

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



## *Overview of National Monument Series*

### **ABSTRACT**

In a new research series, Headwaters Economics assesses the economic performance of local communities adjacent to national monuments in the West.

Headwaters Economics analyzed the economies surrounding the 17 national monuments in the eleven western continental states that are larger than 10,000 acres and were created in 1982 or later. This sample avoids smaller monuments with little potential to have an impact on local economies, and allows us to analyze economic indicators before and after designation using reliable measures of economic performance.

The analysis found that the local economies surrounding all 17 of the national monuments grew following the creation of new national monuments. While this does not demonstrate a cause-and-effect relationship, this finding shows that national monuments are consistent with economic growth in adjacent local communities.

Trends in important economic indicators—such as population, employment, personal income, and per-capita income growth—either continued or improved in each of the regions surrounding the national monuments studied. The analysis found no evidence that designating these national monuments prevented continued economic growth.

### **USING THE REPORTS**

To share study information with the public, Headwaters Economics created a number of resources that are available on a [national monument web site](#). These include:

1. An interactive web page that shows trends in four important indicators (population, employment, personal income, and per capita income) before and after designation for each of the 17 national monuments;
2. Two-page fact sheets that summarize key background information and findings for each monument;
3. In-depth reports that describe important data and trends on demographics, jobs, income, and specific economic sectors as well as compare benchmarked performance for each national monument; and
4. A study area map of adjacent counties and a summary of permitted uses on each national monument.

### **FINDINGS**

Across the board, trends in important economic indicators either continued or improved in each of the regions surrounding the 17 national monuments studied. The analysis shows that the creation of a national monument in no case led to or coincided with a downturn in the economies of adjacent communities.

While post-designation economic growth in most cases continued prior growth trends, in one case—El Malpais National Monument in New Mexico—leading indicators (population, employment, personal income, and per capita income) reversed declines in the years before designation.

In addition to growth measures, Headwaters Economics analyzed per capita income, a widely accepted measure of prosperity. The data show that per capita income 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 analysis also compares the economic performance of national monument counties to similar benchmark counties—either the Metro or Non-Metro portion of the state where the monument is located. In many instances, the growth in employment and personal income growth was stronger in national monument counties than in comparable peer counties, though this varies by monument. Looking at these two indicators for all 17 national monument regions, nine grew faster than the benchmark, five slower, and three were either tied or split.

While economic growth, as measured by employment and personal income, followed the creation of every national monument studied, there is one instance where longstanding population declines that preceded national monument designation did not reverse. This is the case for communities surrounding the Upper Missouri Breaks National Monument in Montana where population has trended downward since the 1920s.

## **NATIONAL MONUMENTS AND PROSPERITY IN THE WEST**

The western economy has changed significantly in recent decades. Services 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 source of new personal income in the region.

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:

- Outdoor recreation is important to western economies. In New Mexico, for example, the Outdoor Industry Foundation reports that active outdoor recreation contributes \$3.8 billion annually to the state's economy, supporting 43,000 jobs.<sup>1</sup>
- Services 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.<sup>2</sup>
- 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 a third of all personal income in the West—and will grow as the Baby Boomer generation retires.<sup>3</sup>
- The counties in the West with protected public lands, like national monuments, have been more successful at attracting fast-growing economic sectors and as a result grow more quickly, on average, than counties without protected public lands.<sup>4</sup>
- Protected natural amenities—such as pristine scenery and wildlife—help sustain property values and attract new investment.<sup>5</sup>

## **CONCLUSION**

The review of the 17 national monuments by Headwaters Economics found that all of the regional economies studied experienced growth following a monument's designation.

As communities across the West emerge from the recent recession, nearby national monuments can play several important economic roles: helping a region to diversify economically while increasing quality of life and recreational opportunities that assist communities to become more attractive for new residents, businesses, and investment.

The study found no evidence that designating these national monuments prevented continued 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: Ben Alexander, Headwaters Economics, [ben@headwaterseconomics.org](mailto:ben@headwaterseconomics.org) or 406-599-7423

Series: [The Economic Importance of National Monuments](#)

---

<sup>1</sup> Outdoor Industry Foundation. 2006. The Active Outdoor Recreation Economy: A \$730 Billion Annual Contribution to the U.S. Economy.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Rasker, R. 2006. An exploration into the economic impact of industrial development versus conservation on western public lands. *Society & Natural Resources*, 19(3), 191–207.

<sup>5</sup> 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.