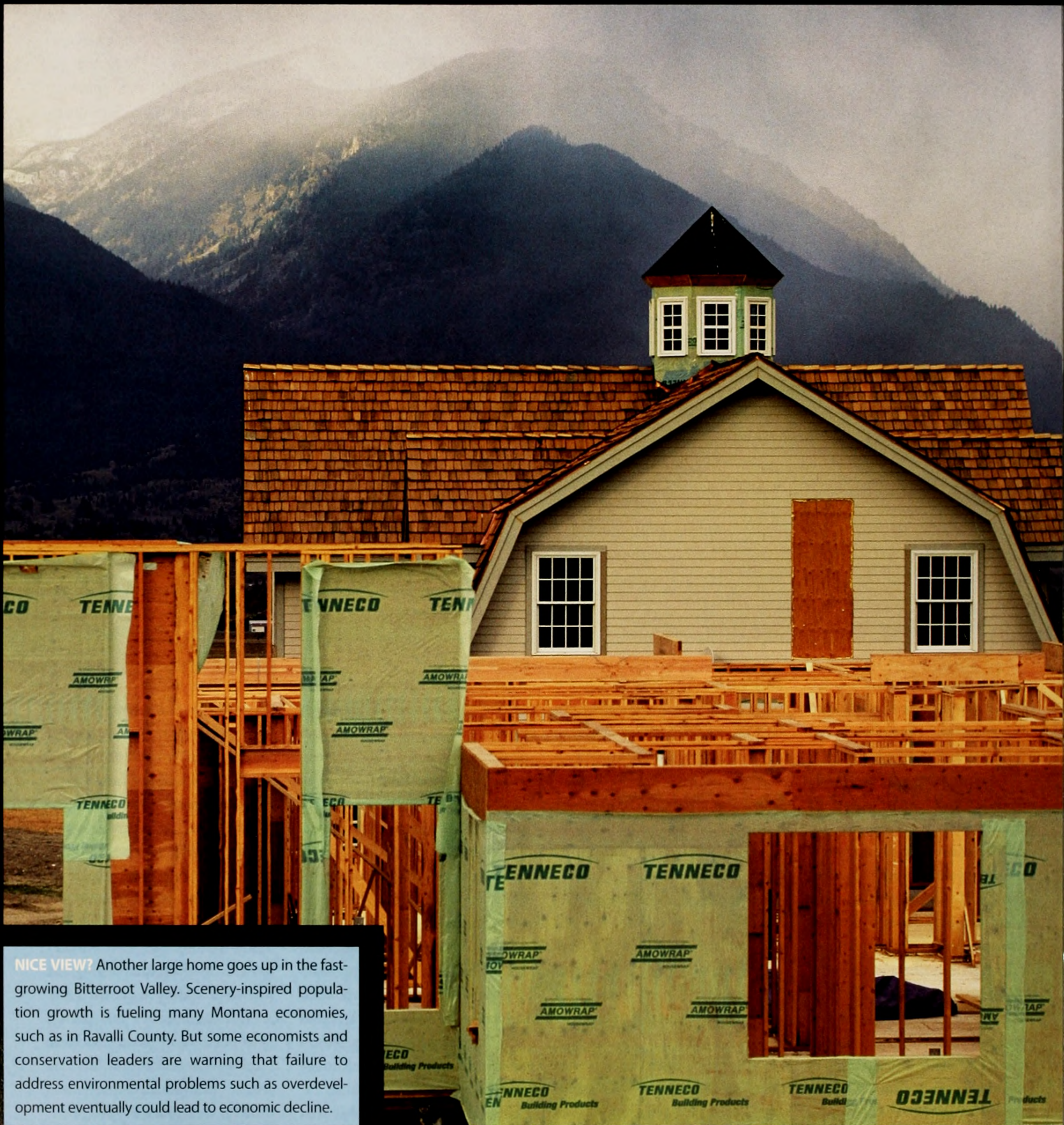


SAVING THE GOLD



NICE VIEW? Another large home goes up in the fast-growing Bitterroot Valley. Scenery-inspired population growth is fueling many Montana economies, such as in Ravalli County. But some economists and conservation leaders are warning that failure to address environmental problems such as overdevelopment eventually could lead to economic decline.

DEN GOOSE



RAVALLI COUNTY, MONTANA BY RAYMOND GEHMAN/NATIONAL GEOGRAPHIC SOCIETY

Will Montana conserve the natural resources fueling its economic growth?

Suresh Daniel could have located his biotechnology company almost anywhere. “I really should be in southern California or on the East Coast,” says the president of Rocky Mountain Biologicals, Inc., a new Missoula-based company that manufactures and markets bovine-derived blood products for the pharmaceutical industry. “But I fell in love with the fly fishing here in Montana.”

Daniel’s business, which he started in 2005, already employs seven people. “We’re growing fast,” he says. An educated workforce from the nearby University of Montana, where Daniel graduated in 1996, is an added attraction. “But the main reason we’re here is the quality of life, particularly the outdoors,” he says.

A century ago, prospectors came to Montana and cried, “Thar’s gold in them hills.” Today, state and community leaders are seeing Montana’s mountains—as well as its abundant trout streams, wildlife populations, and access to public land—as the state’s “new gold.” Increasingly, people have been moving to Big Sky Country and bringing their businesses and wealth with them. That growth is fueling local economies from Eureka to Billings.

“Montana’s wild lands and wildlife have helped ‘brand’ our state as an extraordinary place to live and do business,” says SuzAnne Miller, a statistical analyst specializing in tourism and wildlife issues. Over the past two years, Miller has been crisscrossing Montana speaking to civic groups about the state’s rapidly changing demographics and economy. “Much of Montana is benefiting economically as people move here for the mountains and the trout fishing and then start new businesses,” she says. >>>

BY TOM DICKSON



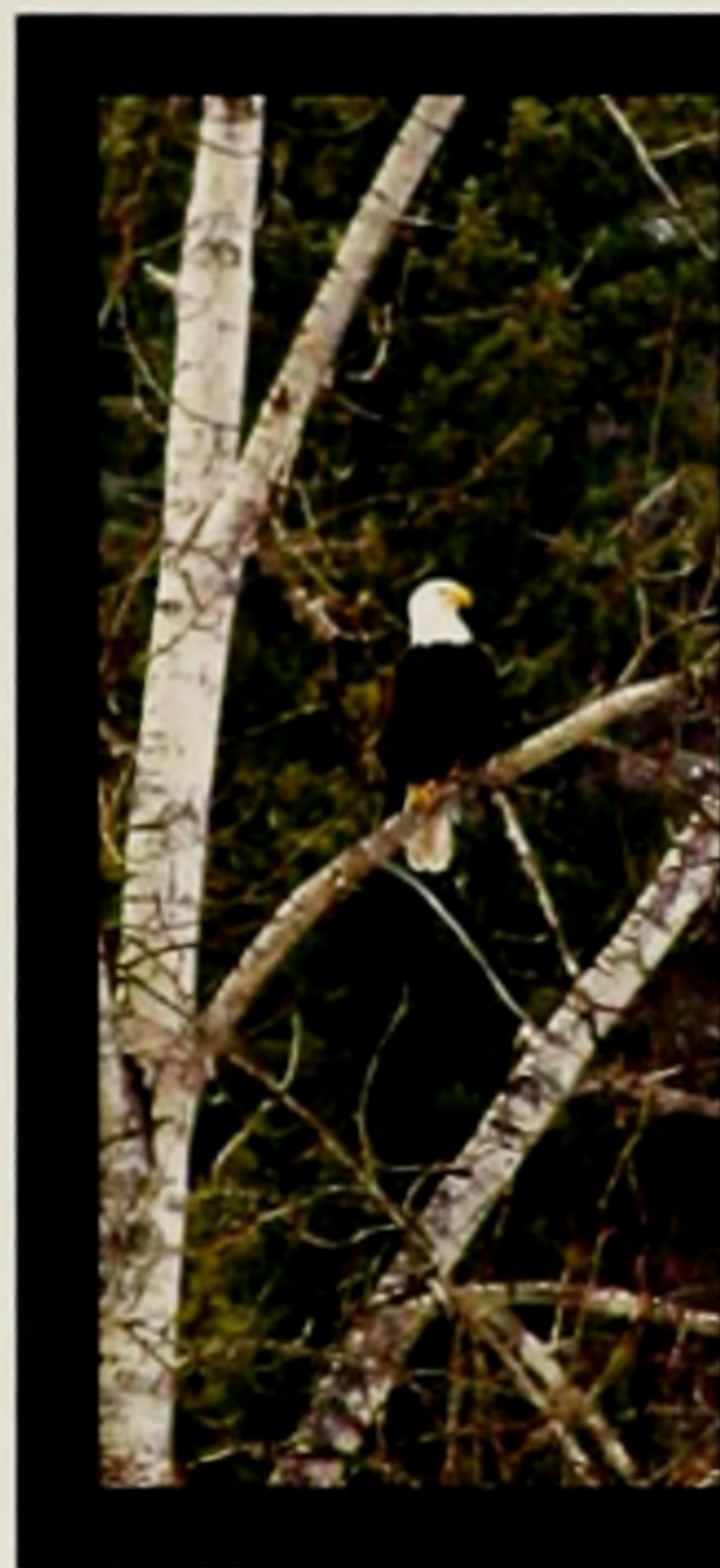
MONTANA CHALLENGE

In their popular history, *Montana: Tale of Two Centuries*, historians Michael Malone and Richard Roeder write: "Across the nation, and even the world, Montana has become a byword for unspoiled nature and the good life."

The challenge to Montanans, according to Miller and many economists and social scientists, is to manage the state's natural resources in a way that protects the good life—which includes traditional values such as hunting and ranching—"while also continuing to attract people who are building the economy of the future," she says.

NOT FACTORED IN

Professionals in natural resources management have long believed that healthy landscapes, abundant public access, and thriving fish and wildlife populations are essential to Montana's quality of life and economic growth. State and federal studies show that hunters, anglers, and wildlife watchers spend roughly \$1 billion in Montana each year and support the equivalent of 8,100 full-time jobs. Other outdoor attractions such as national parks, wilderness areas, grizzly bears, and open ranchland scenery help fuel the



"TOO OFTEN, FISH AND WILDLIFE AND THEIR HABITATS AREN'T PART OF THE DISCUSSION."

state's \$2 billion tourism industry.

Unfortunately, says Chris Smith, chief of staff for Montana Fish, Wildlife & Parks, important economic decisions made in Montana often don't include the cultural and economic value of wildlife and wild lands.

"Too often, fish and wildlife and their habitats aren't part of the discussion," he says.

In 2002 FWP and the U.S. Forest Service set out to better understand the relationship between Montana's natural resources and the state's economy. They hired Miller to analyze results by more than a dozen social science researchers, demographers, political scien-

tists, and economists who had been studying socioeconomic trends in Montana and elsewhere in the Rocky Mountain West.

The findings, which Miller compiled as part of a project called the Montana Challenge, paint a different economic picture than what is often depicted in literature and legislative committees. The research shows that Big Sky Country is still home to cattle ranches, wheat farms, mines, and sawmills. But in the past two decades, those historical elements of the state's economy have stagnated. Accounting for most economic growth are flourishing professional and service industries such as health care, real estate, construction, and finance.

Almost all of that growth came in Montana's western counties (see sidebar, below). The reason? "Location, location, location," says Miller. She explains that new residents seek a specific combination of outdoor amenities such as trout streams and scenic hiking trails along with accessible urban facilities such as Internet cafes and state-of-the-art health care facilities.

"That's what you find in Flathead and Gallatin counties," she says. "And that's why people are going there."

A 2005 study by a national public research

WESTERN MONTANA: Part of the rapidly growing "Third Coast"

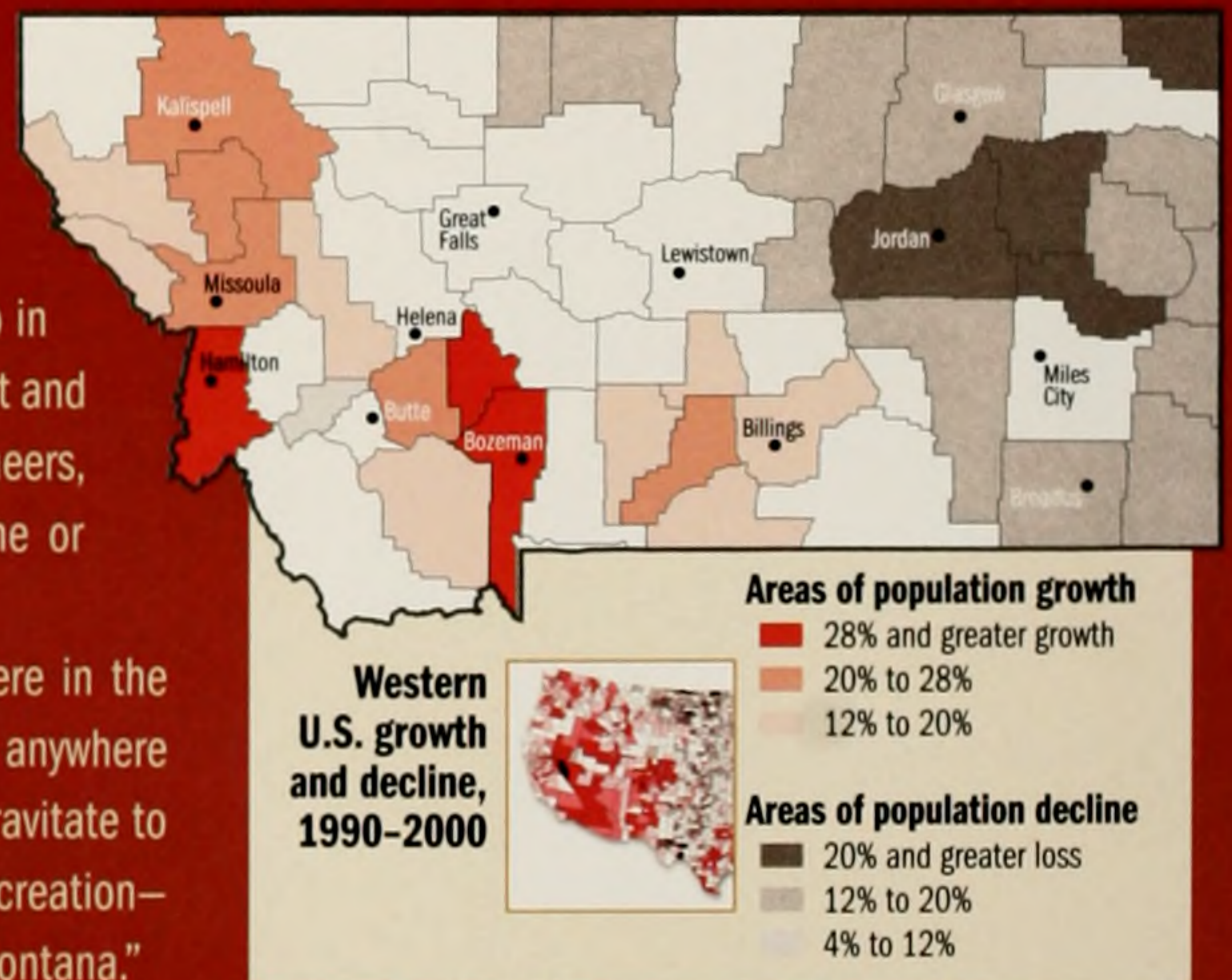
The latest U.S. Census shows that both population and economies grew from 1990 to 2000 in the western and central Montana counties surrounding Whitefish, Missoula, Hamilton, Bozeman, and Billings. Growth in these "regional population centers" mirrored trends elsewhere in the Rocky Mountain West, dubbed the "Third Coast" for its steady growth in population and wealth.

Populations and economic prosperity declined or remained flat in almost every eastern Montana county, as was the case in other regions of the Great Plains.

SuzAnne Miller, a statistical analyst who has been studying demographic and economic trends, says most of the newcomers to western Montana are Baby Boom-

ers in their early 40s to early 60s, often financially secure. What Miller finds especially interesting is that many new residents have strong nostalgic feelings for the Rocky Mountain West. They grew up in the 1950s and '60s watching Davy Crockett and Roy Rogers, listening to Sons of the Pioneers, and taking family vacations in Yellowstone or Glacier national parks.

"Today these people can move anywhere in the United States—and with the Internet, work anywhere in the United States," says Miller. "Many gravitate to places they associate with freedom and recreation—and for a growing number, that place is Montana."



SOURCE: CENTER FOR THE ROCKY MOUNTAIN WEST



MONTANA CHALLENGE

group found that 95 percent of new residents moved to Montana in large part due to the state's natural beauty. Three of four said outdoor recreation such as wildlife watching, hunting, and fishing are important reasons for living here.

"People are increasingly seeking out high-quality places to live and work," says Larry Swanson, director of the University of Montana's Center for the Rocky Mountain West. "For most growing areas in Montana, a quality natural environment has become their chief economic asset."

Some new arrivals are retirees wanting to pass their golden years staring at snow-capped peaks from an easy chair. But many, says Miller, "are moving here and starting up small businesses or otherwise helping the state's economy."

For example, national magazines such as *Outside* and *Men's Journal* regularly cite Bozeman as being one of America's most livable cities. But recently, American City Business Journals named Bozeman as the top small city in the United States for small business vitality.

Merlin Information Services founder Michael Dores and his wife moved their database search and retrieval business from California to Kalispell "because we wanted to live in this incredibly beautiful location," he says. Patrick Markey, producer of *The Joy Luck Club* and *The Horse Whisperer* and an avid fly fisherman, fell in love with Montana and moved to Livingston in the mid-1990s. Over the past several years, Markey has been working with other Montana producers, actors, and directors to rejuvenate the state's film industry, which has lost business to Canada.

Other new residents lured by Montana's outdoors bring wealth and a philanthropic bent that can improve the state's quality of life. Software tycoon Tom Siebel, who now ranches in Montana, grew increasingly con-

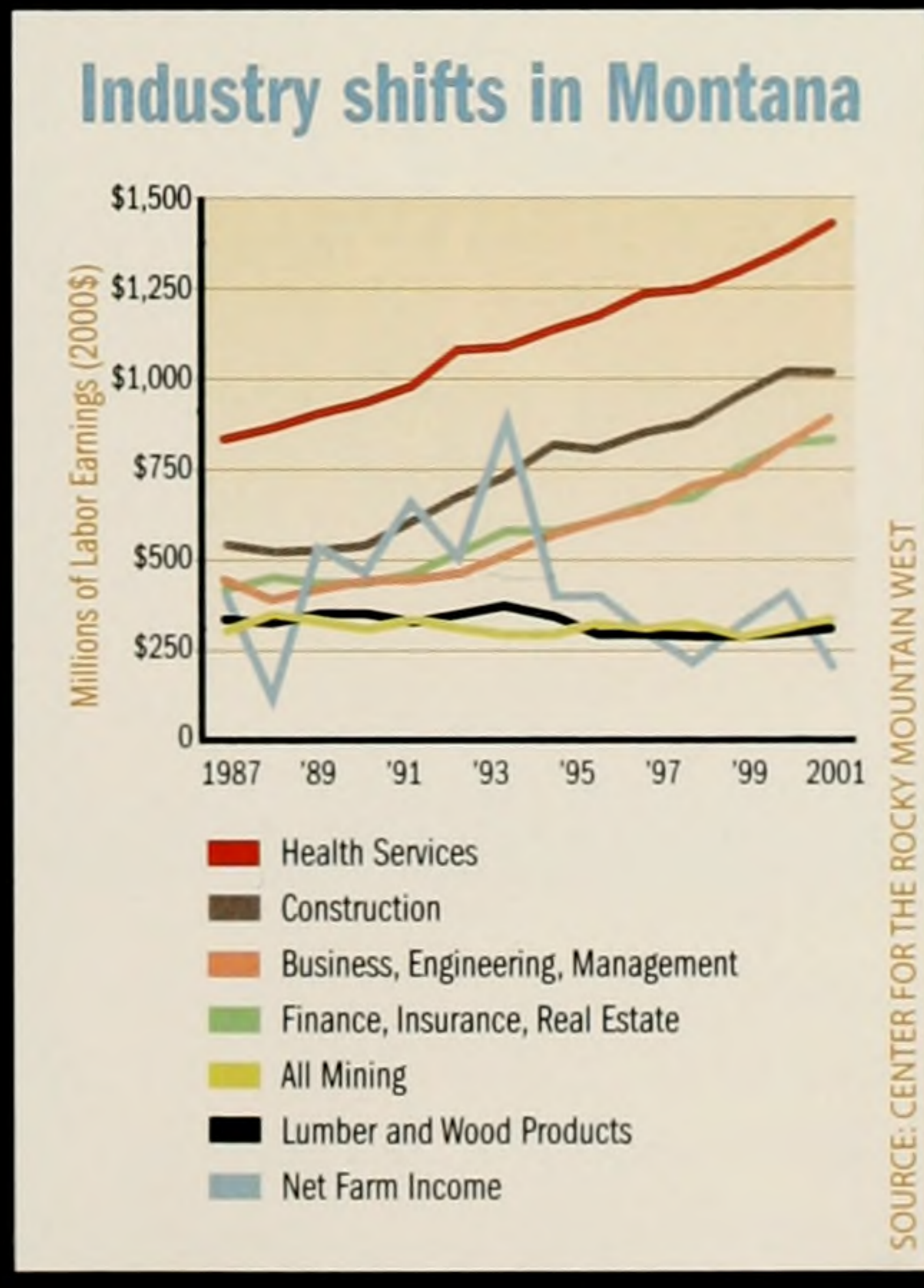
cerned about the state's growing methamphetamine epidemic. He has spent more than \$5 million of his own money, and recently pledged more, on an unprecedented saturation ad campaign aimed at stopping meth experimentation in Montana.

SPRAWL AND TRAFFIC

While western Montana's population growth increases employment, wages, and the tax base, it also creates unwelcome problems such as traffic congestion and housing sprawl. Wildlife managers note that growing num-



THE NEW WEST In Montana's changing landscape, mountain bikes now share roads with cattle, and traditional industries are stagnating as new ones such as health services grow rapidly.



bers of countryside homes, fences, and roads built around regional population centers are fragmenting wildlife habitat.

Montana's new boom communities are raising other conservation concerns. Soil disturbed by new developments spreads harmful exotic plants, such as knapweed, that crowd out native vegetation. Birdseed and pet food attract nuisance bears, which often have to be killed. When new residents build along rivers and streams, they often raise the banks with boulders. That reduces flooding but also decreases periodic high water that carries fertile silt needed by young cottonwoods and other floodplain vegetation.

"No Hunting" signs are another problem. Many new ranch owners are closing their gates to the public hunting that has long been a Montana tradition. Their reasons range from wanting to maintain privacy and protect wildlife from harm to setting up pay-to-hunt operations. In addition to reducing hunting opportunities for locals, this hamstringing wildlife managers trying to help neighboring ranchers with elk depredation problems.

A common native Montana response to these and other concerns resulting from human population growth is to hope out-of-staters will stop moving here, so that Montana can return to "how it used to be."

That's unrealistic, says Miller, a fifth-generation Montanan whose father was a Butte miner. "Our state's population is aging, and we need more young workers. Besides, as in so much of the Rocky Mountain West, if people want to move here, they will. We can't close our doors. But we can manage the growth to maintain both the 'good ol' Montana' of cattle drives and Friday night football games while fostering the 'good new Montana' of more jobs and higher income."

If Montanans are smart, says Miller, "we can have our cake and eat it, too."

THE CHALLENGE

Having the best of both worlds won't be easy. For years, many Montanans have viewed nat-

Tom Dickson is editor of Montana Outdoors.



MONTANA CHALLENGE

ural resources primarily as economic commodities to be logged or mined. These extractive industries are still important, says Miller, “but now it’s clear that mountains and forests are also economic assets that attract people, businesses, and wealth to the state.”

Swanson, of the Center for the Rocky Mountain West, notes that many Montanans traditionally looked at environmental protection and enhancement as the enemy of economic improvement. Not anymore.

“More and more communities are seeing that a healthy environment is essential for sustained economic prosperity,” he says.

For instance, Gallatin County residents have approved a \$10 million bond to preserve ranchlands. Missoula has acquired 1,500 acres of Mt. Jumbo for open space and elk wintering range. Lewistown is restoring Big Spring Creek, a scenic trout stream running through town. And, according to the Montana Smart Growth Coalition, many communities are now promoting clustered housing development, which consumes less open space and wildlife habitat.

Recognizing the importance of fishing to both new and native Montanans, courts continue to uphold the state’s stream access law, which ensures that public rivers remain open to all anglers. And the 2005 legislature made permanent FWP’s Habitat Montana Program, which pays landowners to not sell wildlife habitat and cattle range for housing, energy, and other development.

In a 2004 speech given in Boise, Idaho, U.S. Forest Service chief Dale Bosworth said that changing public values are forcing his agency to revise its approach to forest management.

“I think we’re in a new [era],” he said. “The public is counting on us to provide wildlife habitat, clean air and water, natural beauty, and the opportunity to enjoy the outdoors—all that in addition to traditional opportunities to harvest timber and graze livestock. Can we deliver all those goods and services and values? Only if we manage the land for longer-term ecosystem health.”

“MORE COMMUNITIES ARE SEEING THAT A HEALTHY ENVIRONMENT IS ESSENTIAL FOR SUSTAINED ECONOMIC PROSPERITY.”



STEVEN AKRE

That’s also the challenge for western Montana communities. To remain economically strong, says Swanson, they’ll need to conserve wildlife, protect and restore healthy landscapes, and maintain public access. “In other words, not kill the goose that lays the golden egg,” he says.

Eastern Montana faces a much different



RON BOGGS

GRASSLAND “GOOSE” The challenge to eastern Montana may be to market natural resources such as prairie wildlife and open vistas to attract residents.

challenge. There, says Miller, towns need to recognize they have unique natural resources and find ways to market them to attract new residents.

“Montana’s eastern plains communities offer abundant prairie wildlife, open vistas, clean air, healthy farmlands, and a safe and quiet rural atmosphere fast disappearing elsewhere in the United States,” she says.

The small-town feel attracted Dana and Barb Schulz from their fast-paced life in Houston (population 2 million) to Hysham (population 281). In 2002 they bought and restored the Ace Hardware Store in the tiny hamlet, located along the Yellowstone River halfway between Billings and Miles City.

“We really wanted to get out of corporate America and own a small business in a small town,” says Barb.

Business has been good. The Schulzes doubled revenue in their first two years of operation and have hired two employees.

“The people around here welcomed us with open arms,” says Barb. Having both grown up in Great Plains states, “we wanted to get back to the wide, open spaces,” she says.

In a crowded, urbanized nation, open space is becoming an increasingly valued commodity. Elsewhere, writes historian K. Ross Toole in *Twentieth-Century Montana: A State of Extremes*, “America grew by eating upon itself—by devouring space, by devouring land.”

Can Montana learn from the mistakes of other states? If so, it may discover new ways to conserve its abundant space, land, and wildlife, protecting both its deeply revered traditions and its new economic prosperity. 🐘

The Montana Challenge project includes reports on demographics by George S. Masnick, Harvard University; economics by Larry D. Swanson, Center for the Rocky Mountain West; land use changes by Jerry Johnson, Montana State University; and fish and wildlife recreation and tourism by Cindy S. Swanson, USDA Forest Service. To read these and other reports and learn more about the Montana Challenge, visit fwp.mt.gov/tmc.