

The Economic Benefits of the Land and Water Conservation Fund

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Overview: The Land and Water Conservation Fund (LWCF) works in partnership with state and local efforts to help preserve the integrity of irreplaceable lands throughout the nation. As the premier federal funding source for land conservation, the LWCF acquires and protects inholdings and expansions in our national parks, national wildlife refuges, national forests, national trails, and BLM areas. LWCF grants to states support the acquisition of state and local parks and recreational facilities.



The Upper Madison Valley is a vital wildlife linkage zone in the Greater Yellowstone Ecosystem for carnivores such as grizzly bear, wolverine, and lynx. The Gallatin National Forest utilized \$5 million from LWCF in 2007 to acquire a conservation easement protecting 11,000 acres of the famed Sun Ranch.

By protecting land, the LWCF also plays an important economic role for local communities. Visitation, tourism, and jobs related to nearby public lands annually contribute billions to regional economies while creating hundreds of thousands of private sector jobs.

In addition, by protecting scenery, wildlife, clean air, and clean water and by creating opportunities for recreation, the LWCF promotes long-term economic development and growth that extends far beyond tourism. With the increased mobility of today's businesses, entrepreneurs decide to locate their businesses in areas with a high quality of life. The same quality of life that attracts businesses also draws retirees and people with investment income. The LWCF, by investing in conservation, helps to preserve the quality of life necessary to attract people and business.

Visitation, businesses and jobs are vitally important to local communities surrounding national parks and other public lands. The Outdoor Industry Foundation estimates that outdoor recreation—hunting, fishing, hiking, skiing, and similar activities—contribute \$730 billion annually to the U.S. economy and supports 6.5 million jobs across the country.

A study by the National Parks and Conservation Association found that \$13 billion flows annually into gateway towns, creating 250,000 private sector jobs. Similarly, a U.S. Fish and Wildlife Service study found that the 40 million yearly visitors to national wildlife refuges generate more than \$1.7 billion in annual sales for local communities, while generating 27,000 jobs. State lands and parks play a similarly important role, helping to boost land values.

The role of public lands in economic development has changed significantly in the past several decades. Two of the fastest growing sectors of the economy, retirees and people working in knowledge-based industries, often have a choice of where to live. Increasingly, they are selecting communities surrounded by public lands and natural amenities.

Currently, the bulk of personal income comes from two sources. First, ninety-nine percent of all new jobs in the U.S. economy since 1990 have been in the service sectors, a broad category that ranges from tourism-related jobs to high-wage occupations such as engineering, architecture, or software design.¹ Many of these are “footloose,” able to locate anywhere. Second, retirement and investment income is growing in importance, particularly with the baby boomer generation entering retirement age. It is not unusual to find counties such as Monogalia, West Virginia; San Juan, Utah; or Skagit, Washington where nearly half or more of the net growth in personal income during the last thirty years has been from these non-labor sources.²



LWCF funding will add the 110-acre Timber Point property to the Rachel Carson National Wildlife Refuge, an oasis for people and wildlife along the rapidly urbanizing coast of southern Maine.

In the past, the value of public lands used to derive mostly from its raw materials, such as timber and minerals. In today's economy, the bulk of the economic value of public lands lies in its ability to attract people—and their businesses—who want to live near protected lands for quality of life reasons. Research by the U.S. Department of Agriculture, the *Journal of Rural Studies*, and others has shown that ninety-three percent of employment in the eleven western states, for example, does

not derive from direct use of public lands, such as timber harvesting, mining or energy development. Surveys of business owners have consistently identified quality of life, including environmental amenities such as public land, as a key factor determining where entrepreneurs chose to locate.³ Similarly, amenities are well-known to be a key factor in the attraction of retirement wealth.⁴

Protected public lands often are an economic benefit during tough economic times. A 2009 study from by Headwaters Economics found that counties near protected public lands that also had sizeable airports, on average, had lower unemployment rates—both before the current recession and subsequently fewer job losses during the downturn.⁵ This assessment parallels an earlier study focusing on local wage growth that showed how amenities provided by public lands are an attractant to some of the fastest growing sectors of today’s economy.⁶



Almost \$3 million in LWCF funding allowed the National Park Service to preserve key historic houses and revitalize the “Sweet Auburn” district where Martin Luther King was born and raised his family.

Protected public lands attract people, wealth, and jobs. Research in the *American Journal of Agricultural Economics* has shown that, nationwide, the amenities provided by protected public lands—such as pristine scenery and wildlife—help to boost property values and attract wealthy in-migrants.⁷ The presence of protected public lands is positively correlated with growth in population, employment, and personal income in a number of academic studies.

Recent studies of economic trends in the rural United States, for instance, found that counties with protected public lands outperformed other rural counties on a number of fronts, including population growth, employment, and income growth. Across the West, research by Headwaters Economics has found that the higher the level of protection, the greater the economic benefit from protected lands in certain types of rural counties.⁸

Looking at the impact of national parks, whether it’s Acadia in Maine or Yosemite in California, a National Parks and Conservation Association study found a gateway community’s economic growth was consistently higher (one percent larger compounded annually) during the past three decades than statewide rates, and that “the majority [of this growth] is driven by individuals and companies unrelated to the tourism sector that are likely drawn to the area because of its natural amenities.”⁹

Because the quality of life offered by protected public lands is so important to business location decisions, as an attractant for the growing number of retirees and investment income, and as a stimulant to the tourism and recreation sectors, investing in LWCF, which protects public lands for conservation, is a smart economic strategy.

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¹ U.S. Department of Commerce. Bureau of Economic Analysis, State Personal Income (SPI), Washington, D.C.

² Ibid.

³ Johnson, J. D., R. Rasker, et al. (1995). “The role of economic and quality of life values in rural business location.” *Journal of Rural Studies* 11(4): 405-416. Beyers, W. and D. Lindahl (1996). “Lone eagles and high fliers in the rural producer services.” *Rural Development Perspectives* 11: 2-10. Mathur, V. K., S. H. Stein, et al. (2005). “Do amenities matter in attracting knowledge workers for regional economic development?.” *Papers in Regional Science* 84(2): 251-269.

⁴ McGranahan, D. A. (1999). “Natural Amenities Drive Rural Population Change.” USDA ERS. Washington, D.C. Haas, W. H., W. J. Serow, et al. (2002). “The Baby Boom, Amenity Retirement Migration, and Retirement Communities: Will the Golden Age of Retirement Continue?” *Research on Aging* 24(1): 150-164.

⁵ Headwaters Economics (2009). “Economic Resilience and Protected Public Lands.” Working paper.

⁶ Lorah, P., R. Southwick, et al. (2003). “Environmental Protection, Population Change, and Economic Development in the Rural Western United States.” *Population and Environment* 24(3): 255-272.

⁷ Deller, S. C., T.-H. Tsai, et al. (2001). “The Role of Amenities and Quality of Life in Rural Economic Growth.” *American Journal of Agricultural Economics* 83(2): 352-365.

⁸ Rasker, R., et al. (2006). “An Exploration Into the Economic Impact of Industrial Development Versus Conservation on Western Public Lands.” *Society & Natural Resources* 19(3): 191-207.

⁹ Hardner, J., B. McKenney (2006), “The U.S. National Park System: An Economic Asset at Risk.” page 6.

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