Updated Summary: The Economic Importance of National Monuments to Local Communities

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Abstract

Headwaters Economics recently updated its research that assesses the economic performance of local communities adjacent to national monuments in the West. The 2017 results—like the earlier studies in 2011 and 2014—found that the local economies surrounding all 17 of the national monuments studied expanded following the creation of the new national monuments.[1]

All three studies analyzed the economies surrounding the 17 national monuments in the 11 western continental states that are larger than 10,000 acres and were created between 1982 and 2001. This approach avoids smaller monuments with little potential to impact local economies, and allows an analysis of economic indicators before and after designation using reliable measures of performance.

The new 2017 analysis updates the economic performance of communities surrounding the selected monuments. While the results showing continued growth in nearby communities do not demonstrate a cause-and-effect relationship, the findings do show that national monuments are consistent with economic growth in adjacent local communities.

Trends in important economic indicators—population, employment, personal income, and per-capita income growth—in each of the regions surrounding the national monuments generally grew following a new monument's creation. Overall, the updated analysis by Headwaters Economics again found no evidence that designating these national monuments prevented economic growth.

Headwaters Economics also made two new fact sheets for the Organ Mountains-Desert Peaks and the Rio Grande del Norte National Monuments. Created in 2014 and 2013 respectively, these monuments are too new to be included in the before/after impacts analysis but have generated significant public interest.

MONUMENTS STUDIED

Aqua Fria, Arizona
Canyons of the Ancients, Colorado#
Carrizo Plain, California#
Cascade-Siskiyou, Oregon#
Craters of the Moon, Idaho#
El Malpais, New Mexico
Giant Sequoia, California#
Grand Canyon-Parashant, Arizona and Utah#
Grand Staircase Escalante, Utah#
Hanford Reach, Washington#
Ironwood Forest, Arizona#
Mount St. Helens, Washington
Newberry Volcanic, Oregon
Organ Mountains-Desert Peaks, New Mexico#*
Rio Grande del Norte, New Mexico#*
Santa Rosa-San Jacinto Mountains, California
Sonoran Desert, Arizona
Upper Missouri River Breaks, Montana#
Vermilion Cliffs, Arizona#

Under review by Department of Interior
*Included only as fact sheets for this update.

Findings

Across the board, trends in important economic indicators either continued or improved in each of the regions surrounding the 17 national monuments studied. Data for per capita income, a widely accepted measure of prosperity, show that this measurement increased for the studied counties adjacent to every national monument in the years following establishment. This rise in personal wealth is significant, particularly in rural areas where average earnings per job are often declining.

The 2017 analysis also compared the economic performance of national monument counties since the turn of the century to similar benchmark counties—either to the Metro or Non-Metro portion of the state where the monument is located. As in the earlier studies, in most instances the growth in the four key economic indicators—population, employment, real personal income, and real per capita income—was the same or stronger in national monument counties than in comparable peer counties, though this varies by monument. Looking at these four indicators for all 17 national monument regions, 13 grew at similar or faster rates compared to the benchmark and four were slower.

National Monuments and Prosperity in the West

The western economy has changed significantly in recent decades. Service industries that employ a wide range of people—from doctors and engineers to teachers and accountants—have driven economic growth and now make up the large majority of jobs, even in rural areas. At the same time, non-labor income, which consists largely of investment and retirement income, is the fastest-growing source of new personal income in the region.[2]

The results of this study correspond to related research that shows how protecting public lands can assist western communities working to promote a more robust economic future:

- Protected lands help create jobs and economic growth. From the early 1970s to the early 2010s, western rural counties with the highest share of protected federal lands on average had faster population, employment, and personal income growth—two times faster or more—than their peers with the lowest share of protected federal lands.[3]

- Protected lands increase per capita income. In 2010, per capita income in western non-metropolitan counties with 100,000 acres of protected public lands was on average $4,360 higher than per capita income in similar counties with no protected public lands.[4]

- Protected natural amenities—such as pristine scenery and wildlife—help sustain property values and attract new investment.[5]

- Outdoor recreation is important to western economies. In New Mexico, for example, the Outdoor Industry Association (OIA) reported in 2012 that active outdoor recreation contributes $6.1 billion annually to the state's economy and supports 68,400 jobs. Across the nation, in 2017 OIA reported that outdoor recreation contributes $887 billion to the economy.[6]

- Service jobs are increasingly mobile, and many entrepreneurs locate their businesses in areas with a high quality of life. Conserving lands, while also creating a new visibility for them through protective designations, helps safeguard and highlight the amenities that attract people and business.[7]

- For many seniors and soon-to-be retirees, protected public lands and recreation provide important aspects of a high quality of life. Non-labor sources of income already represent more than one-third of all personal income in the West and almost half of all personal income in the Non-Metro West. Non-labor's share of personal income will grow as the Baby Boomer generation retires.[8]

Conclusion

The Headwaters Economics 2017 review confirms that all the regional economies adjacent to the studied national monuments experienced growth following a monument's designation. National monuments help nearby communities diversify economically while increasing quality of life and recreational opportunities that make communities more attractive for new residents, businesses, and investment.

The study found no evidence that designating these national monuments prevented economic growth. Instead, trends in key economic indicators such as population, employment, personal income, and per capita income either continued or improved in each of the regions surrounding the national monuments.

For More Information

Contact Chris Mehl, Headwaters Economics, chris@headwaterseconomics.org or 406-570-8937.

About Headwaters Economics

Headwaters Economics is an independent, nonprofit research group that assists the public and elected officials in making informed choices about land management and community development decisions in the West, https://headwaterseconomics.org/.

Related Links

- National Monuments work: https://headwaterseconomics.org/public-lands/protected-lands/national-monuments/
- Research on the value of public lands: https://headwaterseconomics.org/public-lands/public-lands-research/

End Notes

[1] Methodology, details about the study: The Economic Importance of National Monuments to Local Communities.
[2] Headwaters Economics. 2017. The Value of Public Lands and 2014. Non-Labor Income: Large and Growing in Importance Across the West.
[3] Headwaters Economics. 2017. Federal Lands in the West: Liability or Asset?
[4] Rasker, R., P.H. Gude, M. Delorey. 2013. The Effect of Protected Federal Lands on Economic Prosperity in the Non-Metropolitan West. Journal of Regional Analysis and Policy.
[5] 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.
[6] Outdoor Industry Association. For 2012 New Mexico, see: The Outdoor Recreation Economy Report and for 2017 national numbers, see: The Outdoor Recreation Economy: 2017.
[7] See this summary slideshow: Today's Economy & the Role of Federal Lands. Also, 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; McGranahan, D. A. 1999. Natural Amenities Drive Rural Population Change. E. R. S. U.S. Department of Agriculture. Washington, D.C.
[8] Frey, W.H. 2006. America's Regional Demographics in the '00 Decade: The Role of Seniors, Boomers and New Minorities. The Brookings Institution, Washington, D.C. See also: Non-Labor Income: Large and Growing in Importance Across the West.