



PARK COUNTY'S GROWING ECONOMY

Southwest Montana region uniquely positioned
for continued economic success

YELLOWSTONE GATEWAY BUSINESS COALITION | yellowstone-gateway.com

NEXUS OF ATTRIBUTES FUEL PARK COUNTY'S LONG-TERM ECONOMIC GROWTH

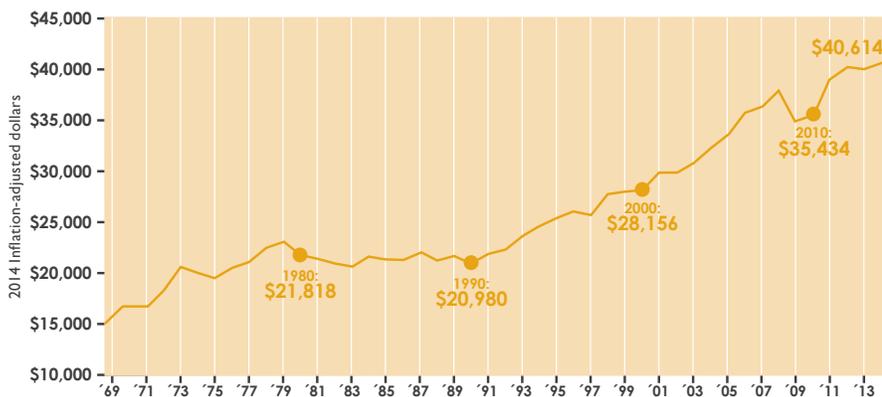
By virtually every measure, the economy of Park County is growing and expanding compared to other rural communities across Montana and all over the United States. Park County possesses a potent combination of high-quality area amenities as well as other beneficial socioeconomic attributes. These include proximity to the nation's first national park (Yellowstone), which continues to generate an escalating (record-breaking in 2015) stream of visitors and travelers from all over the U.S. and around the world. This has helped the area's economy continue to ramp upward over the past four decades and fuel a diversity of economic sectors. Add to this a high level of proprietor employment, entrepreneurial energy, and a large proportion of the workforce employed in occupations requiring creative skills. The result is an unusually vibrant economy that continues to grow in enduring, measurable ways.

Park County does share a few of the same challenges as the rest of rural America, such as relatively flat population growth, but the presence of spectacular public lands and waters gives the region a natural competitive advantage for continued economic growth. Along with growing wealth, friendly communities, and deep agricultural roots, these natural assets give Park County leverage to attract people, businesses, and investments while sustaining the way of life that residents enjoy.

SIGNS OF SUCCESS

- Park County ranks #1 in Montana in non-resident traveler expenditures among major destination counties (per capita).
- Unemployment hit a low of 3.6% in July 2015 (compared to 5.3% nationwide).
- Personal income base of Park County recently hit an all-time high of \$645 million.

FIG. 1: PER CAPITA INCOME OF PARK COUNTY RESIDENTS OVER TIME, 1969-2014 Source: BEA, U.S. Dept. of Commerce



“Chico Hot Springs Resort has been in business for over a 100 years, and I’m pleased to report we’re coming off our best year ever. We employ over 170 locals, providing a sustainable livelihood that supports families throughout Park County.”

~Colin Davis,
owner Chico Hot Springs Resort



PHOTOS COURTESY OF: Cover: Brian Grossenbacher; Inside Cover (left to right): Lynn Donaldson Photography, Lynn Donaldson Photography

A COMPETITIVE ADVANTAGE

THE PARK COUNTY ECONOMIC TRIFECTA

Studies by economists with the U.S. Department of Agriculture's Economic Research Service (ERS) indicate that Park County's economic growth and stability is capitalizing on three area attributes:

1. A high proportion of persons employed in creative occupations
2. Highly ranked area amenities and recreational resources
3. A strong setting for entrepreneurial initiative

The ERS refers to these three attributes as the trifecta for positive rural development, and they appear to be core strengths of the Park County area economy.

A Thriving Creative Class

A growing number of economic studies are pointing out the importance of jobs requiring creative types of work in an economy increasingly shaped by information, knowledge, art, and ideas. ERS studies indicate that Park County has 23.5 percent of its employment in designated creative class occupations, scoring it in the top 6 percent of non-metro counties nationwide.

Park County ranks in the top 6% among more than 2,000 non-metro counties nationally for creative class employment.

Natural Amenities and Area Economic Growth

Recent trends in area economic growth more fully affirm the strong connection between area economic vitality and the quality of natural amenities and quality of life. The ERS website states, "The rural outdoors has become a major asset for rural communities." Without question, the spectacular public lands surrounding Park County give the region a natural competitive advantage. For example, in counties with at least \$100 million of non-resident travel expenditures, Park County brings in more money per resident than any other.

PrintingForLess.com is a significant, hi-tech employer that located their business in Park County due to the area's quality-of-life amenities. PFL employs over 200 full time equivalents with a minimum starting salary of approximately \$40k.

PHOTO: Erik Petersen Photography

A Fertile Setting for Entrepreneurs

Proprietor or self-employment represents a significant portion of employment in Park County, accounting for 39% of all jobs in 2014. This figure has grown by about one-third in the last decade. Statewide in Montana, proprietors accounted for 27% of all jobs in 2014, up only slightly from 26% in 2000. Park County's significantly higher percentage of self or proprietor employment is interpreted as an indication of entrepreneurial energy.



"As a startup looking to open our brewery in 2014, we relied heavily on Yellowstone and Park County visitation numbers to support our new business plan.

Quite frankly, our plan would not have penciled had we not factored these powerful tourism statistics."

~LaNette & Brice Jones, owners Katabatic Brewery



NATURAL ASSETS ARE ECONOMIC ASSETS

PARK COUNTY'S GROWING ECONOMY

By virtually every measure, the Park County area economy is growing. The personal income base of the county recently reached an all-time high of \$645 million (measured in inflation-adjusted dollars). Per capita income also reached an all-time high of nearly \$41,000, which compares with a statewide level of \$39,900.

By virtually every measure, the Park County area economy is growing.

The area's labor force continues to grow, as does area employment. Because of the area's attractiveness and quality of life, considerably more labor earnings are imported into the county from residents working outside of Park County who continue to live in the county. This now accounts for 25 percent of all labor earnings by county residents.

Personal income is the single most-used measure of the size of an area economy. It includes all income received by households and individuals (residents of the county only) in any form, including wage and salary receipts, proprietor profits, and/or income from other sources. The total personal income of residents of Park County has been growing at a steady pace for a very long time. In 2016, residents of Park County are making more money than they ever have before.

PARK COUNTY'S LOW UNEMPLOYMENT

Since 2010 the county's unemployment rate has shrunk, dipping to as low as 3.6% in 2015. Park County employment is affected by area patterns in visitation and traveler activity. At the current rate, unemployment could fall as low as 2% by 2017. When unemployment falls below three percent in any area, this can be considered a very tight labor market and there will be increasingly situations where there are not enough workers available for all jobs.

PARK COUNTY'S DIVERSE ECONOMY

The steadily growing economy of Park County rests on the foundation of a diverse services economy. Total employment, which includes all full and part-time jobs, occurs across more than 20 different sectors of the economy.

The sector with the single-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. This #1 sector is closely buttressed by the #2 retail trade sector, which also heavily caters to and is bolstered by travelers. Consumer spending drives all the various trade sectors: arts, entertainment, and recreation. Both visitors and residents alike affect these thriving economic sectors.

The farm & ranch sector, a steady contributor to Park County's economy, has seen growth in recent years. Gross receipts from livestock sales total over \$30 million a year. Crop receipts add another \$15 million, with these gross receipts spent across a range of categories including livestock purchases, feed costs, fuel, and hired labor, the latter estimated at over \$10 million annually.

The chart below shows total labor earnings by economic sector in 2014 for Park County.

FIG. 2: PARK COUNTY LABOR EARNINGS BY MAJOR SECTOR, 2014

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





PARK COUNTY BY THE NUMBERS

- **\$196 MILLION** in non-resident tourism revenues in 2014.
- **ONE** and only year-round driving entrance to Yellowstone Nat. Park.
- **20** different economic sectors fuel a diverse economy.
- **2,800 square miles**, just over half being National Forest Land
- **TOP 6%** - non-metropolitan nationwide – in possessing a thriving “creative class.”
- **\$70 MILLION** a year in direct spending from fishing industry alone.
- **4.1 MILLION** visitors to Yellowstone National Park in record-breaking 2015; a **13% INCREASE** since 2010.
- **564** farms and ranches.
- **22%** of all labor income fueled by travel, tourism, and recreation.



PHOTOS COURTESY OF: (top to bottom): Lynn Donaldson Photography, Lynn Donaldson Photography

HEARTBEAT OF PARK COUNTY ECONOMY REFLECTS THE FLOW OF VISITORS & SPORTSMEN TO THE REGION

TRENDS IN VISITATION TO YELLOWSTONE NATIONAL PARK

Proximity to Yellowstone National Park has heavily influenced the visibility and economic success of Park County. Park County has the only year-round driving entrance into the Park. As the economy has rebounded in the past five years, the trend in increased visitation to Yellowstone Park has surged and the park had a record 4.1 million visitors in 2015 – a 13 percent increase from 2010 levels (the previous record year for visitation).

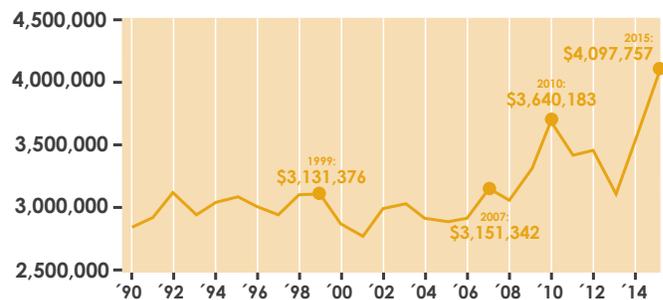
During this same time the average daily traffic (July, 2015) at the northern gateway to the park on Highway 89 was 3,585 vehicles a day. This is an increase of 549 vehicles on average each day over the level in July ten years earlier or an 18 percent increase in traffic.

NON-RESIDENT TRAVELER SPENDING IN PARK COUNTY

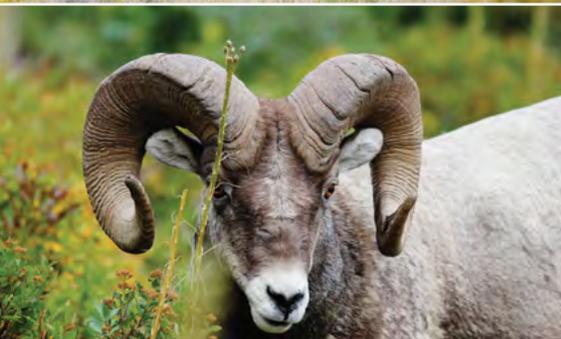
Statewide spending by non-resident visitors averaged \$3.8 billion in 2013 and 2014. Park County, with its desirable public lands, crown jewel national park, and well-developed tourism infrastructure, reaped its share

of these revenues, which feed many sectors of the local economy. It is estimated that Park County alone captured \$196 million per year of these tourism revenues. This represents approximately 2700 jobs. In terms of non-resident traveler expenditures per capita, Park County ranks higher than every other major tourism county in the state at \$12,400 per resident.

FIG. 3:
TOTAL RECREATION VISITS TO YELLOWSTONE NATIONAL PARK, 1990-2015
Source: Institute for Tourism & Recreation Research, U. of Montana



PHOTOS COURTESY OF (clockwise from top): Mike Harrelson, Paradise Adventure Company, Mike Harrelson



“FISH ON” - NATURAL AMENITIES AND AREA ECONOMIC GROWTH

Research and supporting statistics show that Park County's competitive economic advantage is based, in large part, upon the natural assets of the area. Fishing in the county is a primary driver.

Fishing jobs and related revenues are booming. The Upper Yellowstone River alone fuels \$70 million a year in direct expenditures, the majority of which runs through Park County.

Expenditures by river/stream anglers on the Upper Yellowstone:

- 191,143 resident angler days at \$80.51 per day equals \$15.4 million in annual spending.
- 120,203 non-resident angler days at \$385.30 per day equals \$46.3 million in annual spending.

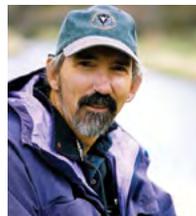
This is a total of almost \$62 million a year in expenditures by both residents and non-residents fishing in Upper Yellowstone rivers and streams.

Expenditures by lake anglers on the Upper Yellowstone:

- 48,870 resident angler days at \$87.36 per day or \$4.3 million in annual spending.
- 14,067 non-resident angler days at \$280.78 per day or \$3.9 million in annual spending.

For area lake fishing, the total annual spending is \$8.2 million for the Upper Yellowstone.

These stream and lake anglers who fish in the Upper Yellowstone River drainage spend an estimated \$70 million a year. 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 represent about \$4,700 in additional spending for each resident of Park County. This spending is generated and sustained by high-quality area natural resources and environmental amenities that provide for large, healthy wildlife populations and fisheries. And area businesses benefit enormously from this spending year after year on a sustained basis.



“As a fishing guide with almost 30 years of experience in the Yellowstone valley, I’m proud to be a part of an industry that contributes substantially

to the local economy while minimizing our effect on the resources we all enjoy.”

~Brant Oswald, owner Brant Oswald Fly Fishing Services

PHOTOS COURTESY OF (clockwise from top): iStockPhoto.com, Brian Grossenbacher, Brian Grossenbacher



LEVERAGING PARK COUNTY'S STRENGTHS TO SUSTAIN ECONOMIC GROWTH AND REGIONAL STABILITY

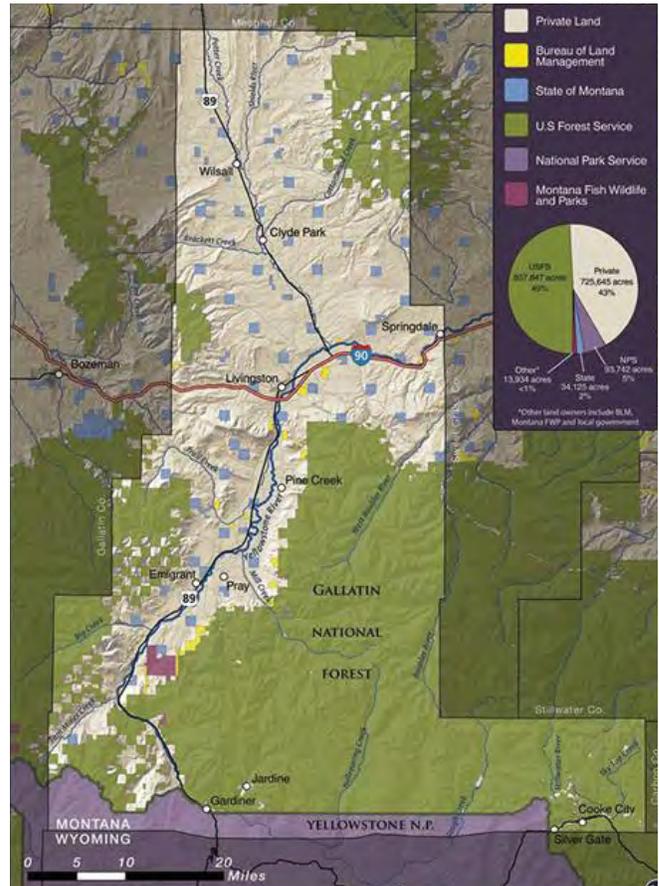
While Park County's population has remained relatively stable over the past twenty years, other economic factors have converged to position the area for future prosperity. Park County is blessed with a strong combination of high-quality area amenities, proximity to the nation's first national park, a steady and lasting stream of visitors and travelers to the area, a seemingly high level of proprietor employment, entrepreneurial energy, and a relatively large proportion of the workforce employed in occupations that require creative skills. The area has a strong economy that continues to grow in sustainable, enduring ways, with many aspects of this economy tied to the area's amenities and quality of life.

The chief threat to area quality of life and economic well-being would be any large-scale activities that negatively impact area amenities and environmental attributes that are the foundation of the area's economic vitality. Large-scale, highly visible, and environmentally disruptive activities – such as large-scale mining and heavy manufacturing – may pose the greatest threats, and could lead to long-term area economic impairment and future economic stagnation. While large-scale industrial activities do bring jobs, employment earnings, and income to an area, these benefits are often short-term or transitory while their negative impacts are deep, continuing sometimes in perpetuity.

Economic stability and intact landscapes give Park County a unique opportunity to maintain things the way they are, and continue to build a healthy and stable economic future.

FIG. 4: PARK COUNTY, MONTANA

Source: Atlas of Park County Montana, 2013, land ownership map



PHOTOS COURTESY OF (left to right): Lynn Donaldson Photography, Lynn Donaldson Photography, Lynn Donaldson Photography, Lynn Donaldson Photography, Lynn Donaldson Photography



YELLOWSTONE GATEWAY BUSINESS COALITION

The Yellowstone Gateway Business Coalition is a pro-business, pro-property rights group representing thousands of hardworking employees and their families throughout Park County, Montana. yellowstone-gateway.com

This summary is based on a 2016 study by Dr. Larry Swanson, economist and director of the O'Connor Center for the Rocky Mountain West at the University of Montana, entitled 'Key Trends, Dependencies, Strengths and Vulnerabilities in Park County, Montana, and its Area Economy'.