

## **Introduction, Purpose, and Summary**

This analysis is part of the Going-to-the-Sun Road Rehabilitation Project of the National Park Service (NPS). It summarizes the existing socioeconomic conditions and trends within two local socioeconomic impact areas. It will be used as a foundation upon which socioeconomic impacts are measured and mitigation plans and recommendations are presented.

The report is organized around four themes:

- Geography (location, transportation, land ownership)
- The Economy (labor force, employment, and employers)
- Demographics
- Organizational Capacity

## **Local Socioeconomic Impact Areas**

Since Glacier National Park (Glacier) abuts the United States – Canadian border, two local socioeconomic impact areas have been identified: one in the United States and one in Canada. Figure 7 depicts the composite socioeconomic area.

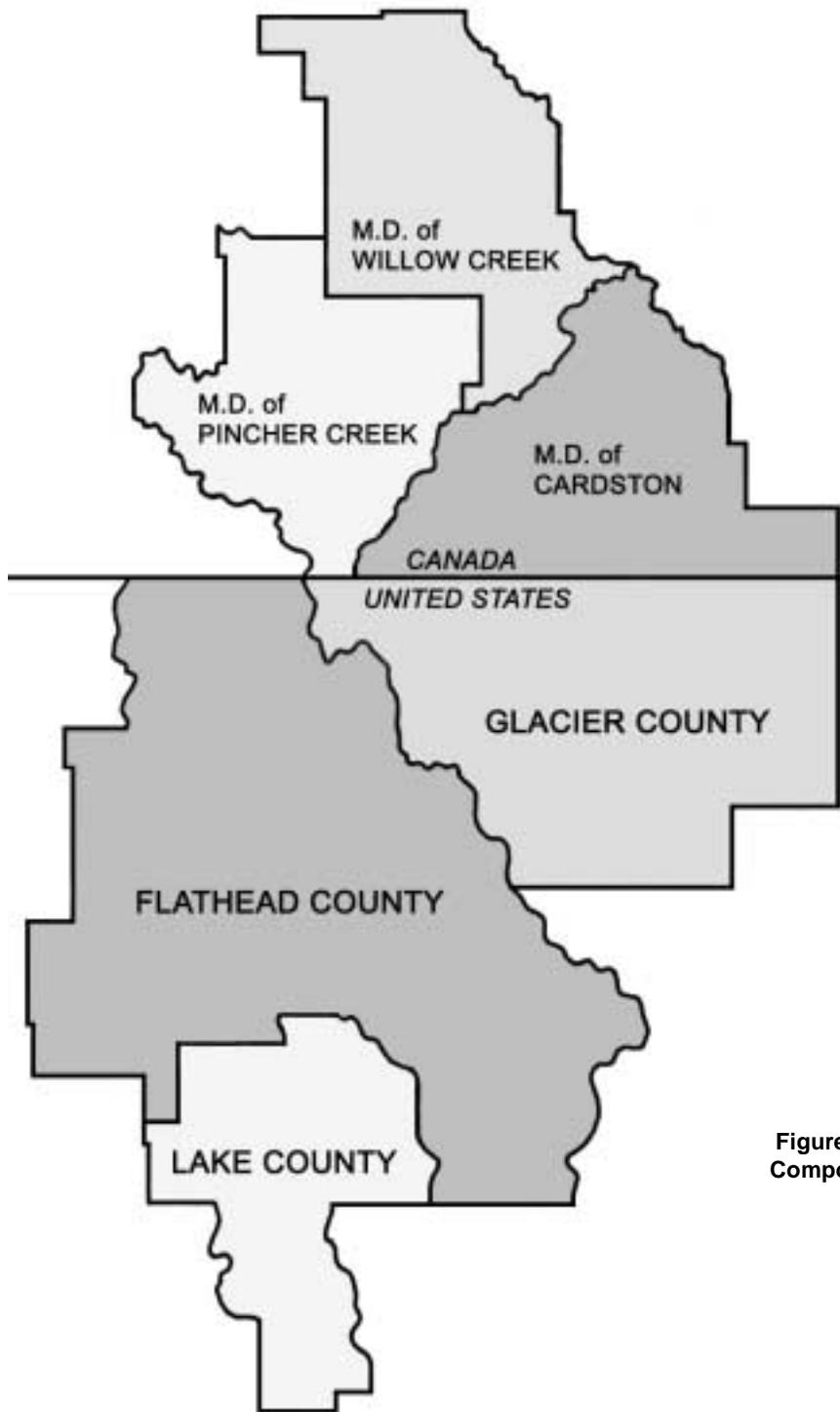


Figure 7: Glacier National Park Composite Socioeconomic Area

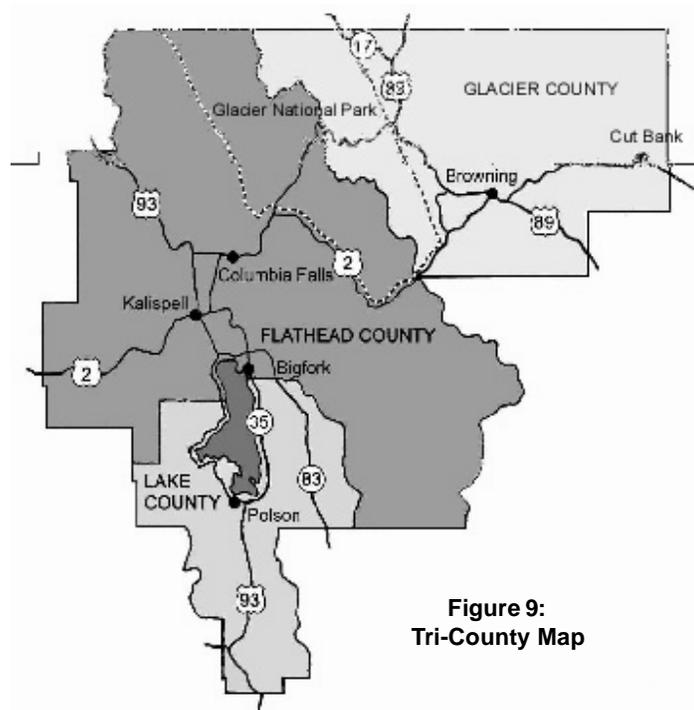
The local socioeconomic impact area in the United States is comprised of three counties in northwest Montana: Flathead, Glacier, and Lake. The location of these counties in Montana is illustrated by the map in Figure 8.



**Figure 8: Location of Tri-County Impact Area**

A more detailed map of the three Montana Counties (Figure 9) indicates the location of the park in Flathead and Glacier Counties. The analysis recognizes that any major change in activity within Glacier has an impact on other counties in Montana, as well as on the nation. However, the three counties closest to Glacier might experience a more significant impact than other Montana counties that are larger or farther away.

A portion of the southern boundary of the Province of Alberta, Canada also abuts Glacier. This area derives a substantial portion of its economic activity from Glacier's visitors. The Canadian socioeconomic impact area has been labeled "Southwest Alberta" and includes communities near the three United States/Canadian border crossings north of Glacier County, Montana. It includes the municipal districts of Cardston, Pincher Creek, and Willow Creek, as illustrated on the map in Figure 10. While other portions of the Province are also impacted by Glacier National Park, this area of relatively small communities is most heavily impacted.



**Figure 9: Tri-County Map**

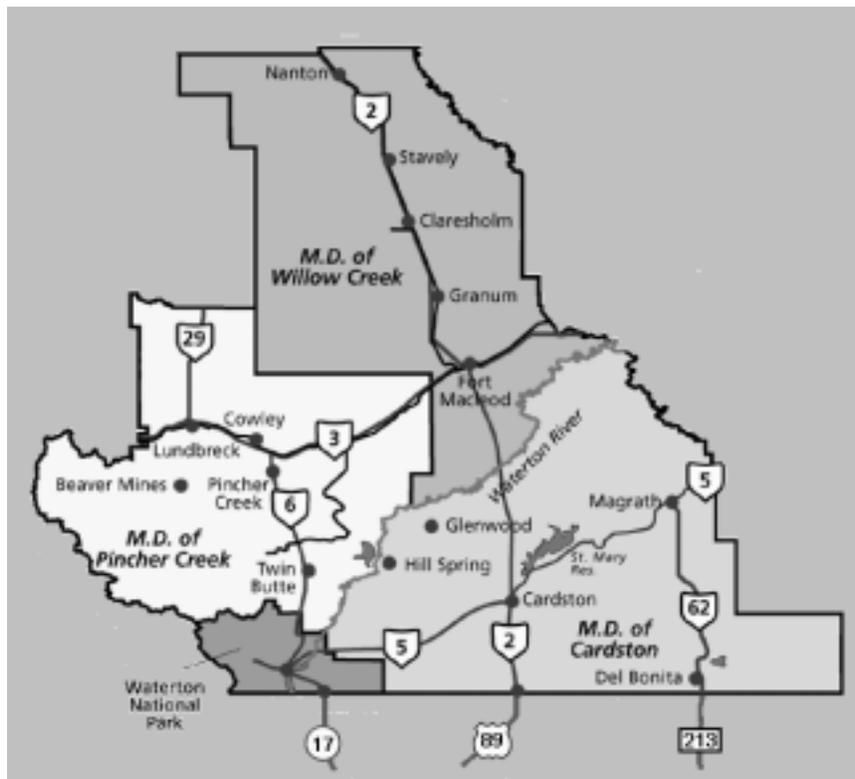


Figure 10:  
Canadian  
Socioeconomic  
Impact Area

Most of this report presents information about each individual Montana County, as well as Southwest Alberta, because the subsequent socioeconomic impact analysis will likely be developed to the same level of specificity.

<b>Socioeconomic Indicators Included in This Report</b>
<ul style="list-style-type: none"> <li>• Land Ownership</li> <li>• Historic and Forecasted Population</li> <li>• Employment by Sector</li> <li>• Major Employers</li> <li>• Agricultural Characteristics</li> <li>• Timber Production</li> <li>• Labor Force, Employment, and Unemployment</li> <li>• Monthly Employment &amp; Unemployment</li> <li>• Personal Income Per Capita</li> <li>• Persons in Poverty</li> <li>• Age Distribution</li> <li>• Race &amp; Ethnic Characteristics</li> </ul>

### Socioeconomic Indicators

The types of socioeconomic indicators presented in this report are those that will likely be useful in the subsequent analysis of impacts and in the development of the visitor development strategy which will be designed to mitigate potential socioeconomic impacts due to rehabilitation of Going-to-the-Sun Road (or, the Road). Indicators developed in this report are summarized below. Source citations for each indicator are detailed in Appendix C.

The visitor and business survey results will provide additional information about the significance of tourism in the local economy.

### Current Socioeconomic Conditions

This section summarizes current socioeconomic conditions in the Montana and Southwest Alberta socio-economic impact areas (henceforth, impact areas).

**Montana Impact Area.** The tri-county impact area in Montana includes Flathead, Glacier, and Lake Counties.

#### Key Socioeconomic Indicators, Montana Impact Area

Parameter	Tri-County Area	State
Population <sup>1</sup>	111,261	882,779
Personal Income Per Capita <sup>2</sup>	\$20,841	\$21,229
Labor Force <sup>3</sup>	55,717	474,006
Resident Employment <sup>3</sup>	51,463	449,361
Unemployment Rate <sup>3</sup>	7.6%	5.2%
Avg. Annual Wages Paid <sup>3</sup>	\$22,333	\$23,253
Avg. Annual Employment <sup>2</sup>	65,436	543,333

<sup>1</sup> July 1999      <sup>2</sup> Avg. Annual 1998      <sup>3</sup> Avg. Annual 1999  
 Sources: See Appendix C for details.

- Currently, 111,261 people reside in the impact area. This comprises about thirteen percent of the State total.
- Personal income per capita, \$20,841, is two percent below the State average. This figure includes all income (wages, pension, social security, investments) divided by all residents (employed, retired, children, etc.).
- The tri-county area contains a labor force of 55,717, which is about twelve percent of the State total.
- Average annual unemployment in the impact area, 7.6 percent, is significantly higher than the State average; this is primarily due to the seasonal nature of the

local economy and the economic condition of the local Native American population.

- The average annual wages paid in the three county area, \$22,333, is four percent below the State average of \$23,253.
- Average annual employment in the area is 65,316. This is higher than resident employment because people commute into the area for jobs on a regular or seasonal basis.

**Southwest Alberta Impact Area.** The Southwest Alberta impact area includes the municipal districts of Cardston, Pincher Creek, and Willow Creek.

Residents live either in a number of small communities with populations of 1,000 to 4,000 or in rural areas. Southwest Alberta contains extensive, producing agricultural land and oil and gas resources. It also contains reserves for the Peigan Nation and the Blood Nation. As of 1996, the date of the last Statistics Canada census, the area contained 41,231 residents and 16,825 jobs. Due to the high proportion of seasonal jobs in the agricultural sector, the unemployment rate was eight percent, which was higher than the Province of Alberta average (6.9% in 1996). Average 1996 household income, \$40,427, was 20 percent lower than the Alberta average, \$51,118.

<b>Southwest Alberta Current Conditions</b>	
Population <sup>1</sup>	41,231
Employment <sup>2</sup>	16,825
Unemployment Rate <sup>2</sup>	8.0%
Average Household Income <sup>2</sup>	\$40,427
<i><sup>1</sup> 1999    <sup>2</sup> 1996    Source: Statistics Canada</i>	

### Economic Diversity

**Montana Impact Area.** Flathead and Lake Counties are remarkably diversified for their size in terms of population and employment. Glacier County's economy is concentrated in fewer economic sectors.

- For all three Montana counties in the local impact area, tourism is an important component of their local economy. Visitor expenditures for food, lodging, transportation, gifts, entertainment, and personal services comprise a sizeable portion of local sales. With an annual visitor count of just under two million, Glacier National Park is the most significant generator of tourism activity. Other tourism generators are Flathead Lake, Big Mountain Resort, Hungry Horse Dam, Flat-

head National Forest, Bob Marshall-Great Bear Wilderness, and the National Bison Range.

- In addition to extensive tourist attractions and tourist-related businesses, Flathead County contains a relatively broad mix of manufacturers, including primarily metals refining, forest products processing and high technology, a regional-scale concentration of professional services, a growing concentration of second-home residents, and an emerging visual and performing arts focus.
- Lake County relies on tourism related to Glacier National Park as well as other destination attractions such as Flathead Lake and the National Bison Range. Its economy is also grounded in timber production, electric power generation, manufacturing, medical care, and services related to an emerging second-home community.
- Glacier County's local economy is less diversified because it does not benefit from the forest products or hydroelectric power. Its local economy is grounded in tourism and agriculture. Oil and gas extraction and production fueled the economy until the early 1980s, but has dwindled significantly due to falling prices on the international market.

**Southwest Alberta Impact Area.** This portion of Alberta has traditional roots in agriculture because of its soil, topography, and warm Pacific winds (Chinooks) which bring unseasonably warm weather in the winter. Agriculture is the traditional mainstay of Southwest Alberta.

The second mainstay of the local economy is oil and gas. The development of oil and gas reserves has caused several boom and bust cycles in the 1960s, 1970s, and 1980s. After the oil and gas industry slump in the early 1980s, the local economy flattened until recently.

Tourism has been a traditional component of the local economy, primarily because it is along the travel route to four high-volume national parks: Waterton Lakes National Park (within the impact area), Glacier National Park, Banff National Park, and Jasper National Park.

## Economic Growth

There are some strong parallels between the sources of economic growth in the Montana and the Southwest Alberta impact areas, as summarized below.

**Montana Impact Area.** The foundation of the local economy is grounded in tourism, agriculture, and its role as a regional trade center. Tourism activity has varied in recent years. Agriculture, a mainstay of the local community, has remained relatively flat. Economic activities related to the area's role as a regional trade center have broadened. Government employment remains a stabilizing influence.

<b>Economic Trends Montana Impact Area</b>	
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<b>Foundation:</b>	
Tourism .....	variable
Agriculture .....	flat
Regional Trade.....	up
Government .....	flat
<b>Traditional Activity:</b>	
Forest Products .....	down
Power-Intensive Industry .....	down
Oil & Gas.....	down
<b>Emerging Activity:</b>	
Arts.....	up
Technology .....	up
Second-Home – Retirement .....	up

The mix of economic activity is changing. There are several traditional areas of economic activity in decline. These include forest products, power-intensive manufacturing, and oil and gas. There are also several emerging types of economic activity that are growing steadily; these are the arts, technology, and second-home and retirement.

**Tourism.** Tourism is a primary driver of the local economy. Since the local area is a tourist destination, it is impacted by national and international considerations. Tourism and travel demand is a complex function of household economic conditions and outlook, national demographic characteristics, surface and air travel costs, and the attraction of competitive venues.

**Agriculture.** Production of agricultural products, including hay, wheat, barley, and some hearty fruits and livestock, has been a traditional foundation of the local economy. Pressures to develop agricultural land plus federal crop reduction programs have caused a decrease in the amount of land devoted to agriculture and a flattening in agricultural employment.

**Regional Trade Center.** Kalispell, the regional trade center of northwest Montana, has continued to mature in its role. The depth and variety of professional services, including medical and financial, educational services, and retail continues to broaden.

- **Forest Products.** Flathead and Lake counties contain several large employers engaged in timber harvest and processing. The University of Montana Bureau of Business & Economic Research reports that the outlook for forest products is a function of the availability of timber, and timber pricing on a national and international basis. Continued reductions in available timber on federal land have hampered activity in the area and triggered the closure of one large timber processor.
- **Power-Intensive Manufacturing.** Inexpensive hydroelectric power was the primary reason why a major metals manufacturer chose to locate in Flathead County. Recent increases in the price of hydroelectric power have caused labor layoffs. The future of hydroelectric power prices is in question.
- **Oil and Gas.** Cut Bank was historically a center of oil and gas exploration and refining. A decline in prices in the early 1980s all but stopped production and triggered a major decline in employment.
- **Arts.** Flathead County is known as the “arts hub” of Montana. There are many artists in residence in the local area that exhibit nationally as well as locally. Increasingly, there are collaborative efforts among the arts community to host shows, auctions, and events. One example is Bigfork’s Festival of the Arts, a multi-day event that has grown over its 21 years, which regularly receives national coverage.
- **Technology.** Technology companies are beginning to discover northwest Montana. Examples include two major employers in Flathead County: Semitool, which designs, manufactures, markets, and services equipment used in the fabrication of semiconductors; and Stream, International, which is a technology call center.
- **Second-Home and Retirement.** In recent decades, Flathead County and portions of Lake County have been developing as desirable second-home and retirement communities not only for Montanans but for others attracted to the area’s extraordinary natural resources and life style.

<b>Economic Trends Southwest Alberta Impact Area</b>	
<b>Foundation:</b>	
Agriculture .....	flat
Oil & Gas .....	down – but changing
<b>Traditional Activity:</b>	
Tourism.....	variable
<b>Emerging Activity:</b>	
Value-Added Agricultural Production .	up
Health Care .....	up
Manufacturing .....	up
Retirement Communities .....	up

**Southwest Alberta Impact Area.** The foundation of the local economy is in agriculture and more recently in oil and gas. Local communities function as trade centers for the agricultural activity in their environs.

- **Agriculture.** Most agricultural income is from massive cattle ranch operations and associated feedlots. The largest crops produced in Southwest Alberta are barley, oats, and wheat. There is increasing growth in value-added agricultural-related businesses such as food processing. One portion of Southwest Alberta is widely known for its equestrian activities and events.

- **Oil & Gas.** There are substantial oil and gas reserves in the Pincher Creek Municipal District. Relative to the early 1980s, oil and gas activity is significantly down. However, recent (1999, 2000, and 2001) increases in the price of natural gas have triggered an increase in oil and gas activity. Historically, this sector has experienced substantial fluctuations in activity, depending on the international price of oil and gas.
- **Tourism.** Tourism has been a traditional activity in Southwest Alberta since it is on a route to several significant national parks. Many local tourist attractions have been in existence for decades. Recently, there has been renewed interest in stepping up tourist-related marketing efforts that focus on local features that celebrate the area’s rich geologic and cultural heritage. Tourism is seen as a sector with strong economic potential.
- **Health Care.** The Town of Claresholm has diversified in the last few years through growth in the health care sector. Large medical services employers have added stability and well-paying jobs.
- **Manufacturing.** While still a relatively small component of the local economy, several communities (Claresholm and Fort Macleod) have experienced a recent influx of manufacturing of wood, fiberglass, and cement products and steel fabrication.

- **Retirement Communities.** Southwest Alberta is growing in its role as a retirement community, evidenced by the number of adult only condominiums and retirement villas.

## Tourism

**Montana Impact Area.** As economic activity in agriculture, oil and gas exploration, forest products and power-intensive manufacturing has declined, tourism in the Montana impact area has become an increasingly important component of the local economy. Today, tourism is a principle economic driver in the local area.

Among the out-of-state visitors, 90 percent of Glacier visitors have made Glacier their principal Montana destination. While in the area, they often extend their stay to visit other facilities. Some larger visitor attractions are described below. One facet of the local tourist “industry” is attracting visitors who are traveling to major national parks such as Waterton Lakes National Park (416,700 visitors) and Glacier (1.7 million visitors) to the south and Banff National Park (4.7 million visitors) and Jasper National Park (1.9 million visitors) to the north. To bolster visibility and visitation, these and other national parks have joined together to market the “Trail of The Great Bear,” an international “trail” traversing 2,085 miles from Jasper National Park to Yellowstone National Park. Travel routes along the “trail” go through the Willow Creek and Pincher Creek Municipal Districts.

Other collaborations include the Mounties-to-Mountain Route and the Red Coat Trail, which recreate the services of the Northwest Mounted Police; the Crowsnest Trail, which follows the Canadian Railway through the Crowsnest Pass; and The Cowboy Trail, which extends west from the Town of Cardston on Highway 5, and north on Highway 6 through Pincher Creek to the Rocky Mountain House.

The most renowned attraction in Southwest Alberta is Waterton Lakes National Park, a 202 square mile park, established in 1895. It shares the U.S.-Canada border with Glacier National Park in Montana. Although the two parks are administered separately, they were joined in 1932 as the Waterton-Glacier International Peace Park. Visitors to Waterton Lake National Park totaled 416,700 in 2000. Although this count was two percent below the prior year, it is eleven percent higher than the average over the last ten years, as illustrated in Figure 13.

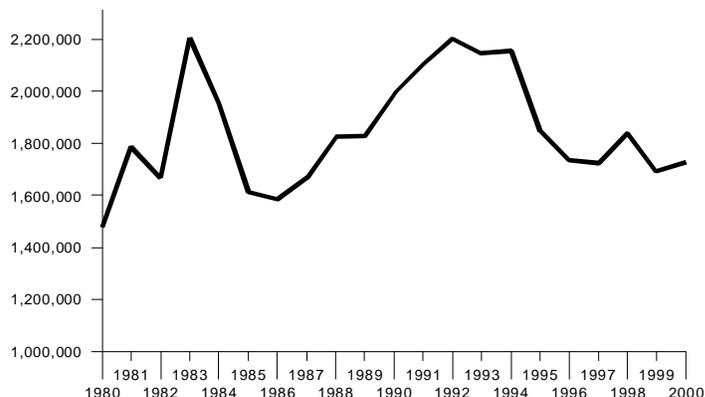


Figure 11: Glacier National Park Annual Visitors

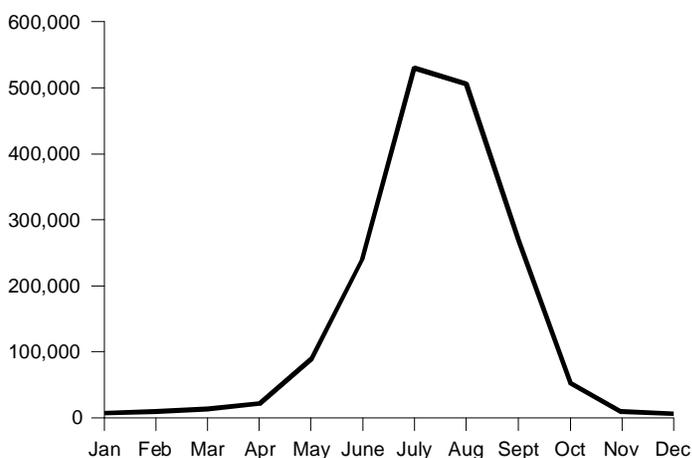


Figure 12: Glacier National Park Visitors by Month

**Glacier National Park.** The primary draw is Glacier. The park traverses the Continental Divide and is located in portions of Flathead and Glacier Counties. It contains more than one million acres of extraordinary mountain terrain including glaciers, alpine lakes, and imposing mountain peaks. It is accessed via more than 700 miles of foot and horse trails and the Going-to-the-Sun Road. Over the last 20 years, visitors averaged 1,865,700. As described in Figure 11, annual visitors have fluctuated. Since 1992, annual visitors have been generally declining.

Using the last five years as a guide, 59 percent of the average annual visitors to Glacier arrived in July and August. The shoulder months of June and September attracted an additional 29 percent of the visitors. The remaining eight months attracted only twelve percent of total annual visitors.

This highly seasonal factor has an economic influence throughout the local economy in terms of unemployment rates, average personal income, and the ability of people to earn a good living in related tourist businesses, such as lodging, restaurants, gift stores, etc.

The NPS maintains a year-round staff of about 134 people and increases staff with about 385 additional seasonal workers during the peak summer months. Glacier

Park, Inc. manages 508 lodging accommodations for the NPS through a concession contract. In addition, the NPS manages a number of campsites in the park.

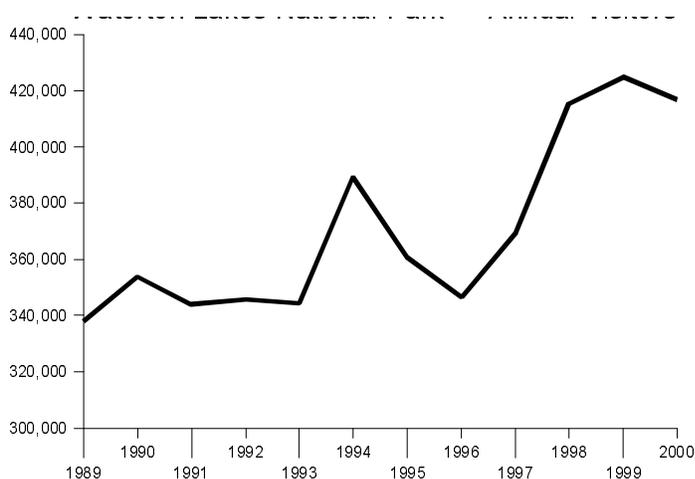
- ***Flathead National Forest.*** This forest contains two million acres of forested land with more than 2,200 miles of hiking trails, 150 lakes, and 1,700 miles of river and stream. It contributes both to tourism and timber production.
- ***Hungry Horse Dam & Reservoir.*** Completed in 1953, the dam is 564 feet high and 2,115 feet wide; the reservoir contains 37 square miles of water. In addition to providing power to the Bonneville Power Administration grid, it provides year-round recreation opportunities as well as tours of the dam.
- ***Bob Marshall - Great Bear Wilderness.*** This federally designated wilderness area contains 1.2 million acres of land with hundreds of miles of trails providing access for fishing, hunting, and hiking through rugged mountainous environment.
- ***Big Mountain Resort.*** This facility, located outside of Whitefish in Flathead County on National Forest Service land, provides 3,000 acres for downhill skiing.
- ***Flathead Lake.*** This 200 square mile lake is the largest natural freshwater lake in the western United States. It is more than 300 feet deep, 28 miles long, and fifteen miles wide.
- ***National Bison Range.*** This Lake County facility, on the Flathead Indian Reservation, attracts nearly 200,000 visitors annually.

**Southwest Alberta Impact Area.** While tourism is not the principal economic driver in Southwest Alberta, it is one of the fastest growing industries and one with significant potential for continuing growth.

### Chapter 3: Socioeconomic Base Analysis

Other collaborations include the Mounties-to-Mountain Route and the Red Coat Trail, which recreate the services of the Northwest Mounted Police; the Crowsnest Trail, which follows the Canadian Railway through the Crowsnest Pass; and The Cowboy Trail, which extends west from the Town of Cardston on Highway 5 and north on Highway 6 through Pincher Creek to the Rocky Mountain House.

The most renowned visitor attraction in Southwest Alberta is Waterton Lakes National Park, a 202-square-mile park that was established in 1895. It shares the U.S.-Canada border with Glacier in Montana. Although the two parks are administered separately, they were joined in 1932 as the Waterton-Glacier International Peace Park. The parks cooperate on environmental initiatives and in protecting the alpine backcountry. In 1995, the International Peace Park was designated an UNESCO World Heritage Site. Activities in the park are centered near the Waterton townsite and on the Upper Waterton Lake. The Prince of Wales Hotel, located in Waterton, is one of the most photographed hotels in the world.



**Figure 13: Waterton Lakes National Park Annual Visitors**

A 1999 visitor survey indicated that 44 percent of park visitors came from the United States; 38 percent originated in Canada, excluding the local area; twelve percent were from the local area, including Lethbridge, and six percent were from other countries, excluding the United States.

Another relatively recent (1990) travel survey focusing on visitors to Chinook Country in Southwest Alberta found that 50 percent of the visitors were from the

United States, 46 percent were from Canada and four percent were from other countries. Among the international visitors, 66 percent were from Europe, twenty percent were from Asia, and fourteen percent were from other countries.

## Organizational Capacity

As the Going-to-the-Sun Road rehabilitation project moves from analysis to mitigation recommendations and action, the local area's capacity to implement recommendations becomes important. While one committed person can make a difference, the capacity to implement is generally a function of staff resources.

**Montana Impact Area.** The tri-county area contains one city with a population over 10,000 residents (Kalispell, 17,149) and six municipalities with a population of between 1,200 and 6,300. (Whitefish (6,292), Polson (4,593), Columbia Falls (4,293), Cut Bank (3,456), Ronan (1,939) and Browning (1,208)].

In the local area, there are an extensive number of organizations dedicated to economic development and tourism. These include ten local chambers of commerce, a regional tourism organization, two convention and visitors bureaus, three community colleges, two economic development organizations, and the tribal councils of the Blackfeet and the Confederated Salish/Kootenai.

**Southwest Alberta Impact Area.** Southwest Alberta includes fourteen towns and villages. In the Municipal District of Pincher Creek, these include Beaver Mines, Cowley, Lundbreck, Pincher Creek, and Twin Butte. In the Municipal District of Cardston, these include Cardston, Glenwood, Hill Spring, and Magrath. In the Municipal District of Willow Creek, these include Claresholm, Granum, Fort MacLeod, Nanton, and Stavely. The Waterton Township is within Waterton Lakes National Park. The largest towns are Pincher Creek (3,659 residents), Claresholm (3,427 residents), Cardston (3,417 residents), and Fort Macleod (3,034 residents).

Numerous organizations are engaged in economic or tourism development. In addition to most towns that have an economic development board, there are five chambers of commerce (Cardston, Claresholm, Fort Macleod, Pincher Creek and Waterton Lakes), and three regional organizations (the Chinook Country Tourism Association, the Southwest Alberta Business Development Institute, and the Niitsitapi Tourism Society of Alberta).

## Flathead County

### Summary of Economic Base

Flathead County was established in 1893 and contains 5,257 square miles. It is the fourth largest county in Montana with respect to population and the second largest with respect to size. The County seat, Kalispell, is the trade center for northwest Montana; the city began as a railroad town for the Great Northern Railway. For its size, Flathead County has a relatively diverse local economy, which has been traditionally driven by tourism, forest products, and electric power. Emerging economic trends include an influx of technology companies, an expanding arts community, an increasingly complex mix of professional services (financial, real estate, health), and an increase in second-home seasonal residents and retirees.

<b>Flathead County</b>	
Current Conditions	
Population <sup>1</sup> .....	72,733
Personal Income Per Capita <sup>2</sup> ....	\$23,327
% Persons Below Poverty <sup>3</sup> .....	14.4%
Labor Force <sup>4</sup> .....	38,003
Residents Employed <sup>4</sup> .....	35,318
Avg. Ann. Unemployment Rate <sup>4</sup> ....	7.1%
Avg. Annual Wages Paid <sup>4</sup> .....	\$23,152
Employment in County <sup>2</sup> .....	46,274
Bed Tax Per Capita <sup>1</sup> .....	\$17.46

<sup>1</sup> July 1999                      <sup>3</sup> Avg. Annual 1995  
<sup>2</sup> Avg. Annual 1998          <sup>4</sup> Avg. Annual 1999  
 Sources: See Appendix C for details.

**Snapshot of Current Conditions.** As of July 1999, Flathead County contained 72,733 people and 46,274 full and part-time jobs. Personal income per capita, \$23,327, is ten percent above the State average. The average annual unemployment rate, 7.1 percent, is above the State average of 5.2 percent. The average annual wages paid (\$23,152) is one percent below the State average of \$23,253. Bed tax revenues per capita, \$17.46, are 45 percent above the State average.

**Historic Trends and Fluctuations.** Since 1980, Flathead County population has increased at an average annual rate of 1.8 percent, which was three times as rapid as population growth in the State (0.6% per year). Flathead County employment has increased at an average annual rate of 3.5 percent per year, also outpacing statewide employment, which increased at 1.7 percent per year.

More recently, the pace of growth in population and employment has increased. During the 1990s, Flathead County was among the most rapidly growing counties in the State.

**Economic Diversity.** Its natural resource base drives a significant portion of the Flathead County's economy. Sixty-four percent of the land contains either Glacier or one of three National Forests. Federally owned land provides world-class tourism opportunities throughout the year, raw timber for harvesting and processing, and a strong motivation behind second-home purchasers.

The manufacturing sector is diversified, including high technology, primary metals refining, and forest products processing. Cost-effective hydroelectric power attracted a large aluminum processor to the County. Recent price changes eroded this competitive advantage and contributed to the plant's scheduled closure.

Kalispell, the largest city in northwest Montana, functions as a regional trade center. Kalispell contains medical care, financial services, higher education services, and cultural facilities and events for the region. Bigfork, Whitefish, and Kalispell are emerging as attractive locations for artists, art galleries, and art events.

**Economic Outlook.** The Flathead economy is becoming more diverse as its resort services and facilities broaden, it attracts manufacturers to balance its economy, and it becomes increasingly known as a desirable second-home and retirement community.

Primary fluctuations in the local economy that are beyond the County's control include (a) visitation at Glacier; (b) timber production; (c) hydroelectric power rates, and; (d) national and international economic conditions.

<b>Flathead County Historic Growth</b>	
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<b>Avg. Annual % Change, 1980-1998(9)</b>	
Population.....	1.8%
Employment.....	3.5%
Per Capita Income.....	7.0%
<b>Avg. Annual % Change: 1990-1998(9)</b>	
Population.....	2.3%
Employment.....	4.2%
Per Capita Income.....	7.1%
Bed Tax Revenues .....	4.9%

## Flathead County Geography

**Location & Transportation.** Flathead County is located in northwest Montana. Its eastern edge abuts the Continental Divide within Glacier and its northern boundary abuts Canada.

U.S. Highways 2 and 93 traverse the County, making Kalispell the trade center for northwest Montana.

Daily Amtrak rail service is available from Seattle and Chicago via the Empire Builder. Stops in Flathead County are located in Whitefish, West Glacier (Belton), and Essex.

<b>Flathead County Land Ownership</b>	
National Park.....	11.0%
USFS.....	52.9%
Indian Reservation .....	0.8%
All Other .....	<u>35.3%</u>
Total.....	100.0%

*Sources: See Appendix C for details.*

**Land Ownership.** Containing 5,257 square miles, Flathead County is the second largest county in Montana. The federal government owns and manages a substantial portion of county land. Portions of the Flathead, Kootenai, and Lolo National Forests comprise 2,782 square miles (53%) of County land. One-third of Glacier (577 square miles) is in Flathead County. A small portion of the Flathead Indian Reservation (44 square miles) is also in the County. The remainder of the land (35.3%) is in private ownership or is owned by the State of Montana.

Relative to other Montana counties, Flathead contains a small proportion of farmland, 6.4 percent.

## Flathead County Resident Labor Force

**Labor Force, Employment, & Unemployment.** In 1999, an average of 38,003 people were in the resident labor force in Flathead County. Of these, an average of 92.9 percent were employed and 7.1 percent were unemployed. This unemployment rate was 36 percent higher than the State average of 5.2 percent. Historically, Flathead County's unemployment rate has been higher than the State average, due to seasonal variations in some industries, such as tourism, that are key to the local economy.

Since 1990, the labor force has increased at an average annual rate of 2.6 percent per year. During this same time period, resident employment has increased 2.7 percent per year causing a modest downward trend in the unemployment rate. Resident employment (jobs held by county residents) has increased more slowly than employment in the County (jobs located in the county). This condition indicates that either non-residents are commuting to the County for employment or County residents are holding multiple jobs.

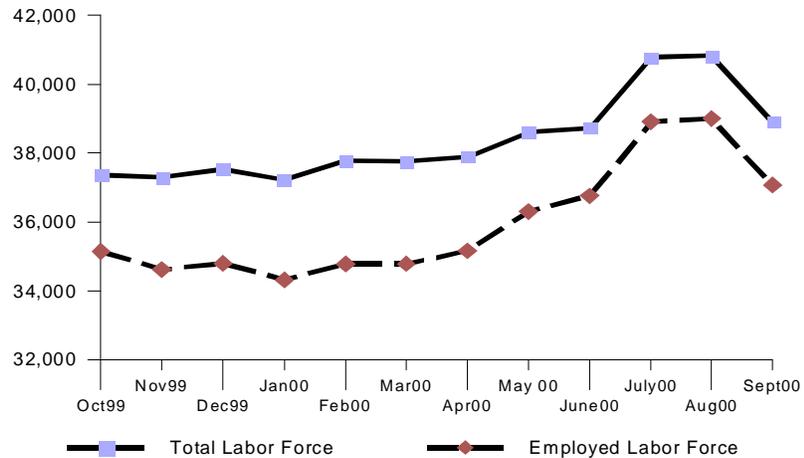


Figure 14: Flathead County Monthly Labor Force

**Seasonal Employment.**

Due to the tourist and natural resource based economy, employment fluctuates seasonally in Flathead County. Jobs in tourism and agriculture are at their highest levels in the summer months. Winter season jobs, such as those in winter recreation and holiday tree sales, are fewer than summer season jobs. In Flathead County, employment is at its highest levels in August and at its lowest levels in January.

During the last twelve months (October 1999 through September 2000), there were an average of 35,966 people employed in Flathead County. Monthly employment fluctuated 23 percent from the highest to the lowest level. As an illustration, in August 2000, employment was eight percent above the twelve-month average; in January 2000, employment was fifteen percent below the twelve-month average. Over the last twelve months, the difference between the low employment month (January 2000) and the high employment month (August 2000) was 4,604 jobs or thirteen percent of the twelve-month average number of employed residents.

The labor force fluctuated by only ten percent during this same time period. In August 2000, the labor force was six percent above the twelve-month average and in January 2000, the labor force was four percent below average. While the number of people in the labor force does increase during the summer months, it does not increase

as rapidly as the number of jobs available and it does not decrease as sharply as the reduction in jobs in September, October, and November.

One result of these two conditions is that the number and percent of unemployed fluctuated by 49 percent. In August 2000, the number of unemployed was 26 percent below average and in January 2000, the number of unemployed was 23 percent above average.

### Flathead County Economic Activity

**Average Annual Employment.** Total full and part-time employment, which includes wage and salary and sole proprietors, increased relatively consistently at an average annual rate of 3.5 percent per year between 1980 and 1998. This rate of job growth was twice as rapid as the State (1.8% per year). Wage and salary employment, which comprises seventy percent of total employment in the County, increased at three percent per year. Statewide, wage and salary employment increased at 1.5 percent per year.

In Flathead County, sole proprietor employment (self-employment), which comprises 30 percent of total employment, increased at 5.1 percent per year between 1980 and 1998. Statewide, sole proprietor employment increased at 2.8 percent per year. As Flathead County develops as a service economy and as some major employers downsize or close, more and more workers are leaving or are being laid off from salaried positions to become sole proprietors or self-employed.

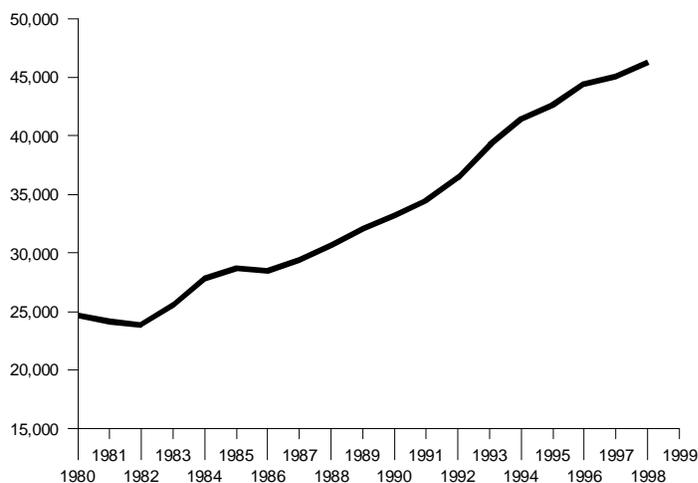


Figure 15: Employment in Flathead County

**Employment by Sector.** This section summarizes broad trends in employment activity. It is followed by a sector-by-sector analysis. Relative to the State as a whole, the following conditions exist in Flathead County:

- Sectors with relatively high average annual wages [manufacturing, mining, transportation/communications/utilities (TCU)] comprise a relatively

small proportion of total jobs. Manufacturing and TCU are also growing at relatively low rates. Recent closures among manufacturing firms have further reduced the number of year-round, well-paying positions.

- Sectors with relatively low annual wages (retail trade and services) comprise more than half of jobs in the County (52.1%). These sectors are also growing at relatively rapid rates.
- The government sector provides a stabilizing influence in terms of year-round jobs at above average wage rates. The proportion of government jobs in the County (9.8%) is low relative to the State average.

**Major Employers.** The largest private sector employers in Flathead County are listed at right. The list is illustrative of the relatively diverse local economy. Among these, two are medical services providers, two are manufacturers, two provide tourism services, and two provide telecommunication services.

The largest public sector employers include school districts in Kalispell, Big Fork, and Columbia Falls, the City of Kalispell, Flathead County, the Montana Veterans Home, the US Forest Service, and the National Park Service.

**Farm Employment.** Farm employment comprises 1,043 jobs in Flathead County. Farm employment has been relatively flat since 1980.

**Agricultural Sector.** The agricultural sector excludes farm employment. This includes agricultural crops and livestock plus fishing, forestry, and agricultural services. As articulated in the *Economic Analysis of Flathead County, Montana and Northwest Montana* (Flathead Economic Policy Center, 2/00), agriculture is an important component of the Flathead County economy both for the production of food and fiber and for amenity values, which large open or forested spaces provide for other residents and visitors. The County is renowned for its cherries and Christmas tree farms.

<b>Flathead County Largest Employers</b>
Alamron Telco. Inc.
American Timber Co.
Big Mountain Ski Resort
CenturyTel
Columbia Falls Aluminum
Daily Interlake
Flathead Electric Co-Op
Glacier Bank
Grouse Mountain Lodge
Immanuel Lutheran Home
Kalispell Reg. Med Center
L.C. Staffing Service
North Valley Hospital
NW MT Human Resources
Plum Creek Manufacturing
Semitool, Inc.
Stream, International
F.W. Stolz Land & Lumber Co.
The Summit
Tidyman's
Wal-Mart
Workplace, Inc.

There are 898 farms in the County that collectively contain about 216,303 acres of land (6.4% of the County). Relative to other portions of the State, Flathead County farms tend to be smaller (median size of 50 acres) but have a high real estate value on a per acre basis. Flathead County farms produced an average of \$29,700 on agricultural products in 1997. This is one-third of the State average (\$77,051). Only 43 percent of all farm operators in the County work on their farm on a full-time basis, compared with 65 percent of farm operators Statewide.

This sector is in peril principally because landowners are increasingly attracted to selling their land for real estate development. Over the last ten years, the value of agricultural land has increased at an average rate of 4.9 percent while the value of agricultural products sold per farm has increased only 1.9 percent per year.

In 1998, Flathead County contained 839 jobs in the agricultural sector, which comprised 1.8 percent of total jobs. Employment in this sector has been increasing at 6.4 percent per year 1980, substantially higher than the State rate of 1.8 percent per year.

**Mining Sector.** Mining is the smallest sector in term of jobs (194 jobs in 1998) comprising less than one percent of total County jobs. The sector has been growing rapidly in employment. Average annual wage rates, \$38,360, are the highest of all sectors in the County.

**Manufacturing Sector.** In 1998, there were 5,070 jobs in manufacturing in the County. While a relatively small sector in terms of jobs, it is significant to the local economic base because of its relatively high wage rates and consistency through the seasons. This sector comprises eleven percent of total jobs in the County; this is twice as high as the State average (5.2%). This is due to the presence of timber and aluminum production and processing. Employment in this sector is vulnerable to economic factors beyond local control, such as the relative cost of hydroelectric power, and foreign demand for and regulatory constraints on timber harvesting. Average annual manufacturing wages (\$33,117) are forty-three percent higher than the County average.

- **Aluminum** processing was a strong traditional component of the manufacturing sector that developed in the County because of relatively inexpensive electric costs made possible by hydropower resources and their connection with the Bonneville Power Administration Grid. Aluminum processing provided year-round employment at relatively high wage rates. Challenges due to the age of the physical plant, international competition and recent increases in the price of elec-

tricity triggered the phased closure of The Columbia Falls Aluminum Company; closure was scheduled to be complete in June 2001. The Company is located near the Hungry Horse Dam; when fully operational, it consumed twenty to 25 percent of the State's entire electricity supply.

- **Timber.** Flathead County is a major timber-processing center. The forest products industry, the County's largest manufacturing activity, employs over 1,800 people and supports additional jobs in logging, trucking, and related businesses. There has been a steady decline in the supply of timber available from the national forecasts and increasing pressure to constrain timber availability from State-owned land. Also, sluggish demand for timber from the Far East markets has hindered activity.

In Flathead County, timber harvesting and processing is available from substantial private timber holdings. This resource has partially offset the loss of timber from federal land. Major employers include Plum Creek Timber Company and American Timber Company. Recently, American Timber Company closed and sold its machinery and equipment.

**Transportation, Communications, & Utilities Sector.** In 1998, there were 2,013 jobs in the County, comprising 4.3 percent of total jobs. Most jobs in this sector are with trucking firms. The number of jobs have been flat since 1980. Average annual wages in this sector are about 24 percent higher than the county average for all jobs.

The number of jobs in this sector understates its significance; the Bonneville Power Administration and its Hungry Horse Dam have a direct effect on the Columbia Falls Aluminum Company, a major employer in the County.

**Construction Sector.** In 1998, there were an average of 3,674 construction jobs in the County, comprising 4.6 percent of total jobs. Statewide, construction jobs comprised 6.1 percent of the total. This sector is responsive to other economic development activity in the County. The seasonal nature of construction exacerbates other seasonal variations in the local economy due to tourism. Average annual construction sector wages (\$27,659 in 1998) were nineteen percent higher than the County average.

**Wholesale Trade Sector.** In 1998, there were 1,275 jobs in wholesale trade in the County, comprising 2.8 percent of total jobs. Jobs in this sector have increased at 2.2 percent per year since 1980. Wholesale trade wages (\$26,069) are twelve percent higher than the County average.

**Retail Trade Sector.** This sector comprises 21.2 percent of all County jobs; State-wide, retail jobs comprise 19.5 percent of the total. In 1998, there were 9,794 retail jobs in the County. Retail trade jobs have increased at 4.2 percent per year since 1980, which is twice as rapid as retail job growth in the State (2.4%). The average annual wage rate for retail employees in Flathead County, \$14,715, is 36 percent below the County average for all workers.

**Services Sector.** This is the largest sector in terms of number of jobs as it comprised 31 percent of all County jobs in 1998; statewide, the services sector employed 29.8 percent of all jobs. Between 1980 and 1998, the County experienced substantial increases in the services sector, which grew at 6.1 percent (521) jobs per year. State-wide, the services sector grew at 3.6 percent per year. Average annual wages in the services sector, \$20,591, are the lowest among all sectors in the county and eleven percent below the county average.

Services sector jobs in Flathead County are principally in the health care, business services, and lodging. In addition, the County has a strong arts community. Key facilities include the Hockaday Center for the Arts (Kalispell), the Kalispell Repertory Theater, the Whitefish Theater Company, and the Bigfork Center for the Performing Arts.

**Government Sector.** Federal, State, and local government jobs totaled 9.8 percent of all County jobs (4,534); in the State, government jobs averaged 15.3 percent. The proportion of government jobs is relatively low due to the absence of State jobs.

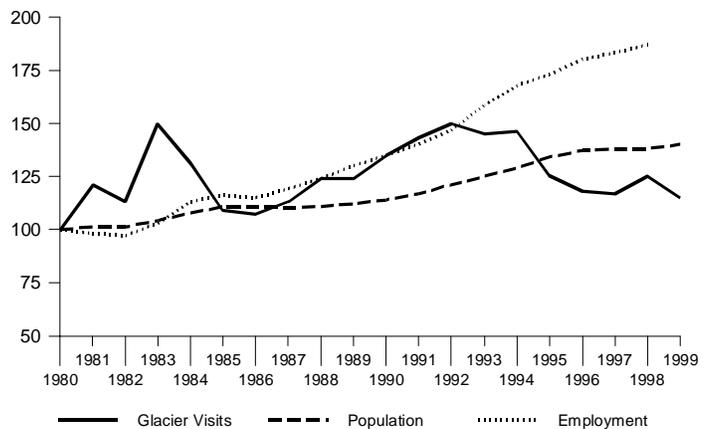
While this sector has grown relatively slowly in both the County and the State, it is an important stabilizing influence in the County due to permanent year-round jobs that are not subject to quickly changing outside influences. The average annual wage rate in the government sector (\$27,315 in 1999) was 61 percent higher than the County average (\$23,152 in 1999), and comparable to the statewide average for the sector.

## Tourism in Flathead County

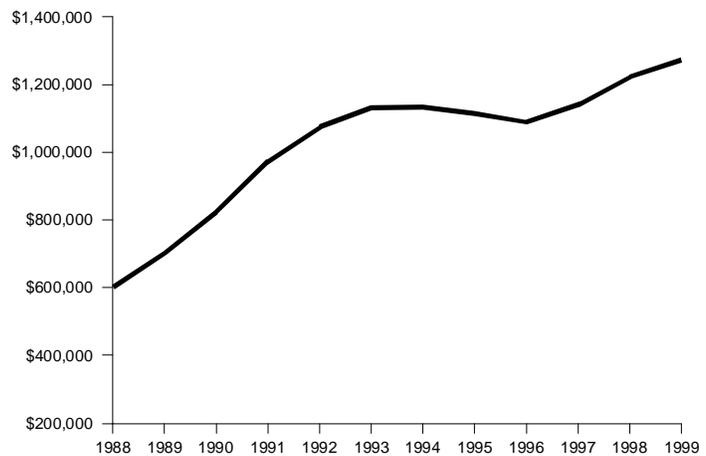
Tourism is a significant component of the Flathead County economy. Unfortunately, it is not possible to segregate tourism employment specifically as tourism jobs are within several sectors. Key measures of tourism are number of visitors to Glacier, skier visits at Big Mountain, bed tax revenues, and resort tax revenues from Whitefish.

Figure 16 illustrates annual changes in Glacier visitation, County population, and County employment between 1980 and 1999. While the significant volume of Glacier visitation is an important component of the local economy, the Flathead County economy is influenced by but is not as volatile as annual changes in park visitation. During two downward trends in park visitation, the rate of local economic growth slowed but did not decline.

A statewide bed tax is imposed at the rate of four percent on lodging receipts. This is one quantitative measure of tourism activity. In Flathead County, bed tax revenues have increased at an average annual rate of 4.9 percent per year between 1990 and 1999. This rate is slower than the statewide average of 6.5 percent per year. In Flathead County, bed tax revenues per capita (\$17.46) are nearly 50 percent higher than revenues per capita Statewide (\$12.06). This is a further indication of the County's dependence on tourism.



**Figure 16: Flathead County & Glacier National Park Statistics**  
Indexed Values -- 1980 = 100



**Figure 17: Flathead County Bed Tax Revenues**

## Flathead County Demographics

**Population.** As of July 1999, Flathead County contained 72,733 people. Population has been increasing at an average annual rate of 2.3 percent between 1990 and 1999, more than twice as rapidly as the State (1.1%) during the same time period. Population forecasts indicate the County will continue growing at an average of 1.7 percent per year during the next ten years. This growth rate is twice the forecasted rate for the State.

**Age Composition.** The age composition of Flathead County residents is very similar to the State (28% under 18; 59% between 18 and 64; 13% 65 and over).

**Income.** Per capita personal income in Flathead County (\$23,327) is ten percent higher than the State average (\$21,229). This is attributable to proportionately more employees in higher wage sectors such as construction and mining and a relatively extensive amount of professional services (legal, financial, medical). Since 1980, County per capita personal income has increased more rapidly than income at the State or national levels. This might be attributed to higher than average growth in the manufacturing, construction, and finance/real estate and insurance sectors.

The percent of residents below poverty (14.4% in 1995) is nine percent below the State average (15.8%).

**Racial & Ethnic Composition.** In 1990, approximately 97.8 percent of County residents were White, 1.5 percent were American Indian and 0.7 percent were other racial and ethnic backgrounds.

### Largest Cities in Flathead County (Population as of 7/1/99)

Columbia Falls .....	4,293
Kalispell .....	17,149
Whitefish .....	6,292

## Flathead County Organizational Capacity

**Municipalities.** The County contains eighteen cities, towns, and villages including Apgar, Bigfork, Columbia Falls, Coram, Creston, Essex, Hungry Horse, Kalispell, Kila, Lake McDonald, Lakeside, Marion, Martin City, Olney, Polebridge, Somers, West Glacier, and Whitefish.

Population within the largest three, Columbia Falls, Kalispell, and Whitefish, comprise 38 percent of the County’s population.

- **Columbia Falls** developed in part because of its proximity to the Flathead River. Coal was mined nearby and brought to Columbia Falls for shipping. It is known as the Gateway to Glacier and as the location of the Plum Creek Timber Company and the Columbia Falls Aluminum Company.
- **Kalispell** began as a railroad town and grew to become the trade and financial center of northwest Montana. It is the only municipality with more than 10,000 people in the local area.
- **Whitefish** began as a fur-trading center in the late 1800s and later flourished with the logging industry and the Great Northern Railway. Whitefish has developed into a town with extensive year-round recreation activities. Its permanent population is small relative to its extensive lodging accommodations and seasonal homes. Downtown Whitefish is an attractive and visitor-oriented mix of restaurants, apparel and sporting goods retailers, gift stores, and entertainment venues.

**Economic Development Organizations.** Flathead County contains five chambers of commerce, two convention and visitors bureaus, and a regional tourism organization. Some organizations, such as Glacier Country and the Flathead Convention and Visitors Bureau, focus exclusively on tourism development while the chambers of commerce focus more broadly on economic development initiatives. These are some of the largest economic development organizations in northwest Montana.

<b>Economic Development Organizations</b>
Bigfork Chamber of Commerce Columbia Falls Chamber of Commerce Flathead Convention & Visitors Bureau Flathead County Port Authority Glacier Country Regional Tourism Commission Kalispell Chamber of Commerce Lakeside-Somers Chamber of Commerce Whitefish Chamber of Commerce Whitefish Convention & Visitors Bureau

- **The Bigfork Chamber of Commerce** is an established organization that has functioned for more than fifty years. It has about 225 members and is staffed by one half-time person plus volunteers. Its primary focus is tourism.
- **The Columbia Falls Chamber of Commerce** is also an established organization that has functioned since the 1940s. It is an all-volunteer organization comprised of 175 members. In addition to tourism, the Chamber focuses on improving quality of life through economic development and environmental issues.

- **The Kalispell Chamber of Commerce** is the largest in northwest Montana by a significant margin. They have five full-time employees and a budget of more than \$500,000. Activities include managing its well-visited web site, responding to inquiries with promotional material, member advocacy, and promoting events such as a jazz festival.
- **The Flathead Convention and Visitor Bureau** is the oldest in the State (11 years). They have 150 members and one full-time staff person. Funding comes from members and bed tax funding. They manage a web site, distribute a travel guide, and are active participants in familiarization visits by travel writers groups.
- **The Flathead County Port Authority** is a quasi-governmental entity created by the County Commissioners to facilitate economic development. An example of its work is efforts to fund a study that will test the feasibility of building a new power plant.
- **Glacier Country**, one of six tourism regions in Montana, represents eight counties in northwest Montana, including Flathead and Lake. Its purpose is to attract tourism. Activities include direct mail, management of a web site, advertising, conducting travel guide press visits, and cooperative efforts with other local tourism organizations. It has a staff of two full-time people and has functioned for 14 years.
- **The Lakeside-Somers Chamber of Commerce** has a staff of one part-time person plus volunteer support. It has been in operation for about ten years. Primary functions are sponsoring community events throughout the year, which are designed to bring people into town to patronize local establishments.
- **The Whitefish Chamber of Commerce** has functioned for more than 50 years. It has a staff of three. Revenues are from membership dues, events, and bed tax receipts. The Chamber has found emphasis on travel writer familiarization trips to be highly cost effective. Whitefish is one of six cities in the State that receive bed tax funds directly because they generate sufficient room demand.
- **The Whitefish Convention and Visitors Bureau** is a relatively new organization, having been operational for three years, as an arm of the Whitefish Chamber of Commerce. Its principal activities are public relations, specifically including hosting travel writers. The Bureau also advertises in state publications and some national publications such as *Ski*, *Outside*, *Skiing*, *Powder*, *Back Country*, and others. Funding is entirely from bed tax receipts. The Bureau is a volunteer organization with no paid employees.

## Glacier County

### Summary of Economic Base

Glacier County was established in 1919 and named for Glacier National Park. It contains 3,037 square miles. Within Montana, this County is ranked seventeenth in size and thirteenth in population among fifty-six counties. Glacier County contains Cut Bank, the County seat, and a substantial portion of Glacier. The Blackfeet Indian Reservation comprises almost one half of the land in Glacier County. Members of the Blackfeet Tribe comprise about seventy percent of the County's population.

#### Snapshot of Current Conditions.

Glacier County contains 12,603 people and 6,151 full and part-time jobs. Personal income per capita (\$15,374) is twenty-eight percent below the State average of \$27,203. The proportion of persons below poverty, 35.4 percent, is among the highest in the State. The average annual unemployment rate in Glacier County, 14.9 percent, is also among the highest in the State. The average annual wages paid, \$21,191, is eight percent below the State average of \$23,253.

Bed tax revenues per capita \$30.25, are 2.5 times the State average of \$12.06. This high volume is because Glacier Park, Inc. the lodging concessionaire for the National Park Service, reports substantial bed tax revenues from its East Glacier headquarters, which is in Glacier County.

**Historic Trends and Fluctuations.** Since 1980, Glacier County population has increased at about the same rate as the State, 0.9 percent versus 1.1 percent per year.

Employment, however, has remained flat in the County while increasing at 1.8 percent per year statewide. This condition has led to increasingly high rates of unem-

<b>Glacier County Current Conditions</b>	
Population <sup>1</sup> .....	12,603
Personal Income Per Capita <sup>2</sup> .....	\$15,374
Persons Below Poverty <sup>3</sup> .....	35.4%
Labor Force <sup>4</sup> .....	5,272
Labor Force Employed <sup>4</sup> .....	4,484
Avg. Ann. Unemployment Rate <sup>4</sup> ....	14.9%
Avg. Annual Wages Paid <sup>4</sup> .....	\$21,191
Employment in County .....	6,151
Bed Tax Per Capita <sup>1</sup> .....	\$30.25
<sup>1</sup> July 1999	<sup>3</sup> Avg. Annual 1995
<sup>2</sup> Avg. Annual 1998	<sup>4</sup> Avg. Annual 1999
<i>Sources: See Appendix C for details.</i>	

ployment. Per capita income has increased an average of 3.9 percent in the County.

Since 1990, economic trends improved in the County as employment has increased by 1.9 percent per year and per capita income by 4.5 percent per year. Bed tax revenues increased at 6.4 percent per year, a growth rate comparable to the State.

**Economic Diversity.** Relative to other counties in northwest Montana and to the State, the Glacier County economy is not diverse. Its economy is heavily dependent on tourism. This is evidenced by the high proportion of people employed in the retail and services sectors (52.2%) and the high bed tax revenues per capita (\$30 in Glacier County versus \$12 Statewide). Other sectors with proportionately high employment are government services and agriculture. Glacier County does not have the benefit of timber or hydroelectric power resources that have enabled other nearby counties to diversify. Employment in oil and gas extraction and refinery has decreased substantially since the early 1980s, due to the decline in the price of oil and gas.

**Economic Outlook.** The County's near term economic outlook is driven by tourism and the local business community's ability to capture more tourist expenditures.

### Glacier County Geography

**Location and Transportation.** Glacier County is located in northeast Montana. Its western border abuts the Continental Divide within Glacier; its northern border abuts Canada.

The County is accessed via US 2, an east-west route through the northern portion of the State, and US 89, a north-south route that goes through Great Falls. I-15 is a north-south route located just east of Glacier County.

<b>Glacier County Historic Growth</b>	
<hr/>	
<b>Avg. Annual % Change: 1980 – 1998(9)</b>	
Population .....	0.9%
Employment .....	0.1%
Per Capita Income .....	3.9%
<b>Avg. Annual % Change: 1990–1998(9)</b>	
Population .....	0.4%
Employment .....	1.9%
Per Capita Income .....	4.5%
Bed Tax Revenues .....	6.4%
<i>Sources: See Appendix C for details.</i>	

Daily Amtrak passenger service is available from Seattle/Portland and Chicago with stops in East Glacier (seasonal), Browning, and Cut Bank.

There is no airport with commercial service in Glacier County. The Great Falls Airport and the Glacier Park International Airport (Kalispell) are within a two-hour drive of the County.

**Size & Land Ownership.** Glacier County contains 3,037 square miles, making it among the largest counties in Montana. Glacier County’s ownership pattern is a significant factor in its local economy.

<b>Land Ownership Glacier County</b>	
National Park Service .....	33.2%
US Forest Service .....	1.5%
Indian Reservation.....	47.8%
Private, All Other .....	<u>17.5%</u>
Total .....	100.0%
<i>Sources: See Appendix C for details</i>	

The federal government manages a substantial proportion of land in the County. Glacier National Park, managed by the National Park Service, comprises 33 percent of County land, the Bureau of Indian Affairs manages 48 percent of the land, which contains the Blackfeet Reservation, and the U.S. Forest Service manages 1.5 percent of the land. Private interests and the State of Montana own the remaining eighteen percent of the land. Relative to other counties in Montana, Glacier County contains a substantial proportion of land that is farmed.

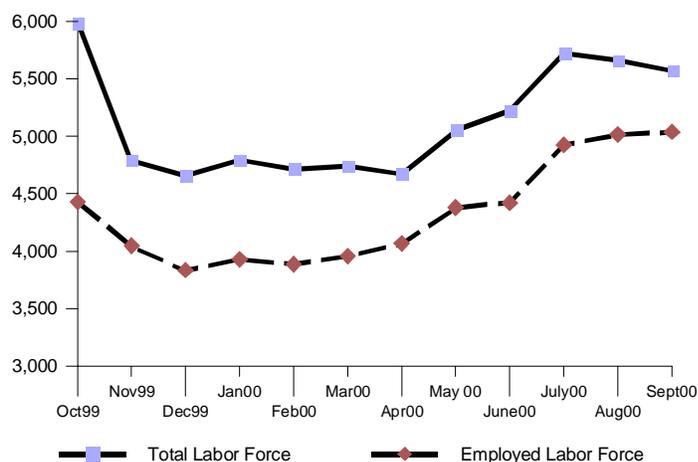
**Glacier County Resident Labor Force**

This section describes the resident labor force and its employment and unemployment characteristics. Residents in the Glacier County labor force might work in Glacier County or another location.

**Labor Force, Employment & Unemployment.** In 1999, an average of 5,272 people were in the resident labor force in Glacier County. Since 1990, the resident labor force has been flat; it has decreased from the 1980s.

Employment among the resident labor force has been declining slowly but steadily. In 1999, average annual employment was 4,484; in 1990, average annual employment was 4,690; in 1980, average annual employment was 5,279.

### Chapter 3: Socioeconomic Base Analysis



**Figure 18: Glacier County, Monthly Labor Force**

Among those in the labor force in 1999, an average of 4,484 (85.1%) were employed and 788 (14.9%) percent were unemployed. This unemployment rate was nearly three times as high as the State average of 5.2 percent. Historically, the Glacier County unemployment rate has been substantially higher than the State average, primarily due to the seasonal nature of tourist-dependent jobs and high unemployment among the Blackfeet.

**Seasonal Employment.** Due to the seasonal pattern of jobs in tourism and agriculture, employment fluctuates in Glacier County. It is at its highest levels in the summer months and at its lowest levels in the middle of the winter.

During the last twelve months (October 1999 through September 2000), an average of 4,328 people were employed in Glacier County. Monthly employment has fluctuated 27 percent from the highest to the lowest level. In December 1999, employment was ten percent below the annual average; in September 2000, employment was sixteen percent above average. Over the last twelve months, the difference between the low employment month and the high employment month was 1,208 jobs.

The labor force fluctuated by 21 percent during this same twelve-month time period. In December 1999, the labor force was ten percent below and in July 2000, the labor force was eleven percent above the twelve-month average. These statistics do not imply that the resident labor force moved in and out of the County. It is more likely true that during the winter months, people remove themselves from the labor force because they do not actively look for work.

The number of unemployed also fluctuated by 27 percent during the last twelve months. The rate of unemployment has remained consistently two to three times as high as the State of Montana. In September 2000, the unemployment rate in Glacier County was 9.5 percent, which was more than twice as high as the State rate of 4.1 percent. In January 2000, the unemployment rate was eighteen percent, which is three times as high as the State rate in that month (6.0%).

Statistics provided by the State and the Bureau of Indian Affairs shows that the unemployment rate on the Blackfeet Reservation is significantly higher than the rate in the remainder of the County. The amount and rate of unemployment provided by these two organizations differs, due to different reporting techniques.

### Economic Activity in Glacier County

**Average Annual Employment.** Between 1980 and 1998, total full and part-time jobs in Glacier County, which include wage and salary jobs, sole proprietors, and farm employment, decreased and then returned to 1980 levels. The net effect has been negligible growth. During this time period, Statewide jobs increased by 1.8 percent per year.

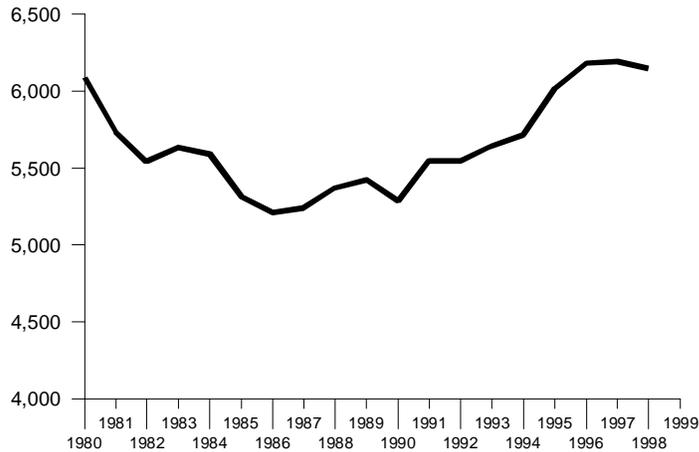


Figure 19: Employment in Glacier County

Wage and salary employment, which comprised 77 percent of total employment, decreased slightly during this time period (5,003 to 4,731). Wage and salary employment include jobs working for another. Sole proprietors, who comprised 23 percent of total employment in 1999, increased at an average annual rate of 1.5 percent per year since 1980 (1,092 to 1,420).

**Employment by Sector.** This section summarizes broad trends in employment activity and wage rates in Glacier County. A sector-by-sector analysis follows.

- Changes in the mix of jobs in Glacier County have lead to declining economic health.
- Employment in three sectors with the relatively high average wages (mining, wholesale trade, and transportation-communications-utilities) has been decreasing.
- Nearly 40 percent of all jobs are now in the services sector, which pay among the lowest wages.

- Government jobs provide a stabilizing influence in the local economy as they comprise 21 percent of total jobs, provide salaries that are 32 percent higher than the County average, and offer the assurance of year-round employment.

**Glacier County  
Largest Private-Sector Employers  
(In Alphabetical Order)**

Albertson's  
Blackfeet Community College  
Blackfeet Housing Authority  
Blackfeet Tribe  
Cut Bank IGA  
Glacier Electric Coop.  
Glacier Park, Inc.  
Harvest States Coop.  
McDonald's  
St. Mary Lodge  
Teeples Market

**Major Employers.** The largest private sector employers in Glacier County are listed at right. The largest employers provide consumer goods or services to the community. Among these, there are three organizations that provide services for the Blackfeet, three are grocers, plus a restaurant, a grain cooperative, the local electric utility company, and the Glacier National Park lodging operator, Glacier Park, Inc. This list highlights the economic condition that Glacier County does not have a strong economic base upon which to rely.

The largest public-sector employers include three local government organizations (Browning School

District #9, Glacier County Hospital and Glacier County) and three federal government agencies (Indian Health Services, the Glacier National Park, East Entrance, and the Bureau of Indian Affairs).

**Farm Employment.** At 514 jobs, farm employment comprised 8.4 percent of total County jobs. This is a remarkably low figure since a relatively high percent of land in Glacier County is dedicated to farming. Statewide, farm employment averaged 5.9 percent of the total. The Department of Agriculture's crop reduction program has prompted many local farmers to stop producing wheat and barley. Since 1980, farming employment in the County has been flat.

**Agricultural Sector.** This sector includes agricultural products plus fishing, forestry, and veterinary services. It excludes farm employment. In 1998, Glacier County had an average of one hundred jobs in the agricultural sector, which comprised 1.6 percent of total jobs. Average annual wages (\$15,608) were 26 percent below the County average of \$21,191. Agricultural jobs were primarily in livestock.

**Mining Sector.** In 1998, there were an average of 181 mining jobs in the County, comprising 2.9 percent of all jobs. This is a significant drop in jobs from 1980 when mining jobs comprised eleven percent of the total. Average wages in the mining sector(\$30,137) are among the highest in the County; they are 42 percent above the

County average (\$21,191). Mining jobs in Glacier County are principally in oil and gas extraction. Employment in oil and gas has decreased substantially since the early 1980s, due to declining prices.

**Construction Sector.** In 1998, there were an average of 192 construction jobs in the County. Employment in this sector has also decreased from 1980 when construction jobs totaled 293. Unlike most counties, the average annual wages in construction in Glacier County are low (\$18,806) relative to the County average for all sectors (\$21,191) and relative to construction sector wages statewide (\$28,765).

**Manufacturing Sector.** Due to the absence of timber production, the proportion of manufacturing sector employment in Glacier County is relatively low. In 1998, there were an average of 80 jobs in manufacturing, comprising 1.3 percent of total jobs. This comprises a significant drop from 1980 when there were 250 jobs. A major oil refinery shut down in the early 1980s. More recently, the Blackfeet Writing Company, a pencil manufacturer, has sharply reduced its employees. Average annual wages in manufacturing are quite low (\$13,827) relative to the County average (\$21,191) and relative to manufacturing jobs statewide (\$30,053).

**Transportation, Communications, & Utilities Sector.** This sector provides the highest average annual wages of any sector in the County (\$40,479). It comprises 3.8 percent of total jobs and 7.1 percent of total wages paid. Employment has remained relatively flat since 1980. One company in this sector, Glacier Electric Cooperative, is among the largest employers in the County.

**Wholesale Trade Sector.** Wholesale trade comprises 1.8 percent of total jobs in the County and pays 2.6 percent of total wages. Since 1980, employment has declined about 2.5 percent per year. Average annual wages in this sector (\$27,420) are 29 percent above the County average.

**Retail Trade Sector.** This is a large sector in terms of jobs, as it comprises about fifteen percent of total jobs. It has the lowest average annual wage rate of any sector in the County, \$13,197. Since 1980, retail trade jobs have increased about 0.8 percent per year.

**Services Sector.** This sector includes business and personal services, including medical services, lodging, and professional services. In 1998, it comprised 37.6 percent of all County jobs; statewide, the services sector comprised 29.8 percent of all jobs. Average annual services sector wages in the County are relatively low

(\$16,328); statewide, services sector wages are also relatively low (\$20,878). Glacier Park, Inc., Glacier's lodging concessionaire, the Blackfoot Tribe, the Blackfoot Community College, and the Blackfoot Housing Authority are the largest employers in this sector.

**Government Sector.** The government sector comprised about 21 percent of all County jobs; statewide, government jobs comprised fifteen percent of total jobs. This sector pays relatively well; annual wages average \$27,878. It also provides a stabilizing influence in the local economy, since most jobs are held year around and employers offer benefits to their work force. This sector contains a high proportion of jobs in part because of the relatively low number of basic sector jobs and the relatively high number of federal government jobs.

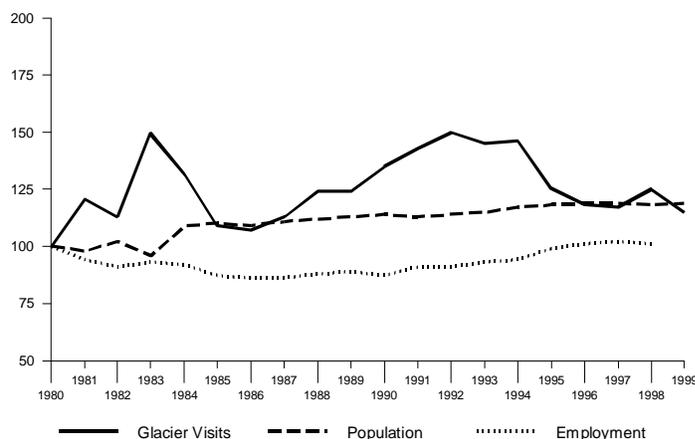


Figure 20: Glacier County & Glacier National Park Statistics Indexed Values -- 1990 = 100

### Tourism in Glacier County

Glacier County is more dependent on Glacier visitors than other counties in the analysis. This is because of a lack of significant other economic activity. Glacier County contains a substantial portion of Glacier National Park, including the East Glacier, Many Glacier, and St. Mary entrances and the St. Mary visitor center.

While the Glacier County economy relies on the base volume of visitors to Glacier National Park, annual fluctuations in Glacier visitors have not had much impact on resident population or jobs in Glacier County, as illustrated in Figure 20. During the downturn in park visitors in the mid 1980s, County employment also declined, but this was due to declines in oil and gas activity. During the more recent downturn in park visitors in the 1990s, County employment was increasing.

The Glacier County economy has not developed an extensive fabric of lodging and visitor services to capture the visitor dollar. Seasonal residents typically fill temporary peaks in employment during the summer season.

Bed tax revenues in Glacier County increased at an average annual rate of 6.8 percent between 1990 and 1999. This rate of increase is more rapid than the State, which increased at an average annual rate of 6.5 percent during the same time period.

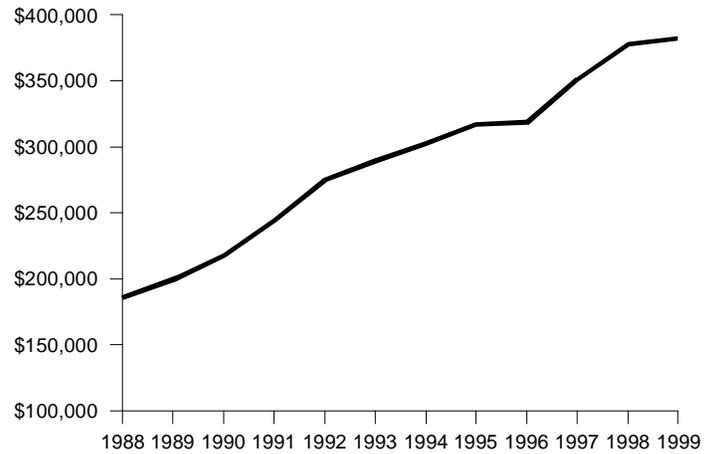


Figure 21: Glacier County Bed Tax Revenues

The volume of bed tax revenues is also quite high when measured on a per capita basis. In 1999, bed tax revenues were \$30 per capita

in Glacier County compared with \$12 per person Statewide. In Glacier County, bed tax revenues are directly linked to Glacier visitors since the concession-managed establishments within and abutting Glacier National Park generate a substantial portion of bed tax revenues in the County. Since 1999, bed tax revenues have declined.

## Glacier County Demographics

**Population.** In July 1999, Glacier County contained 12,603 people. Population has been relatively flat since 1990 when the County contained 12,139 residents. Population forecasts prepared by NPA Data Services and used by the State of Montana indicate that population levels in the County will remain relatively flat through 2020.

**Age Composition.** The age composition of Glacier County residents is different from the State in that Glacier contains a relatively high proportion of children under eighteen (37.1% versus 27.8%) and a relatively low proportion of residents who are 65 or over (9.6% versus 13.3%). This is largely because of the age composition of the Blackfeet Tribe, where 43 percent are under eighteen years of age and 5.9 percent are over 65.

**Income.** Per capita personal income in Glacier County (\$15,374 in 1998) was 28 percent below the statewide average. This is attributable to proportionately more employees in the low wage sectors, such as services, and the situation that some typ-

ically high wage sectors, such as construction and manufacturing, do not generate relatively high wages in Glacier County.

Since 1980, County per capita personal income has increased less rapidly than income at the State or national levels.

The median household income in Glacier County was \$21,047 in 1995, 25 percent below the Statewide average of \$27,889.

The percent of residents below poverty (35.4 % in 1995) was twice as high as the Statewide average (15.8%).

**Racial and Ethnic Composition.** In 1990, the racial and ethnic composition of Glacier County was 56.3 percent American Indian, 43.4 percent White and 0.3 percent Other. In the State, the composition was 6.0 percent American Indian, 92.7 percent White, and 1.3 percent "Other." More recent statistics compiled by the US Bureau of Indian Affairs indicate that the Blackfeet Tribe (American Indian) population comprises about 70 percent of the county total.

**Glacier County  
Organizational Capacity**

The County contains seven towns and villages including Babb, Blackfoot, Browning, Cut Bank, East Glacier, Santa Rita, and St. Mary. Population of the two largest cities, Browning and Cut Bank, comprises 38 percent of the County total. The population on the Blackfeet Reservation, which encompasses Browning, is approximately 9,000.

<b>Largest Cities in Glacier County (Population as of 7/1/99)</b>	
Browning .....	1,208
Cut Bank.....	3,456

- **The Town of Browning** is the seat of the Blackfeet Nation tribal government.
- **Cut Bank**, the County seat, was an oil and gas exploration and trade center.

**Tribal Council.** The Blackfeet Tribal Council is the governing body of the Blackfeet Nation and the Blackfeet Indian Reservation. Members of the Blackfeet Nation total about 8,800; the Reservation comprises about 1.9 million acres of land. The Tribal Council is headquartered in Browning.

**Economic Development Organizations.** There are several economic development organizations in Glacier County, including GAIN, the Cut Bank Chamber of Commerce, and several organizations within the Blackfeet Nation. Glacier Country serves Glacier County from its location in Bigfork.

- ***The Cut Bank Chamber of Commerce*** is primarily a voluntary organization with the addition of one full-time person during the summer. Chamber offices are closed from Labor Day to Memorial Day. The organization has functioned since the 1950s and currently has 147 members. In addition to managing its tourism-related efforts, the Chamber would like to complete its downtown revitalization program.
- ***GAIN*** (Glacier Action and Involvement Now), located in Cut Bank, is a member-based organization dedicated to economic development.
- ***The Blackfeet Tribal Council*** has one member that focuses on economic development. In addition, the Council sponsors the Siyeh Corporation, which exists to purchase and stabilize existing businesses that are distressed and to develop member owned businesses. The Tribal Business Information Center within the Blackfeet Community College lends technical assistance to established businesses and start-up businesses.
- ***The East Glacier Chamber of Commerce*** is a part-time voluntary organization that provides referrals to other economic and development organizations with staff that can respond to visitor and business inquiries.

## Lake County

### Summary of Economic Base

Lake County was established in 1923 as one of the last counties to be formed in Montana. Flathead Lake was the inspiration for Lake County's name. The County is 1,654 square miles in area, which is relatively small among Montana counties.

Lake County is home to the Confederated Salish and Kootenai Tribes of the Flathead Nation. The Flathead Reservation was established by the Hellgate Treaty of 1855, prior to the formation of the County, and comprises about 37 percent of the land.

The County contains some extraordinary natural resources including the Mission Mountain Range, Flathead Lake, the National Bison Range, and the Bob Marshall Wilderness.

**Snapshot of Current Conditions.** Lake County contains 25,885 people and 13,011 full and part-time jobs. Personal income per capita (\$16,574) is eighteen percent below the State average. The average annual unemployment rate (6.3%) is above the State average of 5.2 percent. The average annual wages per worker (\$20,288) is thirteen percent below the State average of \$23,253. Lake County bed tax revenues per capita (\$3) are significantly below the State average (\$12).

Bed tax revenues understate lodging revenues because the largest lodging accommodation is on the Flathead Reservation and does not pay bed taxes.

<b>Lake County Historic Growth</b>	
<b>Avg. Annual % Change: 1980 – 1998(9)</b>	
Population .....	1.6%
Employment .....	3.6%
Personal Income .....	6.8%
<b>Avg. Annual % Change: 1990 – 1998(9)</b>	
Population .....	2.3%
Employment .....	4.2%
Personal Income .....	4.5%
Bed Tax Revenues .....	5.6%

<b>Lake County Current Conditions</b>	
Population <sup>1</sup> .....	25,885
Personal Income Per Capita <sup>2</sup> .....	\$16,574
% Persons In Poverty <sup>3</sup> .....	22.8%
Labor Force <sup>4</sup> .....	12,442
Labor Force Employed <sup>4</sup> .....	11,661
Avg. Annual Unemployment Rate <sup>4</sup> ..	6.3%
Avg. Annual Wages Paid <sup>4</sup> .....	\$20,288
Employment in County <sup>2</sup> .....	13,011
Bed Tax Per Capita <sup>1</sup> .....	\$3.00
<i>1 July 1999</i>	<i>3 Avg. Annual 1995</i>
<i>2 Avg. Annual 1998</i>	<i>4 Avg. Annual 1999</i>
<i>Sources: See Appendix C for details.</i>	

**Historic Trends and Fluctuations.** Since 1980, Lake County population has increased at an average annual rate of 1.6 percent. This is more rapid than population growth Statewide, which increased at an average annual rate of 0.6 percent. Since 1990, population has increased by 2.3 percent in the County and 1.1 percent Statewide. Population growth since 1990 can be largely attributed to migration from other parts of the State and nation.

Bed tax revenues have increased by 5.6 percent per year, which is slightly lower than the statewide increase of 6.5 percent per year.

**Economic Diversity.** Lake County is remarkably diverse for its size. In addition to its reliance on tourism, it contains strong manufacturing activity through timber and tool production, is the location of a major electric power generator, provides jobs for many people in the medical care professions, and contains a community college on the Flathead Reservation. Its reliance on tourism is broader than Flathead and Glacier counties, since Flathead Lake is a large tourism magnet.

**Economic Outlook.** Lake County has significant economic activity in professional services, such as medical care and membership organizations. These services not only pay relatively well but also are not subject to significant fluctuations from outside influences or seasonal variation.

Timber processing does comprise an important component of the economy. The economic outlook for forest products is influenced by the availability of timber for harvest and international timber prices. Timber harvesting in Lake County is less vulnerable than many Montana counties who depend on timber from federal lands because timber is available in Lake County from extensive land owned by Plum Creek and the Confederated Salish and Kootenai Tribes.

Between 2000 and 2020, population is forecasted to increase at between 1.4 and 1.8 percent per year, a rate nearly twice as rapid as statewide forecasts.

## Lake County Geography

**Location & Transportation.** Lake County is south of Glacier. It contains most of Flathead Lake and is accessed via State Highway 28, State Highway 35, and US 93, a north-south route that extends through Missoula. US 93 is a major travel route to Glacier.

<b>Land Ownership Lake County</b>	
US Forest Service.....	14.7%
Indian Reservation.....	37.1%
Private, State of MT, Other .....	<u>48.2%</u>
Total .....	100.0%
 <i>Sources: See Appendix C for details.</i>	

**Size & Land Ownership.** Lake County contains 1,654 square miles, which is relatively small among Montana counties. Within the County, the Bureau of Indian Affairs manages 37.1 percent of the land, the U.S. Forest Service (Flathead National Forest) manages 14.7 percent of the land and 48.2 percent is owned and managed privately or by the State of Montana. Approximately 56 percent of the land is farmed and 44 percent is in other uses.

## Lake County Resident Labor Force

This section describes the resident labor force and its employment and unemployment characteristics. Residents in the Lake County might work in the County or in another location.

**Labor Force, Employment, and Unemployment.** In 1999, an average of 12,442 people were in the resident labor force in Lake County. Since 1980, the labor force has increased an average of 2.4 percent per year, nearly twice as rapid as the State-wide average, 1.3 percent.

Employment among the resident labor force has been increasing slightly more rapidly than the labor force, triggering a decrease in the unemployment rate from 7.4 percent in 1980 to 6.3 percent in 1999. Still, the unemployment rate in Lake County is about a percentage point higher than the unemployment rate Statewide.

State estimates show unemployment among the Confederated Salish & Kootenai to be lower than the County rate (5.8% versus 6.3%). Estimates from the Bureau of Indian Affairs suggest that unemployment among the Salish & Kootenai to be significantly higher than the County average (41% in 1997). The difference is likely attributable to definitions of labor force participants.

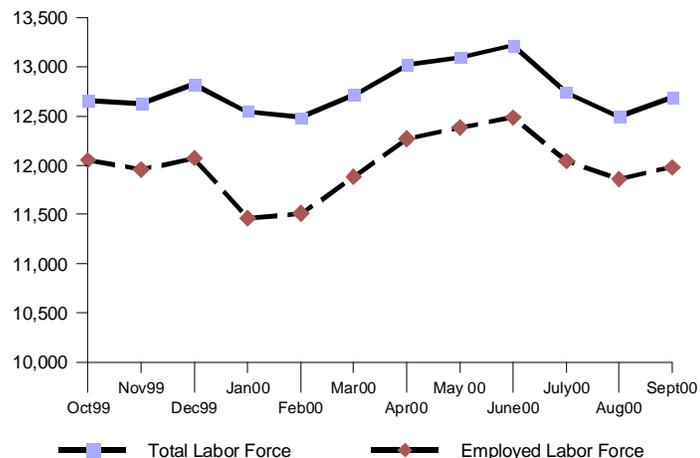
**Seasonal Characteristics.** Lake County has several large employers that provide year-round jobs and keep employment levels more even than in counties that are more heavily dependent on tourism, agriculture and natural resources. While there are employment dips in the winter months and employment spikes in the summer months the variation in employment is far less than in other nearby counties.

During the last twelve months, there were an average of 11,996 people employed in Lake County. During the course of that time, employment fluctuated only eight percent from the highest to the lowest monthly employment levels. In January 2000, employment was four percent below the annual average; in June 2000, employment was four percent above average. Over the last twelve months, the difference between the low employment month and the high employment month was 1,025 jobs.

The labor force is quite stable in Lake County. During the last twelve months, it fluctuated only by five percent. In February 1999, the labor force was two percent below average; in June 2000, the labor force was three percent above average.

Since the labor force is so stable and there are seasonal variations in employment, the number of unemployed does fluctuate. During the last twelve months, the number of unemployed fluctuated between a low of 612 people and a high of 1,087 people.

Using the State's unemployment estimates for the Confederated Salish and Kootenai, the rate of unemployment has remained between 20 and 40 percent higher than the State average. During the last twelve months, the unemployment rate in Lake County ranged between 4.8 and 8.7 percent while the State average ranged between 4.2 and 6.0 percent. If U.S. Bureau of Indian Affairs figures were used, the unemployment estimates would be higher.



**Figure 22: Lake County Monthly Labor Force**

## Economic Activity in Lake County

**Average Annual Employment.** Full and part-time employment in Lake County, including wage and salary jobs and sole proprietors, averaged 13,011 in 1998. Since 1980, employment has increased 3.6 percent per year while jobs statewide increased by 1.8 percent per year.

In Lake County since 1980, wage and salary employment has increased more rapidly than sole proprietor employment. Statewide, the reverse trend prevailed.

**Employment by Sector.** This section summarizes broad trends in employment activity and wage rates in Lake County. A sector-by-sector analysis follows.

- Employment in several basic sectors, including mining and manufacturing, has increased relatively rapidly in Lake County since 1980. This trend has led to the relatively less seasonal fluctuations in local jobs.
- While farm employment has been flat since 1980, the proportion of farm employment jobs in Lake County (9.4%) is significantly higher than the State average (5.9%).
- The services sector contains over one-third of all jobs and is growing at a rapid 6.4 percent per year. Unlike other counties, average wage rates in this sector in Lake County are above the countywide average.
- The proportion of jobs in the government sector (10.8%) is significantly below the statewide average (15.3%).

**Lake County  
Largest Private and  
Quasi-Private Employers**  
(in Alphabetical Order)

Best Western K.T. Resort  
Conf. Salish/Kootenai Tribes  
Home Caregivers, Inc.  
Jore, Inc.  
Mission Valley Power  
Plum Creek Manufacturing  
St. Joseph Hospital  
St. Luke Community Hospital  
Salish/Kootenai College  
Wal-Mart

**Major Employers.** The largest private and quasi-private sector employers in Lake County are listed at left. The list reflects the diverse economy of Lake County. Among these, there are three organizations providing health care, a college, a timber manufacturer, an electric utility company, a lodging resort, a retailer, and the Confederated Salish and Kootenai Tribes.

The largest governmental employers are three local government organizations: Ronan School District #30, Polson School District #23, and Lake County Government. The State and Federal government do not have a strong presence in Lake County in terms of jobs.

**Farm Employment.** In 1998, farm employment averaged 1,217, which was 9.4 percent of total County jobs. Statewide, farm employment averaged 5.9 percent of all jobs. Farm employment has been flat in Lake County since 1980.

**Agricultural Sector.** This sector includes agricultural products plus fishing, forestry, and veterinary care. It excludes farm employment. In 1999, Lake County had an average of 262 jobs in the agricultural sector, which comprised two percent of all jobs in the County. Jobs in this sector have the lowest average annual wage rate (\$12,589) of any sector. Annual wages were thirty-eight percent below the County average (\$20,288) and forty-six percent below the statewide average (\$23,253). Due to low wages, many people in the agricultural sector rely on outside income from second jobs.

**Mining Sector.** The mining sector is the smallest in terms of employment (56 jobs in 1999) but the most rapidly growing (7.2% per year). The average wage rate for jobs in the mining sector in Lake County is \$20,418; this is one percent higher than the County average (\$20,288) and substantially lower than the statewide average (\$45,527).

**Construction Sector.** In 1999, there were an average of 894 construction jobs in the County. Employment in this sector has been increasing at 4.6 percent per year, which is twice as rapid as the statewide average (2.2% per year). Annual wages in Lake County construction jobs average \$19,614; this is three percent below the County average for all jobs (\$20,288) and substantially below the statewide average for construction sector jobs (\$28,765).

**Manufacturing Sector.** Due to timber production and processing, the manufacturing sector comprises 9.6 percent of all County jobs. Statewide, manufacturing comprises 5.4 percent of all jobs. County employment has increased at 4.3 percent per year since 1980. In Lake County, annual wages paid in manufacturing sector jobs averaged \$22,340, which is ten percent higher than the County average for all jobs (\$20,288). Major manufacturers in Lake County include Plum Creek Manufacturing, Jore, Inc., and S&K Electronics.

**Transportation, Communications, and Utilities (TCU) Sector.** As is true in many counties, this sector has the highest average annual wages of any sector in the County (\$33,166). The annual average wage rate for TCU jobs in Lake County is higher than the Statewide average (\$31,708). In Lake County, this sector comprises 2.7 percent of total jobs and 4.4 percent of total wages paid. Employment is increas-

ing at a rate less rapid than the County average. About one-half of these jobs are in the provision of electric and natural gas service by Mission Valley Power.

**Wholesale Trade Sector.** Wholesale trade is not significant in Lake County. This sector comprises 1.1 percent of total jobs in the County and pays 1.2 percent of total wages. Annual wages in this sector (\$20,739) are 2 percent higher than the County-wide average for all sectors (\$20,288). Since 1980, employment in wholesale trade has increased at a rate below the County average.

**Retail Trade Sector.** This is a large sector in terms of employment as it comprises about eighteen percent of the County total. It has the second lowest average annual wages (\$13,562) of any sector in the County. Since 1980, retail trade jobs have increased at a rate that is slightly more rapid than the County average. Due to its tourism base, about one-third of the retail trade jobs are in eating and drinking.

**Services Sector.** The services sector, which includes business and personal services, including medical services, lodging, and professional services, is the largest sector in Lake County in terms of employment. In 1998, it comprised 34.1 percent of all County jobs; statewide, the services sector comprised 29.8 percent of all jobs. While services sector jobs traditionally have low annual wages, the average annual wage rate in Lake County (\$20,662) is slightly above the County average (\$20,288). This is because a high proportion of jobs are within membership (tribal) organizations, health services, and social services. Major Lake County employers include St. Joseph Hospital, The Best Western K.T. Resort, St. Luke Community Hospital, Home Caregivers, the Confederated Salish and Kootenai Tribes, and the Salish/Kootenai College.

**Government Sector.** The government sector comprised only 10.8 percent of all County jobs; statewide, government jobs comprised 15.3 percent of the total. Average annual wages (\$23,279) are fifteen percent above the County average. In Lake County, the largest government sector employers are in local government. There are relatively few positions held by State and Federal government employees. Growth in the government sector has been modest (1% per year since 1980) relative to other sectors.

## Tourism in Lake County

In addition to its reliance on tourism, Lake County's economic base also includes timber production, electric power generation, manufacturing, medical care, and emerging second-home communities. The County's reliance on tourism is broader than visits to Glacier, due to the attraction of Flathead Lake.

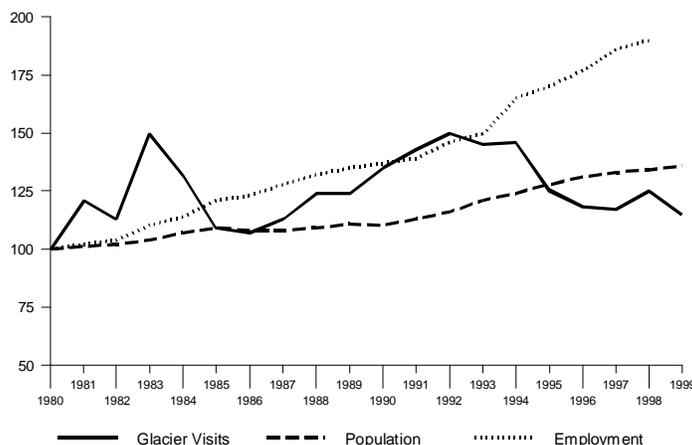
While the significant volume of visitors to Glacier affects the local Lake County economy, annual fluctuations in Glacier visitors do not trend with annual changes in population and employment in the County, as described in Figure 23.

However, during the two recent downturns in park visitors in the mid 1980s and the mid 1990s, the rate of employment growth in the County did slow down.

## Lake County Demographics

**Population.** In July 1999, Lake County contained 25,885 people. Population has been increasing at an average annual rate of 1.6 percent per year since 1980, which is 1.5 times more rapid than the State growth rate (0.6%) over the same time period. Population forecasts, prepared by NPA Data Services and used by the State of Montana, indicate that the County will continue to grow at rates between 1.4 and 1.8 percent per year while the State population increases at rates between 0.9 and 1.0 percent per year.

**Age Composition.** Relative to the State, in 1990, Lake County contained proportionately more people over 65 (15.7% versus 13.3%) even though only 5.6 percent of Native American Indians residing in Lake County were over 65. This may be because there is a trend towards the County becoming a retirement community. Lake County also contains proportionately fewer people between eighteen and 44.



**Figure 23: Impact of Glacier National Park Visitors on Lake County**  
Indexed Values -- 1990 = 100

**Income.** Per capita personal income in Lake County (\$16,574 in 1998) was 22 percent below the statewide average (\$21,229). Since 1980, per capita personal income has increased at a rate comparable to the statewide average.

The median household income in Lake County was \$26,561 in 1995, which was five percent below the statewide average. Household income in Lake County has been increasing more rapidly than statewide. The percent of residents below poverty (22.8%) is 44 percent higher than the statewide average of 15.8 percent.

**Racial and Ethnic Composition.** In 1990, the racial and ethnic composition of Lake County was 78 percent White, 21.4 percent native American Indian and 0.6 percent Other. Statewide, the composition was 92.7 percent White, 6.0 percent American Indian and 1.3 percent "Other."

Lake County contains the Flathead Indian Reservation, which is the remaining homeland of two major Salish-speaking tribes, the Salish and the Pend d'Oreilles, and one band of the Kootenai Tribe. The 1990 Census reported that American Indian residents comprised 21.4 percent of the County's total population. Local officials consider this figure an undercount of the American Indian population. Efforts during the 2000 Census were made to correct the undercount.

### Lake County Organizational Capacity

**Municipalities.** The County contains fifteen towns and villages including Arlee, Big Arm, Charlo, Dayton, Elmo, Moiese, Niarada, Pablo, Polson, Proctor, Ravalli, Rollins, Ronan, St. Ignatius, and Swan Lake. The three largest municipalities, Polson, Ronan, and St. Ignatius, comprise 29 percent of the County's population.

Polson.....	4,593
Ronan .....	1,939
St. Ignatius.....	936

- **Polson**, the County seat, has a history in lumber, ranching, and steamboats. It was the first community in the Flathead Lake area to be occupied by White settlers. It is located on the Flathead Indian Reservation.
- **Ronan**, a community of 1,900 people, is located within the Flathead Indian Reservation on US 93. It contains the Garden of the Rockies Museum.

- **St. Ignatius**, a community of 936 residents, is located on US 93 in the Mission Valley and adjacent to the Mission Mountain Tribal Wilderness Area. It is the site of the historic St. Ignatius Mission, founded in 1854. Its commercial core includes many Native American Indian arts and cultural facilities.

**Tribal Council.** The Salish and Kootenai Tribal Council are the governing body of the Confederated Salish and Kootenai. Of the approximately 6,800 enrolled tribal members, approximately 3,700 live on or near the 1.2 million acre Flathead Indian Reservation. Tribal headquarters are in Pablo.

**Economic Development Organizations.** Lake County contains three chambers of commerce: Port Polson, Ronan, and the St. Ignatius.

- **The Port Polson Chamber of Commerce** has functioned for about twenty years. It has a staff of one part-time person plus 100 chamber members. They work to promote tourism through their web page and distribution of a brochure.
- **The St. Ignatius Chamber of Commerce** is an all-volunteer organization with twenty members. Three volunteers manage the Chamber's activities. Activities include distribution of a community directory and a three-day fundraising event that generates community involvement.
- **The Ronan Chamber of Commerce** is staffed by one part-time person and about 100 members. They produce the Mission Valley publication that promotes St. Ignatius, Polson, and Ronan. The publication promotes golf, Flathead Lake, the wildlife refuge, the mountains, and St. Ignatius Catholic Church.

## Southwest Alberta, Canada

### Summary of Economic Base

For purposes of this report, we have identified a Canadian local impact area and labeled it “Southwest Alberta.” This area includes the portion of the Province of Alberta that is closest to the three United States/Canadian border crossings north of Glacier County, Montana. It includes the municipal districts of Cardston, Pincher Creek, and Willow Creek.

<b>Southwest Alberta Current Conditions</b>	
Population <sup>1</sup> .....	41,231
Employment <sup>2</sup> .....	16,825
Unemployment Rate <sup>2</sup> .....	8.0%
Average Household Income <sup>2</sup> .....	\$40,427
<sup>1</sup> 1999 <sup>2</sup> 1996 <i>Source: Statistics Canada</i>	

**Snapshot of Current Conditions.** Southwest Alberta contains a number of small communities with populations between 1,000 and 4,000 residents. These communities are interspersed with producing agricultural land and oil and gas resources. The area also contains reserves for the Peigan Nation and the Blood Nation. As of 1996, the date of the last Statistics Canada census, the area contained 41,231 residents and 16,825 jobs. Due to the high proportion of seasonal jobs in the agricultural sector, the unemployment rate averaged eight percent, which was

higher than the Alberta average (6.9% in 1996). Average 1996 household income, \$40,427, was twenty percent lower than the Alberta average, \$51,118.

**Historic Trends and Fluctuations.** This portion of Alberta has traditional roots in agriculture because of its soil, topography, and warm Pacific winds (Chinooks) which bring unseasonably warm weather in the winter. Agriculture is the traditional mainstay of Southwest Alberta. Most agricultural income is from massive cattle ranch operations and feed lots. The largest crops are barley, oats, and wheat.

The area was a seasonal home to many Native American tribes, including the Black-foot and Kootenai. In the nineteenth century, the area was settled by a variety of White pioneers including Mormons, who settled in Cardston, as well as the Russian Doukhobors and the German Hutterites, who settled in Pincher Creek.

A line of the Canadian Pacific Railway was completed in the late 1800s. Train station stops became the nucleus of several Southwest Alberta towns.

In the 1930s, seismic crews began drilling for oil and gas in the Pincher Creek area. In the 1940s, Gulf Oil Company developed a sour gas well in Pincher Creek and later constructed a plant to produce gas, petroleum, and sulfur. Development of oil and gas reserves have caused several boom and bust cycles in the 1960s, 1970s, and 1980s. After the oil and gas industry slump in the early 1980s, the local economy flattened until recently.

**Exchange Rate.** The monetary exchange rate between Canadian and US dollars has been steadily improving from the US perspective or steadily eroding from the Canadian perspective. In 1990, one US dollar exchanged for an average of \$1.1668 Canadian dollars; in 2000, one US dollar exchanged for an average of \$1.4855 Canadian dollars. In early 2001, the exchange rate moved still higher.

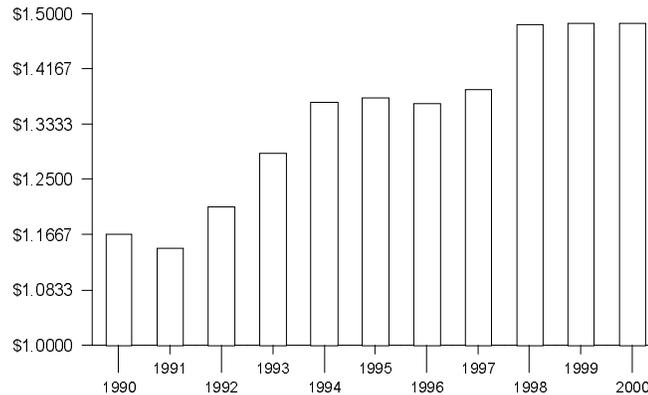


Figure 24: Average Annual Spot Exchange Rate One U.S. Dollar to Canadian Dollars

Assuming that rates of inflation are comparable, the effect of the exchange rate movement is that travel to Canada by US citizens has become less expensive and travel to the US by Canadians has become more expensive.

**Economic Diversity and Outlook.** While its traditional roots are in agriculture and oil and gas, there are several emerging economic trends that help broaden the economic base. There is increasing growth in value-added agricultural-related businesses such as food processing.

Tourism and health care are strong, emerging growth trends. Tourism is discussed more specifically below. One community has experienced a recent influx of manufacturing in wood, fiberglass, and cement products.

Southwest Alberta is becoming a retirement community, evidenced by the number of adult-only condominiums and retirement villas. This emerging trend has challenged some towns as new residents demand services they have come to expect from the larger cities they are leaving.

**Importance of Tourism.** Tourism is one of the fastest growing industries in Southwest Alberta and one with significant potential for continuing growth. Tourism is mostly seasonal with July and August being the busiest months.

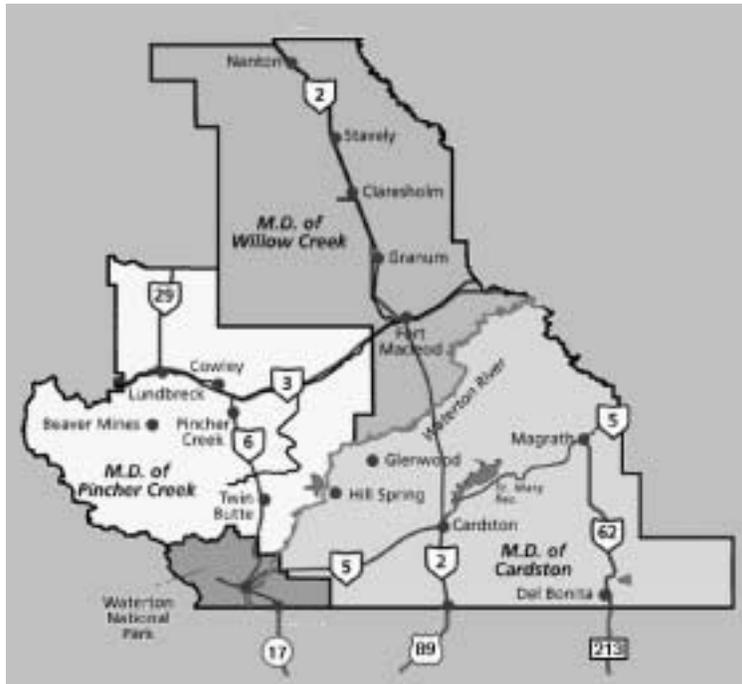
One facet of the local tourist “industry” is attracting visitors who are traveling to major national parks such as Waterton Lakes National Park (416,700 visitors) and Glacier (1.7 million visitors) to the south and Banff National Park (4.7 million visitors) and Jasper National Park (1.9 million visitors) to the north. To bolster visibility and visitation, these and other national parks have joined together to market the “Trail of The Great Bear,” an international “trail” traversing 2,085 miles from Jasper National Park to Yellowstone National Park. Travel routes along the “trail” go through the Willow Creek and Pincher Creek Municipal Districts.

Local facilities to attract travelers include bed and breakfast accommodations, craft stores, restaurants, and museums. Several communities are freshening and expanding their marketing efforts for visitor attractions that celebrate local historic heritage, such as natural geologic features, museums, and downtown historic districts. While many attractions have been in place for decades, there is renewed interest in marketing these truly unique facilities to visitors.

Visitors to Waterton Lake National Park totaled 422,376 last year. Although this count was one percent below the prior year, it is about ten percent higher than the average over the last five years. A recent (1999) visitor survey indicated that 44 percent of park visitors came from the United States, 38 percent originated in Canada, excluding the local area, twelve percent were from the local area, including Lethbridge, and six percent were from other countries, excluding the United States.

Another relatively recent (1990) travel survey focusing on visitors to Chinook Country in Southwest Alberta found that 50 percent of the visitors were from the United States, 46 percent were from Canada and four percent were from other countries. Among the international visitors, 66 percent were from Europe, 20 percent were from Asia and fourteen percent were from other countries. U.S. visitors were from these states, in descending order: Montana, California, Washington, Idaho, Oregon and Utah.

The U.S./Canadian exchange rate continues to be favorable to U.S. visitors. However, Canadian travel price increases, which currently outpace the US, will mitigate some potential gains.



**Figure 25:**  
Southwest Alberta

## Southwest Alberta Geography

As shown in Figure 25, southwest Alberta is accessed via Highway 5, an east-west route and three north-south routes, Highway 6, Highway 2, and Highway 62.

Highway 6 is accessed through the Chief Mountain Border Crossing and Montana State Highway 17; Highway 2 is accessed through the Carway Border Crossing and US Highway 89; Highway 62 is accessed through the Del Bonita Border Crossing and Montana State Highways 213 and 444 from Cut Bank.

The western portion of the terrain is mountainous; the eastern portion is rolling hills. Carbondale River, Oldman River, Willow Creek, Pincher Creek, Belly River, and St. Mary River traverse Southwest Alberta. The area also contains the Waterton Reservoir and St. Mary's Reservoir.

The Peigan Nation Reserve is located along Highway 3 between the towns of Pincher Creek and Fort Macleod. The Blood Nation Reserve, the largest in Canada (600 square miles), is located between St. Mary's River and Belly River between the towns of Cardston and Fort Macleod.

### Southwest Alberta Employment

Average Annual Employment. In 1996, the latest year for which data is available, people in the labor force totaled 18,295. This figure increased at an average annual rate of 1.4 percent from 1991. The unemployment rate in Southwest Alberta was eight percent in both 1991 and 1996. This rate is consistently higher than the Alberta average (6.9% in 1996) due to the high number of seasonal agricultural jobs.

	1991	1996
In the Labor Force .....	17,035	18,295
Employed .....	15,610	16,825
Unemployment Rate .....	8.0%	8.0%

Source: Statistics Canada, 1991, 1996

### Employment by Sector.

In Southwest Alberta, jobs in the agricultural sector comprise more than 25 percent of the total. In Alberta as a whole, agricultural jobs comprise only 6.5 percent of total jobs.

Intermittently in the 1960s, 1970s, and early 1980s, the mining sector was a strong contributor to the local economy, due to extensive oil and gas exploration.

By 1996, the mining sector comprised only 1.9 percent

of total jobs. Increasing natural gas prices in 1999, 2000, and 2001 have recently triggered an increase in employment in this sector. Accurate census figures to verify this trend will be available in 2002.

Employment in the manufacturing sector typically provides relatively high paying and year-round jobs. In Southwest Alberta, this sector comprises only 4.7 percent of all jobs; in Alberta, these jobs comprise 8.3 percent of the total.

Industry Division	SW Alberta % of Total	Alberta % of Total
Agriculture .....	25.2%	6.5%
Mining .....	1.9%	5.1%
Manufacturing .....	4.7%	8.3%
Construction .....	6.1%	6.9%
Transportation, Utilities .....	4.9%	7.9%
Retail & Wholesale .....	13.6%	17.4%
Finance, Re. Est., Insurance .....	2.9%	4.7%
Services .....	33.4%	38.0%
Public Administration .....	7.4%	5.2%
Total .....	100.0%	100.0%
Number .....	17,825	1,461,360

Source: Statistics Canada

Due to its relatively recent growth spurt, the proportion of construction jobs in Southwest Alberta (6.2%) is comparable to the Alberta average, 6.9 percent.

The services sector provides the most jobs in Southwest Alberta (33.3% of the total) and in Alberta (38.0% of the total). The government sector (7.4% of the total) provides a stabilizing influence in terms of year-round jobs.

## Southwest Alberta Demographics

**Population.** In 1999, population in Southwest Alberta totaled approximately 41,231. During the four prior years, population increased at a relatively rapid three percent per year. Prior to 1996, population increased at an average of about 0.8 percent per year. In Alberta, population has recently increased at an average annual rate of 1.9 percent per year.

**Native American Representation.** In 1999, the Blood Nation (7,341 members) and the Peigan Nation (2,090 members) comprised approximately 23 percent of all residents in Southwest Alberta.

**Income.** The average household income in Southwest Alberta was \$40,427 in 1996, the latest year for which data is available. Household income had increased at an average annual rate of 0.9 percent per year, less than the rate of inflation. The average household income in this relatively rural portion of the province was twenty percent lower than the Alberta average, \$51,118 in 1996.

Population Southwest Alberta	
Population	Estimate
1991 .....	36,329
1996 .....	37,764
1999 .....	41,231

Source: Statistics Canada

Average Household Income: Southwest Alberta	
Year	Income
1991 .....	\$38,562
1996 .....	\$40,427

Source: Statistics Canada

**Age Composition.** Relative to Alberta as a whole, Southwest Alberta has proportionately more residents who are under fifteen (26.5% versus 21.0%) and proportionately fewer residents who are 65 and over (11.7% versus 17.6%).

Total population	37,764	100.0%
Persons Under 15	9,945	26.3%
Persons 65 +	4,405	11.7%

*Source: Statistics Canada*

### **Southwest Alberta Organizational Capacity**

**Communities.** Southwest Alberta includes fourteen towns and villages. In the Municipal District of Pincher Creek, these include Beaver Mines, Cowley, Lundbreck, Pincher Creek, and Twin Butte. In the Municipal District of Cardston, these include Cardston, Glenwood, Hill Spring, and Magrath. In the Municipal District of Willow Creek, these include Claresholm, Granum, Fort MacLeod, Nanton, and Stavely. The Waterton Township is within Waterton Lakes National Park.

Pincher Creek.....	3,659
Claresholm.....	3,427
Cardston .....	3,417
Fort Macleod.....	3,034

*Source: Statistics Canada*

The largest towns include Pincher Creek, 3,659 residents; Claresholm, 3,427 residents; Cardston, 3,417 residents; and Fort Macleod, 3,034 residents. All other towns and villages contain 2,000 residents or less.

- **Town of Pincher Creek.** The Town of Pincher Creek contains about 3,600 residents. Population has been relatively stable, as it totaled 3,360 in 1991 and is expected to total 3,927 in 2016. Pincher Creek is located on Highway 6 about three miles south of Highway 3. It is about one hour north of Montana and one hour west of Lethbridge on Highways 3 and 4. Pincher Creek was a seasonal home to many cultural groups who traveled through the region. In recent centuries, members of the Blackfoot and Kootenai Nations settled here.

Agriculture has been the traditional heart of Pincher Creek's economy. Between 1960 and the early 1980s, a major portion of the town's economy was in the natural gas industry. Exploration, pipeline, and refinery developments were major employers. Companies engaged in oil and gas still maintain a strong presence in the Town. In 1994, Pincher Creek became the home of Canada's largest wind

farm. The largest growing industry is tourism. Local attractions include the Wind Farm and the Kootenai Brown Museum and Historical Park.

- **Town of Claresholm.** This town of about 3,400 residents was incorporated in 1905. Highway 2, Alberta's main north-south artery, runs through the central business district. Highway 520 provides an east-west thoroughfare. It is located halfway between the cities of Calgary and Lethbridge. The Town's traditional roles have been as an agricultural service center and industrial aviation center. The Town has diversified in the last few years through the growth in the health care sector of the economy. Large medical employers such as the Provincial Care Centre, the General Hospital and large industrial employers, such as Claresholm Welding and Fabrication, have added economic stability to the community. The Claresholm Agriplex is the base of many international horse shows and horse-related events.
- **Town of Cardston.** This town was established in 1887 by Mormon pioneers from Utah who traveled to Alberta in one of the last covered wagon migrations. Cardston has a population of about 3,400 and a trade area of 15,000. The Town has returned to its pioneer heritage and developed several historical attractions to celebrate its rich traditions. Some tourist attractions include the Remington-Alberta Carriage Center, a world-class museum that focuses on nineteenth century horse-drawn transportation, and the Court House Museum. Mormon pioneers first settled in Cardston in 1887, and the Alberta Temple was constructed by their descendants in 1998.
- **Town of Fort Macleod.** Fort Macleod is the oldest settlement in Alberta. In 1874, the Northwest Mounted Police established its first western outpost here. This town has a population of about 3,000 and functions as a trade center for about 14,000 residents within a farm and ranch setting. It is about one hour from the Montana State border and is at the confluence of four highways and two streams. The community has a traditional economic base in agriculture and tourism and a recent influx of manufacturing in wood, fiberglass, and cement products. Well known attractions include the Fort Museum, which features displays of Native American culture, early White settlers and the Mounted Police, Head-Smashed-In-Buffalo Jump, a UNESCO World Heritage site that documents the buffalo hunting culture of the Plains Indians, and an historic district in downtown Fort Macleod.

**Economic & Tourism Development Organizations.** There are numerous organizations that are engaged in economic development or tourism development. In addition to most of the towns that have an economic development board and staff, there are five chambers of commerce (Cardston, Claresholm, Fort Macleod, Pincher Creek and Waterton Lakes), and three regional organizations (the Chinook Country Tourism Association, the Southwest Alberta Business Development Institute, and the Niitsitapi Tourism Society of Alberta).

**Local Economic & Tourism  
Development Organizations in Southwest  
Alberta**

Cardston Chamber of Commerce  
Chinook Country Tourism Association  
Claresholm Chamber of Commerce  
Fort Macleod Chamber of Commerce  
Niitsitapi Tourism Society of Alberta  
Pincher Creek & District Chamber of  
Economic Development  
Southwest Alberta Business Development  
Institute  
Waterton Lakes Chamber of Commerce

The Chinook Country Tourism Association is a 32 year old destination marketing organization that serves a portion of South Alberta from Calgary to the U.S. Border and from British Columbia to Medicine Hat. It is part of the Alberta South Tourism Destination Region. Its primary activities are publication of the *Vacation Guide* (200,000 copies are distributed annually), staffing a Visitor Information Center in Lethbridge, and continuing coordination among local tourism organizations. It also participates in familiarization tours that are typically sponsored by the Alberta South Tourism Destination Region. Most funding is from membership dues; some funding for specific projects, like the *Vacation Guide*, is from The Tourism Development Region or from individual towns. The Association has a full-time staff of three, a part-time staff of one, plus seasonal employees.

- **The Southwest Alberta Business Development Institute** is an organization that is primarily dedicated to business and economic development, including the provision of business counseling, business loans, and community development counseling. Recently, the Institute has become involved in tourism development projects through its community development initiatives. The Mounties-To-Mountain Route, The Cowboy Trail, and grooming trails for snowmobiles are examples of some recent tourism development projects. The Institute has a staff of five and is funded with federal and provincial funds.
- **The Niitsitapi Tourism Society of Alberta** is a membership-based organization that oversees tourism marketing for the Blackfoot Confederacy throughout the Province of Alberta. (A rough interpretation of Niitsitapi is “the real people.”)

Several tourist attractions on the Peigan Nation Reserve include Peigan Crafts, Ltd., a world-renowned manufacturer of moccasins, and the Piikani Lodge Interpretive Center, which offers historical tours. The Blood Nation is known for its annual Kainai Indian Days, a four-day festival that attracts Natives Americans throughout Canada and the United States.