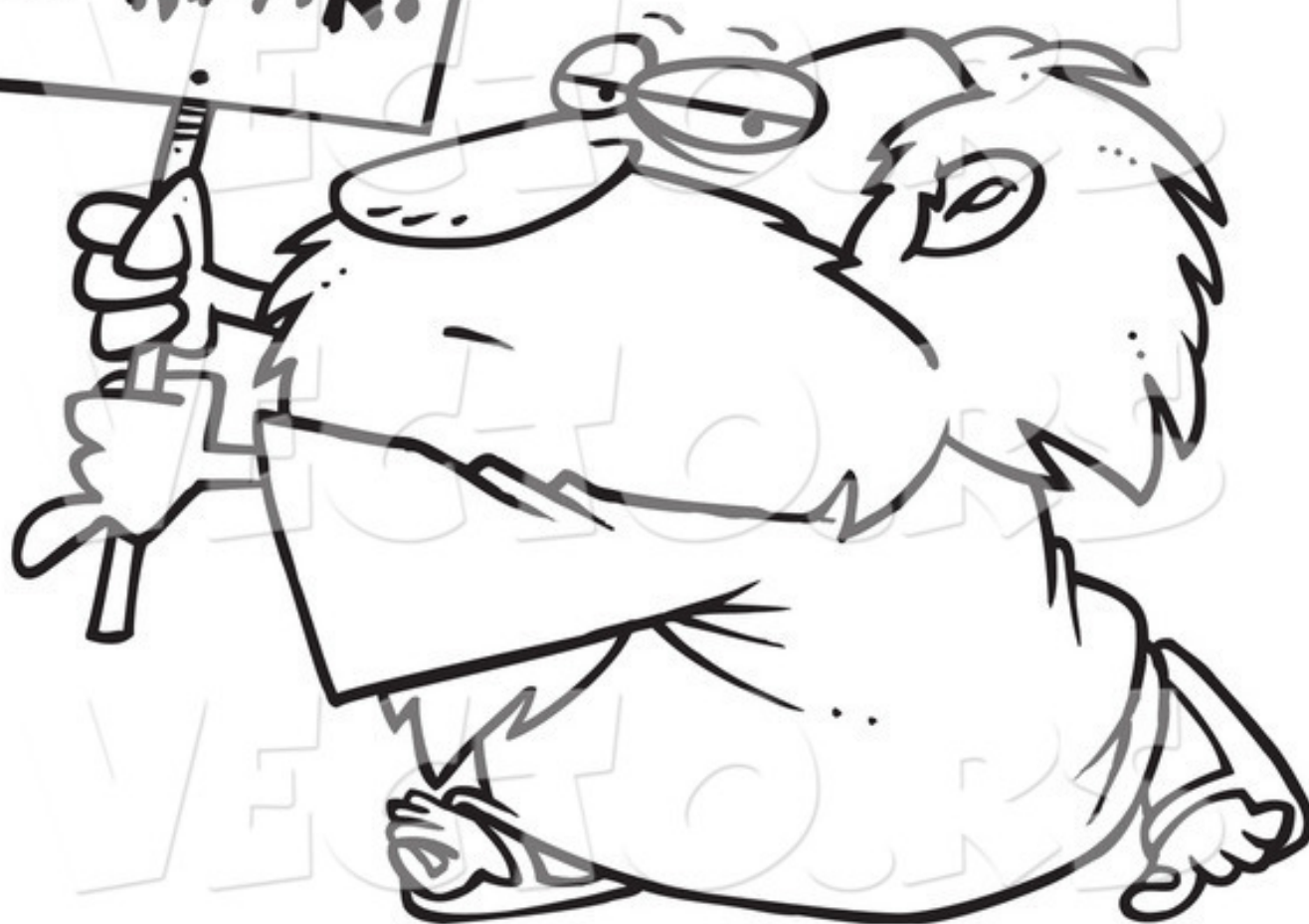




“Oil bust leaves energy states in the dust”  
- money.cnn.com (June, 10 2014)

“What happened after the North Dakota oil boom went bust?”  
- The Atlantic (June 27, 2015)

**THE END  
IS NEAR!**

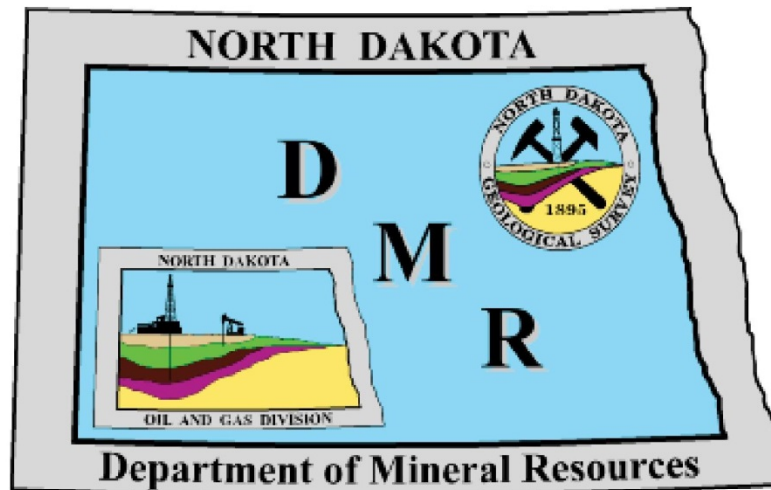


# North Dakota Department of Mineral Resources

House Appropriations Committee

01/08/2015

Lynn D. Helms, Director



<http://www.oilgas.nd.gov>

<http://www.state.nd.us/ndgs>

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***Bismarck, ND 58505-0840***

***(701) 328-8020      (701) 328-8000***

	<b>Breakeven</b>	<b>Rigs</b>	
		<b>12/12/2014</b>	<b>1/7/2015</b>
<b>Billings</b>	<b>\$44</b>	<b>2</b>	<b>1</b>
<b>BOT-REN</b>	<b>\$52</b>	<b>5</b>	<b>4</b>
<b>BOW-SLP</b>	<b>\$75</b>	<b>2</b>	<b>3</b>
<b>Burke</b>	<b>\$62</b>	<b>3</b>	<b>2</b>
<b>Divide</b>	<b>\$73</b>	<b>4</b>	<b>6</b>
<b>Dunn</b>	<b>\$29</b>	<b>28</b>	<b>26</b>
<b>Golden Valley</b>	<b>\$52</b>	<b>0</b>	<b>1</b>
<b>McKenzie</b>	<b>\$30</b>	<b>64</b>	<b>59</b>
<b>McLean</b>	<b>\$77</b>	<b>1</b>	<b>0</b>
<b>Mountrail</b>	<b>\$41</b>	<b>33</b>	<b>28</b>
<b>Stark</b>	<b>\$37</b>	<b>0</b>	<b>1</b>
<b>Williams</b>	<b>\$36</b>	<b>40</b>	<b>35</b>
		<b>183</b>	<b>166</b>

Breakeven costs reflect a price at which new drilling would cease.  
The price at which production from existing wells would be shut-in is \$15/bbl.

An aerial photograph of a vast, rugged mountain range. The terrain is characterized by deep, winding valleys and steep, rocky slopes. The lower elevations are covered in dense green forests, while the higher peaks and ridges are more barren and rocky. The overall scene is one of a dramatic, mountainous landscape. The word "Questions?" is overlaid in the center of the image in a large, black, sans-serif font.

Questions?