

The Local Economic Impact of Douglas-Fir National Monument

Executive Summary

Rural counties where national monuments have been created in the last several decades have done better economically than adjacent counties without national monuments. The economic growth comes from an increase in outdoor recreation related activities, and because the national monument county becomes more attractive to retired persons with disposable income and to those businesses that are mobile and which locate in these rural counties because of the attraction of the national monument.

Linn County, where most of Douglas-Fir National Monument will be located, is the just type of county that would be aided economically by the creation of a national monument.

- *Linn County has no dominant economic sector, because the timber sector, which used to dominate Linn County, has declined significantly.*
- *Economic changes in the timber industry and the reduction of merchantable timber, from both private and public lands, means that Linn County is unlikely to ever return to economic vitality through increased levels of logging.*
- *Employment and economic growth in Linn County is similar to rural counties that were subsequently helped by the creation of a national monument.*
- *The outdoor recreation industry in Oregon is well positioned to create economic growth in Linn County upon the creation of the Douglas-Fir National Monument*
- *The creation of Douglas-Fir National Monument would be a positive declaration of the type that attracts businesses and persons who locate based on life-style choices.*

The creation of Douglas-Fir National Monument will improve economic conditions in Linn County, by creating similar conditions to those that have benefitted economies of other rural counties where national monuments have been created.

Discussion

The proposed Douglas-Fir National Monument would have positive economic effects in the counties that contain it. Based on the impact of other recently created national monuments, and the current economic conditions of the territory surrounding the proposed national monument, the economic impact would be a positive impact for Linn County, creating more jobs in the County and raising the per capita income of the county.

The proposed national monument would include public lands in the northeast section of Linn County and the southeast corner of Marion County. This discussion will focus on the positive impact in Linn County for two reasons. First, most of the national monument will be in Linn County, and access to the national monument is primarily through Linn County. Second, Marion County is a metropolitan county is mostly urban in character, while the Census Bureau characterizes Linn County as "micropolitan" (having an urban core but not large enough to qualify as urban, but not small enough to qualify as rural). While Marion County will benefit from the creation of Douglas-Fir National Monument, its benefits will likely be similar as the benefits accruing to Linn County, but to a lesser degree.

Benefits of Western National Lands Protection

A recent study of the economies of counties in the West with recently created or expanded national monuments found that, “[f]rom the early 1970s to the early 2010s, western rural counties with the highest share of protected federal lands on average had faster population, employment, and personal income growth – two times faster or more—than their peers with the lowest share of protected federal lands.”¹ Per capita income in 2010 in western rural counties with large areas of protected public lands was, on average, \$4,360 higher than per capita income in similar counties with no protected public lands.²

Perhaps the greatest fear national monument opponents have is that it will “lock up” the federal land and thus will have a negative effect on the regional economy. History indicates the opposite. While it can’t be proven that the creation of a national monument is the single defining element that boosted the economies of surrounding rural counties, these studies provide evidence of a net positive economic impact for counties where a national monument has been created.³ Designation of a national monument is at least one factor in the improved economy of these counties after designation.

The positive influence of designation can be tied to several elements of the modern economy that influence economic growth.

- *Outdoor Recreation.* The outdoor recreation industry is a growing part of the economy. Industry reports indicate that outdoor recreation contributed \$16.4 billion in consumer spending, \$5.1 billion in wages and salary to Oregon’s economy.⁴
- *Attractive Lifestyle Choice.* Many jobs, especially in service and in high-tech, are increasingly mobile. Lifestyle is becoming an increasingly important factor in determining where these employers choose to locate and employees choose to live. The designation of a national monument to protect natural amenities and attractiveness, is an affirmation of positive lifestyle amenities in the area.
- *Retirement Economics.* Baby-boomers are now becoming retirees. Like the mobile employment sector, these retirees are often attracted to areas that offer an attractive and diverse outdoor lifestyle. The establishment of a national monument is a declaration that the protected area offers unique and noticeable attractions to people looking for a place to visit and to locate.

¹ Headwaters Economics, *Federal Lands in the West: Liability or Asset?* <https://headwaterseconomics.org/public-lands/federal-lands-performance/> 2017.

² Rasker, R. P.H. Gude, M. Delorey. 2013. *The Effect of Protected Federal Lands on Economic Prosperity in the Non-Metropolitan West*, *Journal of Regional Analysis and Policy*. https://headwaterseconomics.org/wp-content/uploads/ProtectedPublicLands_Manuscript_2012.pdf

³ The Headwaters Group is an independent research group affiliated with the University of Montana and funded in part by support from the Bureau of Land Management and the U.S. Forest Service. A different study, by researchers from the University of Utah, found “no evidence” of a change (positive or negative) in per capita income attributable to national monument designation in larger regions around some of the same national monuments examined in the Headwaters study.

<https://www.researchgate.net/publication/326998317> *The Antiquities Act National Monuments and the Regional Economy*. The discrepancies can be explained by different methodologies, and different scopes of the studies. The Headwaters study distinguished between the counties where the monuments were located and adjacent counties, whereas the Utah study seemed to combine these counties.

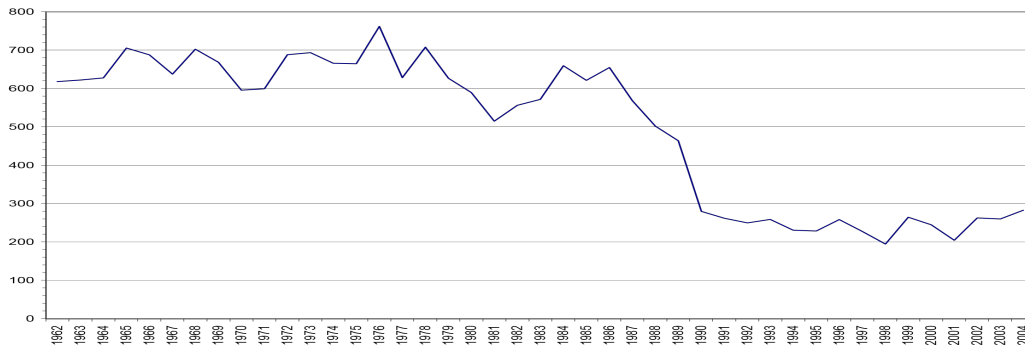
⁴ Outdoor Industry Association. <https://outdoorindustry.org/state/oregon/>

The evidence shows that the economy in counties where national monuments are created do better than the economies of neighboring rural counties without national monuments. What, then, do these national experiences point to regarding the future of Linn County when Douglas-Fir National Monument is established?

A Douglas-Fir National Monument Will Economically Benefit Linn County

Linn County had a timber-dominated economy, but no longer. This began to change in the early-1990s, both as the volume of logs coming from private and federal lands declined and as the economy diversified and expanded into non-timber activities. After a significant decline, the logging levels have remained relatively the same. The decline on federal lands was the largest, with the logging levels in 2004 being about ten percent of what it was in during the very historically high and unsustainable year of 1984. Private lands production was also down significantly, with the 2000 to 2004 production being only 55-60 percent of the 1984 logging levels.

Linn County Logging Levels, 1962-2004
(Millions of Board Feet⁵)



Logging in the proposed Douglas-Fir National Monument will not cease upon establishment of the national monument. The scientifically sound ecological restoration thinning of plantation trees on public lands required to restore the area to a natural forest will continue to provide ample timber for several decades. Logging on private land will not be affected by the creation of the national monument.

There were multiple reasons for the decline in employment associated with the timber industry in Oregon, including Linn County, with the policy decision to discontinue the logging of most old-growth forest being a factor, but only a minor one. Private timberlands were overcut. The export of raw logs to Asia was and is an important factor as was and is the import of finished wood products from Canada.

⁵ Oregon's Timber Harvest, page 112.



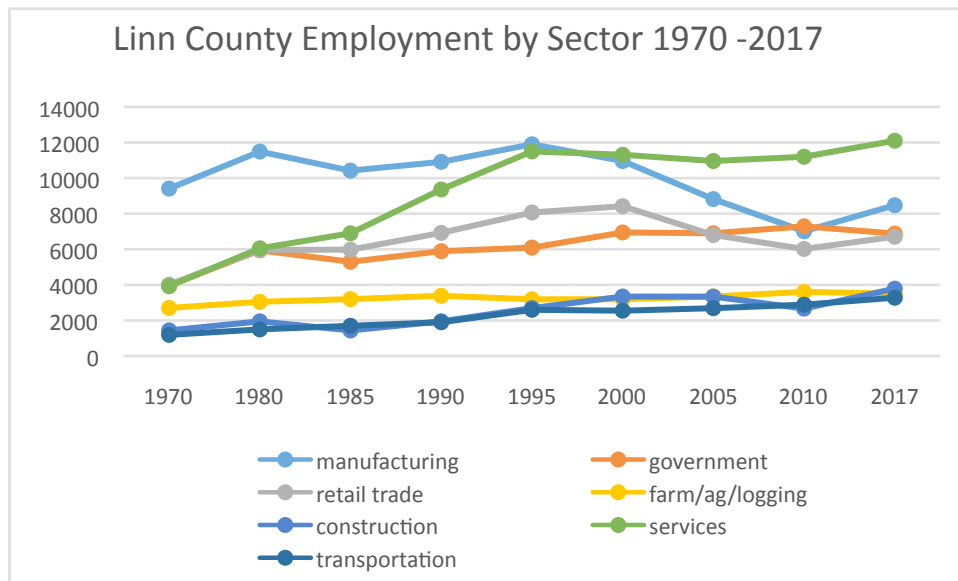
The most important factor in the loss of timber jobs in Oregon was automation of the mills. Since 1995, both the number of mills and the number of mill jobs have declined by half. Yet the production capacity of the remaining mills that retooled is one-quarter larger today than it was in 1995, the year the Pacific Northwest Forest Plan went into effect.⁶

Because of public policies that increasingly favor the protection of forest products such as wildlife, water and recreation, the globalization of trade, and automation in both the wood products mills and in logging, the timber industry will never again dominate employment in Linn County as it once did.

However, there is still great potential for new economic growth in Linn County. The studies cited here show how economies can benefit even more by keeping forests standing than by cutting them down.

Linn County Can Economically Benefit by Creation of a National Monument

Linn County’s economy, like the state and national economies, have changed significantly in the last forty years. For Linn County, the timber industry jobs have been replaced by other manufacturing jobs. Despite the loss of timber industry jobs, employment in the manufacturing sector had not declined significantly until the great recession. The manufacturing sector of the Linn County economy has been the most volatile sector, showing both increases and decreases more severe than other sectors.⁷ As with the rest of the United States, the fastest growing sector of the economy has been the service economy.

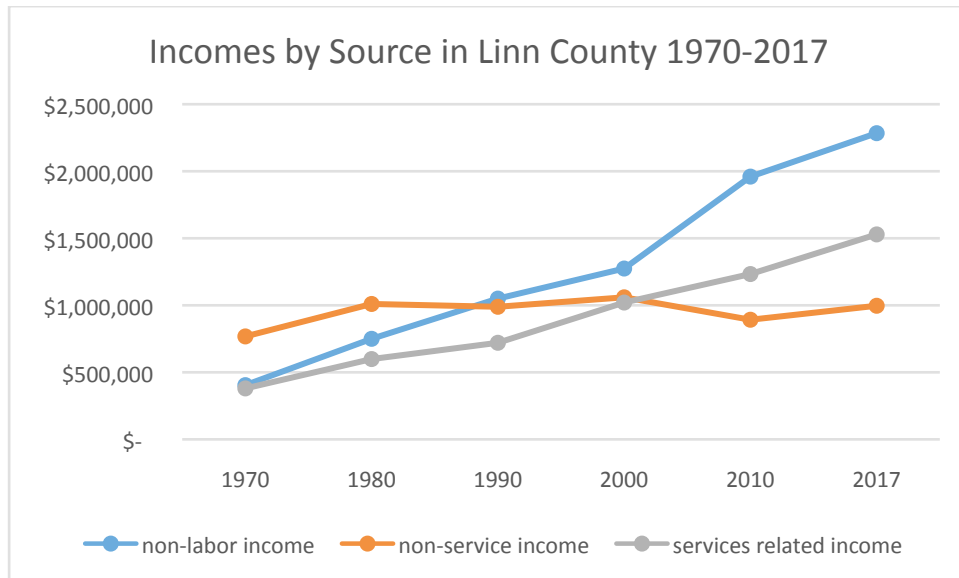


⁶ Kerr, Andy. 2013. [Oregon Softwood Lumber Industry 1995-2012: Fewer Mills and Jobs, but Larger Timber-Processing Capacity.](#)

⁷ Data for all tables in this sector from Headwaters Report on Linn County. Data Sources: U.S. Department of Commerce. 2018. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C.; U.S. Department of Labor. 2018. Bureau of Labor Statistics, Local Area Unemployment Statistics, Washington, D.C.; U.S. Department of Labor. 2018. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Washington, D.C.; reported by Headwaters Economics’ Economic Profile System, headwaterseconomics.org/eps.

Other counties where national monuments have been created have benefitted mostly by the growth of the services sector of the economy, and from the growth of non-labor income. Linn County is positioned to accommodate the growth in these parts of the economy that has been shown to come when a national monument is created.

Income from the services sector of the economy in Linn County has grown sharply over the last forty years, while non-services income has grown very little over the same period. The other segment of the economy that has grown nearly as fast as services sector income is income from non-labor sources. This income, from sources such as dividends, interest and rent; and age-related transfer payments (retirement income), hardship-related transfer payments and other similar transfers has become a significant part of the Linn County economy, rising from 26 percent of personal income in 1970 to 44 percent of Linn County’s total personal income in 2017.



While Linn County’s economy has grown over the last forty years, when examined in 2017, Linn County has not kept up with the rest of the United States in several critical measures.

- While personal income has grown by 49.5% (U.S. 36.6%) it still lags behind the United States as a whole (U.S. per capita \$52,880; Linn Co. \$41,349)
- The 2017 average earnings per job in Linn County is \$49,929 while in the U.S. it is \$62,116.
- Non-labor income is 44.2% of personal income in Linn County, but only 37% of the U.S. personal income
- The Services sector provides 60.1% of the jobs in Linn County; 72.8% of the jobs in the U.S.
- Unemployment almost always runs a little higher in Linn County than in the rest of the US: in 2017 unemployment was 4.4% in the U.S. and 4.8% in Linn County.⁸

⁸ Headwaters Report on Linn County, part 15. Data Sources: U.S. Department of Commerce. 2018. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C.; U.S. Department of Labor. 2018. Bureau of Labor Statistics, Local Area Unemployment Statistics, Washington, D.C.; U.S. Department of Labor. 2018. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Washington, D.C.; reported by Headwaters Economics’ Economic Profile System, headwaterseconomics.org/eps.

Linn County has many of the characteristics of many non-urban counties in the United States; it is following behind the United States economy. The creation of Douglas-Fir National Monument can be the element that accelerates the growth of the Linn County economy.

The Douglas-Fir National Monument could Spur Growth for Linn County

The Headwaters study of the growth of counties after the designation or enlargement of national monuments shows that counties like Linn County benefit from national monument designation because such designation is associated with growth of several important economic factors. Linn County is an ideal candidate for growth similar to that experienced by other counties associated with new national monuments.

- The Douglas-Fir National Monument in Linn County will be close to the major metropolitan areas of Oregon and to two airports with interstate and international connections. Relative ease of access will help Douglas-Fir National Monument and surrounding Linn County serve as a magnet for the outdoor recreation industry.
- Linn County's existing services sector, now the largest part of the Linn County economy, can easily grow to accommodate increased visitation.
- Linn County has space to accommodate an increase in the share of retirees and others seeking to live and spend their non-labor income to support their outdoor recreational life-style choices.
- Douglas-Fir National Monument will be a significant addition to the employer recruitment efforts of Linn County, giving added emphasis to the life-style amenities of the county.

The creation of Douglas-Fir National Monument will have a ripple effect throughout Linn County.

- Recreational opportunities enhanced by Douglas-Fir National Monument will attract young and old and the dollars they spend while in the area.
- Tourism and recreation jobs will grow, increasing employment in the area.
- The income retirees bring will infuse new dollars into the local retail and service economy.
- Along with these demographic changes comes support for more and improved public facilities, such as health facilities, that will serve everyone in the area.
- Increased and more diverse economic activity increases property values so local government revenues increase, supporting improved public services.



Recreational opportunities attract visitors from far and wide.

Conclusion

The evidence is clear. Counties with national monuments do better economically than similar surrounding rural counties. Since its creation will not affect current logging levels and the consequential reduced timber employment in Linn County, establishment of the Douglas-Fir National Monument will not harm the current economy of Linn County. Instead, the creation of Douglas-Fir National Monument can be the factor that spurs growth in Linn County, allowing it to follow the pattern of significantly better growth found in rural counties where national monuments have been established.