

# **Economic Benefits Associated with Roadless Areas and National Monuments**

## **Summary for Discussion**

Many Western communities are at a crossroads, moving away from economies based on extraction of resources and towards new models based on service, recreation and tourism. With the rise of this "New West," has come a debate about the costs and benefits of these new economic engines and whether the new economy is improving the quality of life for residents.

President Clinton has recently declared ten new national monuments protecting some of our nation's most ecologically important land. Currently, the debate is focused on the President's proposal to protect millions of acres of roadless areas, and whether this protection will help fuel new economic engines in Western communities.

The purpose of this report is to help inform this dialogue, by analyzing the relationship between economic growth and protection of roadless and protected areas in the Western states. Specifically, economic data from 1969 to 1997 was analyzed for 410 Western counties in eleven states. Nine counties in Oregon were also subjects of further scrutiny.

The result of this analysis is clear: Protection of roadless areas is strongly and positively connected to economic growth. Throughout the West, counties with more roadless and protected areas showed stronger economic growth from 1969 to 1997 than those without such lands.

In the case of roadless areas which have generally not had resources extracted in the past (because there are no roads), new report findings support the idea that protecting these lands for the future would reap the greatest economic benefits for local communities, more even than mining, logging or grazing. In fact, the report

concludes that more jobs could be created by protection than by converting the land to another use.

By looking at the influence of roadless and protected areas on past economic performance in Western counties, the study sought to understand how future designations of protected areas might affect county economies, especially in Oregon. In addition, by looking at the relationship between protected areas and local economies, the study sought to identify whether limiting extractive uses of public lands will limit county-level economic growth.

The study investigated the economic impacts of roadless and protected areas in nine counties in Oregon as well as 410 of 414 counties of the eleven Western states. (Four counties were not included in the study because they were newly created and, therefore, lacking data.) The nine Oregon counties were chosen because they represent different areas of the state with various levels of economic health and vitality. For all results listed below, the time period of the study was 1969 to 1997.

The main questions and key findings of the study are summarized below.

### **How does the presence of roadless and protected areas affect local economies in the Western states?**

- The amount of protected lands within 50 miles of a county's center is closely connected to both positive employment growth and income growth.
- Specifically, the amount of Forest Service roadless area within 50 miles of a county center is significantly correlated to positive employment growth and income growth.
- In rural counties, the relationship between economic growth and roadless and protected areas and is even stronger. Contrary to some arguments, rural counties near protected lands experience

higher levels of economic growth than those near land that is subjected to extractive uses.

### **How does the amount of roadless and protected land affect the rate of economic growth in Western counties?**

- In counties with more than 10% of the land protected, employment growth was 1.85 times faster and income growth was 1.4 times faster than the average non-metropolitan counties.
- In non-metropolitan counties with more than 10% of the land in Forest Service roadless areas, employment growth was 1.43 times faster than the average.

### **How do roadless and protected lands affect income and employment growth in the Western states?**

- Western counties with relatively attractive environments and more protected lands are more likely to have relatively high rates of income growth and employment growth, compared to other counties in the region.
- When counties are grouped together into clusters with similar attributes (based on population size and distance from metropolitan areas), there is no indication that protecting additional lands slows employment or income growth. Rather, there is evidence for some clusters that protecting additional land is correlated with increased income and employment growth.

### **In Oregon, how has the decline of extractive industries, such as logging and mining, affected economic growth?**

- The role of extractive industries in Oregon's economy continues to shrink, as the overall economy created jobs twice as fast as the state's extractive industries, from 1969 to 1997.
- This shrinking role for the extractive industry also extends to income generation, as the total income from extractive industries actually declined by over \$500,000 (based on constant dollars)

from 1969 to 1997. At the same time, income for the entire state rose by \$44.5 billion (constant dollars).

- The proportion of total income generated in Oregon by extractive industries fell from 13.5% in 1969 to 5.1% in 1997.
- For most of the nine counties examined, income and employment generated by extractive industries declined steadily from 1969 to 1997. The full results are summarized in Table 1 below:

**Table 1: Income and employment generated by extractive industries**

<u>County</u>	<b>Income:</b>		<b>Employment:</b>	
	<u>1969</u>	<u>1997</u>	<u>1969</u>	<u>1997</u>
Josephine	17.5%	4.8%	24.3%	15.4%
Jackson	19.1%	8.2%	20.1%	13.1%
Lane	20.6%	6.9%	25.2%	15.1%
Deschutes	15.9%	3.8%	21.1%	11.8%
Grant	39.2%	13.5%	25.0%	15.2%
Umatilla	19.4%	7.8%	16.6%	16.7%
Union	28.1%	9.8%	18.2%	14.6%
Wallowa	28.8%	9.5%	11.0%	13.7%
Douglas	36.0%	16.1%	35.9%	22.1%

**How have sectors that benefit from the presence of environmental amenities and protected areas, such as tourism, service and retirement grown in Oregon?**

- Income generated by lodging establishments grew 120% from 1969 to 1997 (in constant dollars), income from drinking and eating establishments grew 151% and income from amusement and recreation services grew 459% (By contrast, income from the manufacture of lumber and wood products actually declined 15% in the same time period).

- Government payments to retirees grew 296% from 1969 to 1997 (in constant dollars) and were 1.7 times greater than all of the income generated by logging, mining and agriculture combined in 1997.
- For all nine counties examined, the proportion of total income generated by economic activity often associated with natural amenities has steadily increased. County specific increases are summarized in Table 2 below:

**Table 2: Percent of total income generated by activities associated with nature-based tourism and recreation**

<u>County</u>	<u>1969</u>	<u>1997</u>
Josephine	28.1%	39.9%
Jackson	23.7%	33.5 %
Lane	19.1%	29.4%
Deschutes	22.4%	32.3%
Grant	17.5%	31.9%
Umatilla	18.3%	25.7%
Union	19.9%	29.1%
Wallowa	21.8%	36.1%
Douglas	17.6%	32.0%

### **Conclusion**

As the rural economies have continued the transition from extractive uses of public lands to nature-based, there has been extensive debate about potential costs and benefits. This report uses the most comprehensive data available to explore the connection between economic growth and roadless and protected areas. In finding a significant link between protection and economic growth, the report provides valuable new information to the discussion of future uses of public lands. In doing so, it suggests that not only is protection good for the environment, it is also good for local economies.