



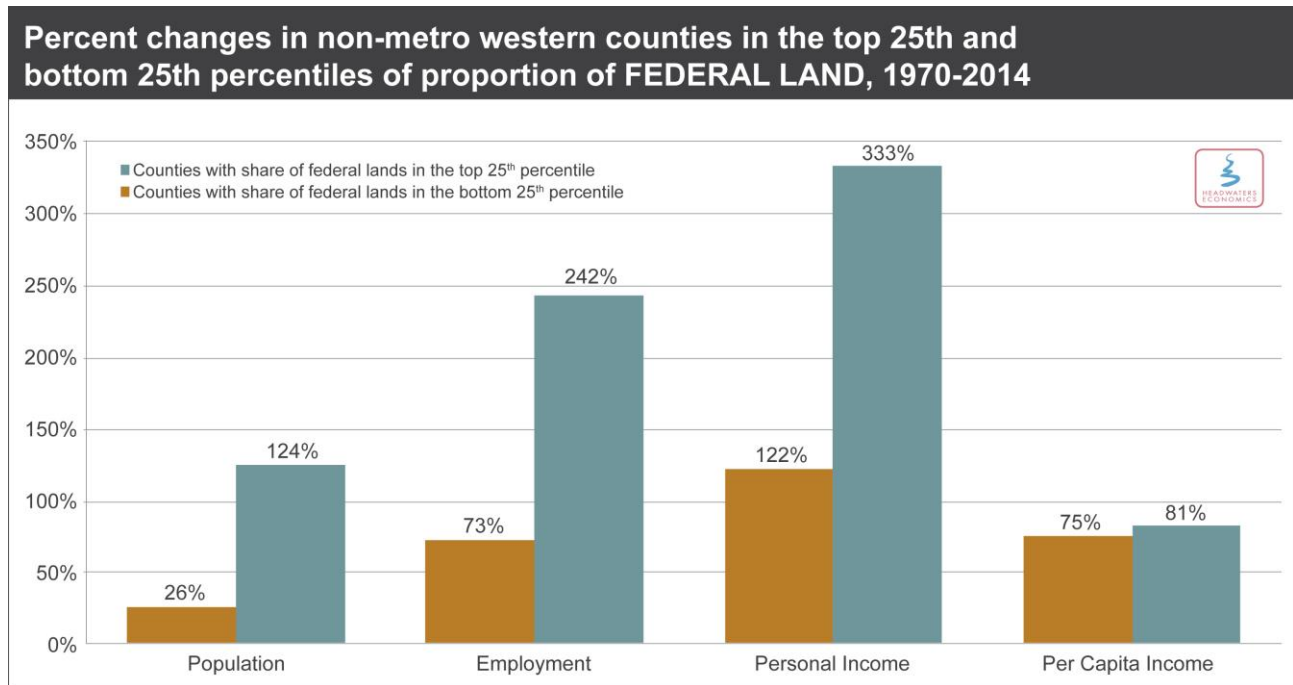
Federal Lands in the West: Liability or Asset?

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Summary Findings

This [analysis](#) finds that rural counties in the West with more federal lands or protected federal lands performed better on average than their peers with less federal lands or protected federal lands in four key economic measures.

- From 1970-2014, western rural counties with the highest share of **federal lands** on average had faster population, employment, personal income, and per capita income growth than their peers with the lowest share of federal lands.
- Similarly, from 1970-2014, counties with the highest share of **protected federal lands** on average performed better for population, employment, personal income, and per capita income growth than those with the least protected federal lands.
- Some rural counties are struggling and are searching for ways to benefit from nearby federal lands. While every county has unique circumstances, the changing economy of the West has impacted all counties and altered the role and importance of nearby public lands.



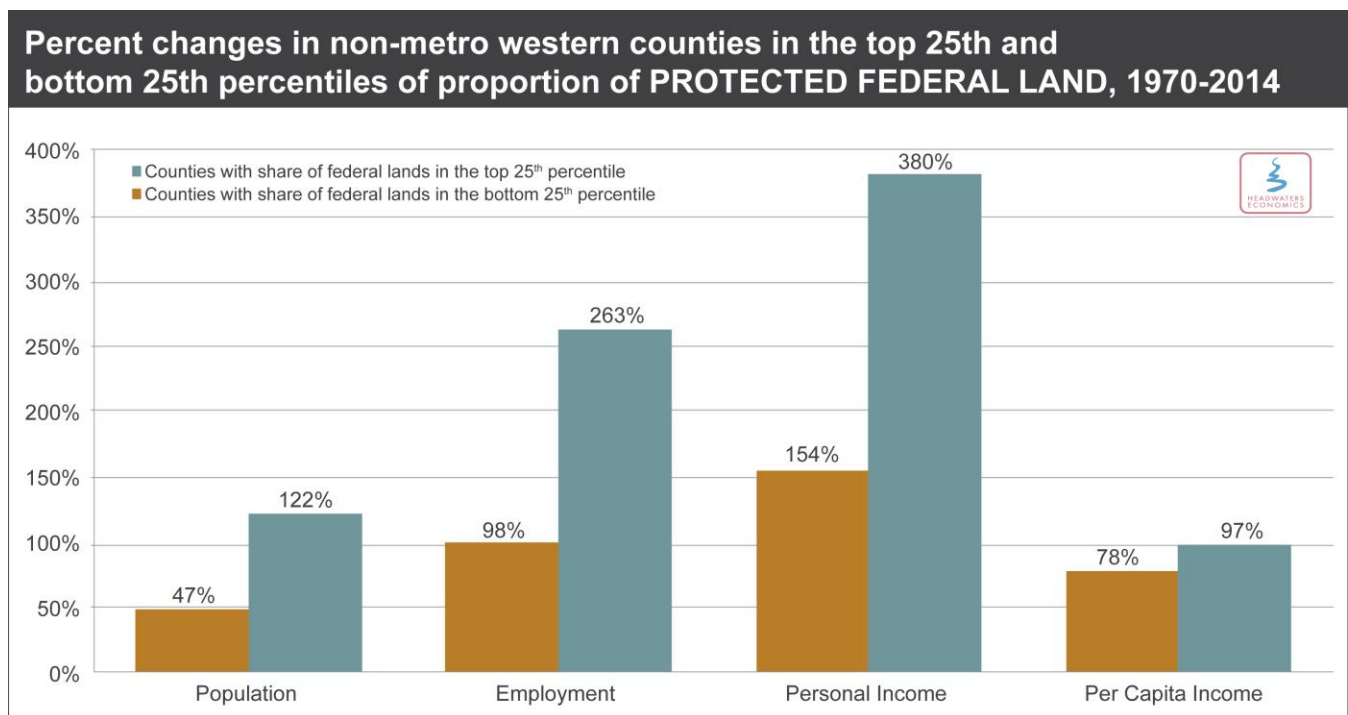
**All income figures in this analysis adjusted for inflation.*

As the chart on page one shows, from 1970-2014 (latest data), population, employment, and personal income grew significantly faster on average in western rural counties with the highest share of federal lands compared to counties with the lowest share of federal lands. Per capita income growth was slightly higher.

The study reviews the 276 non-metro counties in the 11 contiguous western states: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. The counties were broken into quartile groups by federal land for analysis.

The chart immediately below shows that these same findings hold on average for non-metro western counties with a larger share of protected federal lands.

From 1970-2014, the growth in population, employment, and personal income was significantly larger on average for rural counties with the highest share of protected federal lands compared to counties with the lowest share of protected federal lands. Per capita income growth was slightly higher.



**All income figures in this analysis adjusted for inflation.*

Protected federal land is defined as lands with more permanent management restrictions such as National Parks, Wilderness, National Conservation Areas, National Monuments, and National Wildlife Refuges.

These overall findings do not represent a short-term business cycle or the influence of a single industry. They show that as the regional western economy grows during the longer-term, federal lands and protected federal lands in rural counties are associated on average with better economic performance compared to their peers.

Graphs showing long-term trends for rural counties by share of federal and protected federal lands are available in the [methods paper](#).

The Rural West and the Changing Economy

Rural economies in the West, and across the country, have been challenged in the past several decades to sustain prosperity. Some of the reasons for this include a [broader transition](#) from a commodity-based to services-based economy and the lack of [access to major markets](#) for many rural places.

As a result, some rural and isolated areas are struggling for a variety of reasons: difficulty [sustaining population](#); reliance on employment concentrated in slow growth or volatile sectors such as agriculture and oil and natural gas industries; and an increasing dependence on retirement income.

The economy of the West has changed dramatically in recent decades. Service industries that employ people in a wide range of occupations—from doctors and engineers to teachers and accountants—are [driving economic growth](#) and now make up the large majority of jobs in both metro and non-metro areas.

By comparison, employment in goods-producing industries (non-services) are holding relatively steady and have not created many net new jobs as the overall economy has expanded.

At the same time, [non-labor income](#), which consists largely of investment and retirement income, is the largest and fastest-growing source of personal income in the region.

The West is one of the [most urbanized](#) regions of the country even while it has significantly more federal lands and is characterized by wide, open spaces. Across the eleven continental western states, 92 percent of westerners now live in metro counties while 8 percent live in non-metro counties. Despite this urban concentration of people and economic activity, the West is largely rural—76 percent of the landscape of the West is non-metro by county land area.

Also, the [West has outpaced](#) the rest of the nation in population, employment, and real personal income growth since 1970. But because much of this growth is happening in urban parts of the West, some rural places are being left behind.

The profound shift in how and where our economies generate value, and also jobs and income, readily can be seen at the county level using the [West-Wide Economic Atlas](#). Detailed, local-level socioeconomic profiles are available using the [Economic Profile System](#).

Discussion: What Next for Rural Western Counties?

Due to many of the economic trends discussed earlier—the growth in services, relative decline of goods-producing sectors, urbanization of the West, importance of access to markets, and other factors—this analysis looking at federal lands helps to explain how the economic role of public lands in the West has shifted.

In the evolving discussion about competitive positioning of rural western economies, [federal lands are assets](#) that provide advantages to communities.

Federal lands continue to provide natural resources for commodity sectors, but also offer recreational opportunities, natural amenities, and scenic backgrounds that stimulate migration, [drawing entrepreneurs](#) and attracting a skilled workforce across a range of faster growing industries.

Within this larger context, each region and county typically has a different economic potential, and many rural economies—across the West and the nation—face head winds as they try to sustain portions of their commodity past while creating and attracting jobs related to the modern services economy.

It is important to note that while many rural counties can benefit from federal lands and natural amenities, by themselves these amenities often are not a sufficient condition for economic development.

As a result, local economic strategies should be active and tailored to existing strengths and emerging competitive opportunities. Communities generally will need to invest in a mix of traditional and newer industries, education, and access to larger markets via transportation and communication infrastructure.

Methods

This analysis includes the 276 non-metro counties in the 11 contiguous western states: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. Using the Census' classification of metro and non-metro counties, non-metro counties are defined as those without a core urban area with a population of 50,000 or more. See the full [methods paper](#) for additional information.

The analysis used economic data from the Bureau of Economic Analysis' Regional Economic Accounts for the years 1970 through 2014. Income data were adjusted for inflation using the consumer price index.

We calculated quartiles of the proportion of county area that is federal land or protected federal land ownership using the USGS Gap Analysis Program database. The quartiles were calculated using all non-metro counties. Protected federal land is defined as lands with more permanent management restrictions such as National Parks, Wilderness, National Conservation Areas, National Monuments, and National Wildlife Refuges.

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About Headwaters Economics

Headwaters Economics is an independent, nonprofit research group that assists the public and elected officials in making informed choices about land management and community development decisions in the West, <http://headwaterseconomics.org/>.