

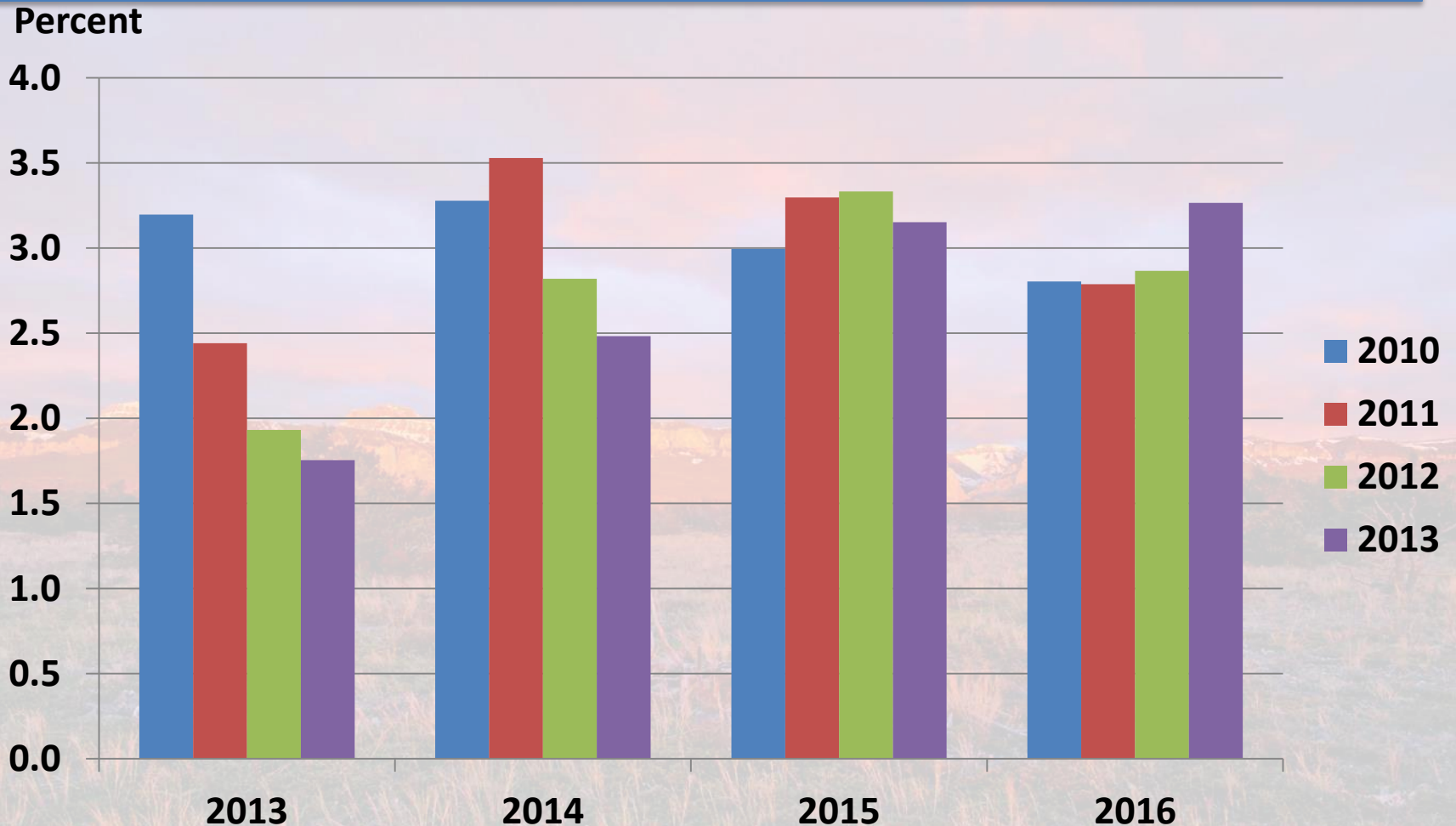


The Montana and U.S. Economic Outlook Has “Next Year” Finally Arrived?

Patrick M. Barkey, Director
Bureau of Bus. & Econ. Research
University of Montana

“Next Year” is Always Better for U.S. Economy

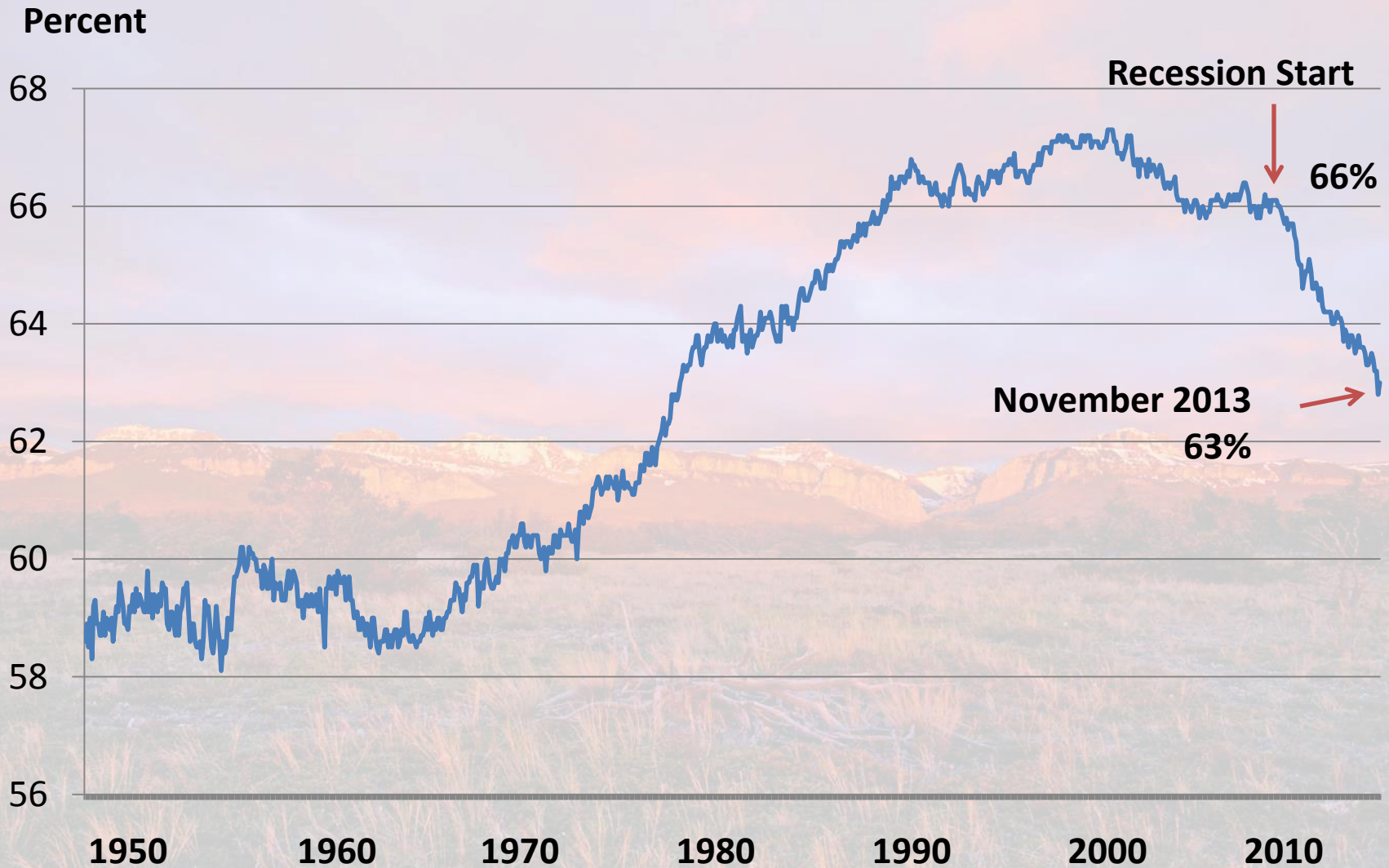
Forecasts of U.S. Real GDP Growth, Percent



Source: IHS, Inc.

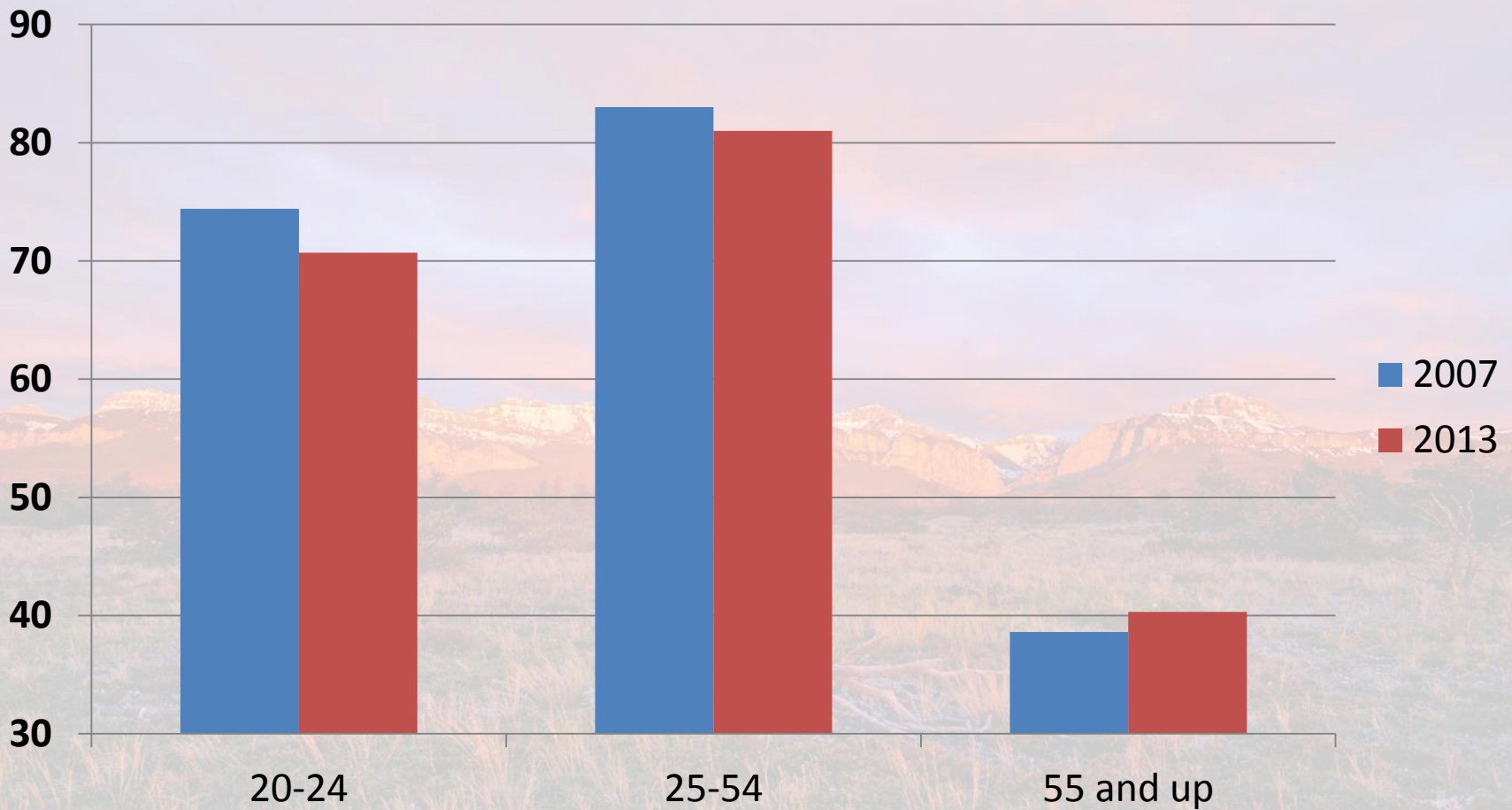
Recession Has Produced Big Labor Force Declines

U.S. Labor Force Participation Rate, Percent



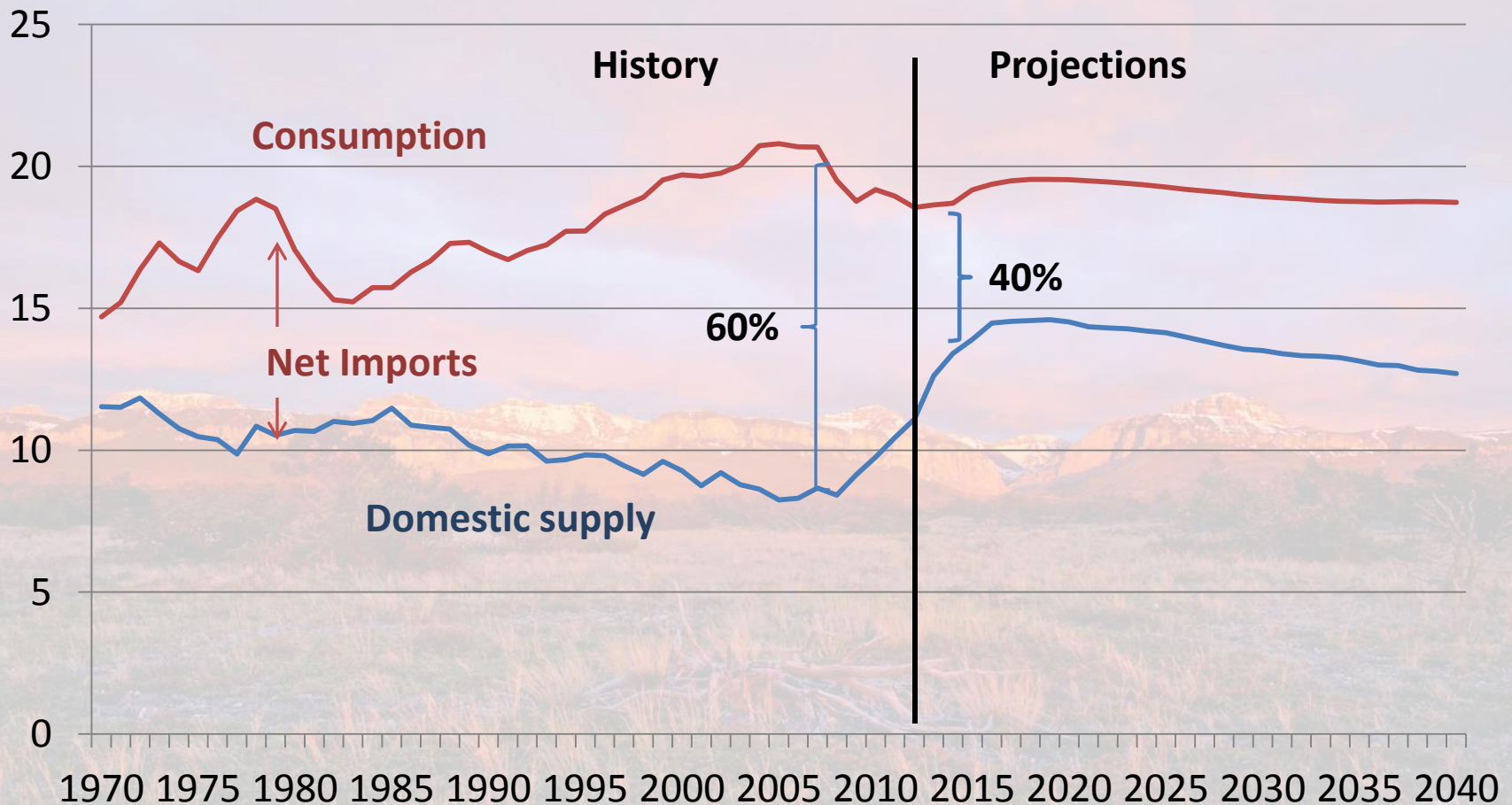
Source: U.S. Bureau of Labor Statistics

Younger People Putting Off Entering Labor Force



The U.S. Will Continue to Import Petroleum

(million barrels per day)

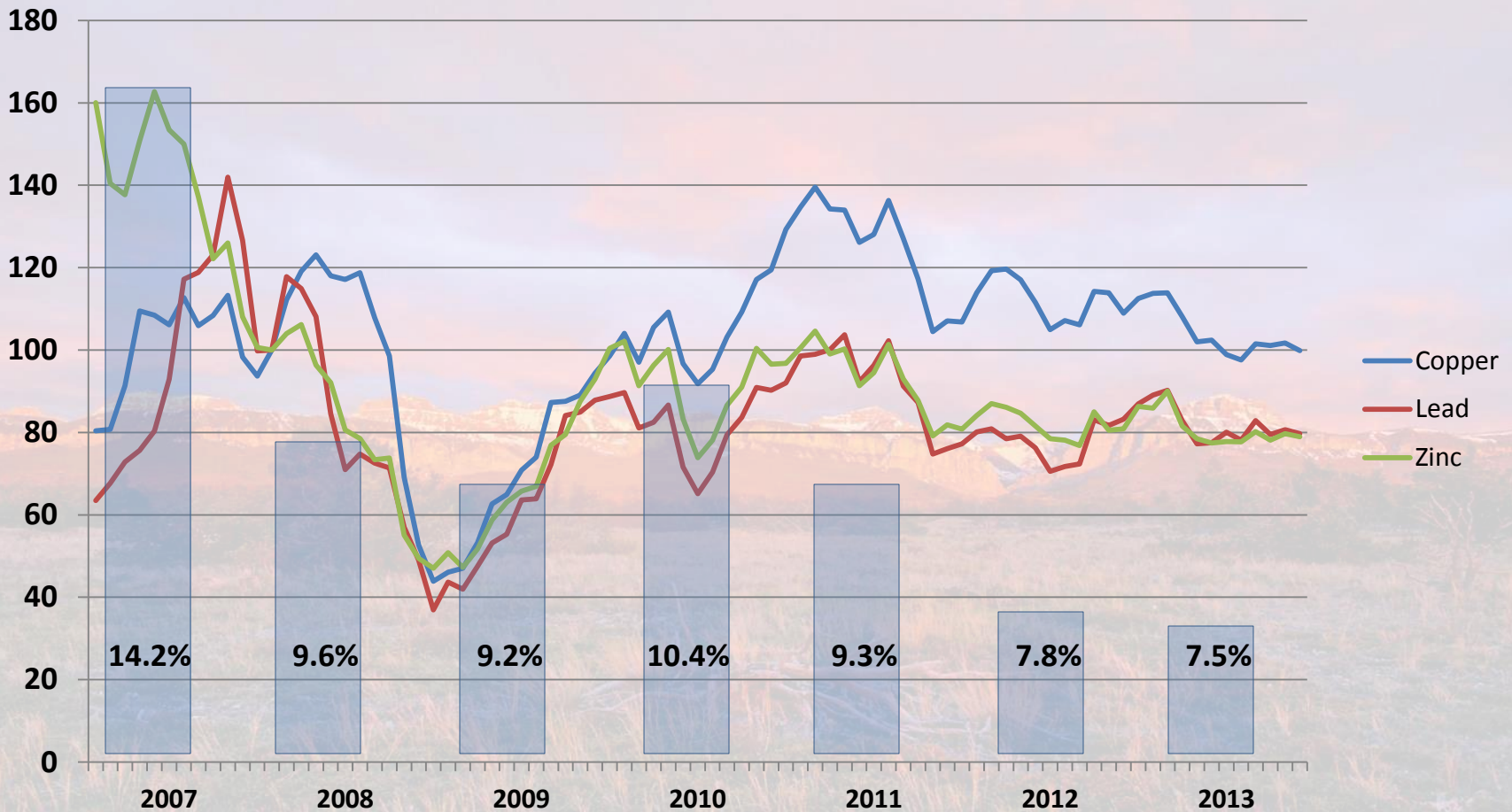


U.S. Consumption and Production of Petroleum and other Liquid Fuels, 1970-2040

Source: Energy Information Administration

Slow Decline in Metals Prices Reflects China's Cooling Economy

Commodity Price Indices, Jan 2008=100, and Chinese GDP Growth

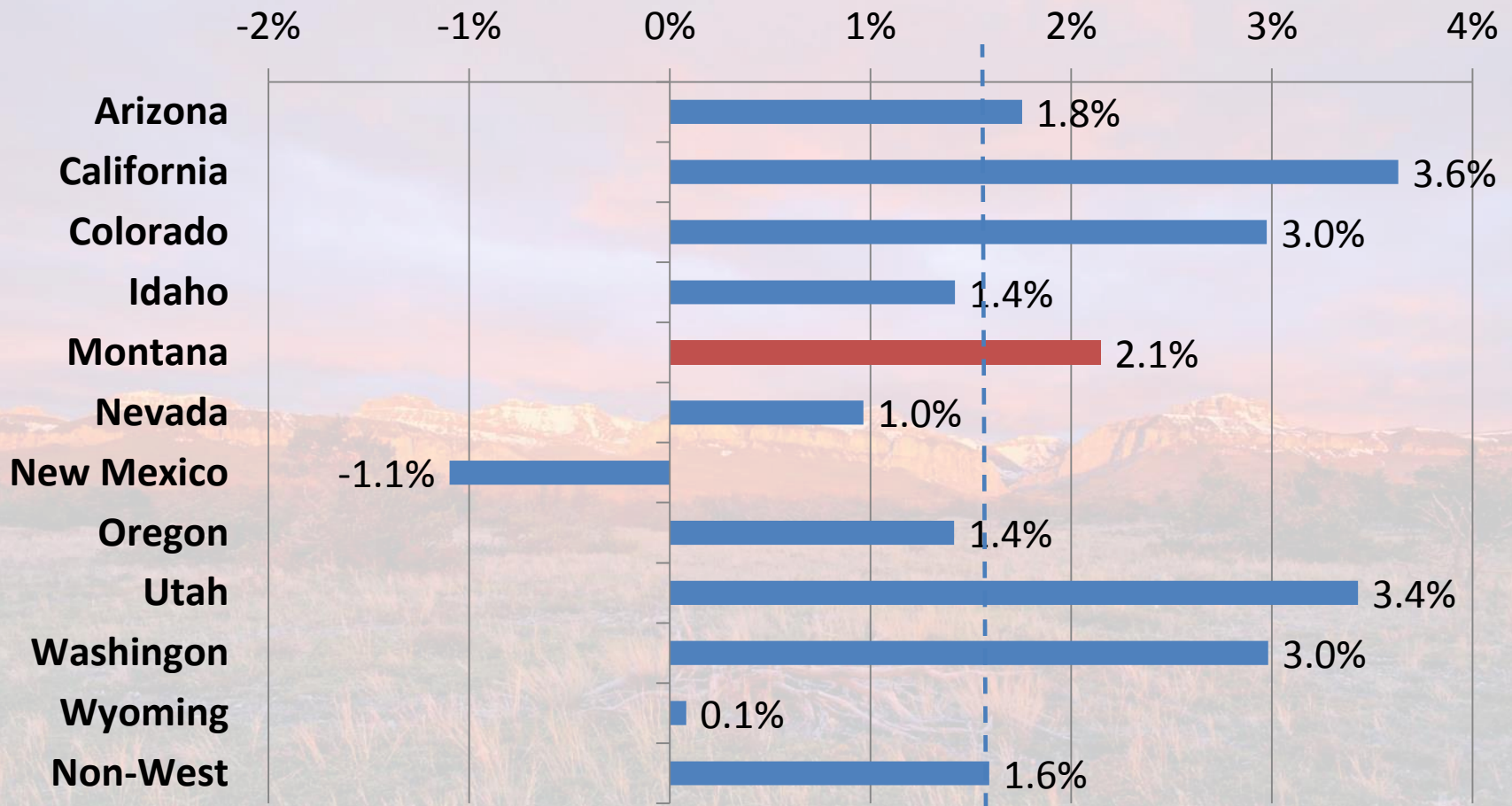


Source: International Monetary Fund

Western States Are Leading Growth

Growth in Real Wages by State, Western States

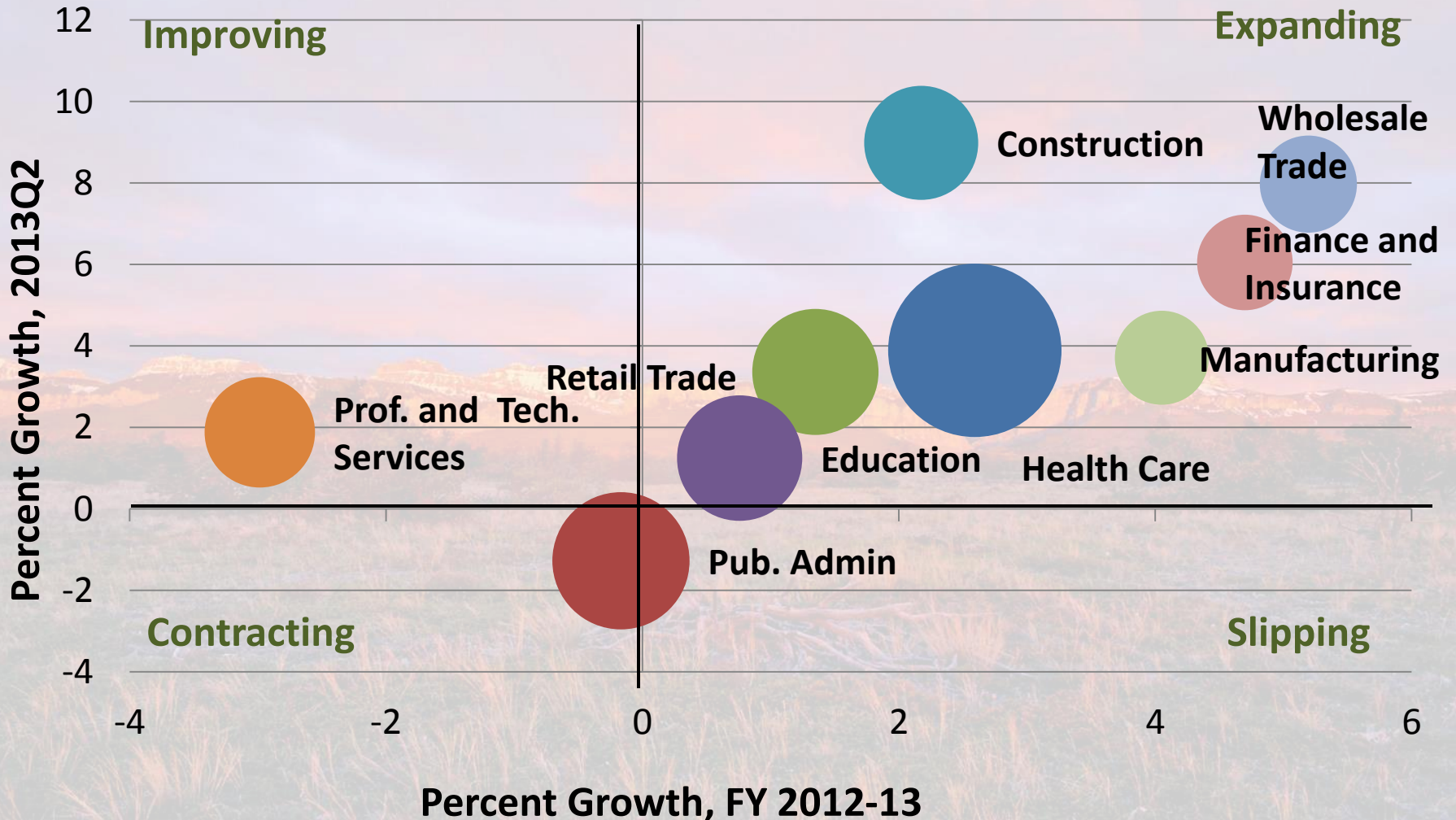
FY 2013 vs. FY 2012



Source: U.S. Bureau of Labor Statistics and Bureau of Economic Analysis

Most Montana Industries are Expanding

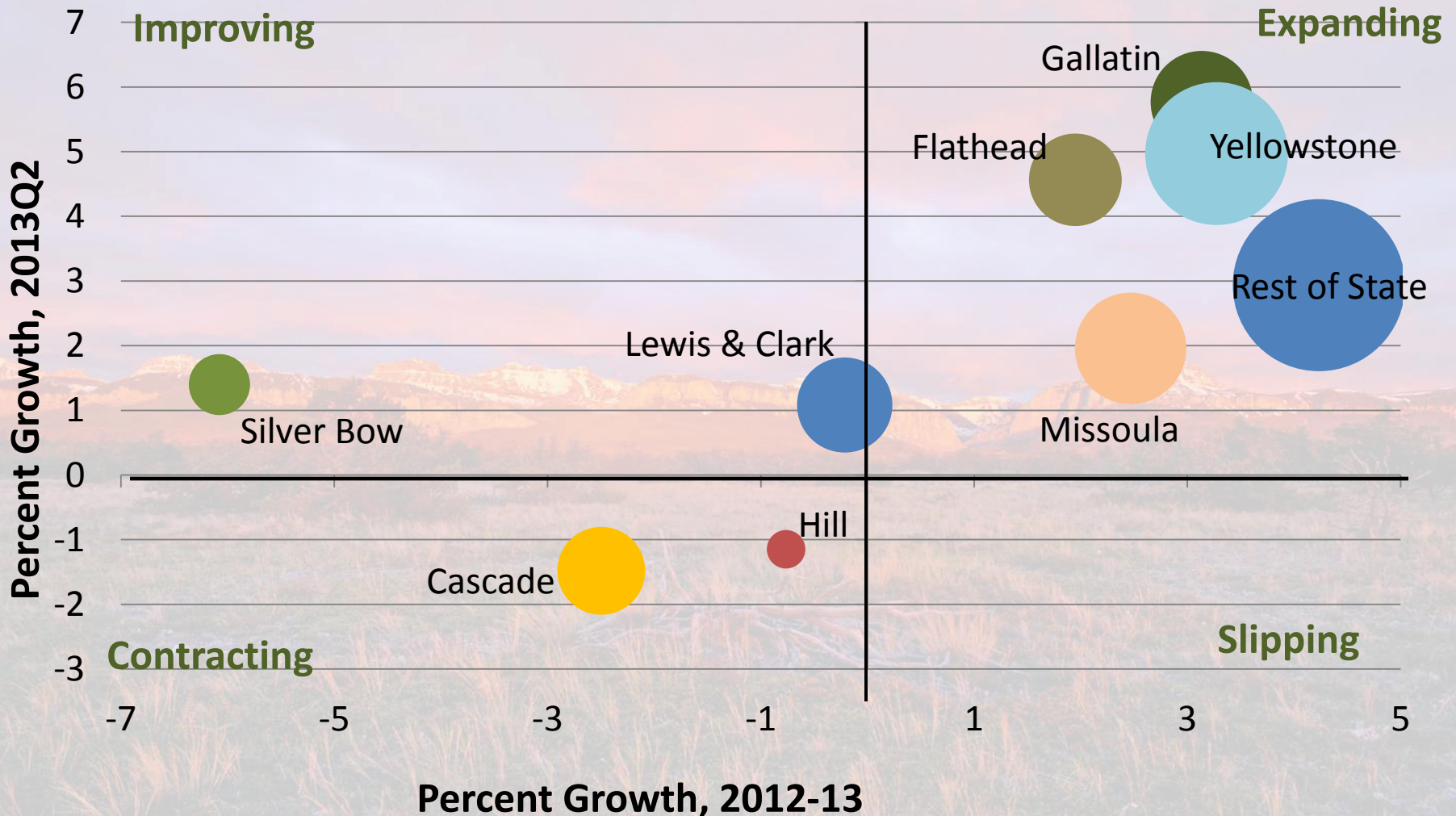
Real Wage Growth, FY 2013 vs. FY 2012 and 2013Q2 vs. 2012Q2



Note: Size of bubble is proportional to total wages for each industry.

Western Urban Areas Have Swung to Growth

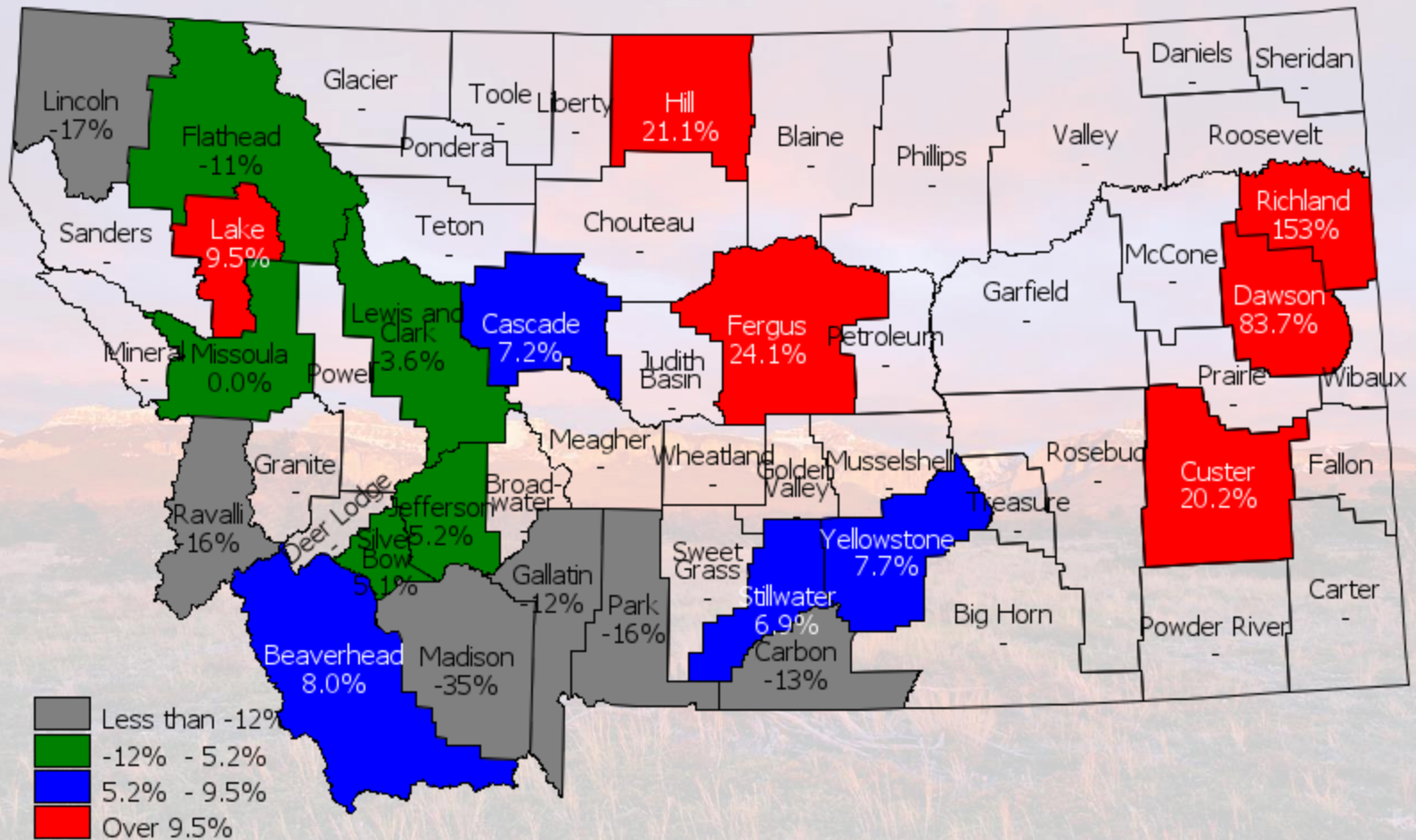
Real Wage Growth, FY 2013 vs. FY 2012 and 2013Q2 vs. 2012Q2



Note: Size of bubble is proportional to total wages for each county.

Housing Price Recovery Mirrors Economic Growth

Percent Growth in Median Sales Price, 2008-12

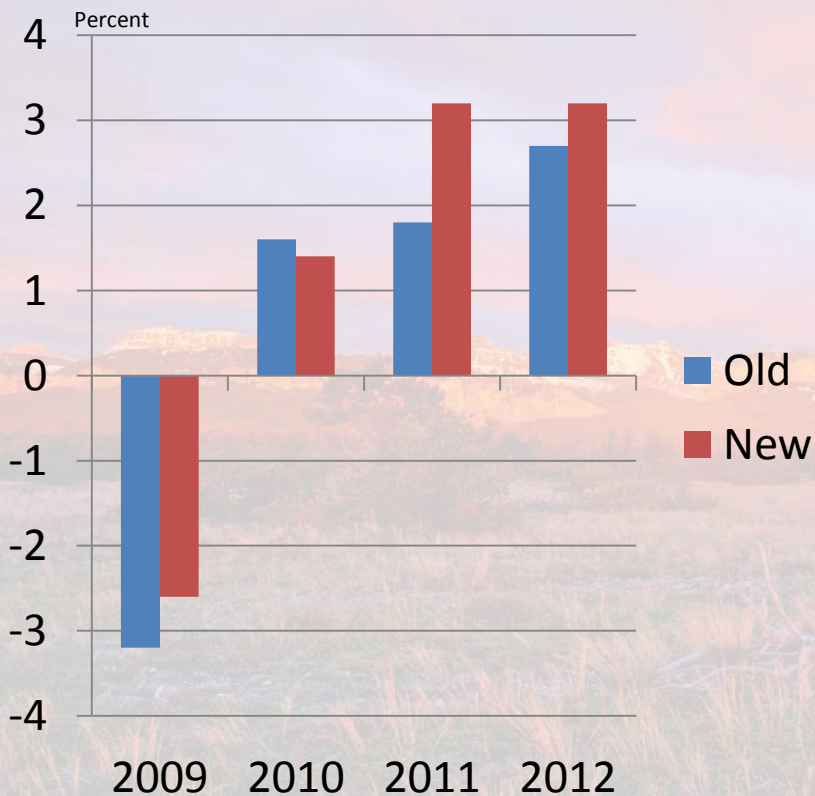


Source: Montana Department of Revenue

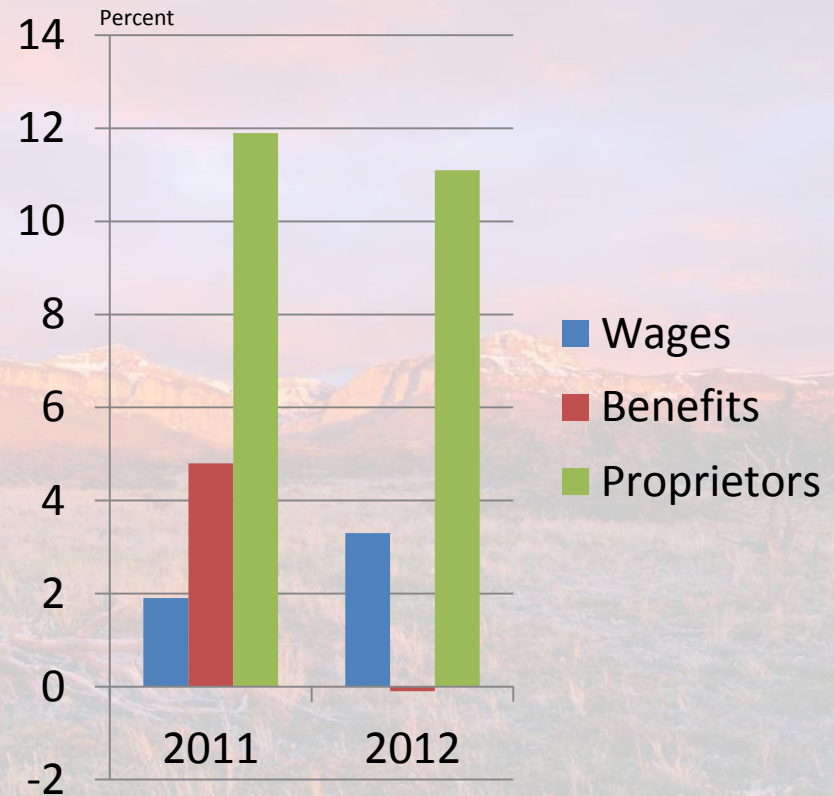
New Portrayal of Montana's Recovery

Growth in Real Nonfarm Earnings, Percent

Growth in Nonfarm Earnings



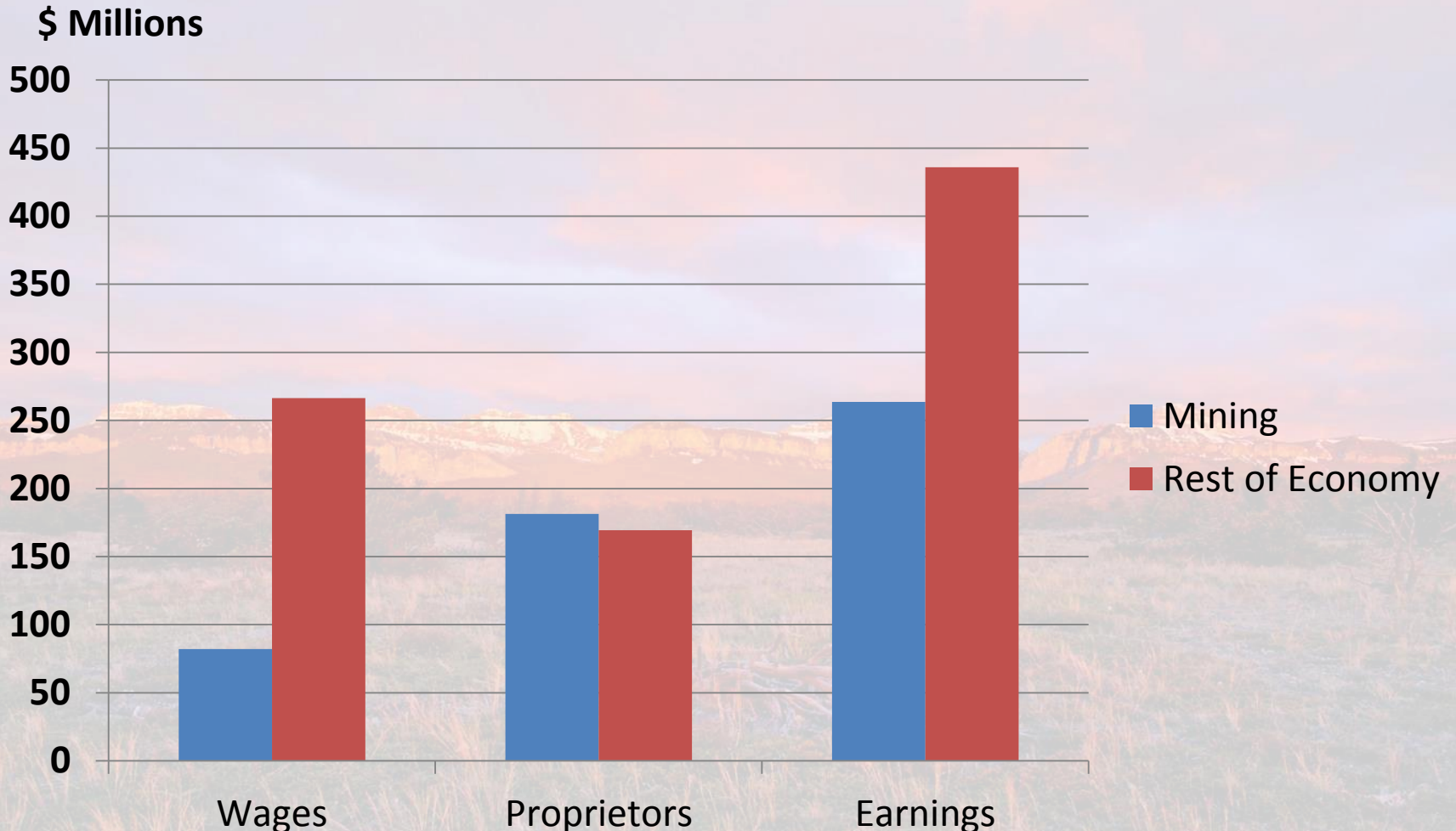
Components of Growth



Source: U.S. Bureau of Economic Analysis

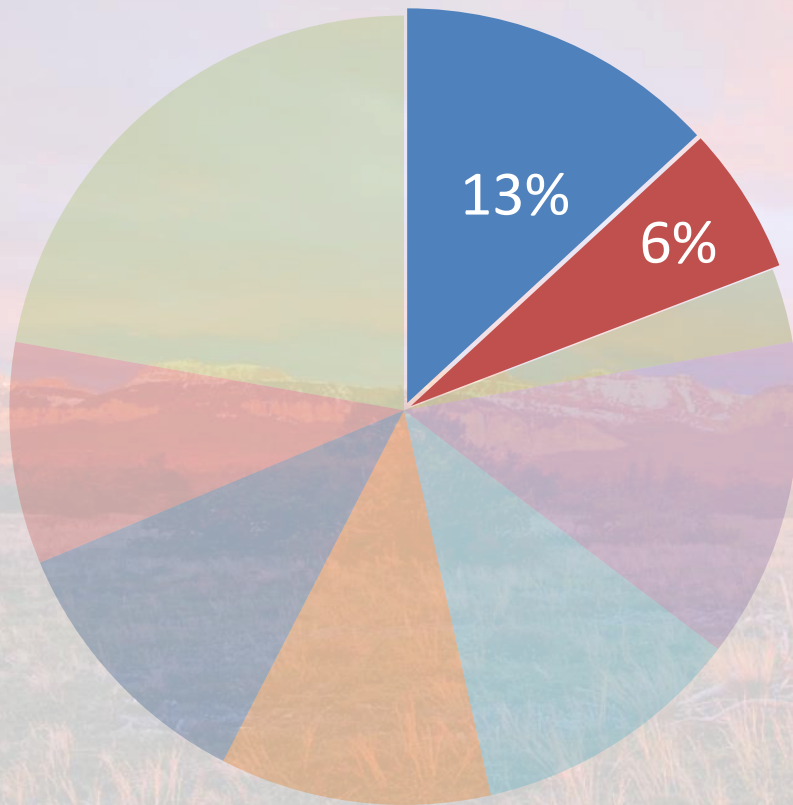
Source of Change is Mining

Growth in Components of Real Earnings, 2011



Source: U.S. Bureau of Economic Analysis

Outlook for Key Industries



Energy and Mining:

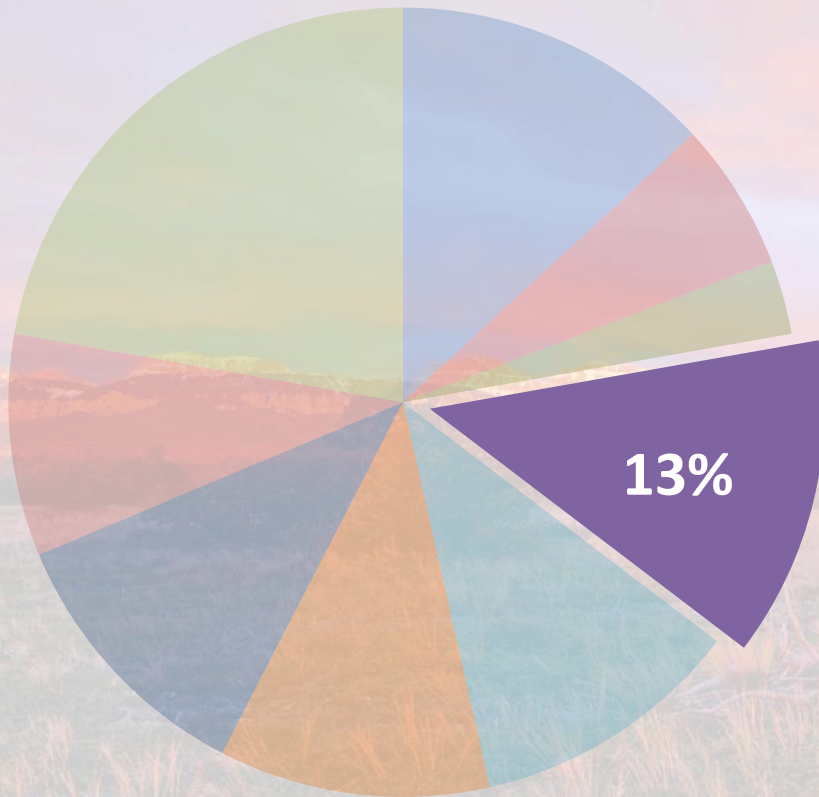
Still the biggest story in the economy. Cost containment measures being implemented in the Bakken. Metals impacted by prices.

Composition of Earnings in Montana's Basic Industries, 2011-13

Outlook for Key Industries

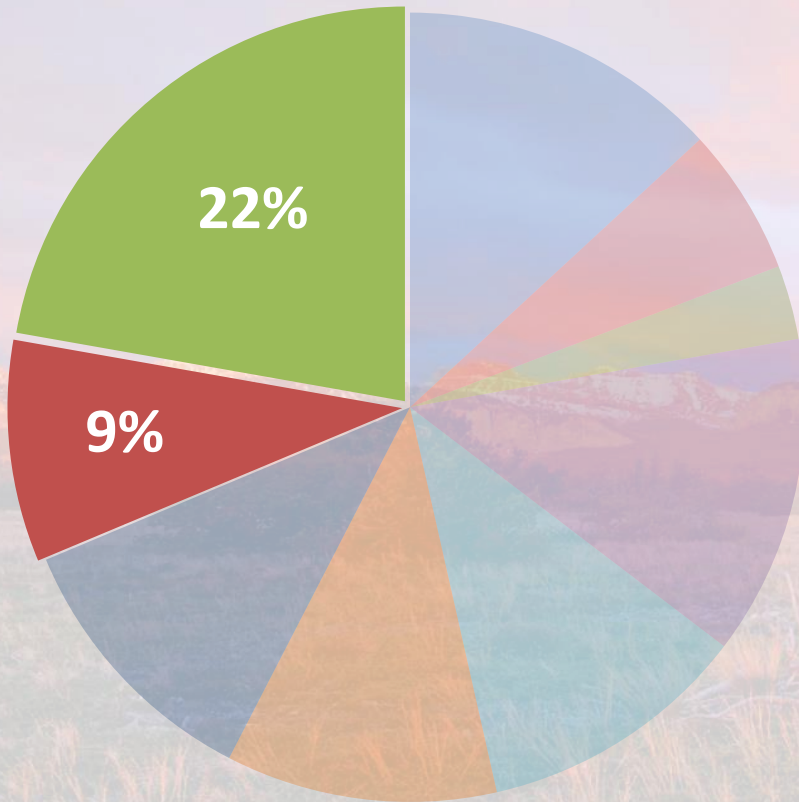
Agriculture and Related:

Coming off a tremendous financial year.



Composition of Earnings in Montana's Basic Industries, 2011-13

Outlook for Key Industries

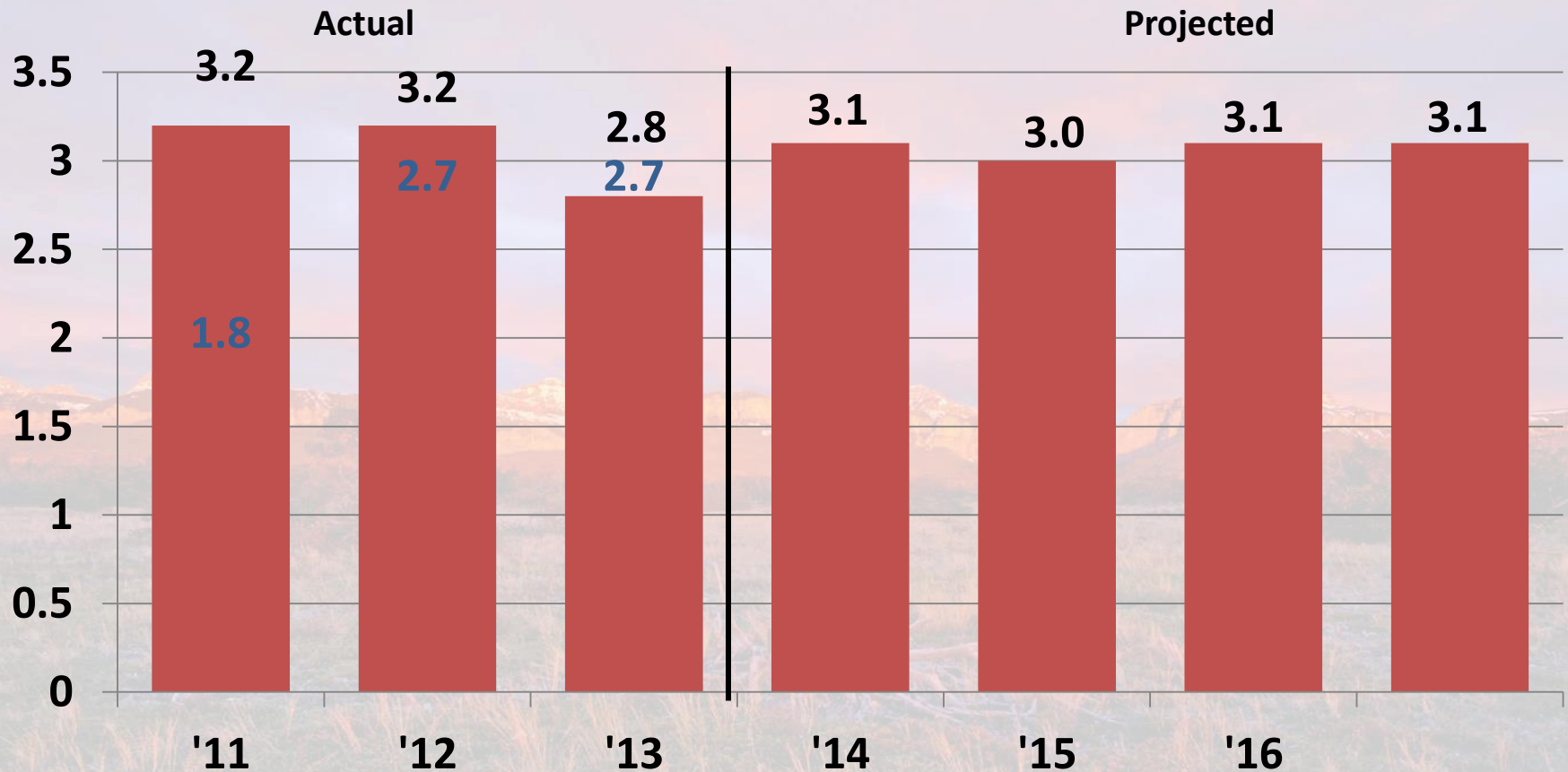


Federal Military and Civilian:

Budget pressures easing at state and federal levels. Medium term outlook remains uncertain.

Composition of Earnings in Montana's Basic Industries, 2011-13

Change in Nonfarm Earnings, Montana, 2011-2017



A landscape photograph of a mountain range at sunset or sunrise. The sky is filled with dramatic, colorful clouds in shades of purple, blue, and orange. The mountains in the background are illuminated by the warm light of the setting or rising sun, with some peaks covered in snow. The foreground consists of a grassy field with some dry, fallen branches. The word "Questions?" is overlaid in the center of the image in a large, white, sans-serif font.

Questions?