

# ***Key Trends, Dependencies, Strengths & Vulnerabilities in the Park County, Montana, Area Economy***

Study by  
Dr. Larry Swanson, Ph.D. Economist

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Study examines the **area economy of Park County**, Montana, and important trends and factors in area population and economic growth and change.

Underlying characteristics of the economy are examined, as well as area economic dependencies, strengths, and vulnerabilities.

The study was produced through the Greater Yellowstone Coalition with funding by area landowners and businesses.

This study builds from an earlier, comprehensive study of the larger region in and around Yellowstone National Park, which included Park County and 24 other counties in a three-state region. This study was done in 2007 for the Yellowstone Business Partnership.



Depuy's Spring Creek in Paradise Valley. <http://montanapressroom.com/photo-gallery/big-sky-scenics/>

***As in many other areas of the Interior Mountain West, the Yellowstone Region is growing because more people want to live in attractive areas with big natural landscapes, towering mountains with healthy forests and grasslands, large wildlife populations, plentiful outdoor and recreational opportunities, and attractive and welcoming communities. [ ... ]***

***The key question for the future: "How can the region's businesses and communities grow and prosper, while simultaneously protecting and enhancing the region's chief economic asset – its high quality environment? [2007 YBP report, p. 1]***

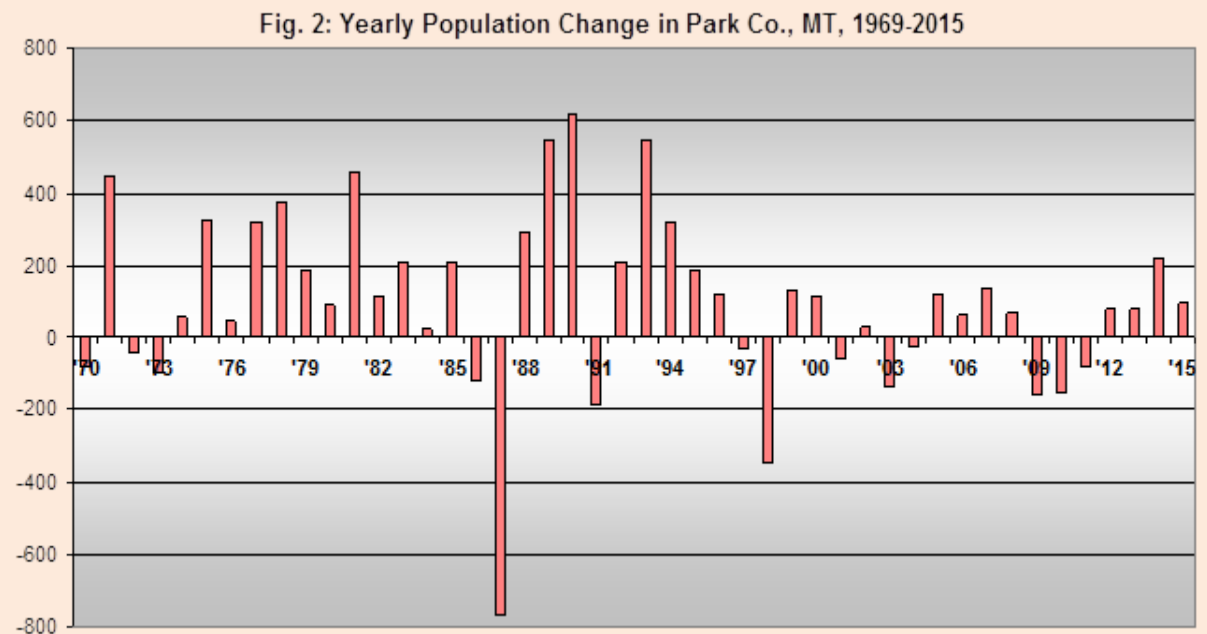
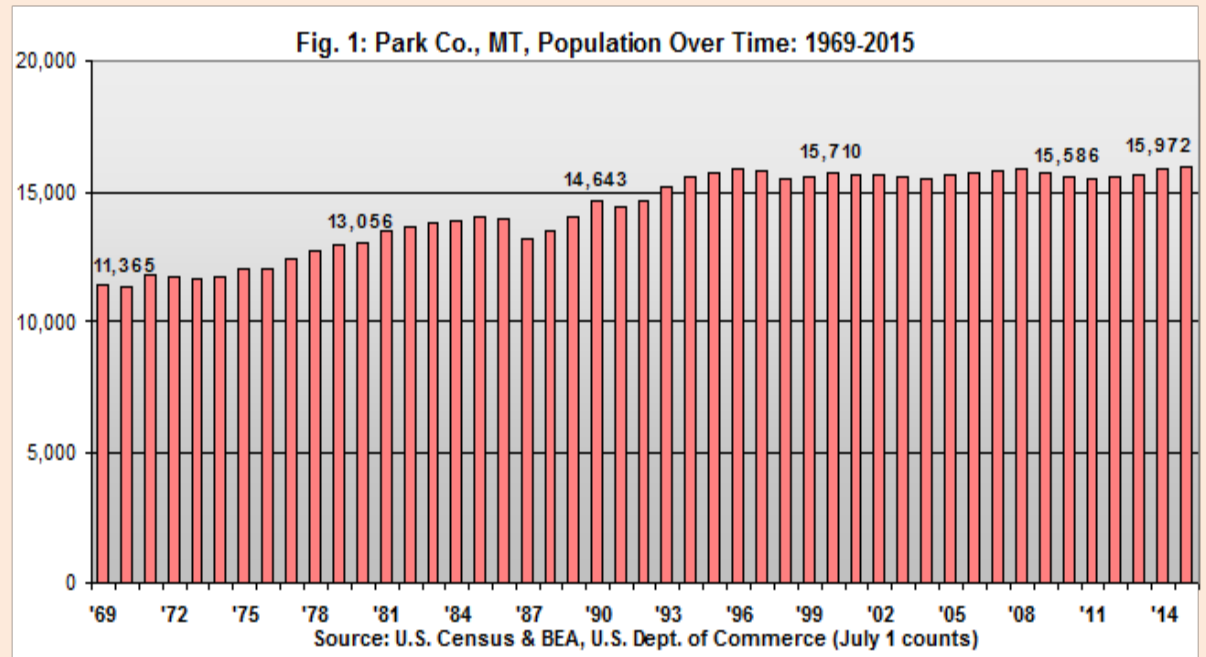
# Park County Trends in Population Growth

While the county has seen very little population growth in the last decade, it has a long history of gradual but steady growth and overall population stability.

Figure 1 shows annual population counts each year since 1969. The population in 1970 was 11,365 (July 1 estimate) and grew to 13,056 by 1980 – an increase of 1,691 or 15 percent. It grew to 14,643 in 1990, adding another 1,587 residents and in the '90s the population rose another 1,067 or about 7 percent. After reaching 15,896 in 2008 population decreased a bit before rising again.

Year-to-year population change by Park County is shown in the chart at the right. Years when significant population declines occurred tend to coincide with national economic recessions, such as in 1991, 2001, and, more recently, in 2009, 2010, and 2011. A very sharp decline in 1987 coincides with very difficult financial times in agriculture and in the wood products sector, as well as in housing.

Growth is now continuing and the county's population was recently estimated by the U.S. Census Bureau at 15,972 in July, 2015.



# Gradual Aging of the Area Population

The shift in growth to older adults is largely because of aging “baby boomers,” or persons born between 1948 and 1962. Because of large increases in births during these post W.W. II years, a “bulge” in the population was created. And as persons in this bulge continue to age, so does the population as a whole

These age shifts are occurring not only in Park County, but across the nation as growth has shifted to older adults and this pattern of growth will continue.

Over time, birth numbers are trending downward, even though the population as a whole is growing, while the number of deaths each year among county residents is slowly trending upward. This will increasingly become the norm for most of the next twenty years because of the gradual aging of the Park County population.

Nearly all area population growth over the next 15 to 20 years will be from **net migration**, assuming more new residents continue to move to the area than those moving away.

Fig. 4: Park Co. Residents by Age Group: 1990, 2000, 2010

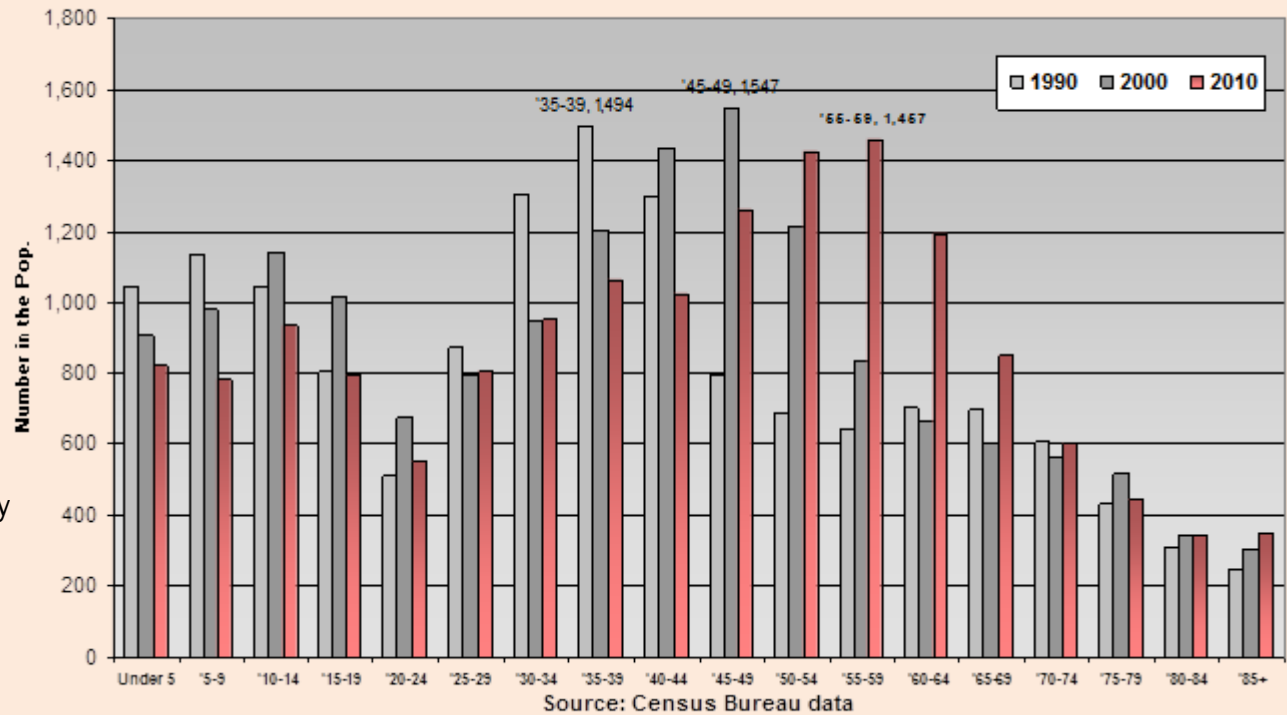
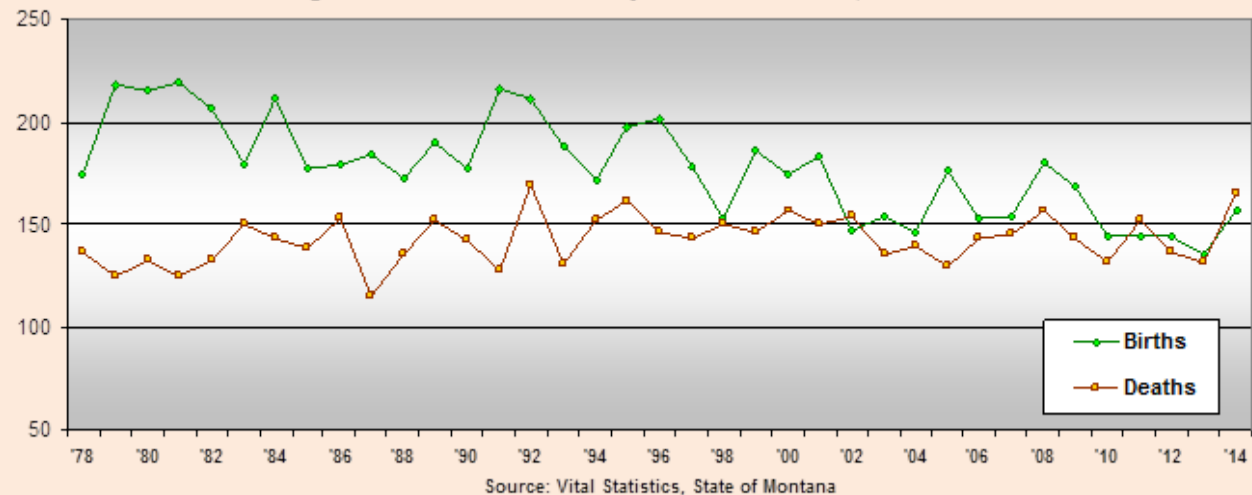


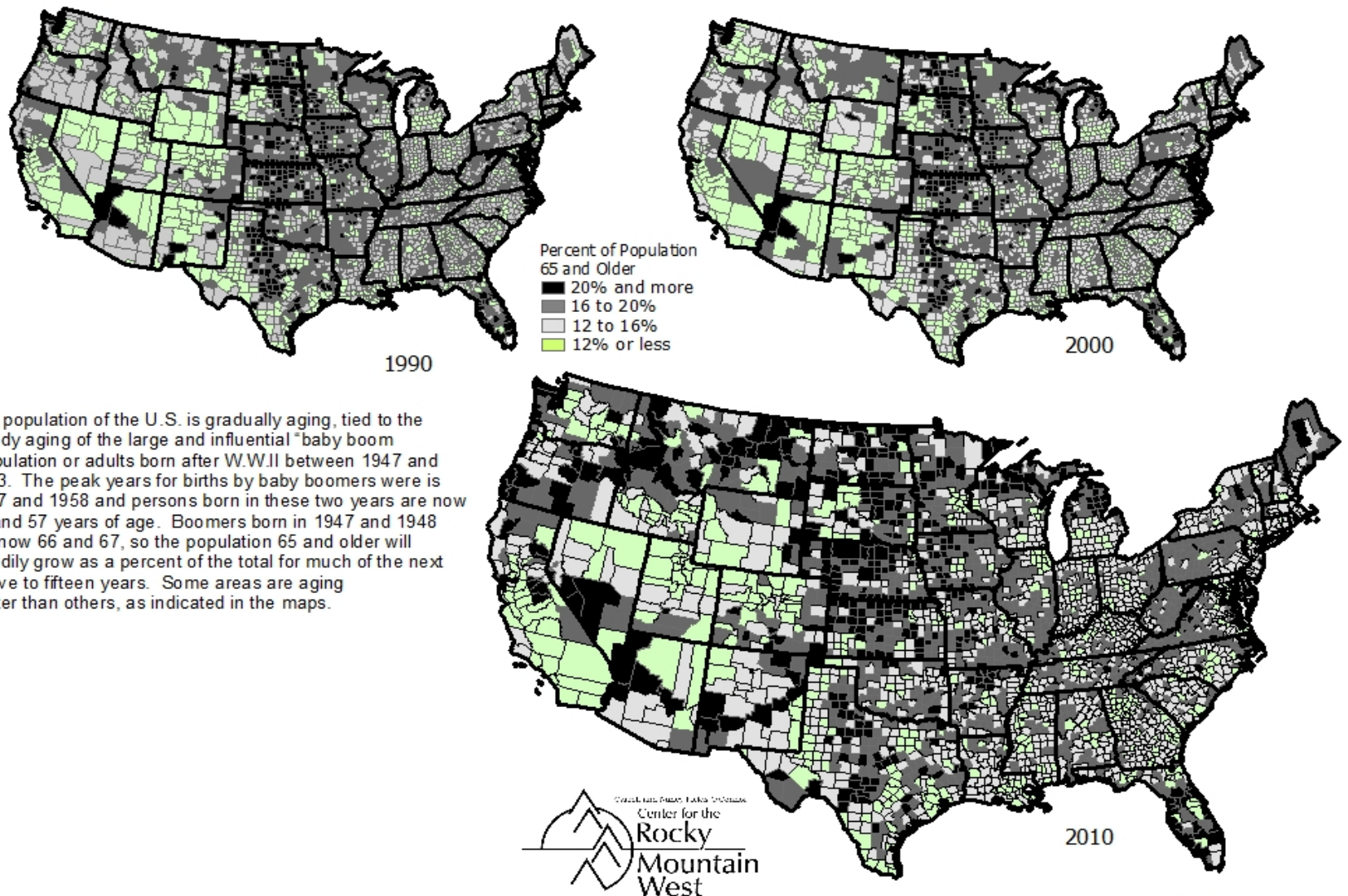
Fig. 3: Annual Births & Deaths by Park Co. Residents, 1978-2014





## Regional Patterns of Population Aging in the U.S.

The 65 and Older Population as a Percent of the Total Population

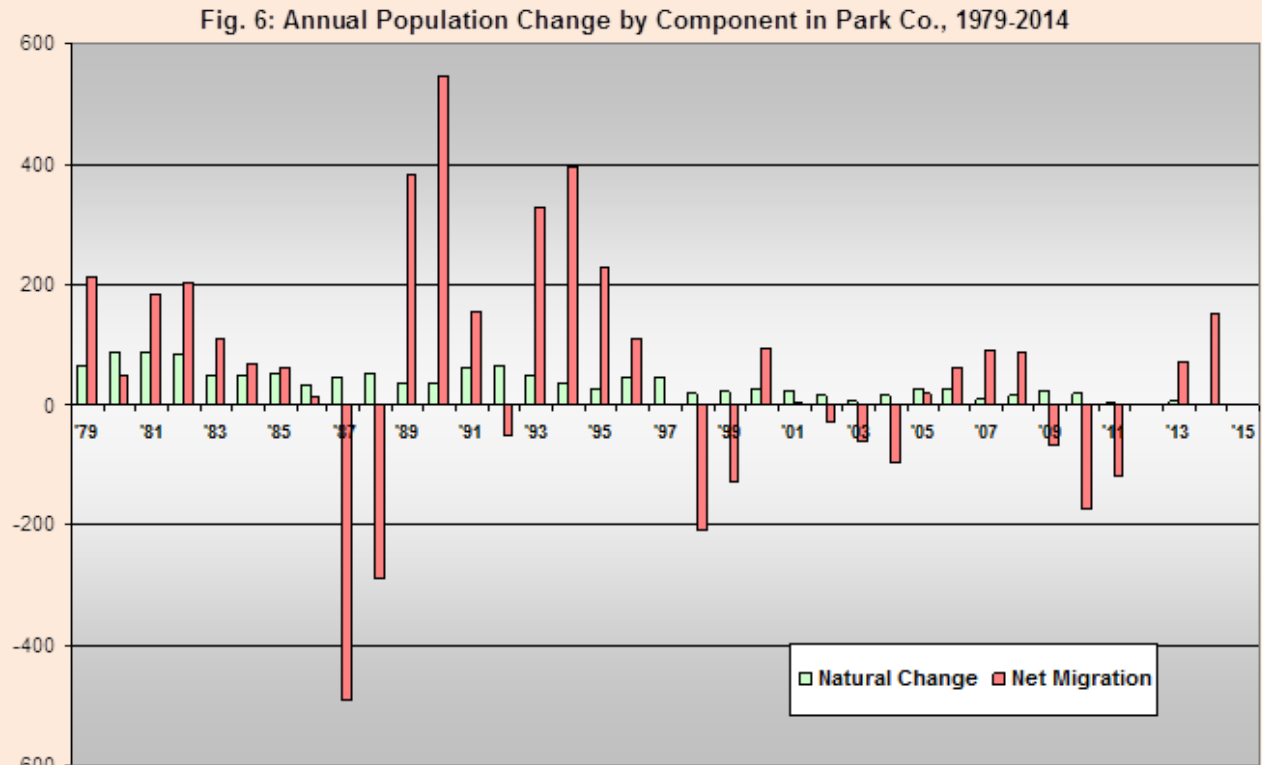


## Park County Population Change: Natural Change vs. Net Migration

The biggest driver of population growth in Park County by far is positive net migration (red bars). Again, net migration is positive when the number of people moving to the area is greater than the number moving away, counting only those who change their county of permanent residence in the process – which ignores part-time residents of the county who do not or have not become permanent residents.

During the '90s when growth in the county was greatest, over seventy-five percent of this growth was accounted for by positive net migration.

Park County's history of positive net migration has added significantly to the area's population over time. In the past this growth was supplemented by some growth from natural change. However, as aging continues and area deaths begin to consistently exceed births, any and all future population growth in the county will come from net positive migration.



Source: Using Montana Vital Statistics births and deaths and annual population estimates (BEA)  
[reconciling differences in calendar year data and July 1 annual estimates]

Residents of an area, any area, are less likely to move away once they retire if they are comfortable with where they already live and enjoy the area quality of life. And for most retirees who are leaving the work force, all at once or gradually over time, area quality of life along with proximity to family and friends are dominant factors in where they choose to live.

For younger adults, including those with children, area employment opportunities are important if not paramount. However, changes in the economy are making it easier for many younger adults to find jobs in areas where they want to live, not simply because of the availability of a job, but also because of the quality of life and area amenities. And as people make these choices about where they want to live, jobs often follow.

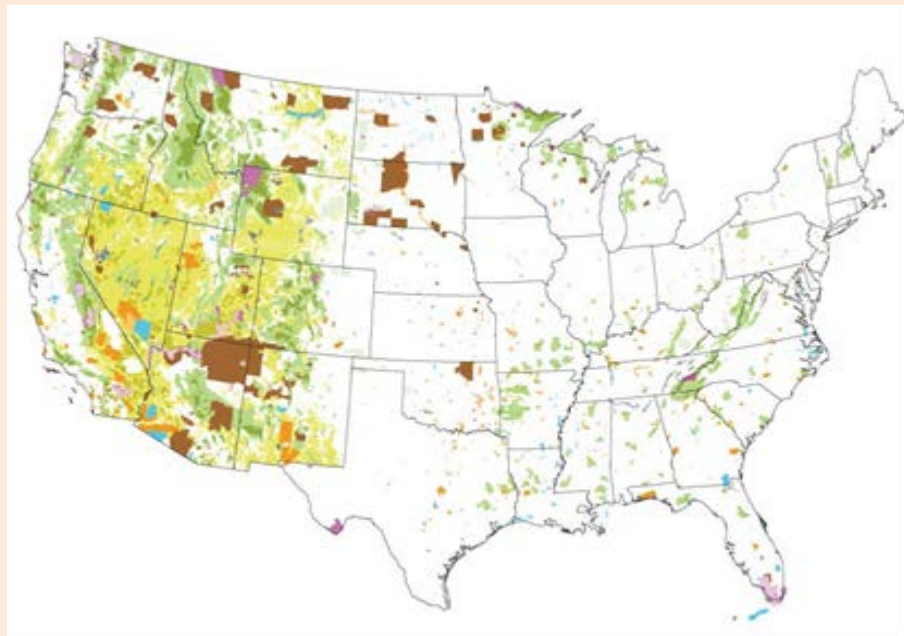
## Growing Influence of Public Lands in Area Migration and Population Growth

The top map shows the location of various types of federal public lands in the U.S. National park lands are shown in mauve or pink, federal forest lands are shown in green and light green, and BLM lands are shown in yellow.

The lower chart shows percentage population change at the county level from 1980 to 2010 – a 30-year period of time.

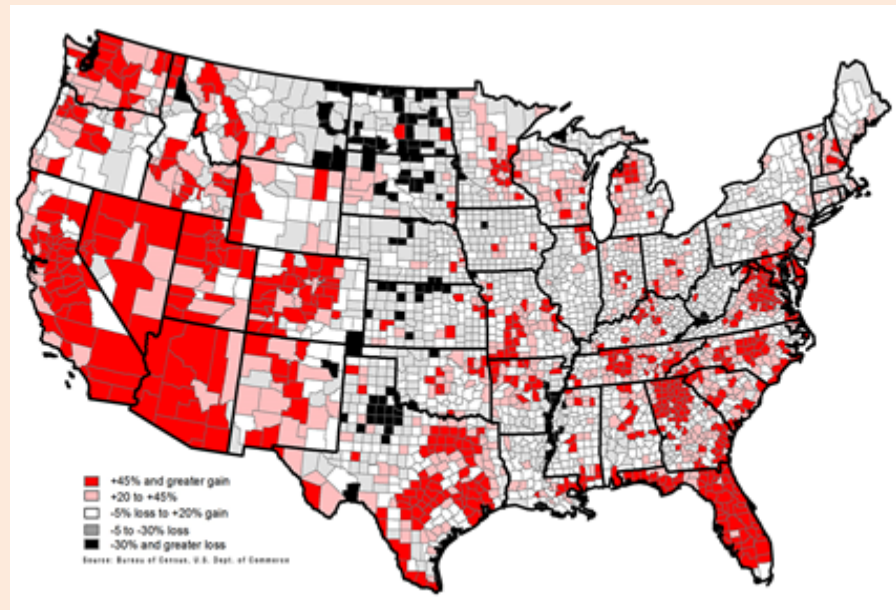
Many areas of the western U.S. where large concentrations of these public lands are found, are experiencing population growth spurred by in-migration.

Most economists and population researchers attribute this to the amenities many people associate with public lands. They are in places more and more people want to live.



**Note:** Lands shown include Bureau of Land Management (BLM) lands (yellow), U.S. Forest Service Lands (dark and light green), National Parks (mauve/pink), Bureau of Indian Affairs (brown), and other federal lands.

**Fig. 8: Percentage Population Change in the U.S. from 1980 to 2010**





**Figure 4**

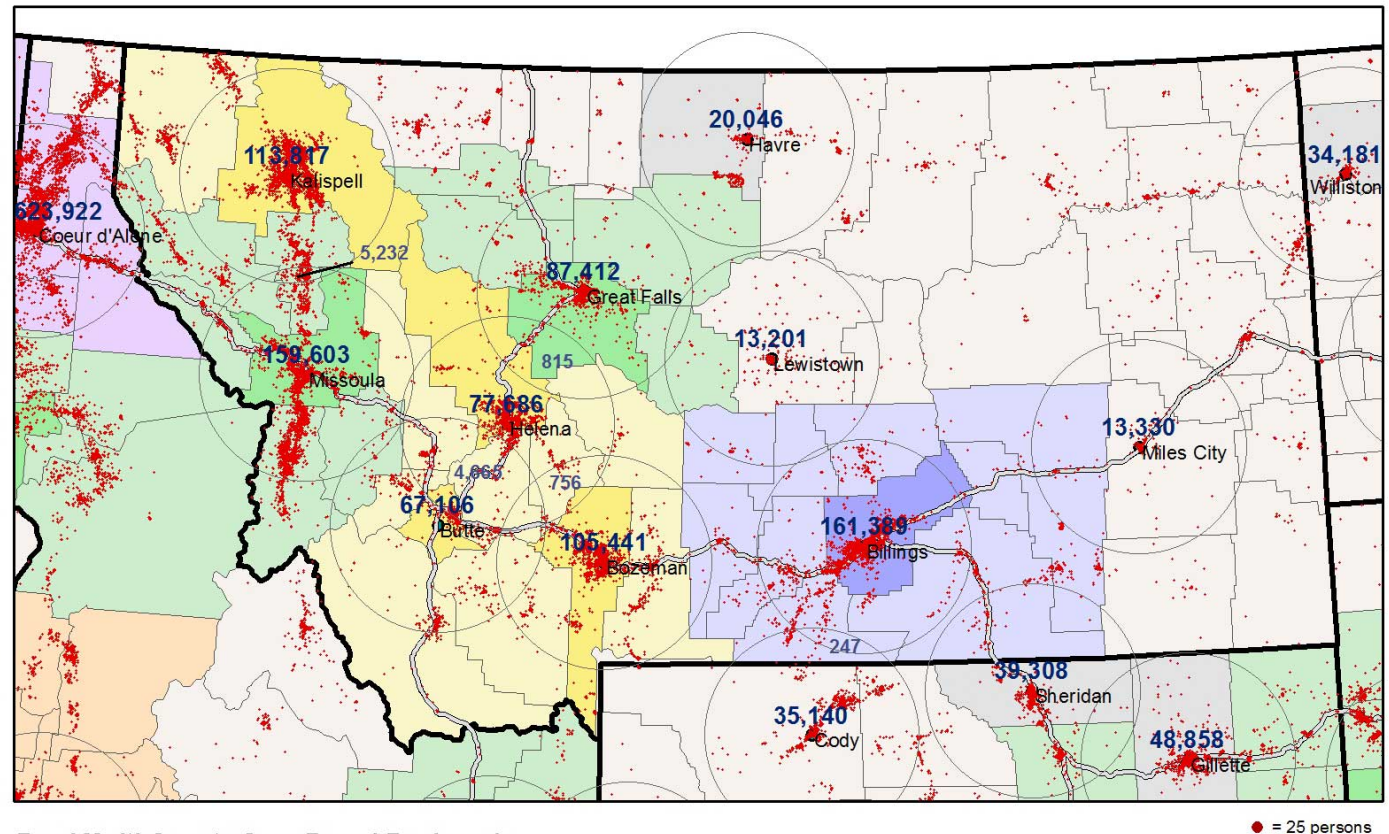
## Population Distribution in Montana and County Urban-to-Rural Types

The map shows population distribution in Montana, with each red dot representing 25 persons, mapped at the Census block level, using 2010 data.

Counties with the largest populations – regional center counties – are shown in dark blue, dark green, and dark yellow. Counties nearby these are in lighter colors. More isolated and rural counties are shown in light gray.

50-mile rings are drawn around major population centers and the populations residing inside these rings.

In 2010 nearly 80% of the state's entire population lived within 50 miles of its seven largest cities.



### Read Multi-County Core-Based Regions ^

- Major Metro Cores, 250,000+ Pop.  
...adjacent and closely linked counties
- 2nd "Tier" Metro Cores of 160,000 to 250,000  
...adjacent and closely linked counties
- 3rd "Tier" Metro Cores of 100,000 to 160,000  
...adjacent and closely linked counties
- Large Regional Trade Centers, 60,000 to 100,000  
...adjacent and closely linked counties
- Small Regional Trade Centers, 30,000 to 60,000 ~  
...adjacent and closely linked counties
- Isolated Rural Centers (Counties under 35,000 with places 10,000 to 20,000 pop.)
- Small Isolated Rural Counties Under 35,000 with no place of 10,000 pop.

\* Classifications reflect populations in the 1990 Census of Population.

^ "Core" counties contain the dominant population center(s) of a region. Adjacent and nearby counties are assigned to these based upon their relative locations, the size and dominance of core counties, and visual inspection of major highways.

~ "Core" counties greater than 30,000 population also having incorporated places greater than 20,000 (1990 Census)

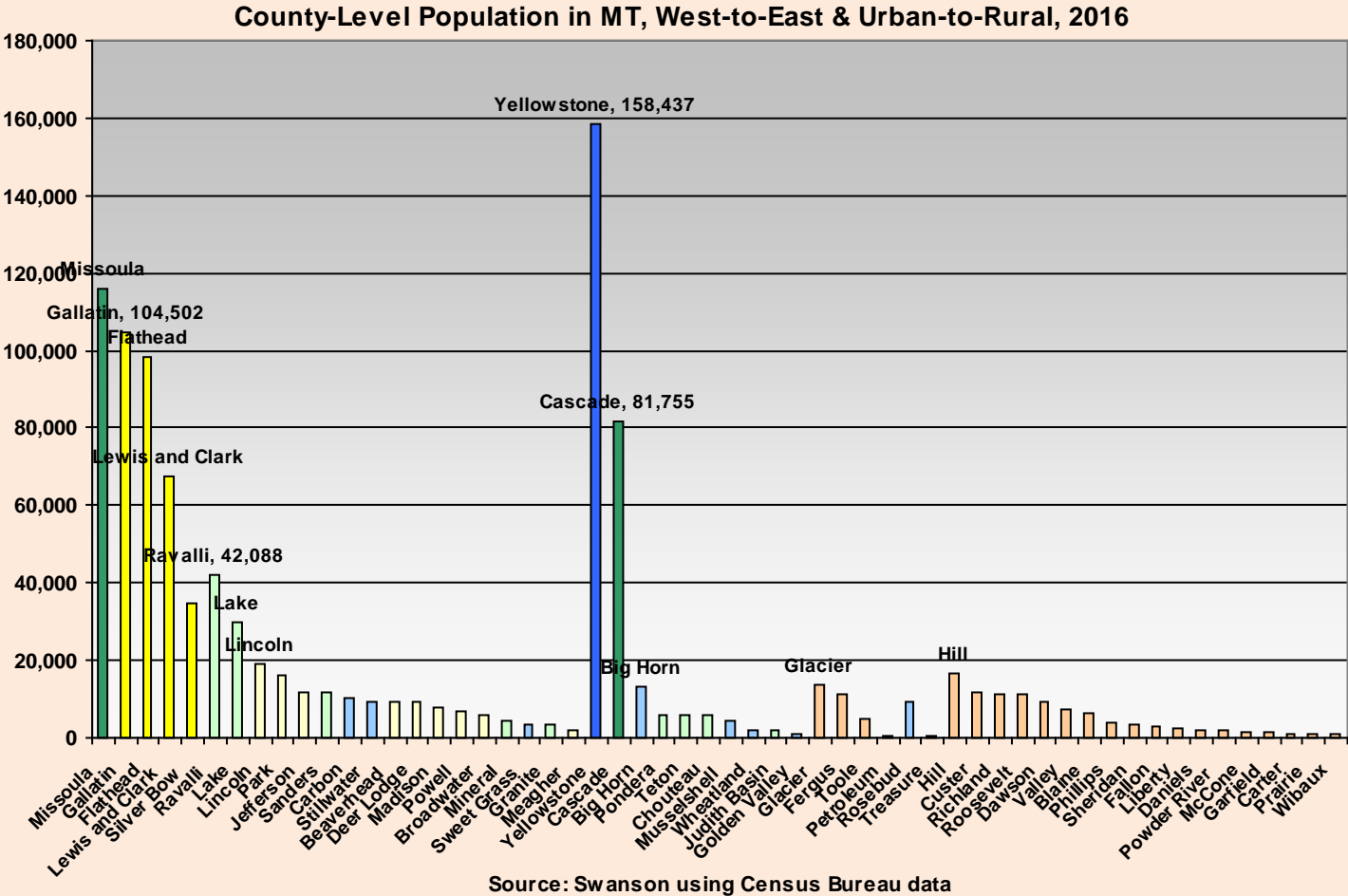


Urban-Rural and West-to-East Population Distribution in Montana

This is the distribution of Montana’s population from west-to-east for three general regions: the Western Mountain region, the Central Front region, and the Eastern Plains region. And within each of these regions, counties are further arrayed from “urban” to “rural.”

Yellowstone Co in the Central Front has the largest population (158,000). Missoula in the Western Mountains is 2<sup>nd</sup> at 116,000 followed by Gallatin at 104,000 and Flathead at 98,000.

Counties in the Eastern Plains that are “closely linked” or nearby Montana’s larger cities are shown in the light brown of tan color. Those closely linked to urban centers are shown in light blue, green, and yellow.





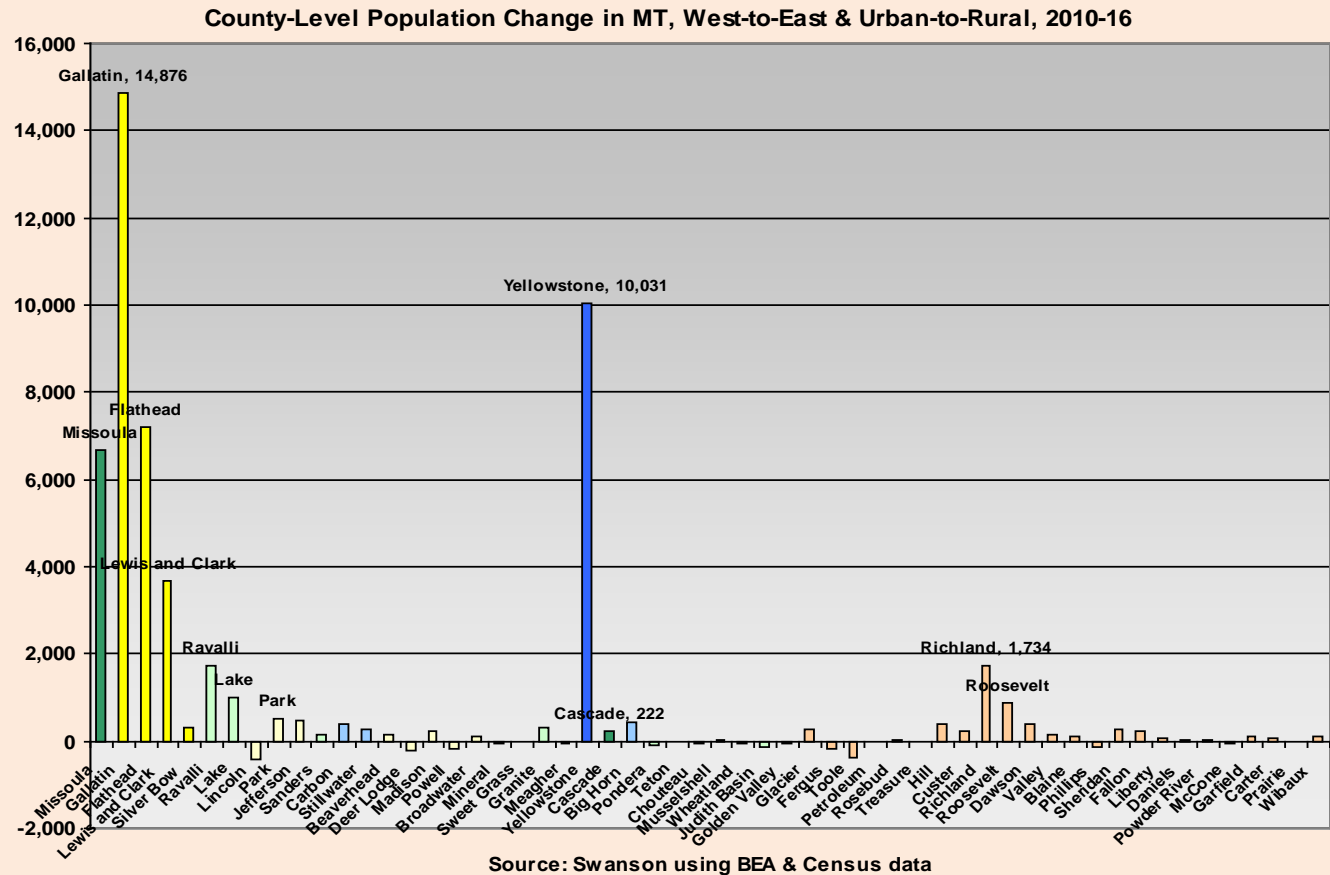
## Recent Population Growth in Montana at the County Level, 2010 to 2016

This chart shows population change for each of Montana's counties since the 2010 Census through 2016.

The greatest growth by far is occurring in Gallatin County, increasing by almost 15,000 people – an almost 17% increase. Gallatin's population total is now at 104,500, placing it 3<sup>rd</sup> among counties, trailing only Yellowstone (158,400) and Missoula (116,100).

Yellowstone had the 2<sup>nd</sup> highest growth with an increase of 10,000 – almost 7% increase. Flathead's population rose by 7,200, an 8% gain. Missoula's population rose by 6,700 or about 6%.

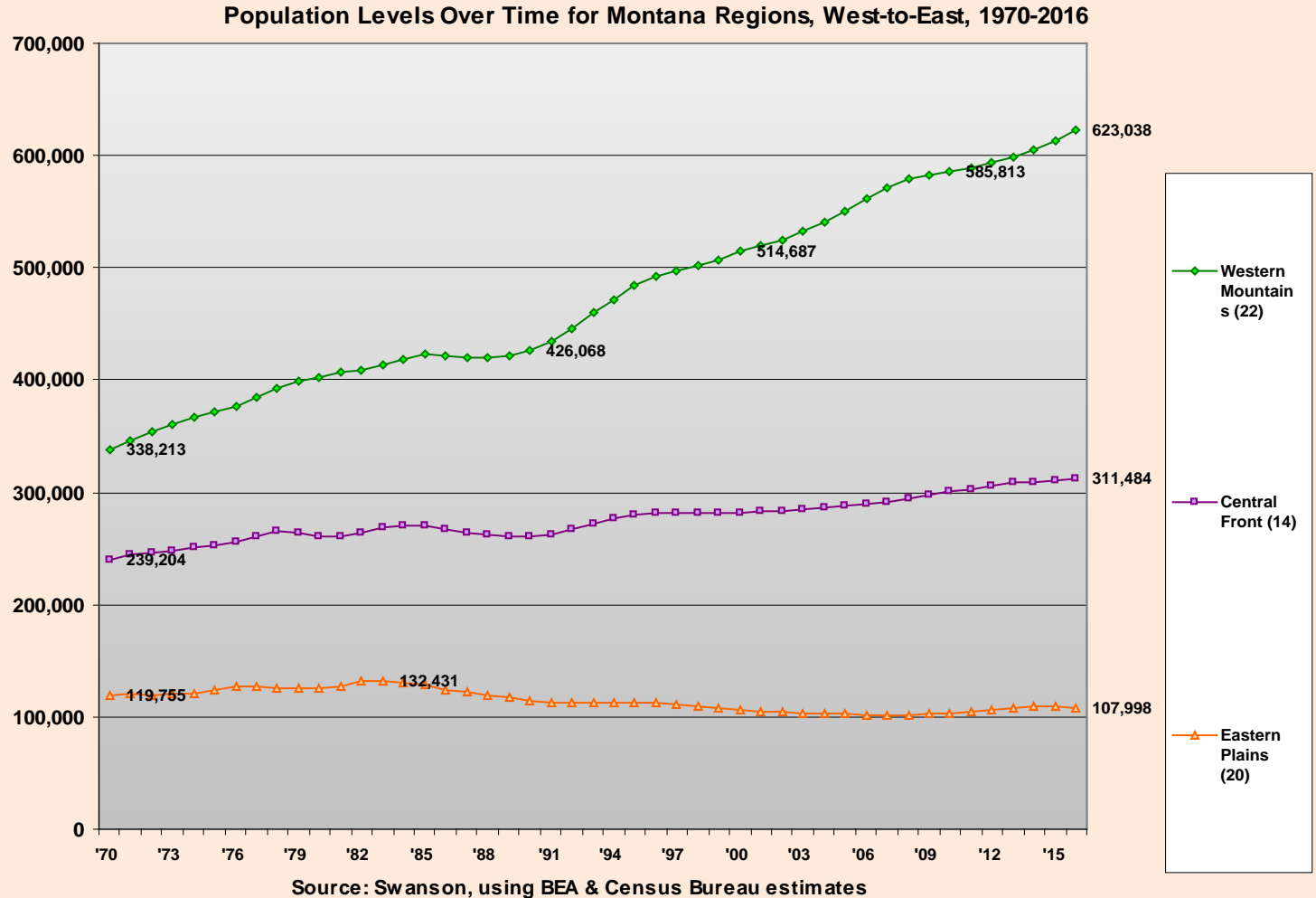
Montana's population growth is highly concentrated in the Western Mountain region and in Billings, with only small growth in a few counties in the east.



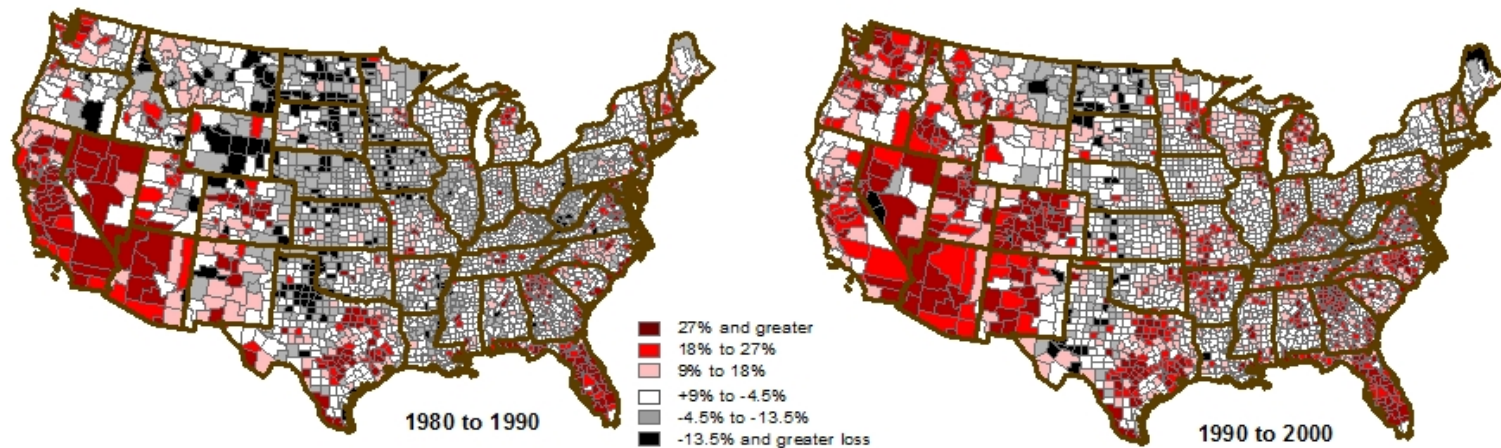
## Population Trends for Montana's Three Major Regions from West to East

The chart shows population levels over time for the three general regions of the state – the 22-county Western Mountain region, the 14-county Central Front, and the 20-county Eastern Plains.

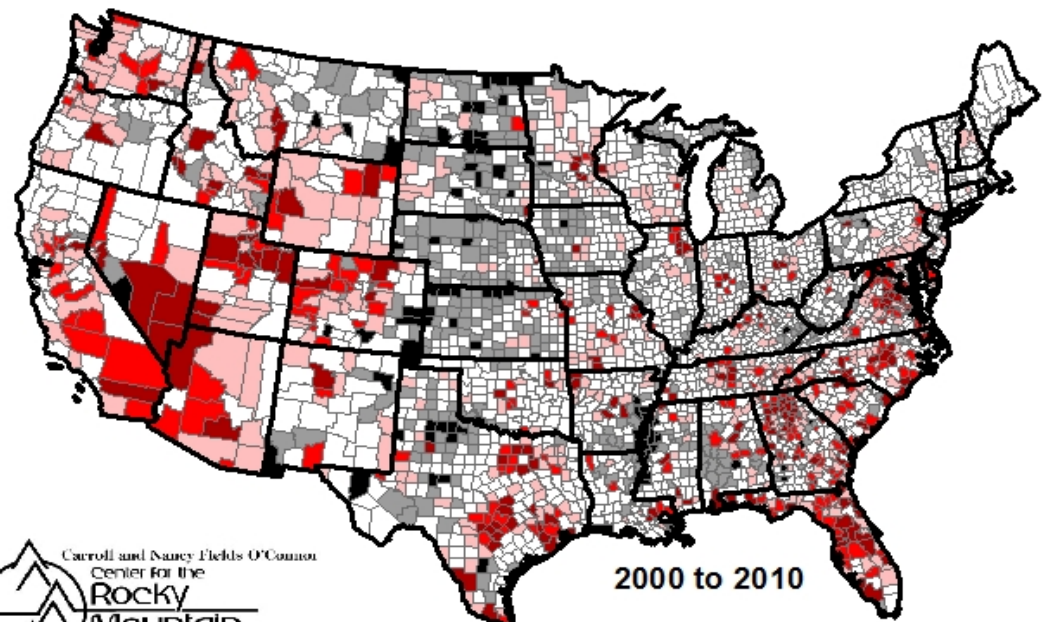
Population growth is not only heavily concentrated in the state's urban centers and their surrounding areas, but also in the Western Mountain region. People are drawn to many amenities found in this mountain region – the mountains themselves, attractive valleys, lakes, and forests. Areas with these kinds of physical characteristics are considered "high-amenity areas."



## Patterns of Total Population Change Over Time in the U.S.



Areas in dark red and medium red in the map have relatively fast-growing populations in the periods shown – 1980 to 1990, 1990 to 2000, and 2000 to 2010. Areas in black and dark gray are ones with markedly declining populations. And ones in white and light red are counties with modest levels of population decline (declines of down to 4.5%) or with moderate levels of population growth (up to as high as 18% in the period).





## Co-location of Outdoor Amenities and “Creative Class” Jobs

The combination of high area natural amenities, high levels of creative occupation employment, and strong entrepreneurial climates or cultures are referred to by ERS researchers and economists as the “trifecta” in terms of underlying attributes for economic growth and vitality.

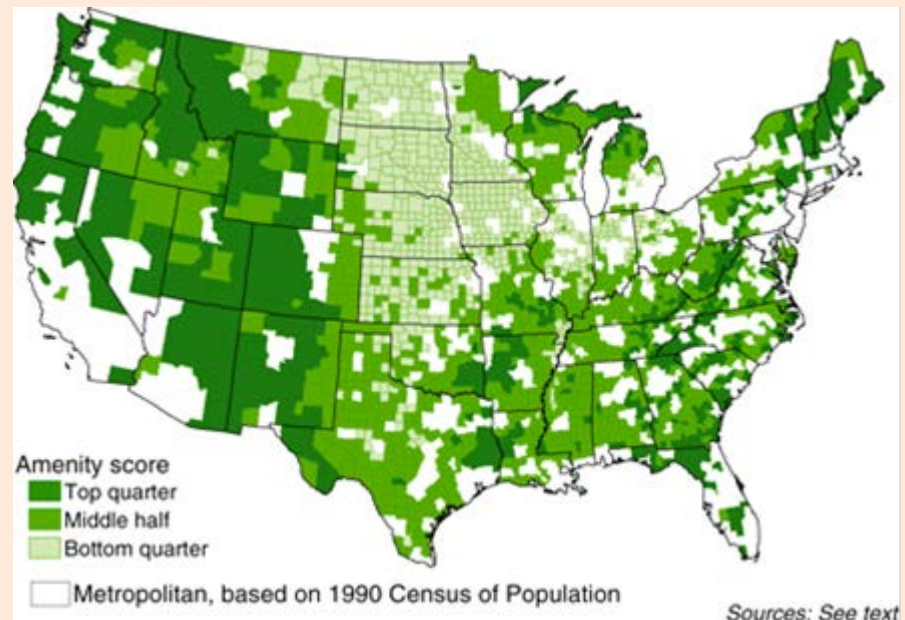
Park County is one of only several hundred rural counties across the entire U.S. that appears to possess all three of these attributes,

The ERS web site notes: “The rural outdoors has become a major asset for rural communities. The rural outdoors can be enhanced through the construction of recreation facilities, but undeveloped rural landscapes have appeal on their own, both for recreation and as attractive places to live.”

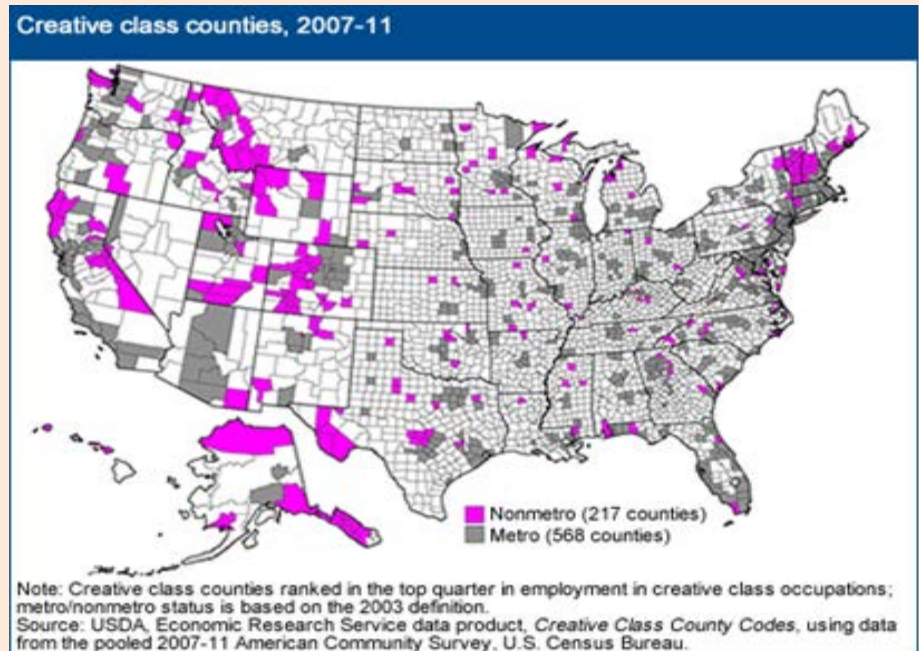
Source: McGranahan, Wojan, and Lambert, “The Rural Growth Trifecta: Outdoor Amenities, Creative Class and Entrepreneurial Context,” *Journal of Economic Geography*, 4-10-2011

<http://joeg.oxfordjournals.org/content/early/2010/05/12/jeg.lbq007.full>

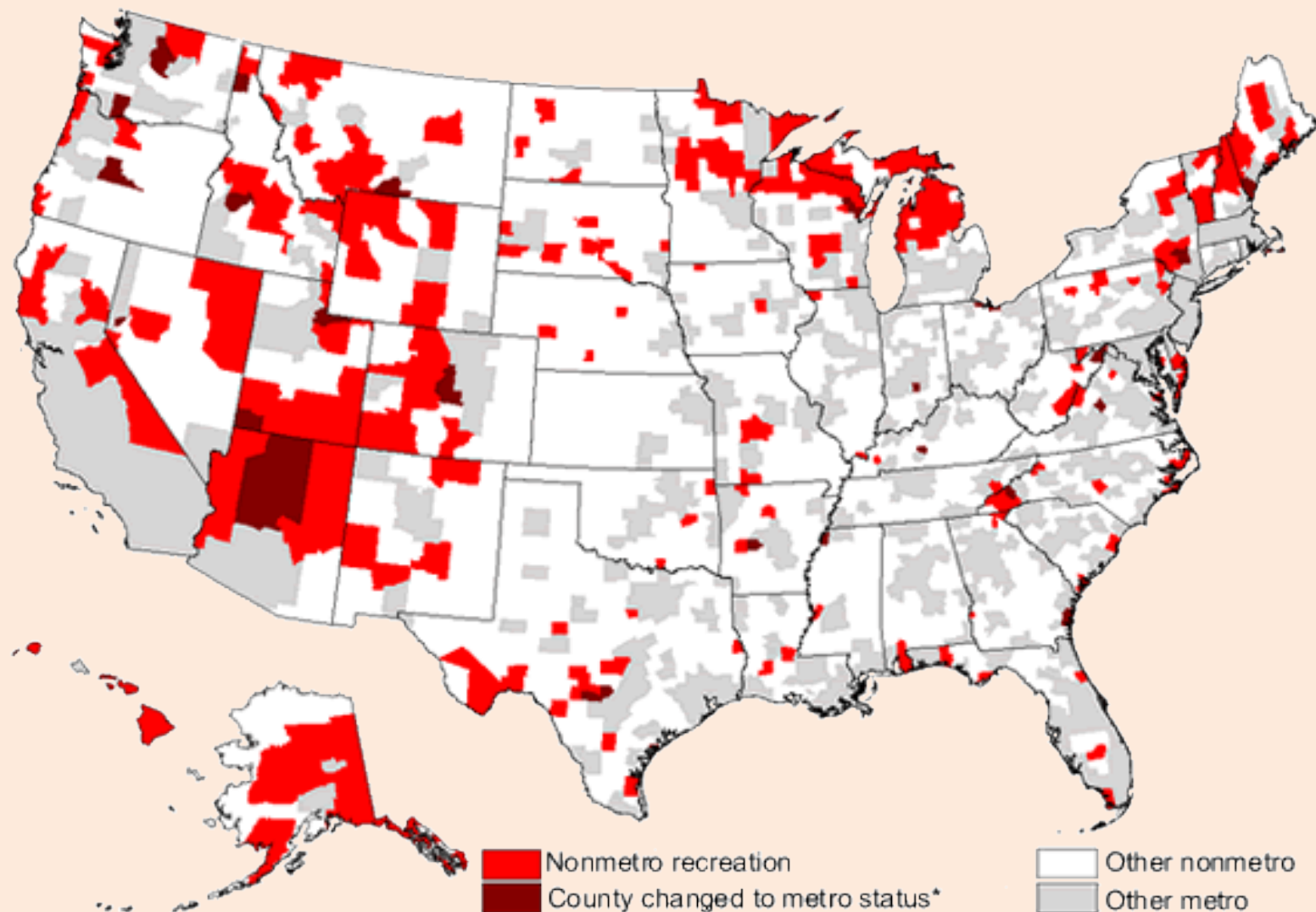
< <http://www.ers.usda.gov/data-products/creative-class-county-codes.aspx>>



### U.S. Rural Counties Ranked by “Creative Class” Jobs



## Nonmetro Recreation Counties, 1999



\*Only counties that were classified as nonmetro in either 1993 or 2003 were analyzed. These metro recreation counties were nonmetro in 1993.

Source: Economic Research Service, USDA.



## Major Factors in Population Growth

Population growth in Park County is being influenced by two major factors:

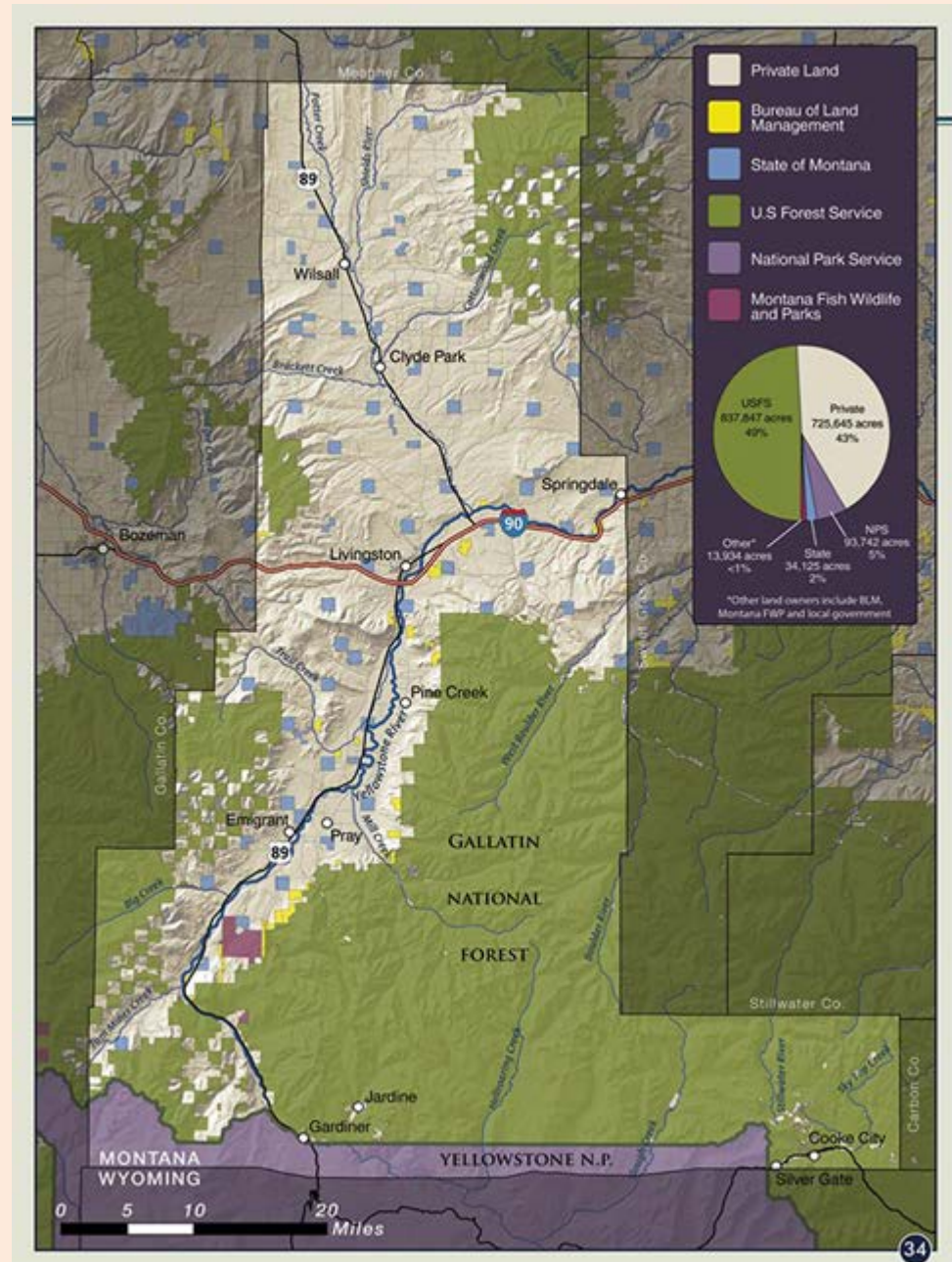
Close proximity to a growing urban area (Bozeman), with some of this growth spilling into surrounding areas, and

Close proximity and presence of regionally-significant area tourism and recreation resources.

### *Area Attraction for Older and Younger Adults*

Older adults visit and sometimes retire in areas like Park County. And, because of the more “footloose” nature of today’s economy with information and knowledge-based businesses able to locate more freely, more young adults are finding ways to live and work in these same areas, drawn by their high quality of life, recreation opportunities, and oftentimes, welcoming communities.

***Growing Number of Part-timers*** An increasing number of people know about Park County and the quality of life and recreational amenities it offers and have chosen to live there at least part of the year, investing in housing and other property to do so.





## Growth in Area Housing

### *Growing Number of Part-timers*

During the 2000 to 2010 period housing units increased significantly in spite of relatively little change in the resident population. This indicates that there are a growing number of part-time residents who are building and buying homes in the county.

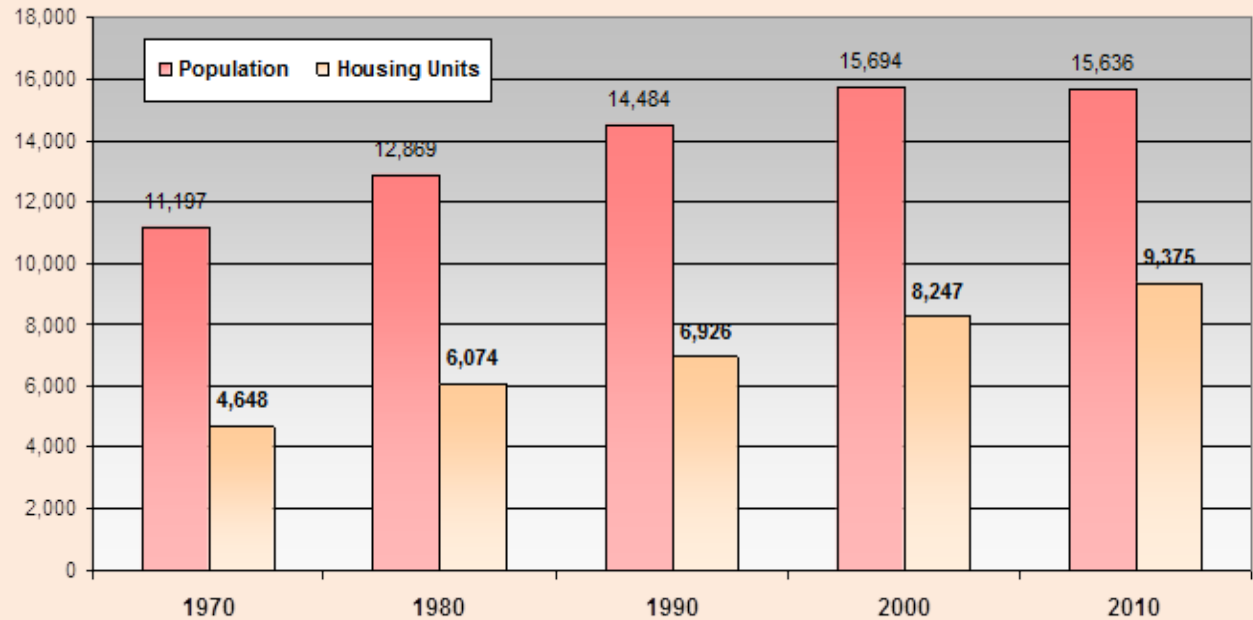
An increasing number of people know about Park County and the quality of life and recreational amenities it offers and have chosen to live there at least part of the year, investing in housing and other property to do so.

### *Household Numbers and Housing*

**Units** The 2010 Census indicated that there were 7,310 “households” in Park County with an average household size of 2.12 persons, all made up of permanent residents of the county.

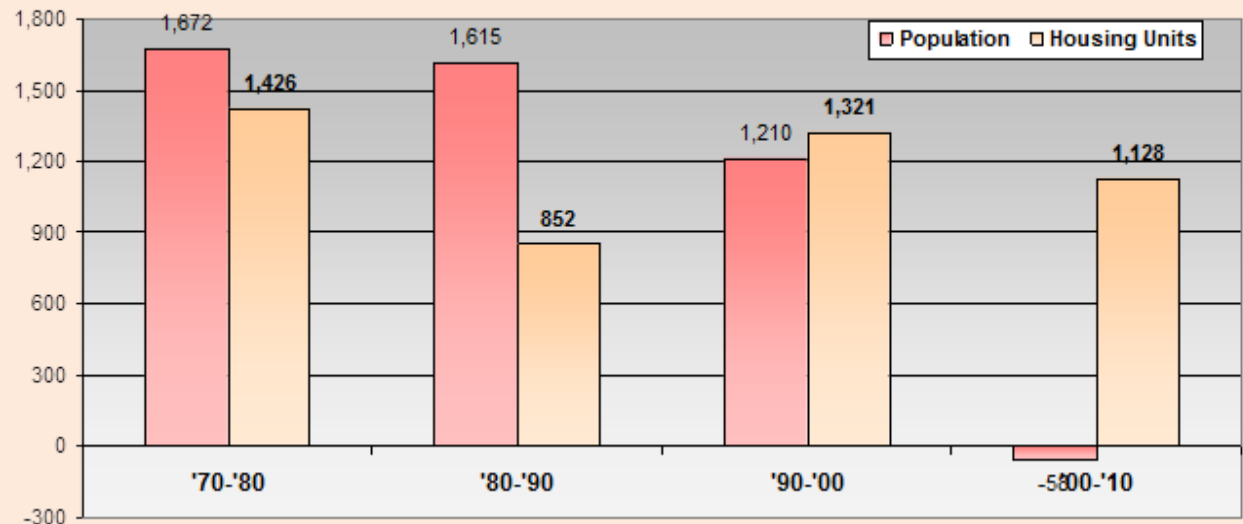
However, the county had 9,375 housing units in the 2010 Census, meaning roughly 2,065 of these were not occupied by permanent residents. The majority of these are classified as being used “for seasonal, recreational, and occasional use” by the Census Bureau.

Fig. 12: Resident Population & Housing Units in Park Co. Over Time



Source: U.S. Census

Fig. 13: Decade-to-Decade Change in Population & Housing Units in Park Co.



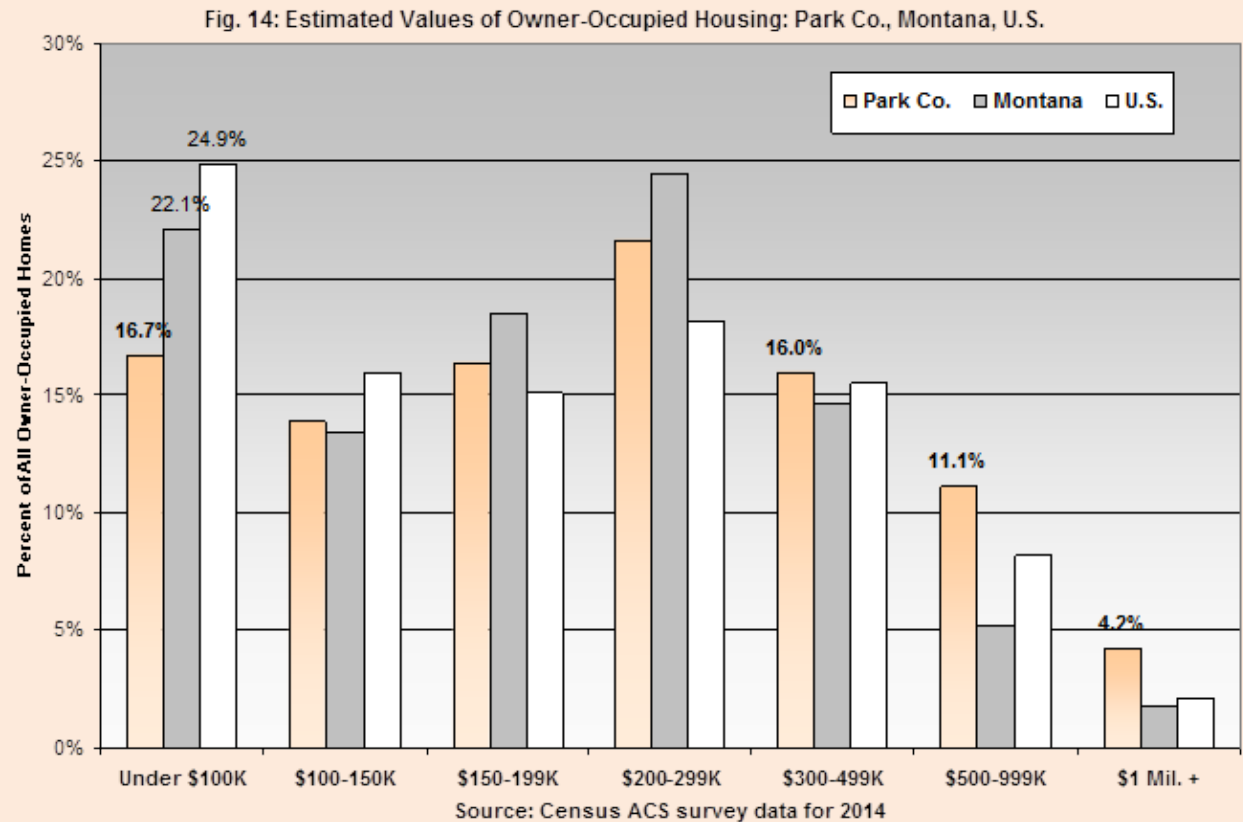
## Housing Values tend to be higher in High Amenity areas

A Census Bureau surveys and compiles information on the value of housing from one area to the next.

Park County homes tend to be more expensive than in Montana and the U.S. as a whole. Survey data from 2014 indicate a median home price in Park County of \$210,100. This is 12% higher than the \$187,600 median home value statewide and almost 20% higher than the median price of a home nation-wide, which was \$175,700.

Largely because of the high amenity attributes and attractions found in Park County and their relatively high visibility for travelers and tourists to the area, there is a larger percentage of homes in the county valued at over \$1 million – 4.2% of the total vs. 1.8% statewide and 2.1% nationally.

Homes valued between \$500 thousand to one million dollars are 11.1% of Park County houses versus 5% of homes statewide and 8.2% nationally. Park County also has a larger percentage of homes \$300-to-\$500 thousand in value than statewide and nationally.



The higher values for homes in Park County, largely attributable to the area's attractiveness and amenities, translate directly into increased area wealth, since a home is the single largest asset for many families and individuals who own homes. So, while homes in Park County can be more expensive to buy; for those who own them, their wealth is enhanced because of what the area adds to the value of their homes.

**Home values in the area should remain relatively high as long as the area maintains its attractiveness to potential new residents and part-timers.**

# Park County Property Tax Base

- According to the 2014 Biennial Report by the Montana Department of Revenue the “total assessed value” of taxable property in Park County was \$1,536,517,157 (roughly \$1.54 bil.). Of this total “Residential property” excluding “Residential Low Income” homes and “Mobile Homes” accounted for 57.3 percent of this total assessed value in Park County, or \$879,923,187 (\$880 mil.).
- This percentage compares with 47.1 percent statewide, indicating the above average dependency of Park County on this type of property within the county’s overall tax base. In nearby Sweet Grass County this residential property type accounted for only 17.7 percent of the tax base. In Wheatland it accounted for only 6.2 percent. These residential properties accounted for 53.8 percent of Park County taxable property values as compared to 40.9 percent statewide and 15.4 percent and 4.1 percent in Sweet Grass and Wheatland Counties, respectively.
- So it must be concluded that the very tax base of Park County is highly sensitive to residential property values and the growing incidence of part-times buying and building homes in the county.



## Northern Gateway to Yellowstone National Park

Figure 20 below focuses on the Highway 89 segment north of Gardiner only and includes monthly traffic data for 1991 through 1993, 2003 through 2005, and 2013 through 2015.

In July, 2005, the ADT count for traffic through this north gateway averaged 3,036 vehicles per day. Visitation to YNP for the entire year in 2005 totaled 2,835,650.

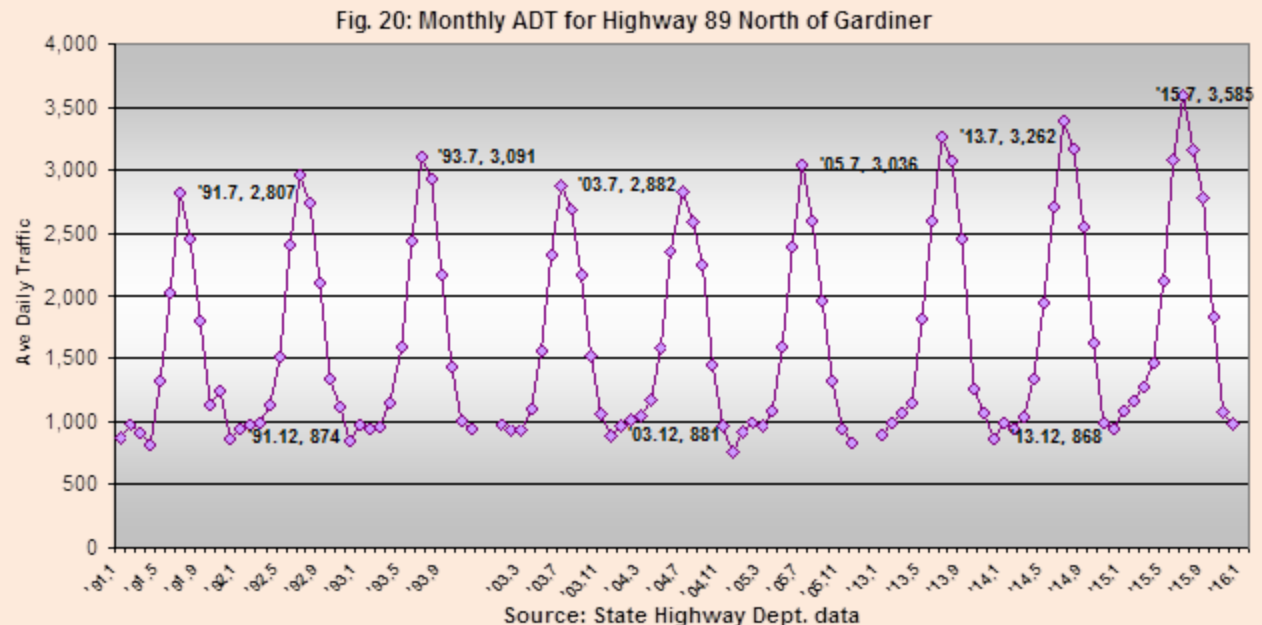
It rose to 4,097,757 in 2015 – an increase of 1,262,107 visitors or 45 percent. During this same time the ADT for July in 2015 at the north gateway to the park on Highway 89 was 3,585 vehicles a day.

This is an increase of 549 vehicles on average each day over the level in July ten-years earlier or an 18 percent increase in traffic.

So, there is a marked increase in traffic to and from the park at the North gateway and through Park County and the Paradise Valley.



North Entrance to Yellowstone National Park on Highway 89 near Gardiner, MT, and, conversely, the gateway from Yellowstone Park into Park County's Paradise Valley



# Trends in Visitation to Yellowstone National Park

Proximity to Yellowstone National Park has heavily influenced the visibility of Park County and the Paradise Valley area and this influence is continuing with more and more visitors to Yellowstone Park in recent years.

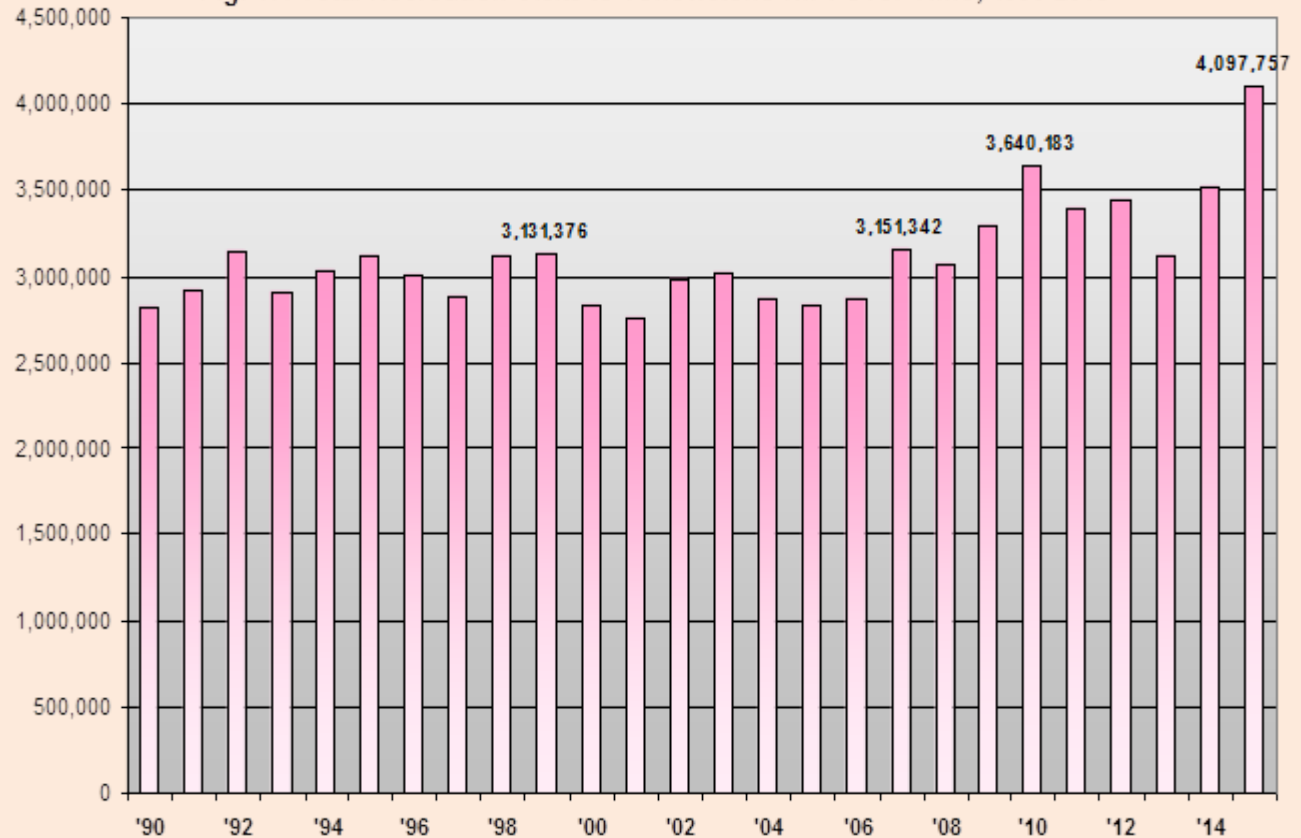
Figure 17 shows the total number of recreation visitors to the park for each year since 1990.

Through most of the '90s and up through the middle part of the last decade, visitation to the park was plus or minus three million visitors.

Visitation trended up between 2000 and 2010, before falling a bit in 2011 and 2013 during the national economic slowdown.

As the economy has recovered, the trend in increased visitation to Yellowstone Park has returned and the park had a record 4.1 million visitors in 2015 – a 13 percent increase from the 2010 level which was the previous record year for visitation at Yellowstone NP.

Fig. 17: Total Recreation Visits to Yellowstone N.P. Over Time, 1990-2015



Source: Institute for Tourism & Recreation Research, U. of Montana

# Labor Force and Overall Employment Trends in Park County

Figure 21 below shows data on monthly employment and labor force numbers for Park County over the last five years (2010 through 2015). The ebb and flow in the size of the area labor force (shown in brown) and in the number of persons employed (shown in orange) are clearly evident.

In Park County much of the seasonality in employment is being greatly affected by area patterns in visitation and traveler activity. County employment reaches highs each year in mid-summer, ordinarily in July, and lows occur usually in February. Over time, July peak employment levels are rising, from 8,050 jobs in 2010 to 8,221 in 2013 and to 8,556 in 2015. July unemployment fell to 3.3% in 2016.

The labor force of the county is gradually increasing in number, indicated in Figure 21 by the brown line. The July, 2015, labor force was estimated at 8,895 and this is the highest estimate for the county's labor force in its history.

Fig. 21: Monthly Labor Force and Employment in Park Co., 2010 (May)-2015 (Dec.)

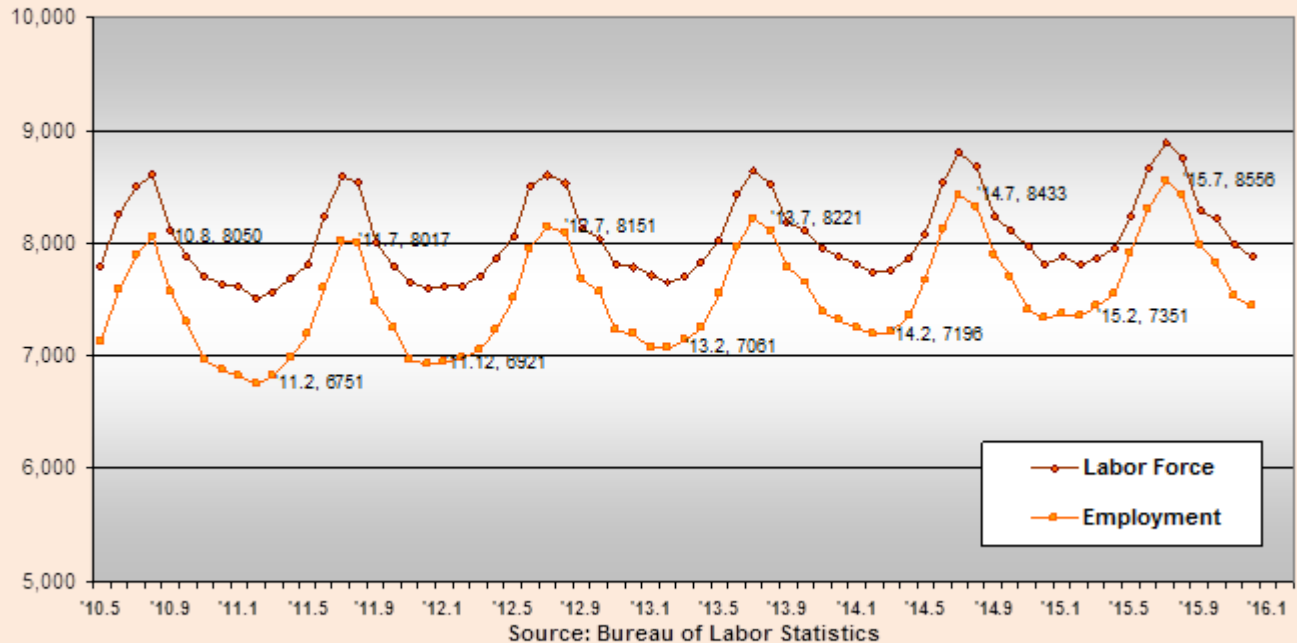
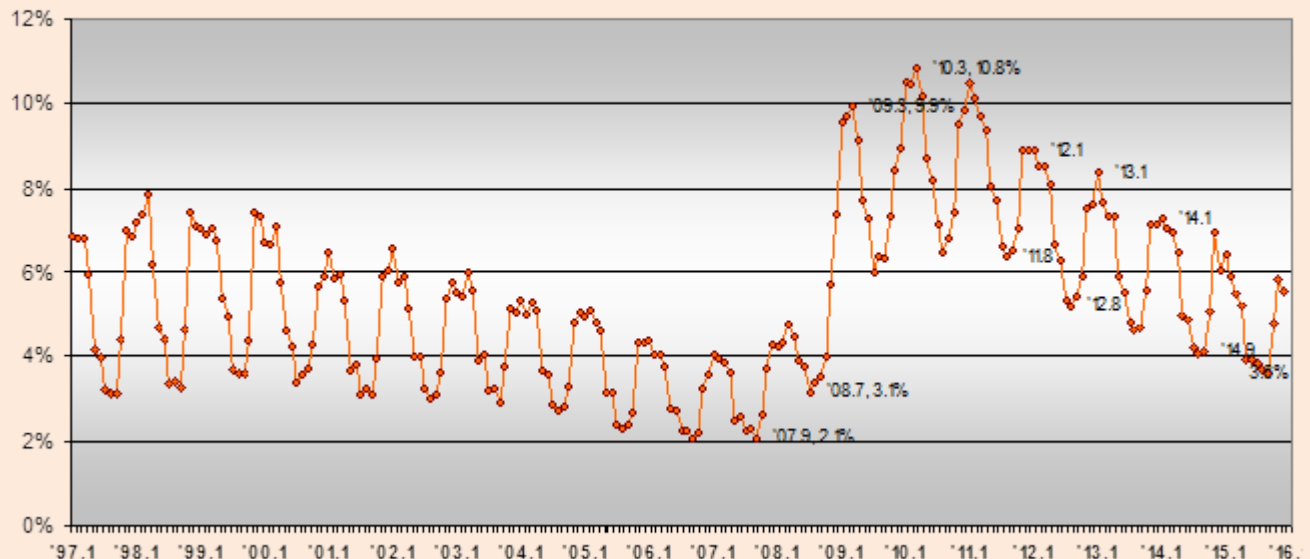


Fig. 22: Monthly Unemployment Over Time in Park Co., 1997-2015





# Non-resident Traveler Spending in Park County

The Institute for Tourism and Recreation Research at the University of Montana did its most recent survey in 2015 and found that non-resident travelers spend an average of \$146.23 per day per group while traveling in Montana.

The largest categories of spending by these travelers were fuel (22% of the daily average), bars and restaurants (18%), hotels and other lodging including cabins and RV parks (14%), retail sales (13%), groceries and snacks (9%), outfitters and guides (8%), and Made in Montana gifts (6%).

ITRR staffers estimated statewide spending by these visitors in 2013 and 2014 averaged \$3.8 billion annually. In these years “Glacier and Yellowstone travel regions received the highest percentage of non-resident spending, 33 and 26 percent, respectively.”

So, nearly 60 percent of all of the spending in Montana by non-resident travelers is in regions surrounding the two larger national parks – Glacier and Yellowstone, which serve as major destinations for these travelers.

ITRR’s “Yellowstone” region includes Gallatin, Sweet Grass, Stillwater, Carbon, and Park Counties. This 5-county region as a whole received \$970 million in total non-resident traveler spending.

ITRR staff examined the economic multiplier of this spending on the region and estimated it supported \$780 million in economic activity directly and another \$476 million indirectly, including through creating additional area income that is, in turn, spent on other goods and services.

They further estimated the combined activity produced 13,520 jobs in the region. So, the overall impact on the area economy is large.

**Estimated expenditures in Park County alone totaled \$196 million, or about 20% of the 5-county region total. If jobs created by this spending were allocated to individual counties based upon their share of region-wide expenditures, this would mean approximately 2,700 of these jobs are in Park County.**

**Total employment in Park County in 2014 was estimated at 9,445 full and part-time jobs, so 2,700 jobs linked to non-resident traveler spending represent about 28% of all jobs in the county. ITRR staff found that only five counties in Montana had more of these non-resident traveler expenditures than Park.**

**In terms of non-resident traveler expenditures per capita – no county in Montana with at least \$100 million in spending ranks higher than Park County with its \$12,400 in non-resident traveler spending per resident.**

# Area Fishing and Hunting Activity

While the Park County economy is affected by and responds to the rhythm of visitors to and from Yellowstone National Park and visitors to other areas of western Montana, adding to this is visitation to the area by both resident and non-resident anglers and hunters.

The Montana Fish, Wildlife, and Parks (MFWP) estimates that resident and non-resident hunters and anglers together spend about \$1.26 billion each year in the state while on hunting and fishing trips.

**This is about \$1,250 for every man, woman, and child who lives in Montana with its roughly 1,014,000 residents. And Park County is one of the areas in the state where spending of these dollars is relatively high.**

MFWP estimated there were over 3.5 million days spent fishing somewhere in Montana in 2013, occurring over 38 thousand individual fishing “trips”. Each day on these trips spent fishing by a single angler is referred to as an “angler day”. About 2.3 million of the angler days were by residents of Montana, or about 65 percent of the total.

One of these drainages is the “Upper Yellowstone” which is positioned over Park County, and also extends into Sweet Grass and Stillwater Counties. The Yellowstone River enters Park County from Yellowstone National Park and runs the full length of the Paradise Valley area. It and other area streams and lakes make the valley one of Montana’s premier fishing areas for both resident and non-resident anglers alike.

**By a considerable margin, the Upper Yellowstone River basin is the single busiest drainage among all of these 40 major drainages in Montana for sport fishing activity with around 374 thousand angler days per year, using 2013 data. This is 10.6 percent of the statewide total.**

MFWP compiles similar data on area hunting and divides Montana into a number of regions and hunting districts in tabulating data.

Elk hunting in the area in 2014 was by 3,299 individual hunters; 2,452 of which were Montana residents (74 percent), the remainder (totaling 847) were non-residents of the state. Information gathered on the length of these elk hunting trips indicated they occurred over 16,473 hunter days for resident hunters and 4,944 hunter days for non-residents.

Stream and lake anglers who fish in the Upper Yellowstone River drainage area spend an estimated \$70 million a year during these fishing trips, far more than the estimated \$5 to \$6 million a year spent by hunters while hunting in Park County area hunting districts. These dollars flow to area gas stations and car rental businesses, lodging and camping facilities, food stores and restaurants, guide services, and other retailers and service providers. They are very important ingredients in the Park County area economy and represent about \$4,700 in additional spending for each resident of Park County.

This spending by anglers and hunters is generated and sustained by high quality area natural resources and environmental amenities that provide for large, healthy wildlife populations and world-renowned fisheries. And area businesses benefit enormously from this spending year-after-year on a sustained basis.

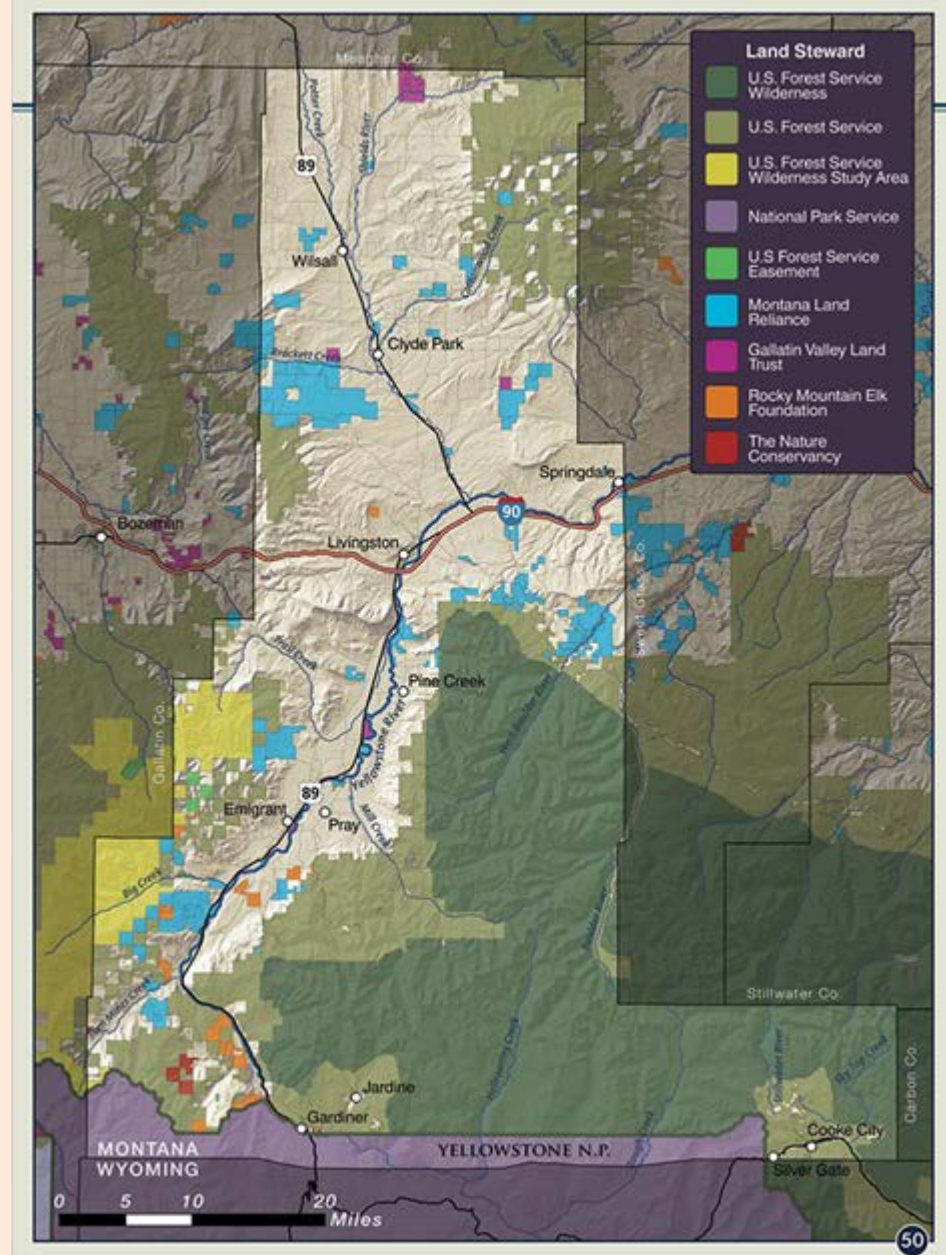
## Private Membership Organization Investments in Land Stewardship in Park Co.

The importance of the land and water resources of Park County is well understood and appreciated by both public and private entities and organizations. Adding to the area's public lands are thousands of acres of land under various types of protection by private membership organizations.

These include lands managed and protected by the Montana Land Reliance, who largely uses purchase of conservation easements. According to their web site, the MLR "partners with private landowners to permanently protect agricultural lands, fish and wildlife habitat, and open space." And they have made many investments throughout Park County.

The Rocky Mountain Elk Foundation also has been active in protecting lands in Park County, largely to protect important elk habitat.

The Nature Conservancy has made several acquisitions in Park County as has the Gallatin Valley Land Trust. So, there is considerable evident of how highly these lands are valued by these private conservation oriented organizations.





## Park County's Growing Area Economy

By virtually every measure, the Park County area economy can be considered a growing one, even taking into account relatively recent declines in some areas of the economy tied to the national economic slowdown and recession and financial crisis.

Income data for individuals is recorded or compiled according to a person's county of "permanent residence." So, personal income figures for Park County do not include the incomes of part-time residents who have not made the county their permanent residence.

The total personal income of residents of Park County has been growing at a good pace for a very long time and reached an all-time high of \$645 million in 2014 (the most recent data)

As the area population continues to age and more residents reach retirement age, income from non-labor sources will rise more rapidly and continue to shift this balance away from labor income or employment earnings.

Fig. 27: Total Personal Income of Park Co. Residents, 1969-2014 (inflation-adjusted)

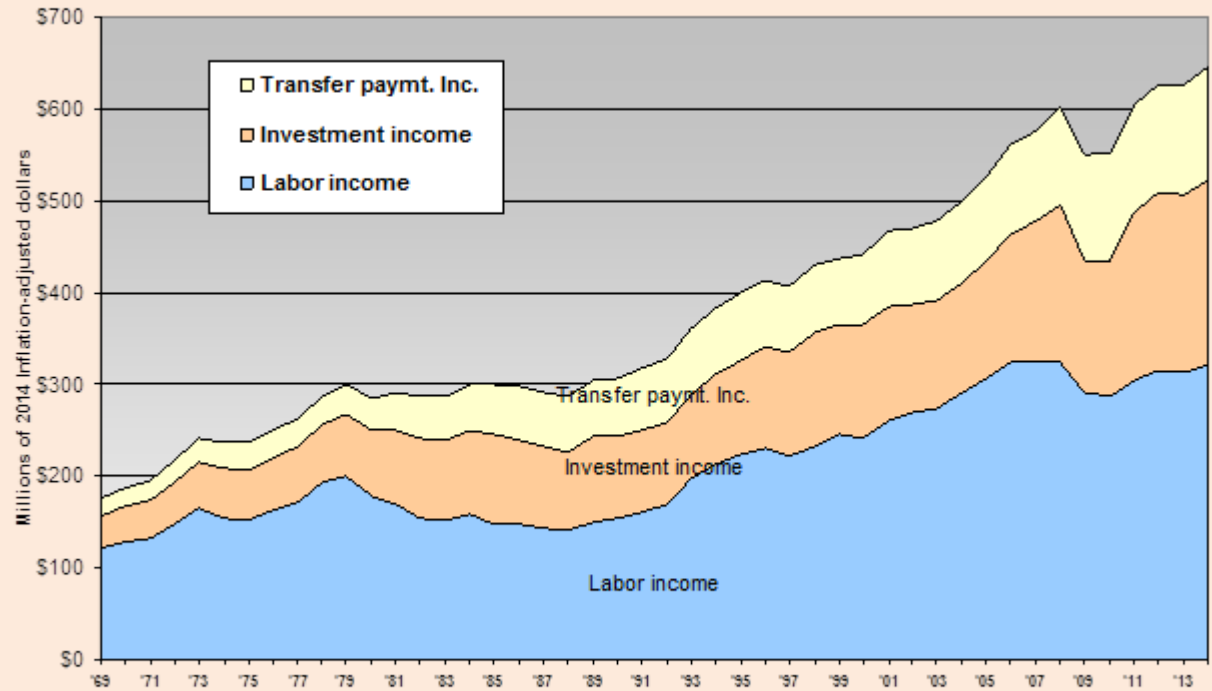
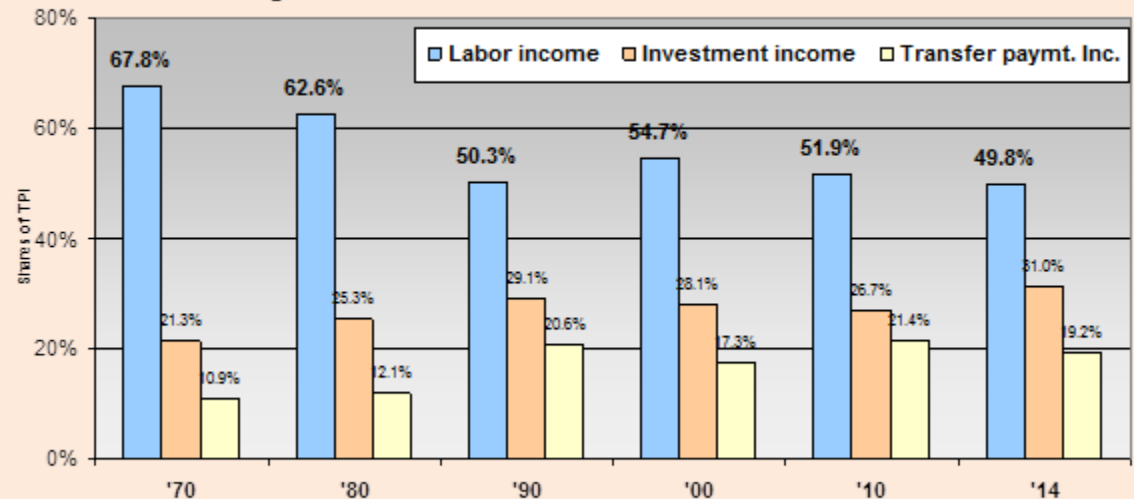
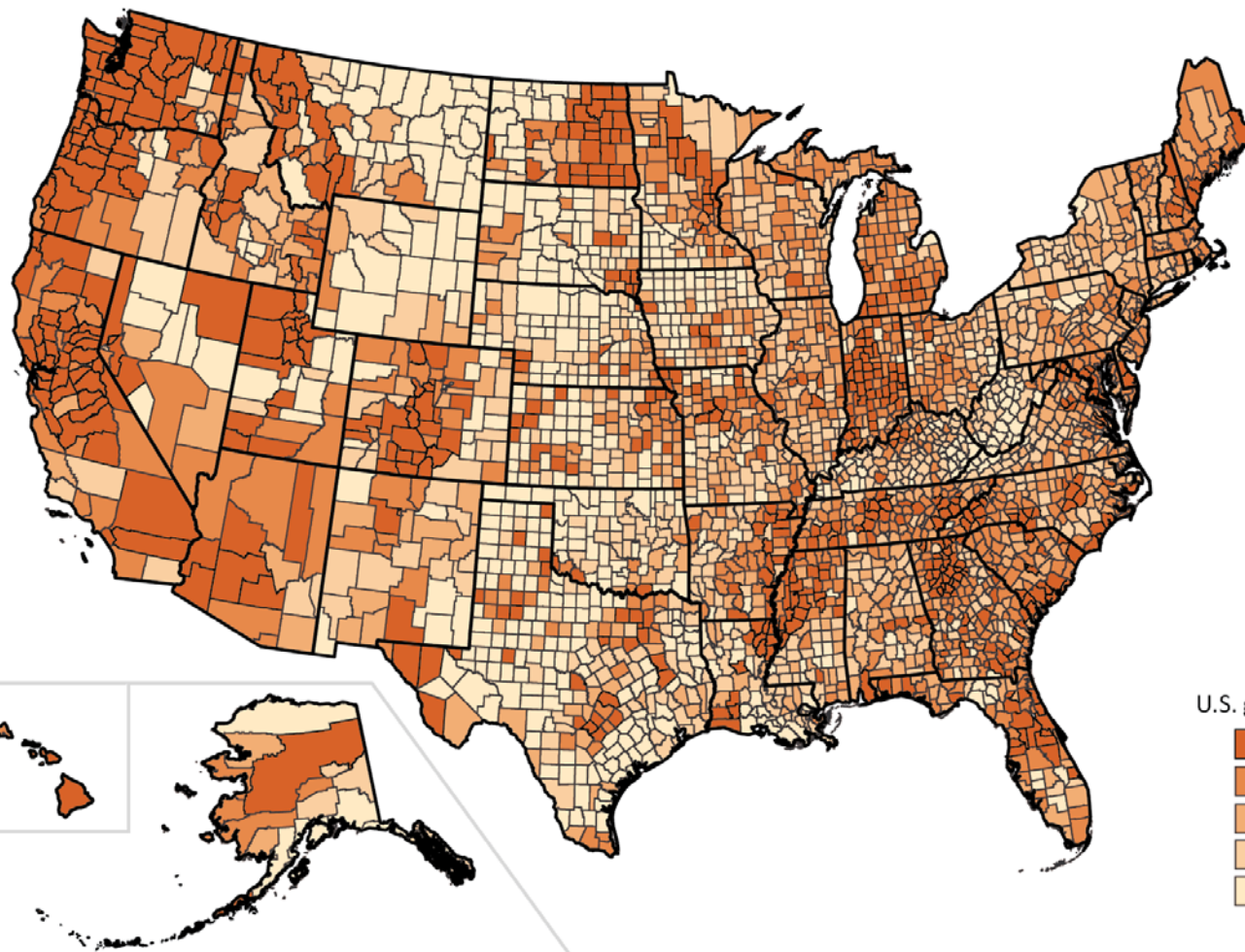


Fig. 28: Sources of Personal Income in Park Co. Over Time



## Personal Income: Percent Change for Counties, 2015-2016



U.S. Bureau of Economic Analysis

## Labor Earnings by County Residents Working Outside the County

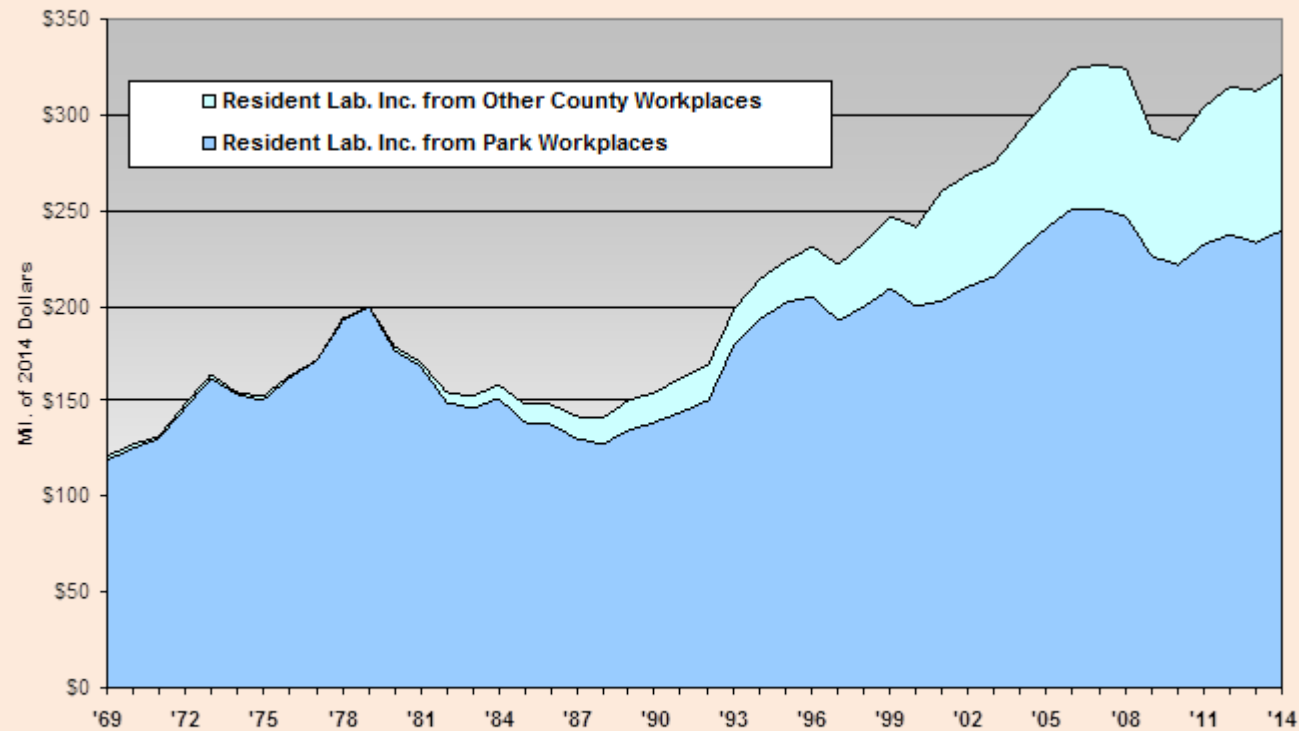
Figure 29 shows labor earnings received by all Park County residents (permanent residents of the county) by place of work or for workplaces in Park County itself and for workplaces outside of Park County.

The latter is calculated by subtracting labor income earned by non-residents of Park County who work at jobs in Park County from labor income earned by Park County residents in workplaces outside of the county. So, it is the “net” of these two amounts.

Park County and the county is a net importer of labor income. The share of income from jobs at workplaces outside of the county also is steadily growing, particularly since the mid- and late-’90s.

This means that a significant and growing number of county residents work outside of the county, but choose to live in Park County and not in the county where their workplace is located.

Fig. 29: Labor Earnings of Park Co. Residents by Place of Work



Source: BEA, U.S. Dept. of Commerce

This net addition to labor earnings by residents working outside of the county has grown from only a small percentage of total labor income in the '80s to ten percent in 1990, 18 percent in 2000, 23 percent in 2010, and more than 25 percent more recently in 2014.

This fairly rapid increase in this outside labor income is partly the result of growth by Bozeman as a regional employment center with a steadily growing number of Park County residents working in Gallatin or other nearby county.

It also suggests that there is a continuing desire of many who work outside of the county to live in Park County – partly a reflection of the perceived high quality of life and desirability of living in Park County. This once again factors into area income, with the source in this case being county residents working outside of the county and bringing this income back to Park County communities where they reside.



## Steadily Rising Per Capita Income by Park Co. Residents

Income on a per-person basis in 1990 was \$20,980. By 2000 this had grown to \$28,156 and more recently in 2014 had reached an all-time high of \$40,614.

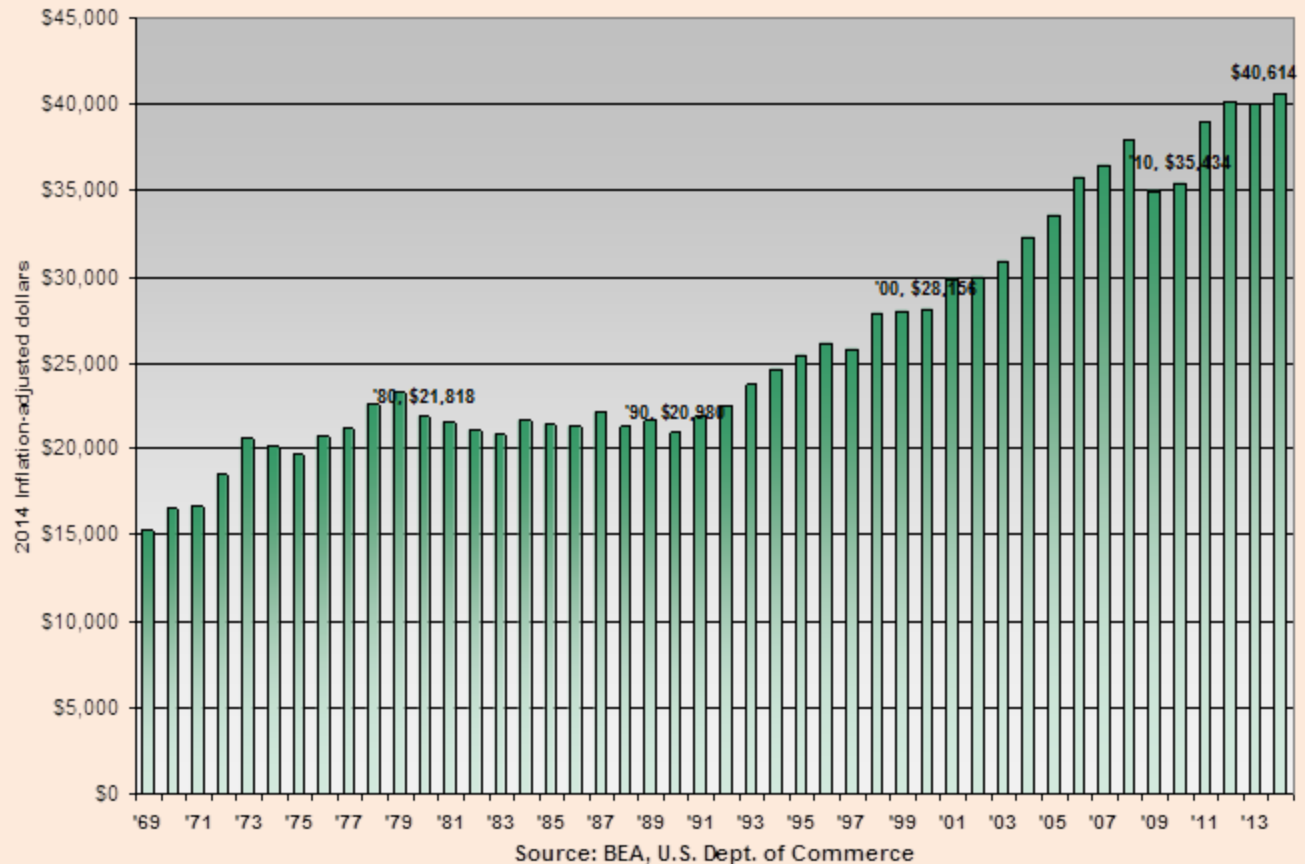
These gains represent substantial improvement in area well-being. What's more these gains exceed gains in per capita statewide.

Park County per capita income was less than the statewide level in 2001 – \$29,890 vs. \$31,870 for the state as a whole. But the 2014 Park County per capita income level exceeds the state level – \$40,614 vs. \$39,903.

The poverty rate in Park County also is lower than statewide with poverty in Park at 12.3% versus 15.2% statewide.

So, economic well-being in Park County, as indicated by these two often-used measures – per capita income and poverty rate – exceeds that of the state as a whole.

Fig. 30: Per Capita Income of Park Co. Residents Over Time, 1969-2014



Per capita income growth at the rate occurring in Park County only happens when income is growing significantly faster than area population. So, even as population growth slowed in the last decade or so, income growth continued at a good pace and per capita income has steadily risen.

## Area Employment Growth

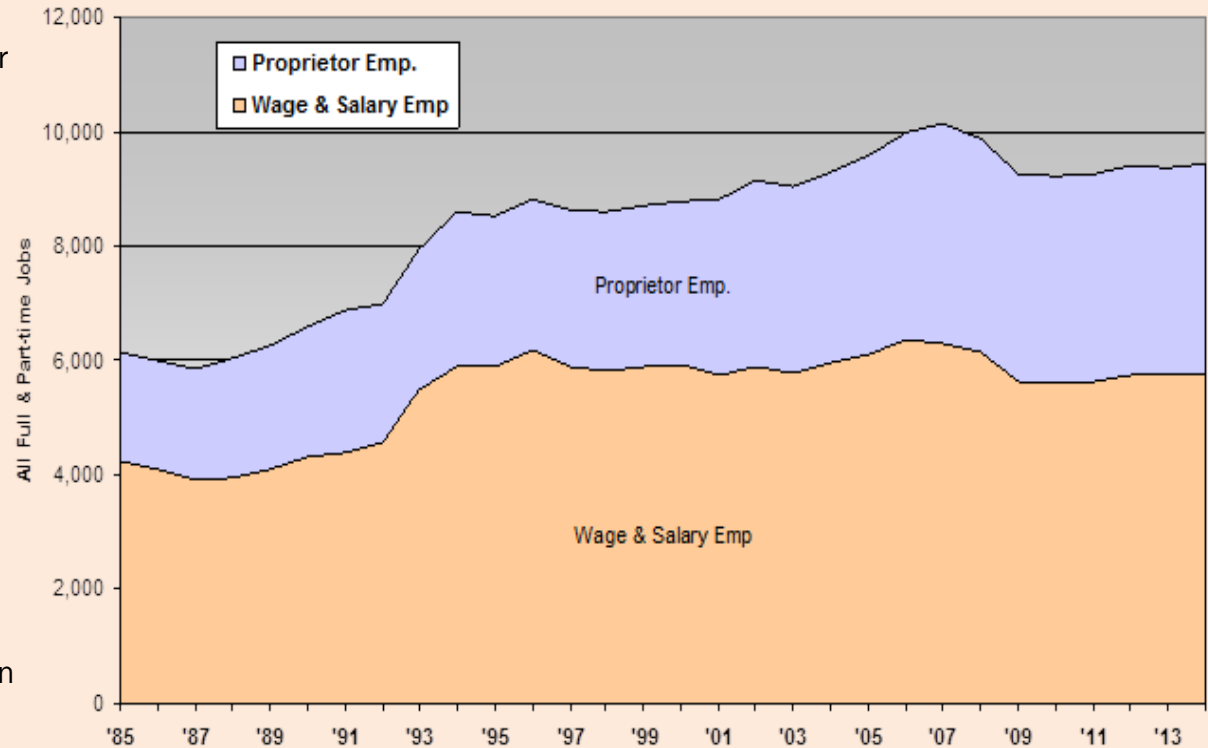
Figure 31 shows employment county-wide for two main types of employment; wage and salary employment or persons working for others at a wage or salary, and proprietor or self-employment.

Proprietor or self-employment represents a significant portion of all employment in Park County, accounting for **39%** of all jobs in 2014. This has grown over the last decade from about one-third of all jobs before 2000 and this growth has been entirely among non-farm proprietors. Statewide in Montana proprietors accounted for **27%** of all jobs in 2014, up only slightly from 26% in 2000.

So, proprietor employment is relatively high in Park County. This is sometimes interpreted as an indication of area **entrepreneurial “energy”** or status. It also is an indication that the area has a lot of small businesses and proprietorships.

Proprietors or persons who work for themselves or under their own employment tend to be much more “footloose” than employees who work for others for a wage. That is, they are oftentimes more free to locate and live in many different locations and can take their employment or business with them.

Fig. 31: Total Employment in Park County Over Time, 1985 - 2014



Source: BEA, U.S. Dept. of Commerce

The high percentage of proprietor employment in Park County is at least partly because of these persons wanting to live in the area. And this is a function of the quality of life and amenities that the county offers.

# Park County Employment by Major Sector

Total employment, which includes all full and part-time jobs, occurs across twenty different sectors of the economy, listed at the right of the chart. Individual sectors are arrayed in the chart from top to bottom based upon total employment in 2014 – the most recent year for which such data are available.

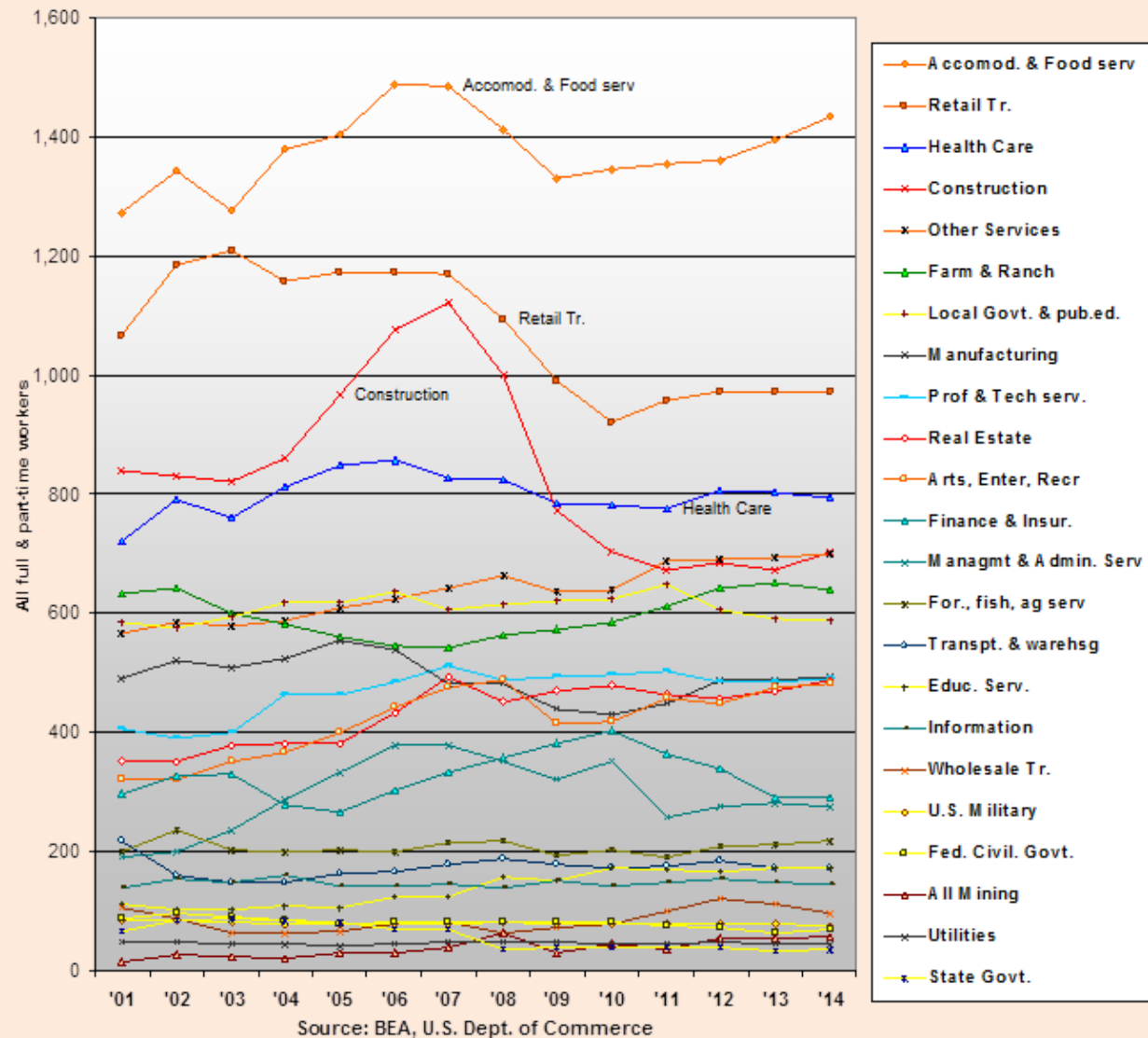
The sector with the highest level of total employment in the county is “accommodations and food services,” which includes all types of lodging (hotels, motels, B&Bs, resorts, etc.) as well as restaurants, cafes, bars, etc.

It is not surprising that this is the largest area of employment in Park County, given the area levels of visitation and dependency on visitors and travelers for their spending.

The broadly defined retail trade sector also heavily caters to and is affected by travelers. It is the second largest sector of county employment.

All of the various trade sectors that are likewise affected by consumer spending, by visitors and residents of the area alike are shown in the chart in orange.

Fig. 32: Park Co. Total Employment by Major Sector, 2001-14



Construction and the housing sector in particular were hard-hit by the recession throughout the U.S. and this had a major impact on the Park County economy. The trade sectors also were significantly impacted by the recession and have yet to fully recover from this



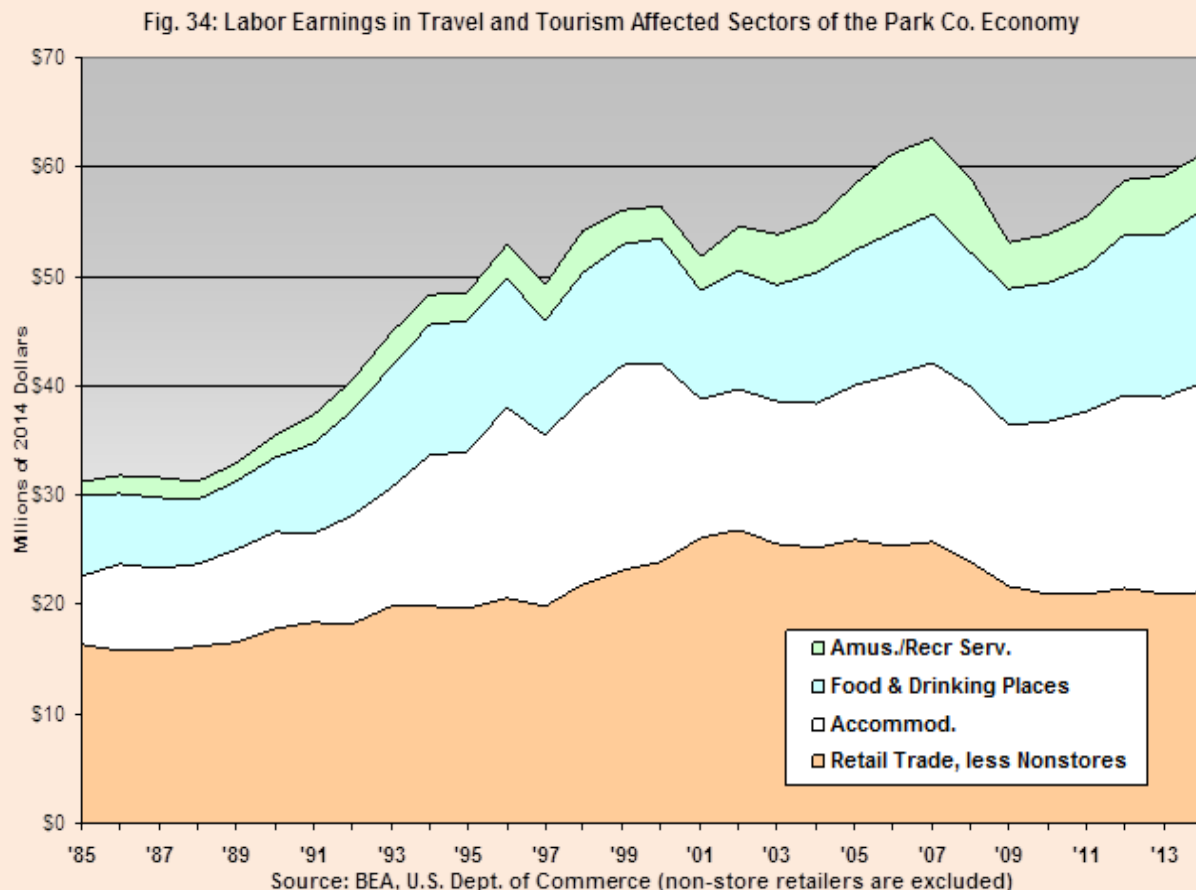
## Labor Earnings Trends in Sectors Affected by Travel and Tourism

Figure 34 changes the focus from jobs and employment to labor earnings, or what workers in these sectors have been earning in labor income, focusing on the trade sectors most affected by travel and tourism. The four segments in the chart include retail trade, accommodations (lodging), food and drinking places, and amusement, entertainment, and recreation services with labor earnings in millions of inflation-adjusted dollars.

These sectors together have grown in labor earnings from a little over \$30 million in 1985 to over \$60 million today.

However, the retail trade sector by itself reached a high in labor earnings in 2002 at \$27 million. These have gradually declined since but growth in these sectors overall have grown enough to compensate for these losses in retail trade by itself.

Labor earnings in the other segments have continued to grow, with the exception of amusement and recreation services, which hit their peak in 2006 at \$7 million. Labor earnings in lodging and food together reached a high in 2014 at \$35 million.



These labor earnings are not what was received by lodging and eating and drinking establishments in Park County, it is what was paid by these businesses to their employees in both wage and salary payments and proprietor income. Overall receipts by these businesses for what they sell would be much higher – four to five times higher – and used to cover many other types of expenses.

# Labor Earnings by Major Sectors in Park Co.

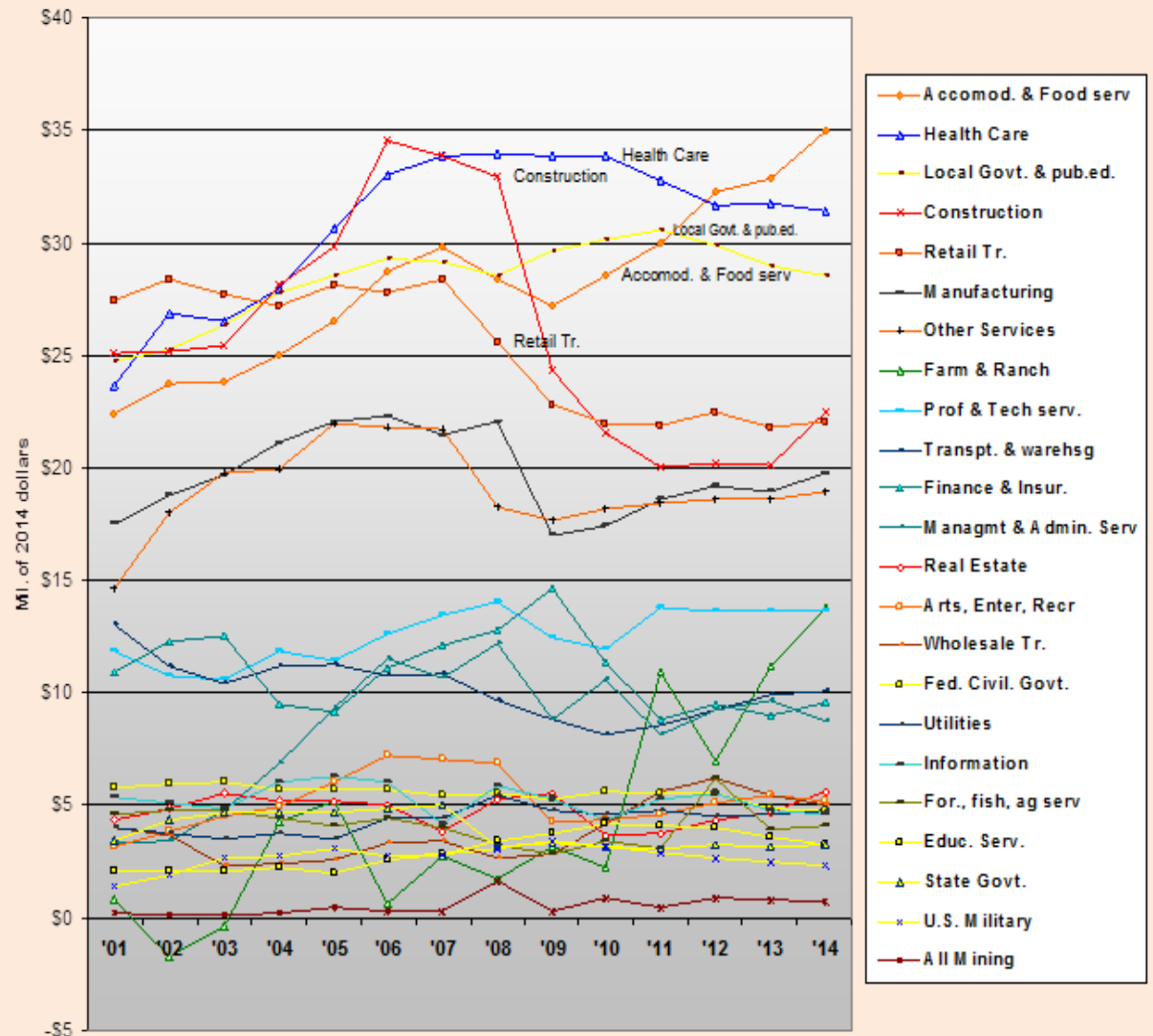
Figure 37 shows levels of labor earnings for all of the major sectors of the economy. Annual labor earnings for each sector are shown from 2001 to 2014 in inflation-adjusted dollars with these ranked from top to bottom in the chart by total labor earnings in 2014.

Labor earnings in the accommodations and food services sector rank highest among all sectors in 2014 at about \$35 million. These have been rising rapidly over the last several years and are, again, indicative of the area's prowess as a place for travelers.

Health care, highest among all sectors statewide in Montana, is second in Park County at about \$32 million, down a bit from highs from 2007 to 2010. Local government, which includes municipal and county governments and all public education, is third at \$28.6 million, also down from a high three years ago.

The construction sector ranks fourth at \$22.4 million. This is down considerably from a high in 2006 of almost \$35 million. Stability was achieved in construction by 2010 and it has begun to rise once again.

Fig. 37: Park Co. Labor Earnings by Major Sector, 2001-14



Source: BEA, U.S. Dept. of Commerce

# The Area's Construction Sector

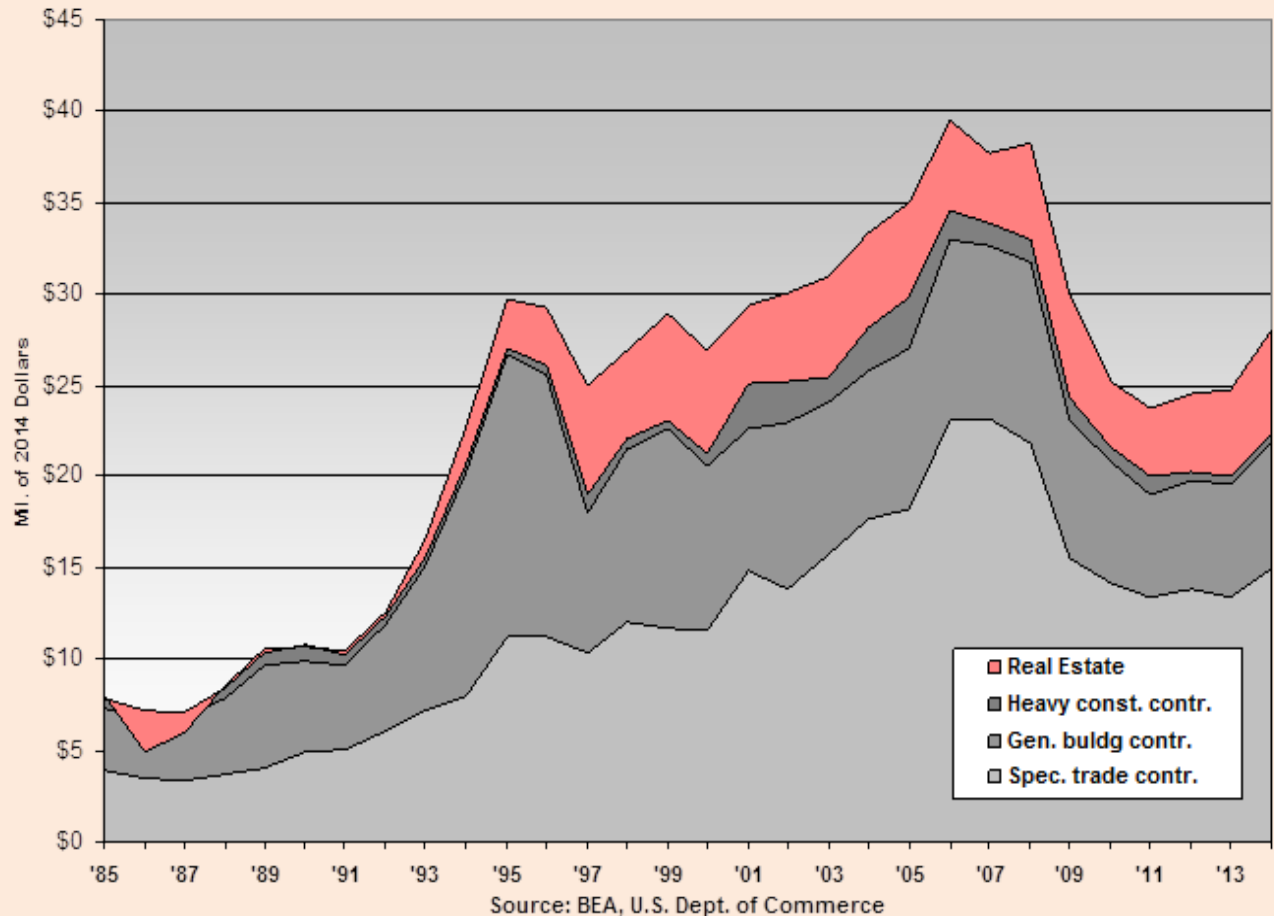
Areas frequented by visitors and that have significant numbers of part-time residents with vacation or second homes in the area, tend to have higher levels of construction activity and real estate development and management.

Dollars used in Figure 38 are inflation-adjusted, so you can easily see the relatively sharp rise in labor earnings for area workers in these sectors of the economy, with these earnings rising from very low levels in the late '80s of around \$10 million annually to almost \$40 million at the peak of activity in 2006.

This fell below \$24 million in 2011 as the recession hit housing and construction throughout the U.S. Most of this decline in Park County was in labor earnings by those working as special trade contractors in construction.

Construction activity is gradually returning and labor earnings across all of these segments of the industry are now beginning to increase once again.

Fig. 38: Construction and Real Estate Labor Earnings in Park Co. Over Time



## Area Agriculture

An important sector of the Park County economy is made up of activities by the county's farms and ranches.

Park County had 564 farms in 2012, up from 535 farms in 2007. Ninety-eight of these had sales of \$100,000 or more, another 44 had sales of \$50,000 to \$99,999, and another 57 had sales of \$25,000 to \$49,999.

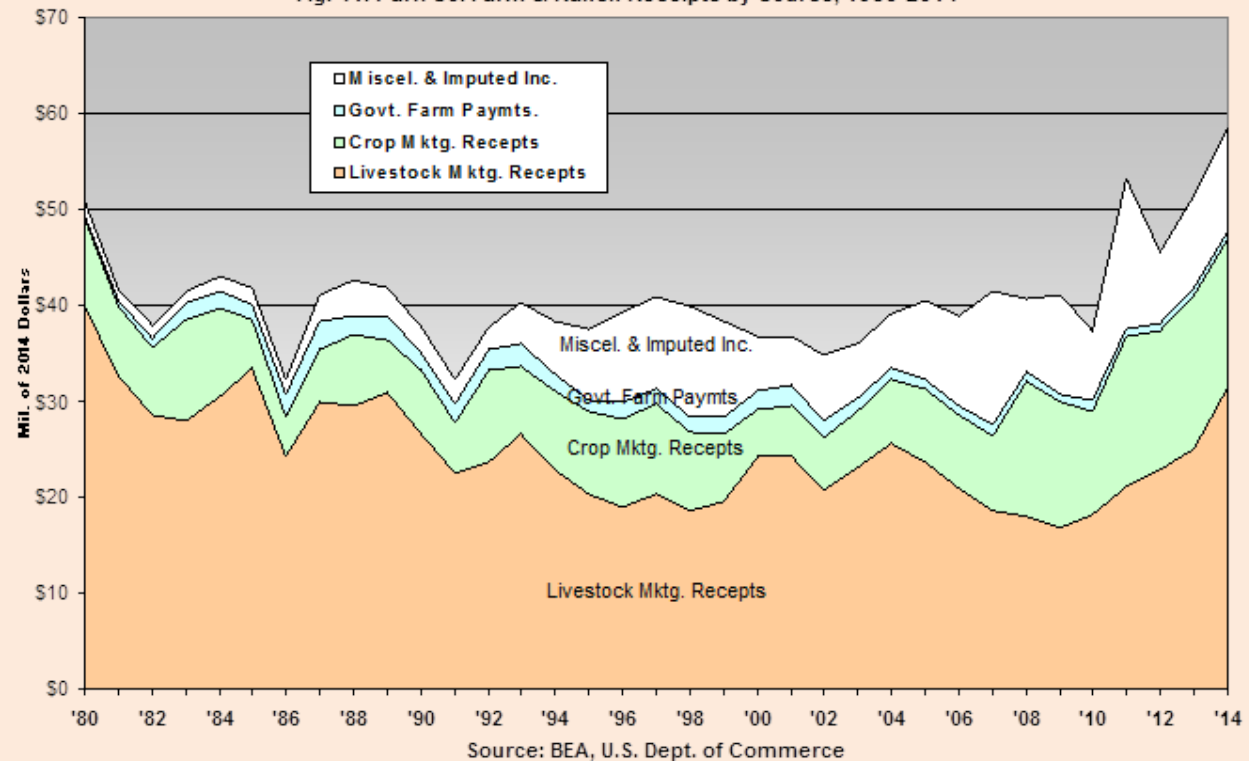
Farms as a whole averaged 1,372 acres in size, with 159 farms having 1,000 or more acres and 93 of these having more than 2,000 acres. These 93 together had 611,000 acres, about 79 percent of all land in farms, and averaged 6,570 acres in size.

A total of 774,000 acres are contained within the county's farms and ranches, both owned and leased lands, or about 1,210 square miles of land. This represents about 45% of the entire county land area.

About 110,000 of the 774,000 acres are cropland or about 14% of the total in farms.

More than 600,000 acres are some type of pastureland, including woodland pastures, and 538,000 acres of this pastureland is designated as permanent.

Fig. 41: Park Co. Farm & Ranch Receipts by Source, 1980-2014



Cattle numbered 44,400 in 2012 with 23,000 cattle and calves sold in the year. These cattle operations were on only 211 of the county's farms and ranches. The county also had about 2,600 sheep. Thirty-one operations reported that they had some income from "agri-tourism and recreation services;" something increasingly common among farms in areas frequented by tourists and other visitors.

Livestock marketing receipts is the largest source of income for area farms and ranches. In 2014 livestock sales by Park County farms and ranches totaled **\$31.5 million**. Growth in these livestock receipts in recent years has been spurred by rising cattle prices, although these have declined more recently.

Receipts from crop sales have been gradually increasing, and have been in the **\$14 to \$16 million** range in recent years.



# Picture of Economic Health, Vitality & Sustainability

Park County is blessed with a strong combination of high quality area amenities, proximity to the nation's first national park, a steady and lasting stream of visitors and travelers to the area, a seemingly high level of proprietor employment, entrepreneurial energy and can-do spirit, and a relatively large proportion of its workforce employed in occupations that require "creative skills".

It has a strong economy that continues to grow in sustainable and enduring ways, with many aspects of this economy tied to area amenities and quality of life.

***Chief Area Economic Strengths*** The County's economic strengths are drawn from a stable and growing resident population, and growing number of part-time residents who own homes in the area. Adding further is a large and growing number of visitors to the area, for fishing and hunting and traveling to Yellowstone Park and other area attractions.

These combine to grow and sustain the area economy, expanding area trade beyond levels sustainable only by residents of the county and adding to

area construction. The heart-beat of the Park County economy closely reflects the flow of visitors to the area and the growing presence of retirees and part-time residents.



***Chief Area Economic Threat*** The chief threat to area quality of life and economic well-being would be any activities that could significantly negatively impact area amenities, environmental attributes, and quality of life because these are the things that distinguish the area and have contributed so heavily to area economic health and vitality.

Any highly visible and environmentally disruptive activity, like large-scale mining or large-scale industrial activity, that can impact the area substantively in terms of air, water, and land quality, or even perceptually, reducing the area's image as a high quality place to live and visit, would have the greatest potential to cause long-term area economic harm and impairment.

# *What increasingly counts in local economic development?*

## **#1 The Quality of your community ..**

infrastructure, schools, neighborhoods, commercial development, streets, parks, arts and cultural amenities, identity, energy, vitality, multi-dimensionality, visual appeal, surrounding environs, ...

## **#2 The Quality of your work force ..**

education at all levels and multi-faceted programs in workforce development and training

## **#3 The Quality of your surrounding environment ..**

not just parks and attractive, well-planned neighborhoods, downtowns, and commercial districts, but landscapes and natural amenities like streams, lakes, mountains, open spaces, etc.

*Even though most forces driving change in the larger economy are supra-community in nature – technological change, transportation developments, new products, major demographic shifts, etc. - **so much of what really counts** in area economic vitality and community livability is within the reach of community leaders and decision makers.*

## **Chief Area Economic Strengths**

**Park County's economic strengths are derived from a stable and growing population, added to by a growing number of part-time residents who own homes in the area. Combining with this is a large and growing number of visitors to the area, for fishing and hunting and traveling to Yellowstone Park and other area attractions.**

**These combine to grow and sustain the area economy, expanding area trade beyond levels sustainable only by residents of the county and adding to area construction. The heart-beat of the Park County economy closely reflects the flow of visitors to the area and the growing presence of retirees and part-time residents.**

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## Environmental Cleanup in Montana

- This 2012 restoration study found: “Across Montana are thousands of sites where natural resources and environments have been badly damaged and degraded and where existing contamination lingers and spreads. [ ... ] Complete restoration oftentimes is not a realistic objective because the costs involved in achieving total restoration are simply too high. Other times there may be gaps in laws governing such cleanup, or in their enforcement, that result in much lower levels of restoration.” [p. 2]
- The study found that considerable large-scale natural resource damage and environmental contamination simply goes unaddressed because of lack of resources and gaps in programming, noting: “[T]he Montana Department of Environmental Quality administers the federal Brownfield’s program aimed at identifying and eventually cleaning up sites with significant contamination of hazardous materials and substances. It has been able to fund about 25 assessments of these kinds of sites in Montana, but admits that there are probably hundreds of potential Brownfield contamination sites across Montana where significant contamination is known or suspected (MDEQ web site).
- Under its Abandoned Mine Reclamation program MDEQ has completed reclamation work at 408 coal mines and 38 hardrock mines, but more than 1,500 abandoned mine sites have been identified and assessed under the program, occurring in 16 counties.” [p. 3]
- Regarding use of the large Superfund program for cleaning up major contamination sites, the study found: “Up to 294 sites across Montana were given some consideration for possible cleanup under federal and state Superfund programming [ ... ] Superfund sites are ones where contamination is particularly widespread and large scale. Two hundred and nine (209) of these remain under consideration, with six listed as maximum priorities, 53 as high priorities, and 74 as medium priorities. While only four sites are now listed as requiring “no further action” only 32 are under “active management” (MDEQ “Site Response Section Statistics Report,” January, 2011). So, much work remains to be done and work on these sites will continue many years into the future.” [p. 3]