



Montana's Rocky Mountain Front *Executive Summary and Discussion*

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Note: This document contains the Executive Summary and Discussion from the full report “Montana’s Rocky Mountain Front,” available at: <http://headwaterseconomics.org/land/reports/montanas-rocky-mountain-front>.

Executive Summary

The Rocky Mountain Front region is defined in this report as the roughly 100-mile stretch of land on the east side of the Continental Divide that includes Cascade, Lewis and Clark, and Teton Counties where the plains meet the mountains just south of Glacier National Park. A key question facing this region is how to best leverage the area’s stability and existing economic assets—such as the incredible landscape, well-developed transportation hubs, and relatively high per capita earnings compared to other parts of Montana—to enhance economic prosperity and resiliency.

This study summarizes the recent history and current conditions for the Front’s land, people, and economy. The economy of the Front and the American West has changed in important ways during the past several decades. These changes have led to a growing significance of public lands as a competitive advantage and as part of a larger amenity economy. This report also reviews the proposed Rocky Mountain Heritage Act and its potential impact on the Front.

The Front’s economy is well-positioned for future economic performance and the region has experienced steady, and stable long-term growth during recent decades, especially compared to many other parts of Montana and the West during the most recent recession. The region has avoided major employment swings associated with national recessions and has below average unemployment—5.7 percent in 2011. This is largely due to the predominance of a relatively diverse services economy, an above average share of government employment, and the growth of non-labor sources of income such as retirement and investments, which have been among the fastest growing sources of personal income and totaled \$2.3 billion or 38 percent of total personal income in 2010.

The economy of the Front can be measured a number of ways. From 1970 to 2010, employment along the Front grew from 57,260 to 100,203 jobs, a 75 percent increase, and real personal income grew from \$2.9 billion to \$6.0 billion, a 109 percent increase. Per capita income has grown steadily over the long term, rising in real terms from \$23,627 in 1970 to \$39,749 in 2010, a 68 percent increase, and is higher than the comparable figure for Montana, which was \$36,160 in 2010.

Services industries have been the primary drivers of employment growth in the region for some time—both in size and increase in employment share. From 2001 to 2010, the fastest growing private sectors were all services related industries that paid relatively well: health care and social assistance (2,126 new jobs), professional and technical services (822 new jobs), and finance and insurance (983 new jobs). In 2010, the largest sectors were: health care and social assistance (12,216 jobs), retail trade (11,290), and accommodation and food services (7,475).

Agriculture remains the Front's predominant land use. In 2009, there were 4,678 farm and ranch jobs in all three counties. The share of total employment held by farming and ranching varies by county: Cascade County 2.1 percent, Lewis and Clark County 1.5 percent, and Teton County 20.4 percent.

Travel, tourism, and recreation play a significant role in the area's economy. In 2009 along the Front, there were approximately 10,622 private wage and salary jobs in all travel and tourism sectors, representing 19 percent of total private wage and salary employment.

Along the Rocky Mountain Front itself, expenditures by hunters held steady through the past several years despite difficulties facing the broader economy. In 2006, at the peak of the last business cycle, sportsmen hunting along the Rocky Mountain Front spent \$9.8 million; growing to \$10.4 million in 2008 in the middle of the recession; and falling only slightly in 2011 to \$9.6 million. Of the \$9.6 million, Montana residents contributed roughly half, more than \$4.5 million, and out-of-state visitors spent more than \$4.9 million.

While travel and tourism and outdoor recreation activities are important in their own right, research increasingly shows that these activities are part of a larger amenity economy related to public lands that is an important driver of economic growth in both the rural West and along the Front. Increasingly, research has shown that the federal public lands and natural amenities found in western states provide the region an economic advantage—these lands attract people and business across a range of sectors critical to our economic future.

Today in the West, protected federal lands such as national parks, monuments, and wilderness areas are associated with higher rates of job growth. For example, from 1970 to 2010 non-metropolitan western counties with more than 30 percent of their land base in federally protected status increased jobs by 345 percent. By contrast, non-metro counties with no protected federal lands increased employment by 83 percent during the same period.

The proposed Rocky Mountain Front Heritage Act, which would designate 67,000 acres of United States Forest Service land as Wilderness and 208,112 acres of Forest Service and Bureau of Land Management land as a Conservation Management Area (CMA), would have a beneficial economic impact by helping to preserve the hunting, tourism, and recreation sectors that are an important part of the Front region's economy. The proposed legislation also would support current and continued ranching and commercial uses of the public lands, while helping to combat noxious weeds across multiple jurisdictions, an especially important consideration for Teton County where 20 percent of the total workforce is employed in agriculture-related activities and 79 percent of the county's land is in farm and ranch production.

In the context of considering the area's economic future, the Heritage Act is one of several factors that likely will influence the long-term economic health of the Front region. The spectacular public lands of the Rocky Mountain Front give the region a natural competitive advantage and provide considerable tourism and recreation income to the region. In addition, the Front's public lands serve as attractants for business owners, workers, and retirees—either as a reason to remain in the area or to move to the Front region. As the services sector continues to drive growth in the West, an increasing number and share of workers will be more “footloose” and able to perform their jobs from a variety of locations, including the Front.

The Front region, in addition to emphasizing its strength in public lands and recreation, also should market the area's high quality of life—and the area's economic stability. Such efforts could include targeting business owners when they first come to the Front as tourists. Such outreach would encourage “visit and stay” situations where workers, employers or retirees visit Great Falls, Choteau, or Augusta, enjoy their stay, and decide to invest in, or move to, the community. Some of this effort can and must come from local officials and business leaders who make a consistent effort to promote the opportunities and advantages of the Front region relative to the rest of Montana and the West.

The Front region also benefits from its ability to serve as a gateway to the area's incredible recreation opportunities. Recent efforts to improve air service in both Great Falls and Helena, for example, are important for tourism and are vital for a growing number of local businesses seeking to access clients and customers.

Finally, improving educational opportunities and retaining people must remain a priority. The Front region's educational attainment for a bachelor's degree is on par with national and state averages. Equally important, the region has a lower than average percentage of residents who have no high school degree. Education levels closely correspond to unemployment rates and future earnings potential and the Front region should work to make sure its workforce is adequately prepared to succeed in our rapidly changing economy.

Discussion

As noted earlier, an important question facing the Rocky Mountain Front region of Cascade, Lewis and Clark, and Teton Counties is how to best leverage the area's existing economic assets—such as the stunning natural amenities, transportation hubs, relatively high average earnings and per capita income, and overall stability—to enhance the area's future economic growth and prosperity.

The economy of the Front is described in detail in the full report and the Executive Summary. The region is evolving into a more diverse services economy and benefits from growing non-labor sources of income, primarily from retirement and investment sources.

At the same time, the Front's outdoor recreation sector continues to play a substantial role in the economy, especially for smaller communities closer to public lands. The strong and stable numbers for hunting along the Front—nearly ten million in expenditures in 2011 with more than half from out-of-state visitors—indicate that the high quality of the hunting and recreation resources on the Rocky Mountain Front is a long-term economic advantage for nearby communities.

Today, protected federal lands such as national parks, monuments, and wilderness areas are associated with higher rates of job growth. Looking at non-metropolitan counties in the West from 1970 to 2010, those counties with more than 30 percent of their land base in federally protected status increased jobs by 345 percent during this time frame. By contrast, non-metro counties with no protected federal lands increased employment by 83 percent during the same period.

Public lands, however, are only one part of a larger economic strategy. The Front region, while it has a number of strengths, also has several warning signs such as the slow pace and unevenness of population growth, lack of in-migration, and loss of young people. The once large agriculture sector is stagnant and shrinking as a share of the economy, and future military employment across the Front region remains in doubt.

In the context of considering the area's economic future, a crucial question is how the Front region is going to succeed in what is a competitive environment. Or put another way, how will the Front region continue to retain and attract people in the area while improving its ability to lure additional investment and businesses? What follows is a brief discussion of a number of factors that likely will influence the long-term economic health of the Front region.

The Heritage Act and the Front's Natural Competitive Advantage: The spectacular public lands of the Rocky Mountain Front give the region a natural competitive advantage and provide considerable tourism and recreation income to the region. In this context, the proposed Rocky Mountain Front Heritage Act, which would designate 67,000 acres of United States Forest Service land as Wilderness and 208,112 acres of Forest Service and Bureau of Land Management land as a Conservation Management Area (CMA), likely would have

a beneficial economic impact by helping to preserve the existing hunting, tourism, and recreation sectors that already are an important part of the Front region's economy.

In addition, the proposed legislation also would support current and continued agriculture uses of public lands, while helping to combat noxious weeds, an especially important consideration for Teton County where 20 percent of the total workforce is employed in agriculture-related activities and 79 percent of the county's land is in farm and ranch production.

The Heritage Act also is likely to be a positive influence on the future long-term economic health of the Front region. The Front's public lands serve as attractants for business owners, workers, and retirees—either as a reason to remain in the area or to move to the Front region. As the services sector continues to drive growth in the West, an increasing number and share of workers will be more “footloose” and able to perform their jobs from a variety of locations, including the Front.

While public lands unequivocally aid growth in today's economy, they often are insufficient by themselves, and Front communities should explore a number of additional steps to help ensure the economic health of the region.

Branding: The Front region, in addition to emphasizing its strength in public lands and recreation, also should market the area's high quality of life, the area's economic stability, and its relative affordability. Part of such a branding effort would include targeting business owners when they first come to the Region as tourists. Such outreach would encourage “visit and stay” situations where workers, employers, or retirees visit Great Falls, Choteau, or Augusta, enjoy their stay, and decide to invest in or move to the community. Some of this effort can and must come from local officials and business leaders who make a consistent effort to promote the opportunities and advantages of the Front region relative to Montana and the West.

Benefit of Being Gateway Communities: The Front region has two types of gateway communities. The larger cities of Helena and Great Falls, in addition to being retail and government service centers, also derive economic benefit from being entryway cities to incredible recreation, not just along the Front but for many parts of Montana. Recent efforts to improve air service in both communities are important for tourism but also are vital for a growing number of businesses seeking to access clients and customers. In addition, towns such as Augusta and Choteau also serve as more immediate gateways to the Front's spectacular beauty and outdoor opportunities. These towns capture some of the tourism and recreation dollars spent on the Front each year and also have the opportunity to attract additional residents and businesses because of their high quality of life.

Education, Health Care, and Retaining More People: Improving educational opportunities and retaining people must remain a priority. The Front region's educational attainment for a bachelor's degree is on par with national and state averages. Equally important, the region has a lower than average percentage of residents who have no high school degree. Education levels closely correspond to unemployment rates and future earnings, and the Front region should work to make sure its workforce is adequately prepared to succeed in our rapidly changing economy. In addition, as aging Baby Boomers make up a greater share of the population across the country, and especially in rural areas like Teton County, local leaders should consider additional health care and other services to meet the needs of this growing demographic.

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