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The Local Economic Impacts of Protected Wildlands: Enhanced Economic Vitality

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The Use of Economics in Making the Case for the Preservation of Wildlands

Wildland preservation is motivated by a variety of ethical, biological, cultural, and recreational concerns. Rarely are efforts to protect wildlands motivated by an interest in promoting economic growth. Those working on wildland preservation issues are forced to take up with the issue of economic impacts because those supporting commercial development of those lands emphatically assert that wildland preservation damages the local and national economies by restricting access to valuable natural resources and constraining commercial economic activity that otherwise would take place. As the summary of economic research provided below documents, it is often possible to show that not only does protecting our natural landscapes not damage local economic vitality, but such protected landscapes often are associated with enhanced economic vitality.

This does not mean that those seeking to preserve natural areas should base their case for preservation on the economic expansion it will stimulate. That could be a dangerous strategy in the long run and one that may not be very convincing besides. In fact, in the long run, ongoing economic growth may well threaten the ecological integrity of wildlands as growing population, human settlement, and commercial activities and their accompanying pollutants isolate and disrupt natural areas. Even though wildlands may be good for local economic vitality, local economic vitality may not be good for the ecological integrity of those wildlands.

Preservationists have to stay focused on the more fundamental reasons they seek to protect our remnant wildlands. They need to confidently assert those ethical, cultural, and biological values rather than retreat into temporarily convenient economic arguments. That being said, “unilateral” disarmament that leaves economic argument entirely in the hands of those who would commercially develop all of our natural landscapes is not appropriate either. Economic rhetoric is powerful. It can intimidate and motivate individuals and communities. Simply as a matter of defense against the negative power of economic argument, preservationists have to be ready to correct the factual

and conceptual errors around which commercial development interests build their economic case. The truth is that economic analysis does not uniformly support commercial development of wildlands. Economic analysis often supports preservation. Even where there may be a net economic cost associated with preservation, that cost is often greatly exaggerated by development interests. These facts should not go unreported as preservationists focus on their primary message. Correcting the economic errors promulgated by development interests can prepare the citizenry to hear more clearly and sympathetically preservationists’ primary message.

The Impact of Wildland Preservation on Local Economic Vitality

Economic research has repeatedly demonstrated that areas with high-quality natural environments that are protected by official wilderness or park status have been able to attract higher levels of economic activity. As a result, those areas show signs of superior economic vitality. Much of that research has centered on the western United States because of the concentration there of many of the larger national parks and wilderness areas, but other areas of the nation, including the northern forests of the nation’s northeastern tier, have also been studied. Some of the studies are national in scope.

Statistical analysis of the economies of all of the counties of the western states showed that higher percentages of county land protected by national park, national monument, and federal wilderness status were associated with higher rates of employment growth between 1969 and 1997. Even when only the more rural (non-metropolitan) western counties were considered, those counties with more than ten percent of their land in national parks, monuments, and wilderness saw job growth 1.85 times the average for western non-metropolitan counties; income grew 1.43 times faster. The correlation between the amount of national park, monument, and wilderness within 50 miles of a rural western county’s center was positively correlated with both income and employment growth for both the 1969-1997 and 1990-1997 periods.

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Finally, unprotected wildlands that have yet to face roaded development also appear to attract economic activity. The acreage of U.S. Forest Service inventoried roadless areas within 50 miles of a county's center was also positively correlated with employment and income growth. The strength of that correlation increased as the analysis shifted from all counties to just the non-metropolitan counties to the purely rural counties of the western states.

Analysis of economic development in rural counties near large wilderness areas has found that population growth in those counties is somewhat higher than the growth rate for either the state as a whole or the major urban area in the state. During the 1990s, the advantage of the rural wilderness counties over the state and urban averages expanded. Another researcher found similar results for the Rocky Mountain West even when he focused on truly rural counties, those that had no communities with more than 2,500 residents. That study included as federally protected natural areas not only federal wilderness areas but also national parks and national monuments. Relatively high correlations were found between measures of the relative importance of these protected national lands as a percentage of total county land and several measures of economic vitality: employment, per capita income, total aggregate income, and population growth. That is, in rural areas with only small towns, the more of the land base that was in national wilderness, parks, monuments, etc., the higher were the measures of local economic vitality.

Research has also shown that federal protection of landscapes through national parks and wilderness designations does not slow local economic growth. In fact, such protection was associated with growth rates two to six times those for other non-metropolitan areas and two to three times those of metropolitan areas over the 1960-1990 period. This research clearly indicated that the protected lands drew new residents who were willing to sacrifice a certain amount of income in order to live in the higher-quality natural environments that they perceived federally protected landscapes provided.

Researchers puzzled by the growth of population in western Montana despite low wages and incomes studied the location of new residential housing to determine what locational characteristics explained the decisions homebuilders were making. They found that the closer a location was to a designated wilderness area the higher the likelihood of new construction. The same was true of national parks. Distance to Montana's larger population centers and access to major highways was also important. These new

homeowners want to live near protected natural areas but also value ease of access to trade centers and regional airports. Another economist seeking to understand the spatial patterns of economic development in the rural Mountain West also focused on the tension between access to urban areas and closeness to protected natural areas. In this case the focus was on urban centers that were *not* within commuting distance. He also found that the presence of a national park led to faster rates of both employment and population growth but that growth decreased with distance from a metropolitan area. So, again, people seek to have their cake and eat it too: enjoy the protected natural landscapes but maintain at least some loose links with metropolitan areas.

The impact of protected landscapes on the attractiveness of areas as residential locations has also been documented in New England as well as in other regions. A statistical analysis of the value of over 6,000 land parcels that were transferred in Vermont's Green Mountains revealed that the existence of designated federal wilderness enhanced nearby land values. Parcels of land in towns near designated wilderness sold at prices 13 percent higher than in towns not located near wilderness. Land prices decreased by 0.8 percent with each kilometer of distance away from the nearest wilderness area boundary.

A recent University of Maine analysis of migration patterns in the Northern Forest region of the United States, including Maine, confirms the positive impact on in-migration of public lands dedicated to conservation. The study, which looked at rural forested counties in northern Maine, New Hampshire, New York, Michigan, Wisconsin, and Minnesota, sought to determine what impact increased concentrations of public "conservation lands" had on in-migration and employment in these rural forested counties. Conservation lands included national and state forests, national and state parks, and public wildlife refuges. The focus was on the 1990-1997 time period during which timber harvests on federal lands declined dramatically as conservation objectives increasingly limited commodity production.

The study, like many others, found that, in general, jobs were following people's residential location decisions rather than people passively moving to where employment opportunities were. In addition, the more of a county that was publicly-owned land managed for conservation objectives, the higher was the rate of economic growth: an 11 percentage point increase in the share of the county that fell into the conservation land category led to a one percent point increase in the net in-migration rate. That enhanced

Southern Utah Economics: Myth vs. Reality

Myth: Southern Utah counties are economically dependent on resource extractive industries that utilize public lands and therefore cannot afford to have wilderness designations within their jurisdictions.

Reality: The southwestern region of the state, which includes Beaver, Garfield, Iron, Kane, and Washington Counties, ranks number one in state employment growth and is expected to grow at a rate of 4.0 percent per year between 2000 and 2005 (significantly higher than the state average of 2.3 percent). According to the Utah Department of Workforce Services, "Nearly 50 percent of these new jobs will be concentrated in the trade and services industries, reflecting the tourism, travel, and recreation economic base of the district." By comparison, mining will account for less than one half percent of new jobs within this five-year period. Though the southeastern region of the state, which includes Carbon, Emery, Grand, and San Juan Counties, is expected to show a much slower growth rate of 1.9 percent per year, 54 percent of these new jobs will be in the trade and services industries, whereas mining will account for only 7.5 percent.

Myth: The services industry, which represents the largest industry group in Utah and a dominant sector in southern Utah economies, consists mainly of low-wage, low-skill jobs.

Reality: The services sector is far more diverse than many people realize and encompasses a wide array of higher paying professional and technical occupations. These include: business services (i.e., advertising, computer and data processing); health services (hospitals and clinics); management, engineering, architectural, and accounting services; educational services (public and private schools); and agricultural services (i.e., lawn/garden businesses and veterinarians). Lower wage restaurant jobs actually fall under the trade industry, but this sector also includes the retail/wholesale distribution of hardware, lumber, cars and trucks, gasoline, furniture, electronics, pharmaceuticals, clothing, and general merchandising.

[Based on data from *Utah Job Outlook: Statewide and Service Delivery Areas 2000-2005*, a publication of the Utah Department of Workforce Services.]

in-migration then had an indirect impact on employment that was similar in size: a ten percentage point increase in the share of the county that was in conservation lands led to a one percentage point increase in the employment growth between 1990 and 1997. Given that timber harvests were decreasing on federal conservation lands during this time period, the **positive** impact of the presence of these lands on in-migration and employment was impressive.

This University of Maine analysis of the impact of public conservation lands also sought to determine if more restrictive protection had a positive or negative impact on local economic vitality. The more restrictive "preservation" category included federally designated wilderness areas as well as national and state parks. There are no large national parks in this Northern Forest area. The largest is the Voyageurs NP in northern Minnesota at 218,000 acres. The "preservation" lands category was dominated by the Adirondack State Park in New York and the Boundary Waters Canoe Area Wilderness in Minnesota. The study found that the presence of such restricted-use public lands had no significant impact on county

economies, either positive or negative.

Counties across the nation containing national parks and monuments have also shown impressive economic vitality, including high rates of population, job, and real income growth. A review of all of the large national parks in the nation over the last 30 years indicates that population growth was almost four times faster than the national average. Job growth was almost 3 times faster. Aggregate real income grew twice as fast as the national average. Over the last 30 years (1969-98), most large national park counties have experienced robust economic vitality. Eighty-four percent of the large national park counties had above average population growth; 82 percent had above average job growth; and 80 percent had above average aggregate real income growth.

A study of the impact of state parks on employment and population growth in 250 rural western counties found that state parks also served as an amenity, attracting population and supporting employment growth. A similar analysis of the impact of federal wilderness areas and national parks in the Mountain West found that when a rural county was adjacent to a

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national park, population growth was higher compared to counties not adjacent to parks. In addition, there was no negative impact of wilderness designation on employment or income.

Other researchers have focused on a broader range of local amenities—locally specific qualities that make a location attractive to potential residents. They have included climate, air and water quality, crime rates, the quality of schools, etc. These studies also confirm that people care where they live and act on those preferences, leading to in-migration and job creation in areas perceived to have higher-quality living environments.

Some research has focused not on the location decisions made by individuals but on those made by business firms. With the shift from goods production to the production of services—in particular knowledge-based services such as those involved in research, insurance, finance, and high technology—more firms have become relatively “footloose.” The success of these companies is less dependent on location than on obtaining the highly qualified personnel they need at a reasonable cost. So national parks, wilderness, and other protected natural landscapes appear to draw economic activity to nearby communities. As a result, natural amenities become an important part of a region’s economic base. According to one recent study on the role of environmental quality and the location of high tech firms:


Amenities and the environment—particularly natural, recreational, and lifestyle amenities—are absolutely vital in attracting knowledge workers and in supporting leading-edge high technology firms and industries. Knowledge workers essentially balance economic opportunity and lifestyle in selecting a place to live and work. Thus, lifestyle factors are as important as traditional economic factors such as jobs and career opportunity in attracting knowledge workers in high technology fields. Given that they have a wealth of job opportunities, knowledge workers have the ability to choose cities and regions that are attractive places to live as well as work. The new economy dramatically transforms the role of the environment and natural amenities from a source of raw material and a sink for waste disposal to a key component of the total package required to attract talent and in doing so generate economic growth.

Conclusion

Politically, the most powerful and effective argument used against the preservation of wildlands has been the economic argument: protected wildlands

“lock up” commercially valuable resources, thus, making local residents poorer by restricting the range of economic opportunity. Within the prevailing folk economics, this argument has considerable plausibility. Of course, ethical, cultural, and utilitarian environmental arguments can be used to assert that wildlands should not always be sacrificed in the pursuit of more jobs and income. Polls repeatedly show that the public is willing to sacrifice some economic growth for environmental protection. So wildland advocates are not rhetorically weaponless in responding to these narrow economic arguments.

Often, however, the economic arguments used against protecting wildlands are factually and conceptually flat out wrong. In that setting, it is not clear why wildland advocates would not want to meet the economic critics of wildland protection on their own ground while also continuing to make the ethical, cultural, and environmental arguments. After all, if you can take away the only powerful argument the anti-environmentalists have, why would you not do so?

As pointed out above, the ongoing residential development of the Mountain West is importantly supported by open space, scenic beauty, wildlife, recreation opportunities, and overall environmental quality that existing wildlands provide. But that ongoing residential development also is one of the most powerful forces threatening wildlife habitat, air and water quality, and open space. So environmentalists do not want to appear to be “boosterists” promoting unlimited growth. The best way to avoid being backed into that position while making the economic case for preserving wildlands is to emphasize the fact that the biggest long-term economic problem the region faces is managing growth, not coping with economic decline. We will have lots of economic opportunities: we are not beggars; we can afford to be choosers; and we have an ethical obligation to the land and future generations to be good “choosers.” 

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