

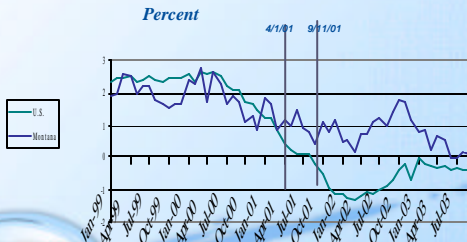
Montana's Economy: Dodging Economic Bullets



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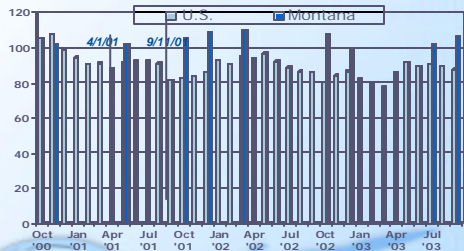
Annual Percent Change in Nonfarm Wage and Salary Employment: Jan.1999– Sept.2003

Percent



Source: Montana Department of Labor and Industry

Index of Consumer Sentiment, U.S. and Montana



4/1/01= Recession officially began
9/11/01= September terrorist attack
Source: Bureau of Business and Economic Research, The University of Montana/Missoula; The University of Michigan

Montana Outlook

Industries impacted by 2001 recession & aftermath

High tech manufacturing

Dot coms

Communications

Financial Services

Airlines and other travel



Montana's Economic Base

◆ *Nonresident Travel*

◆ *Wood Products*

◆ *Agriculture*

◆ *Mining*

◆ *Federal Gov' (Incl. Military)*

71%



Why is Budget Director Swysgood grumpy while Polzin is smiling?

Montana income taxes collections impacted by U.S. economic conditions

Capital Gains –

No capital gains. No capital gain taxes

Interest and dividends –

Low interest rates leads to low interest income

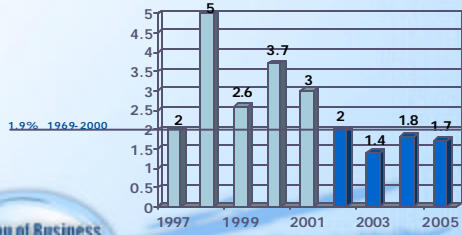
Montana corporate income taxes –

Lower profits, less tax payment



Montana Forecast

Percentage Change in Nonfarm Labor Income



Bureau of Business & Economic Research

Source: Montana Department of Labor and Industry

Questions???

Bureau of Business & Economic Research
