

The Strategic Role of Hunting in Montana's Economic Future

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Abstract

Based on information from the U.S. Department of Interior, Fish & Wildlife Service and U.S. Department of Commerce, U.S. Census Bureau's 2001 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation (Cooper, et al. [2]) it was determined that hunters spent 237.6 million dollars in Montana in 2001. Using Standard Industrial Classification numbers to classify these expenditures and IMPLAN (Olson [3]), an economic input-output modeling software, it was determined that hunters generated a total economic impact of 347.4 million dollars (2003 dollars). This economic activity was compared to other industries in the State and the policy implications for Montana's future were discussed.

Introduction

The "New West" is one of the latest "buzz" words to describe the dramatic cultural and economic changes occurring in the Rocky Mountain states. In this paper the term "New West" is used to imply that the old economic industries of agriculture, timber and mining may not be the primary sources of wealth and jobs in the future. Agriculture, timber and mining played a significant economic role in the past but their relative importance in the future is unclear. Power and Barrett [4] in their book Post-Cowboy Economics: Pay and Prosperity in the New American West make it clear that most of the new jobs being created in the Rocky Mountain states are not in agriculture, timber and mining. Most of the new jobs are in the service and manufacturing sectors.

Agriculture is in particular facing a challenging future. Entrepreneurs in farming and ranching are trying numerous avenues to improve their economic positions. Decisions made by agricultural producers and land owners are of interest to many other people, realtors in particular. Agriculture land with water (lakes, streams and/or rivers) is of extreme interest to developers who want to subdivide the property. There is also a great interest from conservation buyers who want to own some of the West's prime real estate. The demand for real estate with water in the West seems to be insatiable. Hunters are another group of individuals who are significantly impacted by agricultural producers' decisions about resource use and access.

The challenge for today's agriculture producers who want to remain on their land and pass it to their heirs is to increase income to cover costs and pay the inheritance tax. There are many innovative business and estate planning decisions that can improve their position. The conservation reserve program (CRP) is an example where they are paid by the government to not grow crops and keep their fields in wildlife friendly states.

Similar analyses can be made for timber and mining. Each of these three basic industries is facing a complex and uncertain future. Many of the public debates about solving agriculture's or mining's or timber's problems argue that if we can fix these historical economic engines, the entire West's economic well being will improve. This argument is convincing but the reality is that this old standbys may not be strong enough to carry the entire economy of the West in the future, thus the interest in the direction of the New West.

There has been much interest in technology, manufacturing and service jobs in the mission and vision of the New West. Many of these new solutions to the West's economic woes involve the increase in the number of people moving to the West. Power and Barrett [4] demonstrate that high wages are correlated with high population densities and low wages are associated with low densities. Most Westerners do not want to see increased population growth, thus another area of economic interest is tourism because tourists come and spend money and then go home, which has great appeal to residents.

This paper's analyzes another area of Montana's economy that can significantly improve the economic well being of many Montanans. The area of interest is hunting. Montana will be used as an example that can be emulated by other states. Hunting has a long history in the West and hunters have been willing to spend significant amounts of their wealth and income on their sport (Reiger [5]). It can be argued many of the West's hunting residents receive a great deal of personal, emotional, philosophical and religious satisfaction from their sport. Improved hunting opportunities will not only improve the economic well being of the State, but improve their overall satisfaction of many of its hunting citizens.

The following analyses will demonstrate that hunters are willing to spend money on their sport and that resource policies might well be directed to improve the hunting opportunities in Montana.

The Economic Impact of Hunting in Montana

Every five years the U.S. Department of Interior, Fish & Wildlife Service and U.S. Department of Commerce, U.S. Census Bureau [2] conducts an extensive survey of the expenditures of hunters, anglers and wild-life watchers. They found that in Montana hunters spent \$237,605,000 in 2001. Their survey provided categories of expenditures.

These expense categories were converted to Standardized Industrial Classification (SIC) codes. These codes were used to input the expense information into IMPLAN (5), an economic input-output modeling software package, using the 1998 matrices. IMPLAN calculates the direct, indirect and induced economic impacts of hunters' expenditures. The direct effects are the dollar amounts spent in each SIC code. The indirect effects are the economic activities generated in the SIC categories that sell goods and services to the direct SIC categories.

When the direct, indirect and induced impacts are added together, the total economic impact of hunters in Montana in 2001 can be calculated. It was determined that the total economic impact of hunters in Montana was (in 2003 dollars) \$347,363,297. All figures for the remainder of the paper will be in 2003 dollars. It was calculated that the total economic impact of hunting is about 12.5% the size of agriculture and over one third the size of mining. Hunters generate a great deal of economic activity in Montana. They account for nearly 1 percent of all the economic activity in the state.

Discussion

Hunters are willing to reach into their wallets and purchase goods and services in the pursuit of their sport. Their economic activity in Montana is approximately 347 million dollars a year. The size of hunters' impact compares favorable with other economic sectors in Montana and offers a potential growth area.

It can be argued when decision makers associated with real estate and natural resources in Montana are trying to increase the economic and social well being of its citizens, the positive impact on huntable

wildlife should be a high priority. Increased populations of huntable wildlife will lead to increased hunter spending. If a decision will increase hunting opportunities, a strong case can be made that there will be subsequent increased economic activity. Conversely, if decisions (both private and public) negatively impact hunting, Montana loses an opportunity for economic growth through hunters' spending. Thus, decisions that negatively impact huntable wildlife should be evaluated against the lost in hunter's dollars. Huntable wildlife habitat destruction that generates economic growth will be counterbalanced by a loss of economic activity from hunters.

Many agricultural resource managers recognize the value of providing hunting opportunities to sportspeople who are willing to pay for access to their game animals. Anderson and Hill [1] document the positive effects of providing economic incentives to land managers for providing hunting opportunities. They demonstrate the beneficial impact on both hunters and the prey they pursue.

In addition to individual land owners and managers making pro-hunting decisions, it can be argued that local, state, regional and national decision makers would be well advised to make decisions that increase hunters' opportunities. If there are more animals to hunt on both public and private property, there will be more hunters willing to spend money to partake in their sport. If land supports a huntable population of animals might indeed become **the** criteria to evaluate resource decisions. If there are animals to hunt on the land, the decisions have been good. If there are not huntable populations of game animals, the resource use decision could be improved. In fact, hunters have a long and well documented history of being the leaders in conservation (Reiger [5]). It can now be argued that perhaps they have as much to say about economic development as they do about conservation.

References

- [1] Anderson, T.L. and Hill P. J., 1995, Wildlife in the Marketplace, Roman & Littlefield Publishers, Inc. Lanham, Maryland
- [2] Cooper, K.B, Kincannon, C.L., Norton, G.A., Williams, S and LaMontagne, K.E., 2003 U.S. Department of Interior, Fish & Wildlife Service and U.S. Department of Commerce, U.S. Census Bureau's 2001 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, Wash. D.C.
- [3] Minnesota IMPLAN Group, Inc., IMPLAN System, 1725 Tower Drive West, Suite 140, Stillwater, Minnesota 55082 www.implan.com
- [4] Power, T.M. and Barrett, R.N. 2001, Post-Cowboy Economics: Pay and Prosperity in the New American West, Island Press, Washington and London.
- [5] Reiger, J. F. 2001, American Sportsmen and the Origins of Conservation, Third Edition, Oregon State University Press, Corvallis, Oregon.