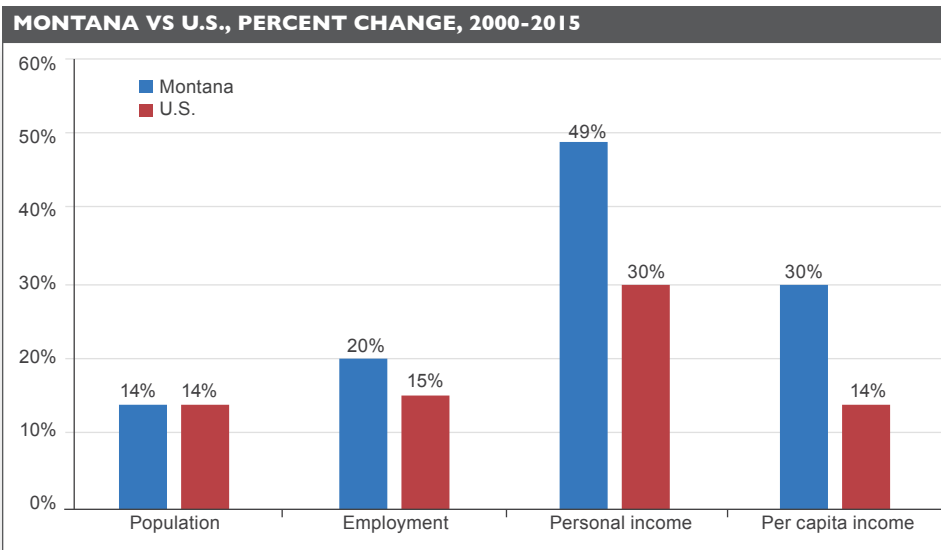




MONTANA'S ECONOMY, PUBLIC LANDS, AND COMPETITIVE ADVANTAGE

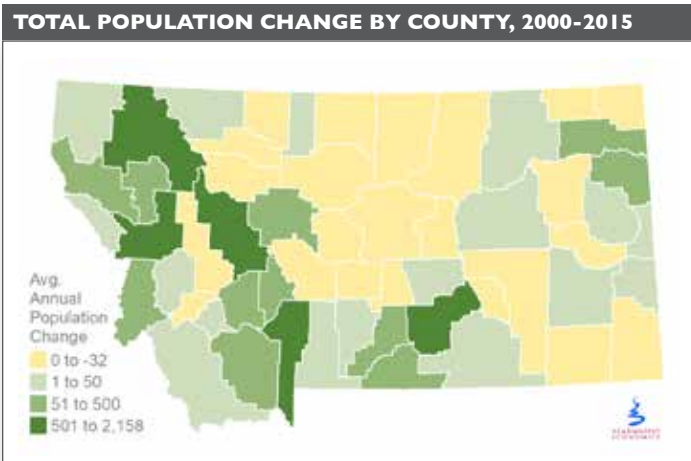
This report summarizes Montana's economy, analyzing how it has grown and what is driving its performance. The report also includes a description of how federal lands play a role in attracting people, investment, and businesses to Montana communities.

Montana Is Growing and Outperforming Rest of the Nation



From 2000-2015, Montana's employment increased substantially while total real personal income increased by nearly half. Compared to the U.S., Montana's real per capita income grew more than twice as fast.

This growth is driven by an increase in higher quality jobs, and the rapid increase of investment and retirement income in the state. Public lands are helping to diversify Montana's economy and fuel industries like outdoor recreation, and professional and technical services.



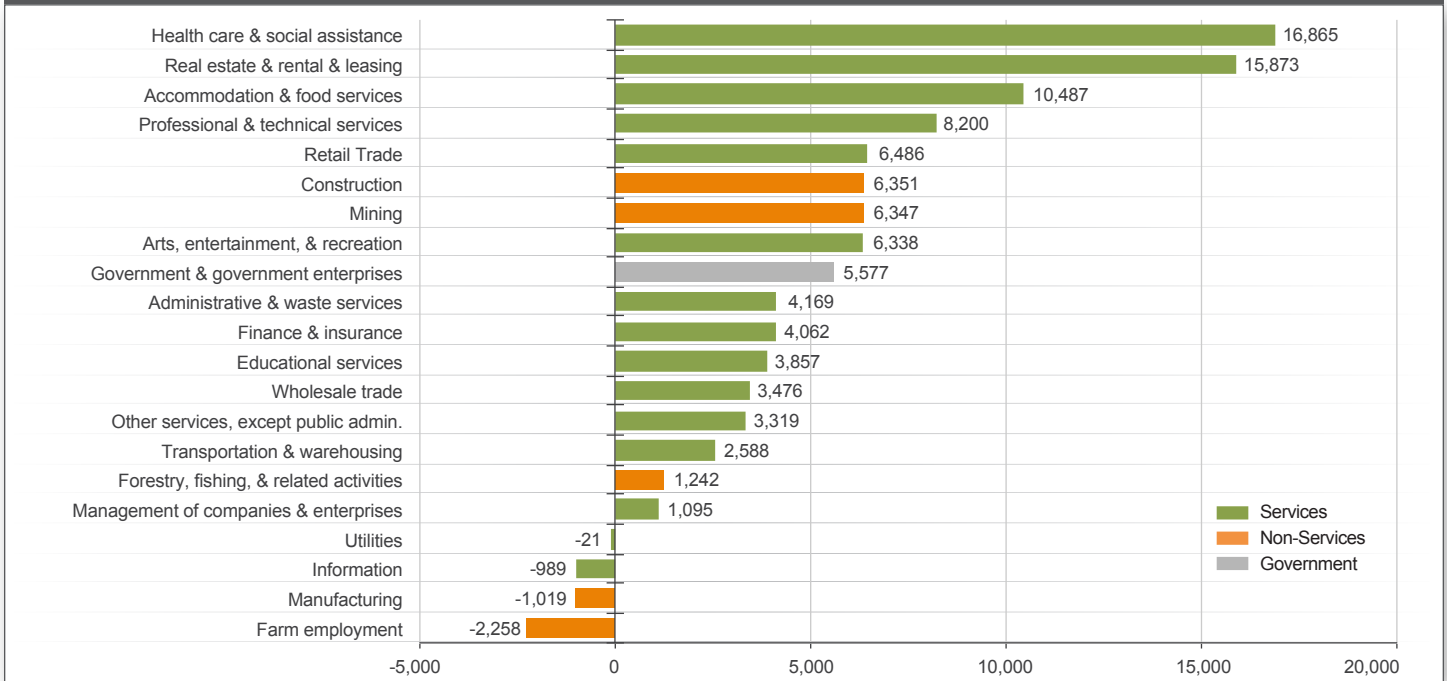
The western half of the state has grown the fastest, led by Gallatin, Lewis and Clark, Flathead, Missoula, and Yellowstone counties. These five counties were responsible for more than three-quarters of job growth from 2000 to 2015.

FROM 2000 TO 2015,
MONTANANS'
TOTAL PERSONAL
INCOME
GREW BY
49%

*Since the start
of the 21st Century,
Montana's employment,
personal income, and per
capita income all have
significantly outpaced
the United States.*

A Mix of Industries Led Montana's Job Growth

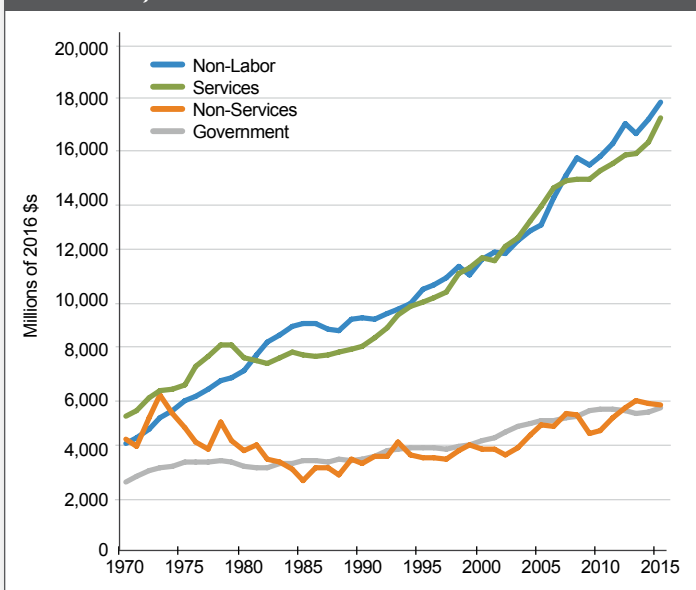
CHANGE IN EMPLOYMENT BY INDUSTRY, MONTANA, 2000-2015



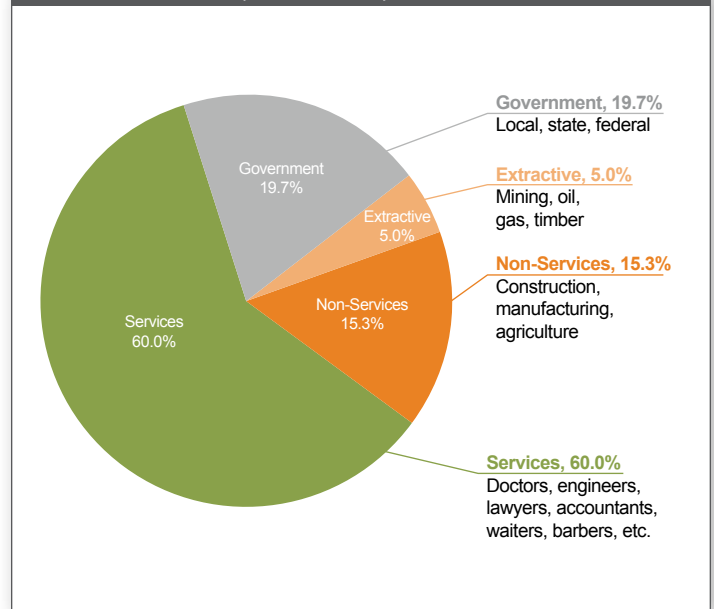
From 2000-2015, Montana's economy created 102,000 net new jobs—with 85 percent coming from service-related industries such as health care, outdoor recreation, real estate, and professional and technical services.

Personal Income Trends Show Montana's Diversifying Economy

CHANGE IN PERSONAL INCOME BY SOURCE, MONTANA, 1970-2015



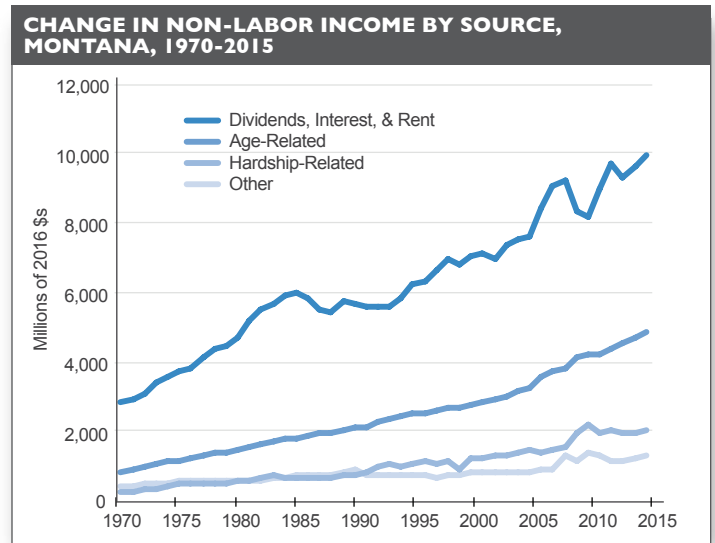
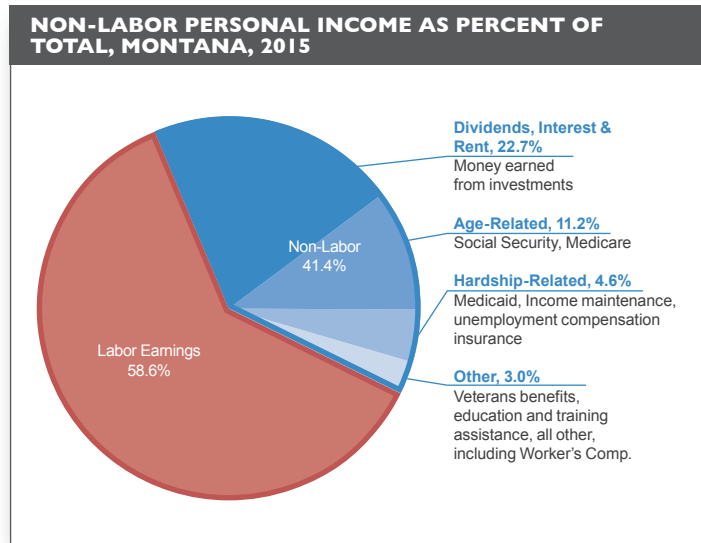
LABOR EARNINGS, MONTANA, 2015



Since 1990, 80 percent of growth in personal income in Montana has come from people who work in the services industries, or from non-labor income sources (dividends, interest, rent, Social Security, Medicare, Medicaid, etc.).

Non-Labor Income: Large and Growing

Non-labor income sources are the single largest component of Montana's economy, contributing 41 percent of all personal income.



From 2000 to 2015, non-labor income sources in Montana grew by 54 percent while labor earnings grew by 43 percent. By 2015, non-labor income totaled \$18.1 billion dollars, which is more than three times larger than labor earnings in farming, mining, construction, and manufacturing combined.

Non-labor income stimulates other sectors of the economy such as health care, construction, and retail sectors. For example, retirees moving to a community with investment income promote retail sales and home-building, and communities with high dependence on Medicaid may experience growth in local health services.

Counties with Public Lands Attract People and Jobs

JOB GROWTH FOR FIVE FASTEST-GROWING COUNTIES IN MONTANA, 2000-2015

County	New Jobs	% job change	% of net new Montana jobs	Leading job sectors (2015) – In order of importance
Gallatin	27,418	54%	25%	Government, retail trade, accommodation & food, construction, professional & technical services, health care & social assistance
Yellowstone	19,981	23%	18%	Health care & social assistance, retail trade, government, accommodation & food services, construction, professional & technical services
Missoula	14,116	21%	13%	Government, health care & social assistance, retail trade, accommodation & food services, professional & technical services, real estate & rental & leasing
Flathead	14,011	29%	13%	Retail trade, health care & social assistance, accommodation & food services, government, construction, real estate & rental & leasing
Lewis & Clark	8,979	23%	8%	Government, health care & social assistance, retail trade, accommodation & food services, professional & technical services

MONTANA COUNTY MIGRATION AND POPULATION CHANGE, PER 1000 PEOPLE, PER YEAR, 2000-2015

	High proportion federal land	Low proportion federal land
Net migration rate	3.14	-3.47
Population change rate	2.87	-2.22
Employment change rate	9.22	4.64

5 MONTANA COUNTIES ARE RESPONSIBLE FOR MORE THAN 75% OF JOB GROWTH FROM 2000-2015

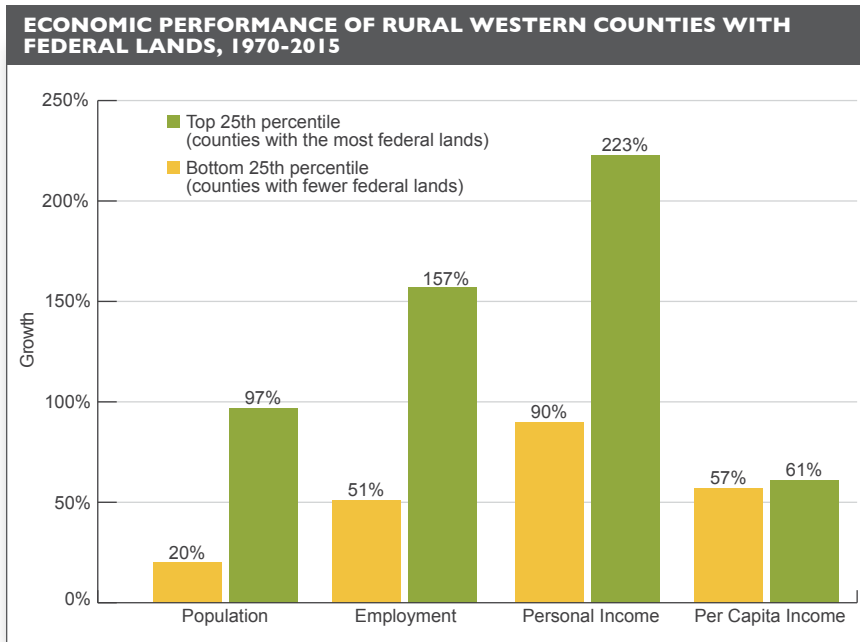
Proportion means greater than or less than the median share of federal land across all Montana counties.

Montana counties with a higher share of federal lands have outperformed counties with a smaller share of federal lands, attracting a higher rate of in-migration and more overall population growth.

Federal Lands Play an Important Role in Rural Western Counties

“Our quality of life is defined by our public lands and access to them. This gives us and other tech companies in Montana a distinct competitive advantage. We can recruit and retain top talent successfully within and outside the state because of the world-class landscape that surrounds us.”

Lance Trebesch, CEO
TicketPrinting.com



Rural counties in the West with more federal lands performed better on average than their peers with less federal lands in four key economic measures.

The Value of Public Lands PEOPLE | ECONOMY | ENVIRONMENT

Recreation

Outdoor recreation provides 71,000 direct jobs in Montana and \$7.1 billion in consumer spending.

Heritage

The outdoors define the West, our heritage, culture, and tradition of access to public lands.

Quality of life

Public lands offer Montana a competitive advantage to retain or attract people and businesses.

Commodity production

While employment in timber, mining, oil and gas now account for only five percent of personal income in the rural West, in some communities resource extraction remains important.

Clean water

More than a third of communities' drinking water in the West comes from National Forests.

Scenery

Tourists, entrepreneurs, workers, and retirees all are attracted to communities with access to nearby beautiful public lands.

Wildlife

Public lands are essential for healthy wildlife populations like elk, grizzlies, and antelope.

References

Economic facts on pages 1, 2, 3, 4 from U.S. Department of Commerce. 2016. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C. Tables CA30, CA05, CA05N, CA35. Facts about Montana, the West, and the role of federal lands are from: <https://headwaterseconomics.org/public-lands/public-lands-research/>. Bottom of page four: Water figure from: <http://www.treeseearch.fs.fed.us/pubs/45417>. Bottom of page four: Outdoor Industry Association. <https://outdoorindustry.org/advocacy/>.