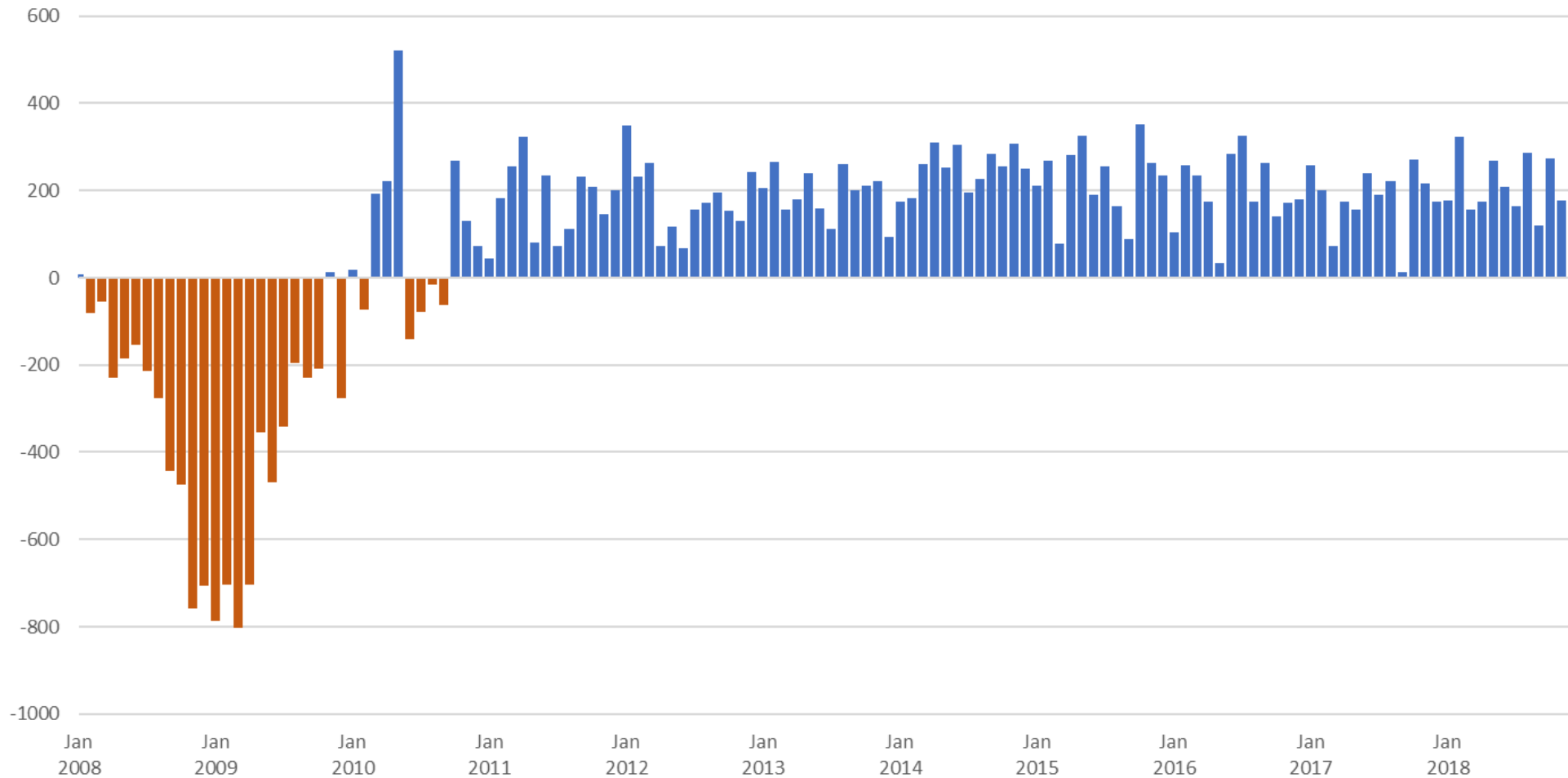


Rural Communities & a Changing Western Economy



Strong U.S. Economy

Eight plus years of consecutive monthly job growth



December 2018
312,000 new jobs

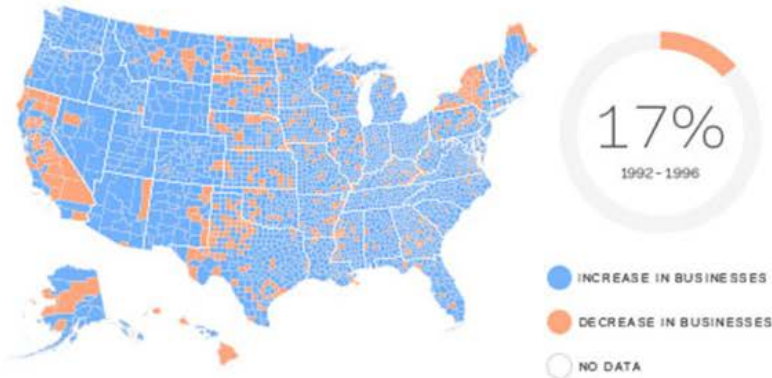
Growth is Uneven and Unequal



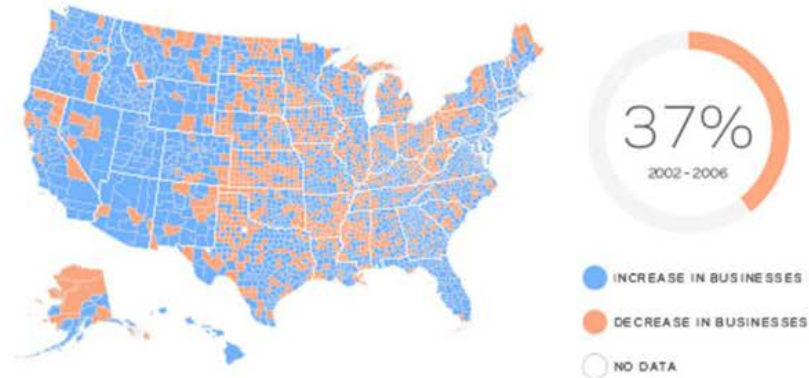
20 cities are responsible for **50%** of all new business formations following the Great Recession

Majority of U.S. Counties Losing Businesses

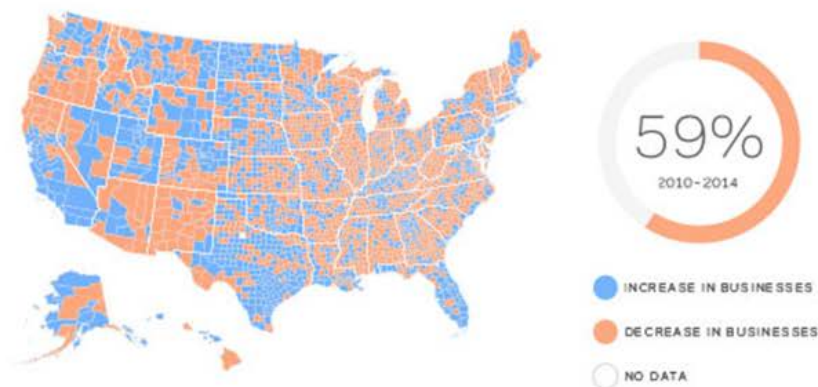
1992-1996 17% OF COUNTIES SAW MORE BUSINESS ESTABLISHMENTS CLOSE THAN OPEN



2002-2006 37% OF COUNTIES SAW MORE BUSINESS ESTABLISHMENTS CLOSE THAN OPEN



2010-2014 59% OF COUNTIES SAW MORE BUSINESS ESTABLISHMENTS CLOSE THAN OPEN

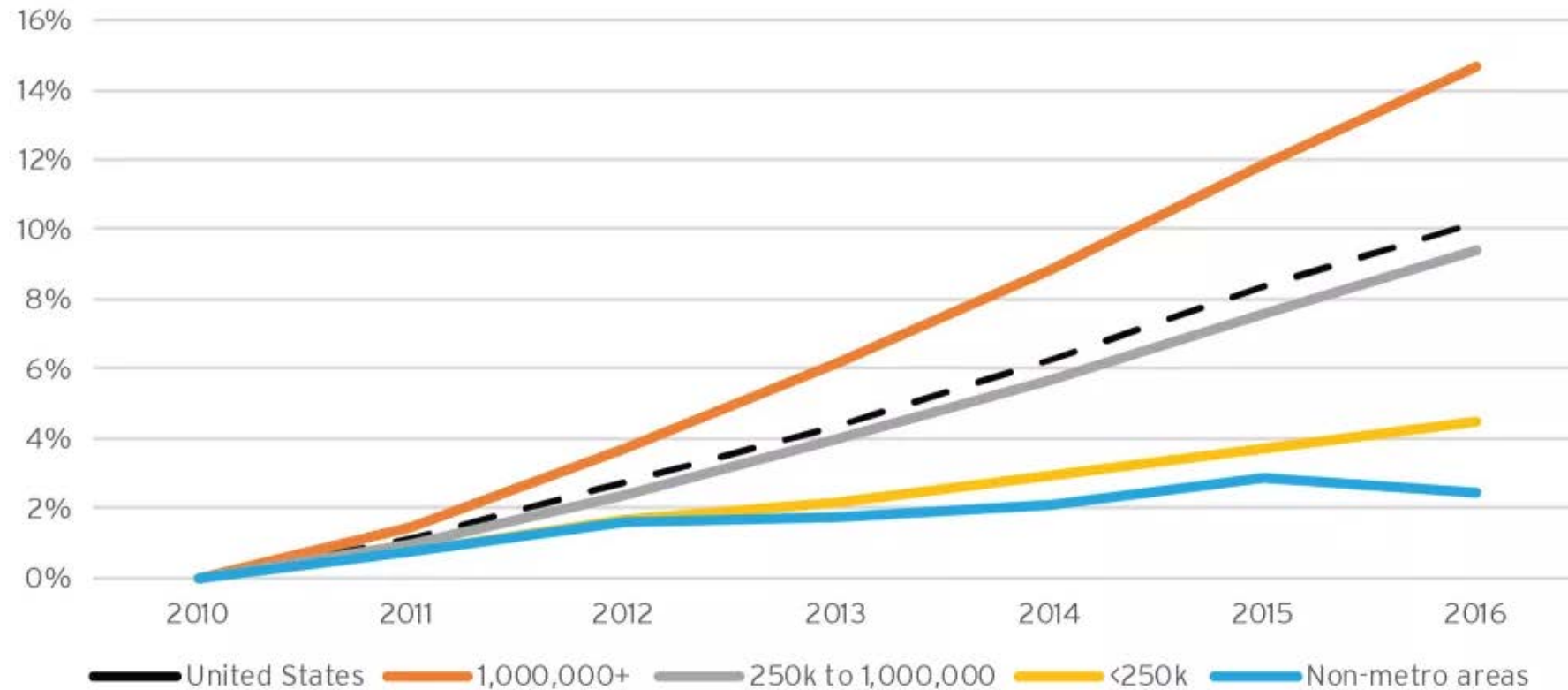


Share of U.S. counties that saw more businesses close than open has increased during the four years following the most recent major recessions.

“Innovation” Jobs Locating In Cities

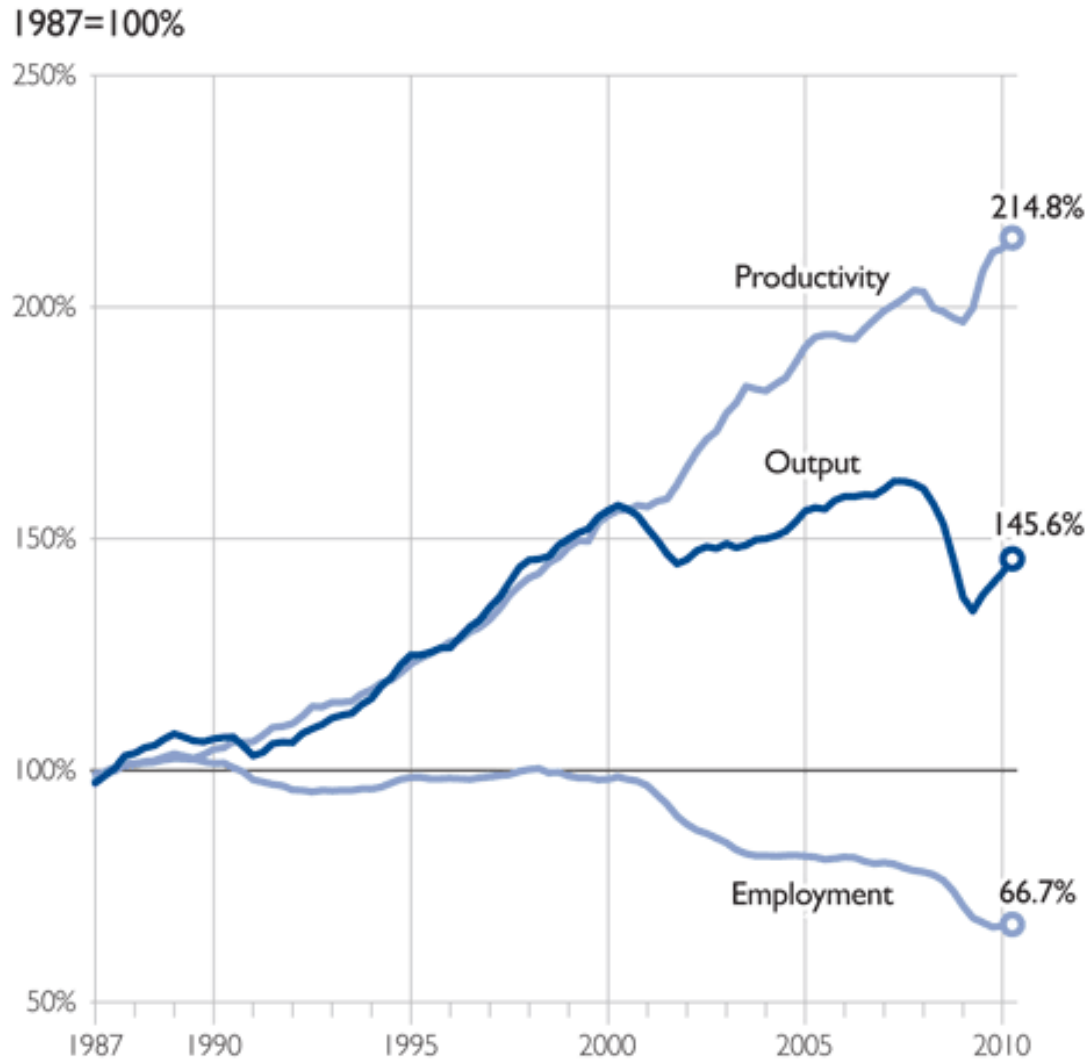
Employment by size tier

Percent growth from 2010



Source: Brookings analysis of Moody's Analytics data

Jobs In Traditional Sectors Are Declining

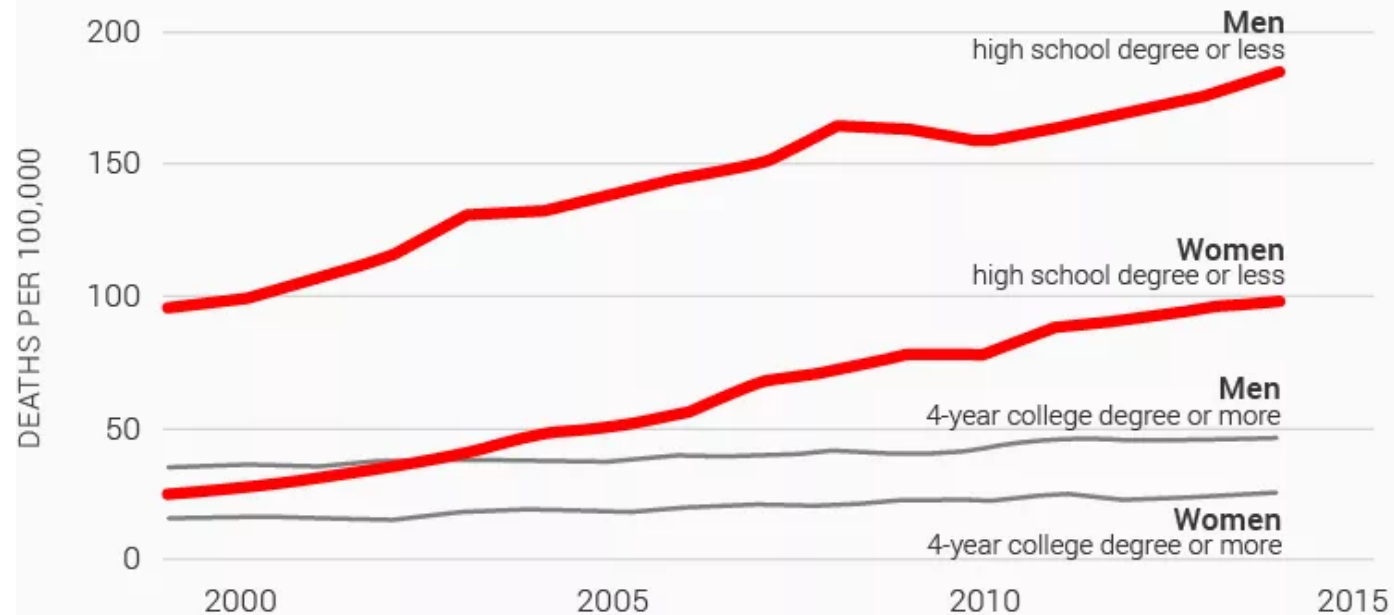


Productivity gains in traditional sectors no longer translate to more jobs or higher wages

Growth is Uneven and Unequal

White non-Hispanic midlife mortality from “deaths of despair” in the U.S. by education

Ages 50-54, deaths by drugs, alcohol, and suicide



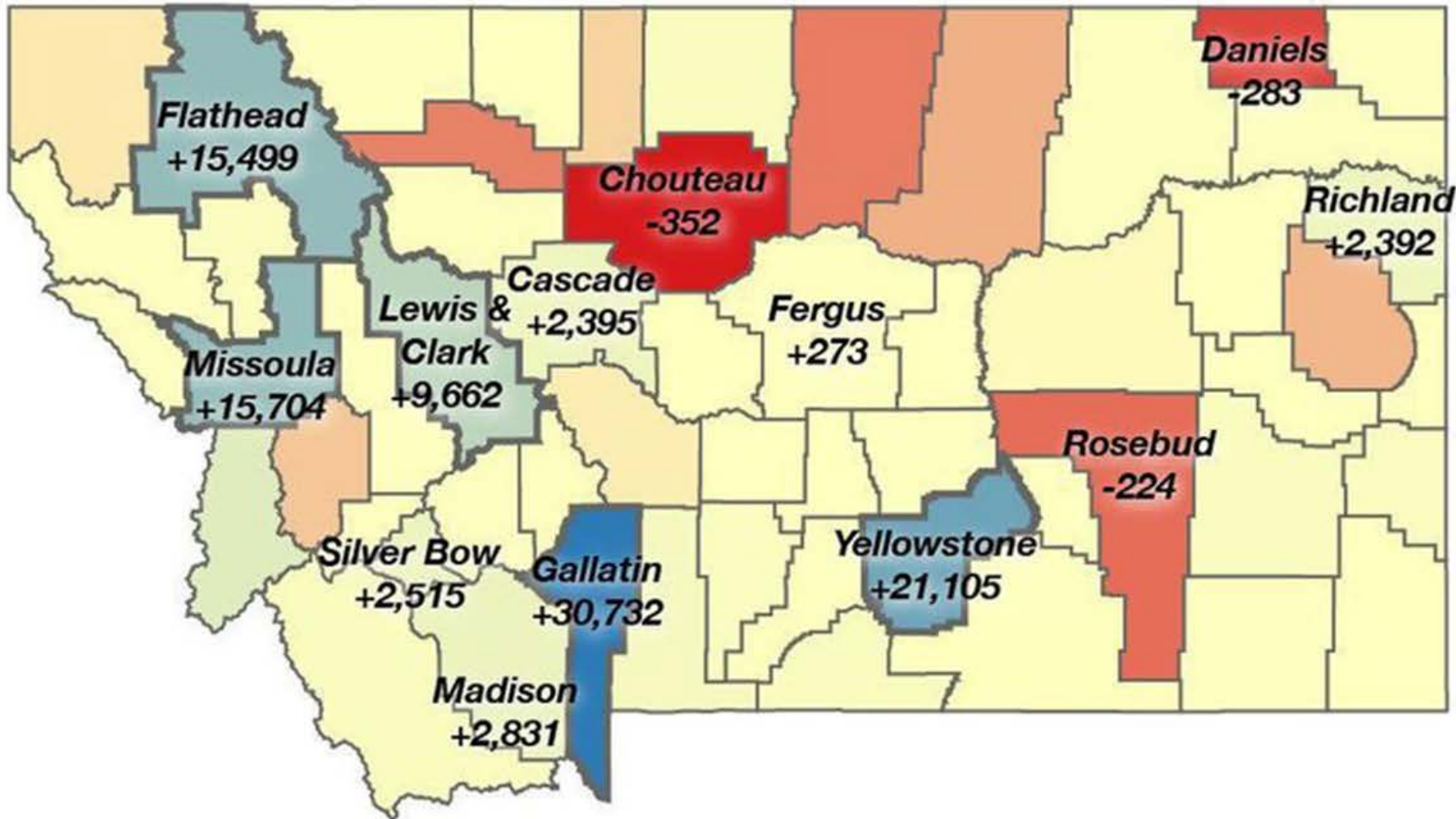
Source: “Mortality and morbidity in the 21st century” by Anne Case and Angus Deaton, Brookings Papers on Economic Activity, Spring 2017.

Life expectancy began to decline the U.S. in 2014

Strongly correlated with education and geography

75% of New Jobs Since 2000 in Five Counties

Change in jobs by county, Montana, 2000-2016



Timber Dependence ≠ Future Performance

County Performance on Various Measures of Growth and Prosperity Predicted by Trajectory in 1990



Three States: \$1 T in Investment Earnings

\$2.5

billion

(net: \$135m)

\$931

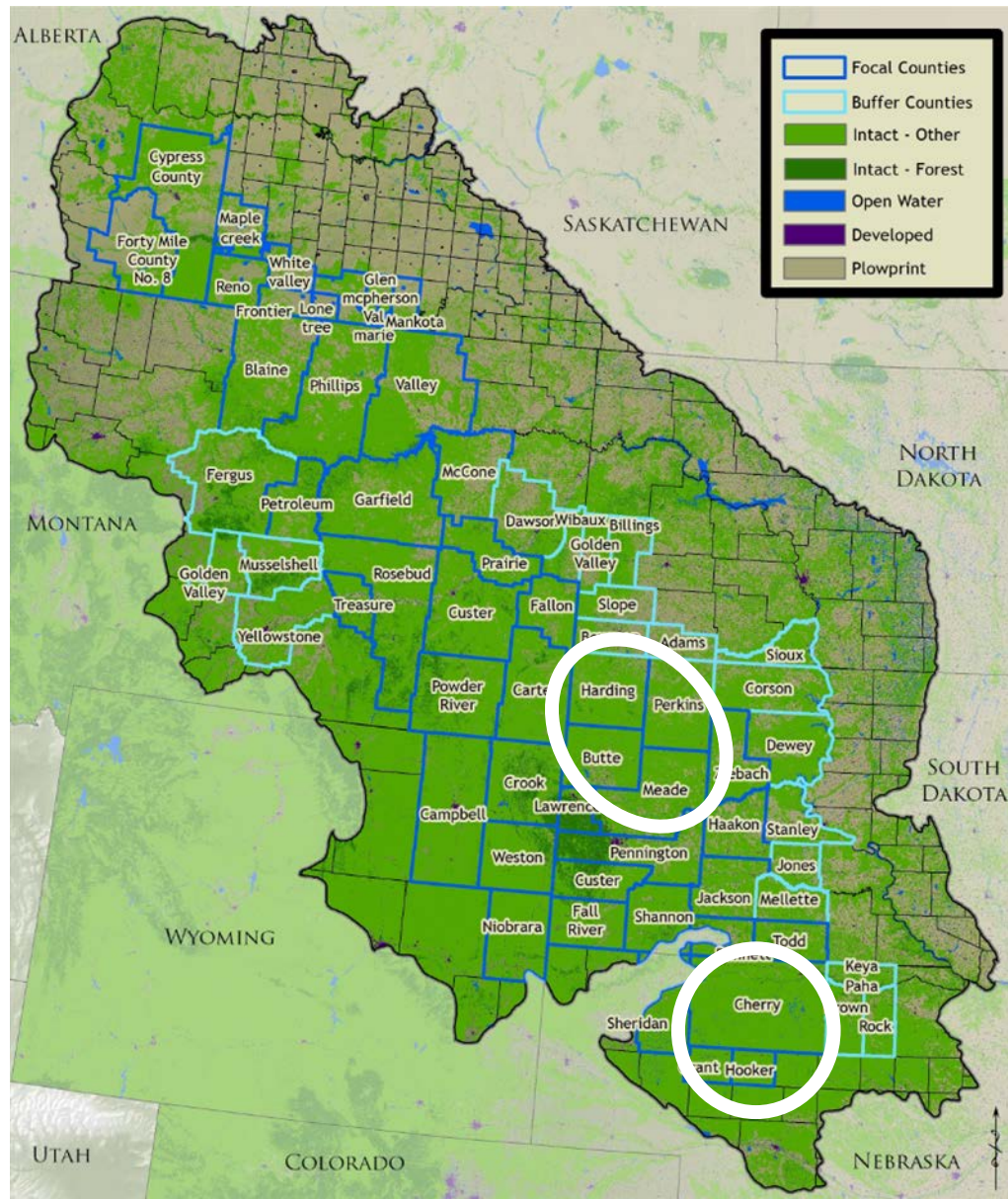
billion

\$2.5B Farm Business Total Cash Receipts, 2016 (MT, WY, ND, NE, SD) ;

\$931B Dividends, Interest and Rent (TX, CA, NY)

Source: U.S. Department of Commerce, 2015 and 2016. Bur. of Economic Analysis, Regional Economic Accounts, Table CA45.

HNW Land Acquisition is Diffusing



1 in 9

farm/ranch properties changed hands in 5-year period

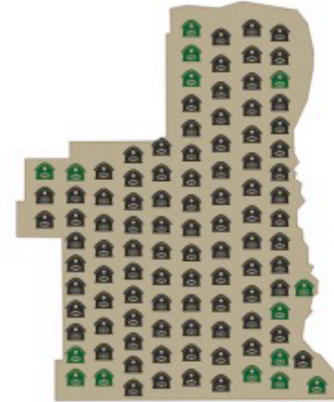
In Nebraska and South Dakota Great Plains counties

Map: WWF



RANCH OWNERSHIP & COMMUNITY IN PETROLEUM COUNTY, MONTANA

578,479 private acres
105 ranch properties



87 are "Winnett"-based

22 ABSENTEE
OWNERS



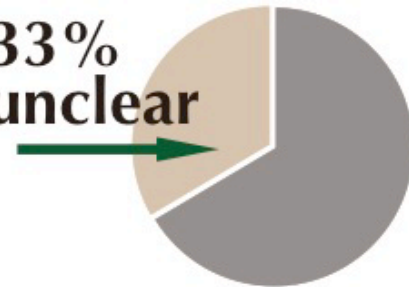
18% of the county's private ranch
land is owned by individuals whom
locals could not recognize in the
grocery store



On average, each ranch property
supports 1.4 families

Will the property be
in agricultural use in
15 years?

33%
unclear



a report for the Winnett ACES
2/18
contact: julia.haggerty@montana.edu



Photo: Kelli Roemer, RCRG

A wooden signpost with 15 horizontal planks, each containing a name and a number. The signpost is set in a grassy field with rolling hills and a forest in the background under a clear blue sky. The text on the planks is as follows:

M. VLASTELIC	
TEDDICK R.	1.8
ARMOUR J. & G.	4.4
PENMAN	4.0
CROSLEY R. & B.	3.9
OLSON W.	4.3
OLSON H.	4.3
HOLMSTROM	4.4
SAUNDERS FRED	4.5
BEECHER RAY	7.0
HAYNIE C.	6.9
HAYNIE W.	7.4
FOSJORD M. & V.	8.0
SCHULTZ J.	9.5
GJERDE R.	12
HOGUE WADE & LEAH	15.0
BARTLETT D.	17.5
KING CHRIS	16.0



An iceberg floating in the ocean. The tip of the iceberg is above the water line, and the much larger part is submerged below. The background is a blue sky and dark blue ocean. The text is arranged in columns on either side of the iceberg.

Wage labor for a firm
Selling products

Formal banking
Rent/investments

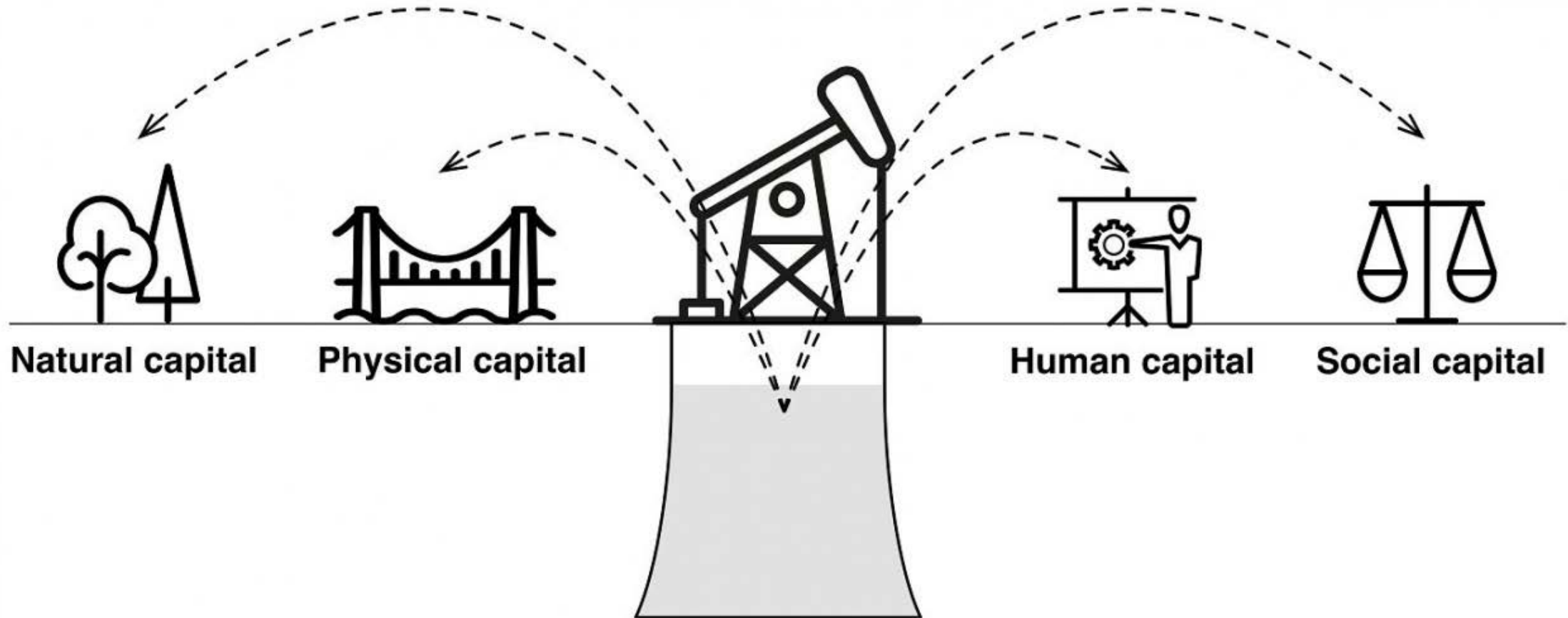
Informal lending
Unpaid labor
Volunteering
Moonlighting
Self-provisioning

Cooperatives
Non-profit firms
Church activities
Self-employment

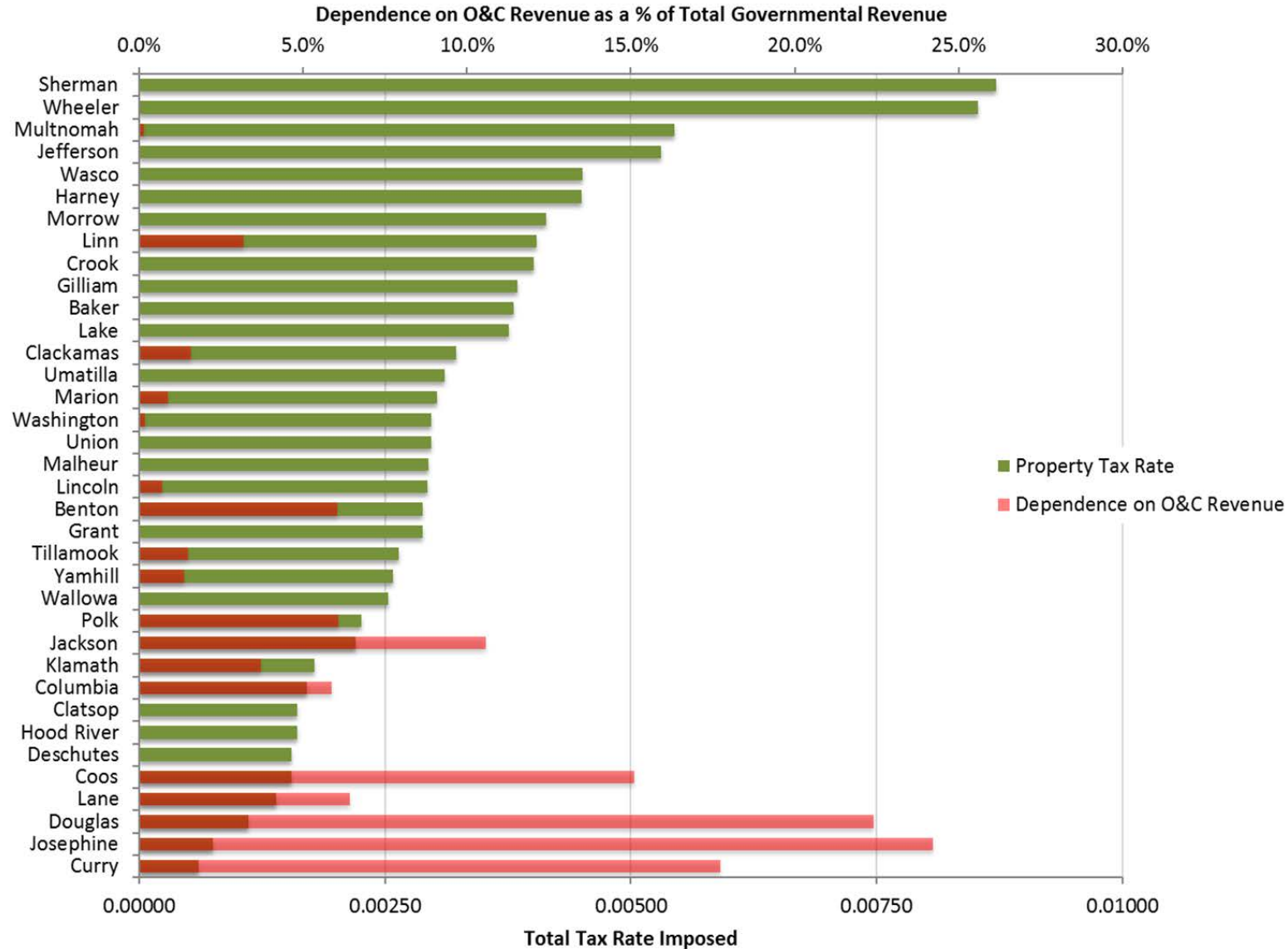
The Community Economy

Theory of Resource Economies

Virtuous cycle of growth vs resource curse



State & Local Policies Fail to Reinvest Wealth



Oregon
Counties Use
Timber
Revenue for
Tax Cuts

State & Local Policies Fail to Reinvest Wealth

The Tax Revolt Ossifies Dependence

1. Measure 5 (1990) Constitutional Amendment freezes property tax rates.
2. Measure 47 (1996) limits growth in assessed valuation; institutes double majority voter requirement.



State & Local Policies Fail to Reinvest Wealth



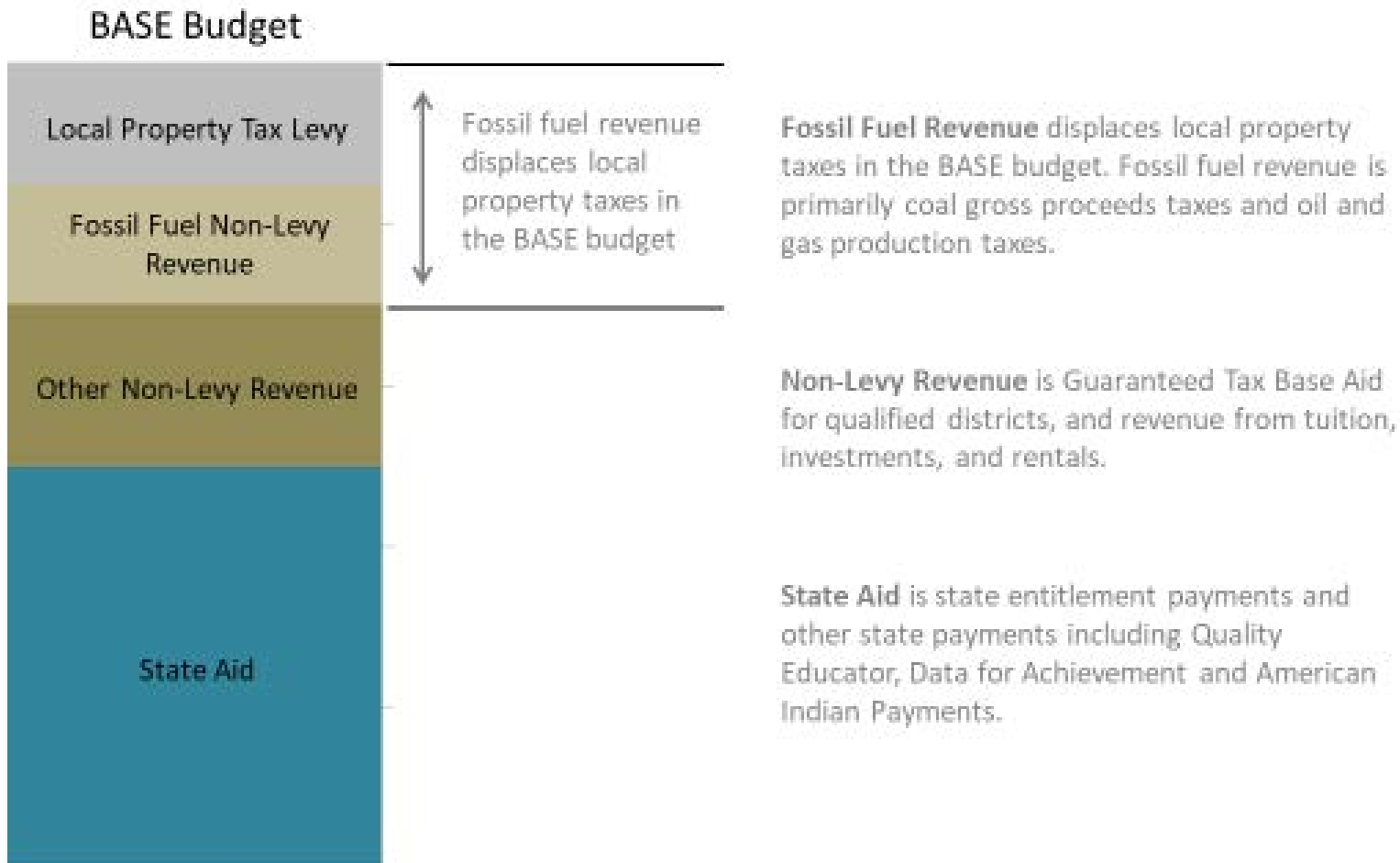
Resource dependence discourages economic diversification and investment

“Most of these counties can’t build themselves or develop themselves into solvency. Every new resident is a negative on the budget.”

-- CW Smith, Jackson County, OR
Commissioner

Tax Breaks When Energy Booms, Tax Hikes in Busts

Montana school equalization law forces property tax relief when fossil fuel revenues rise



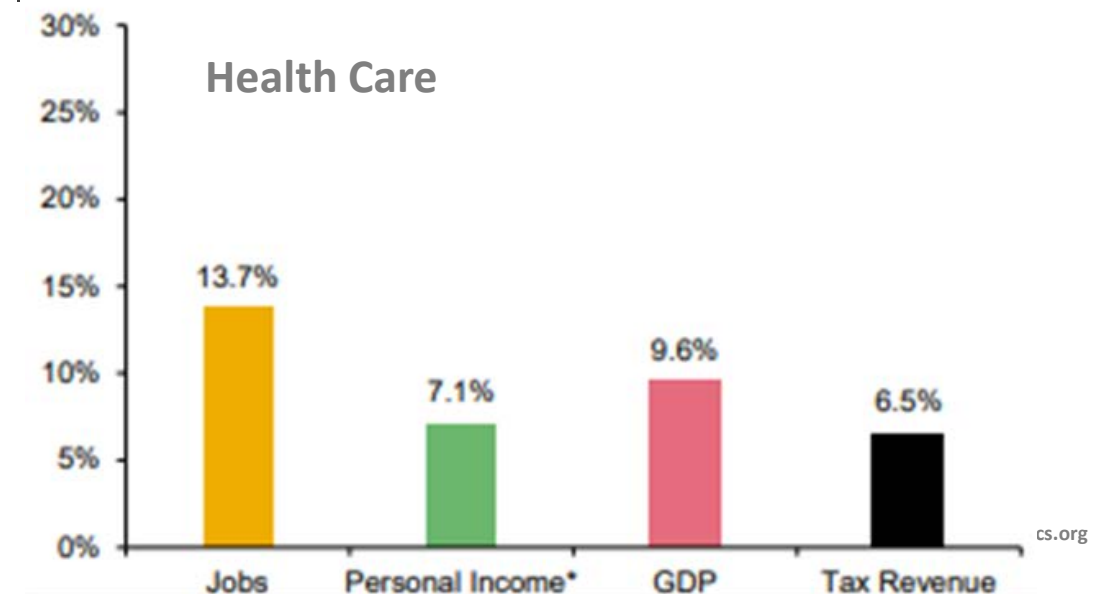
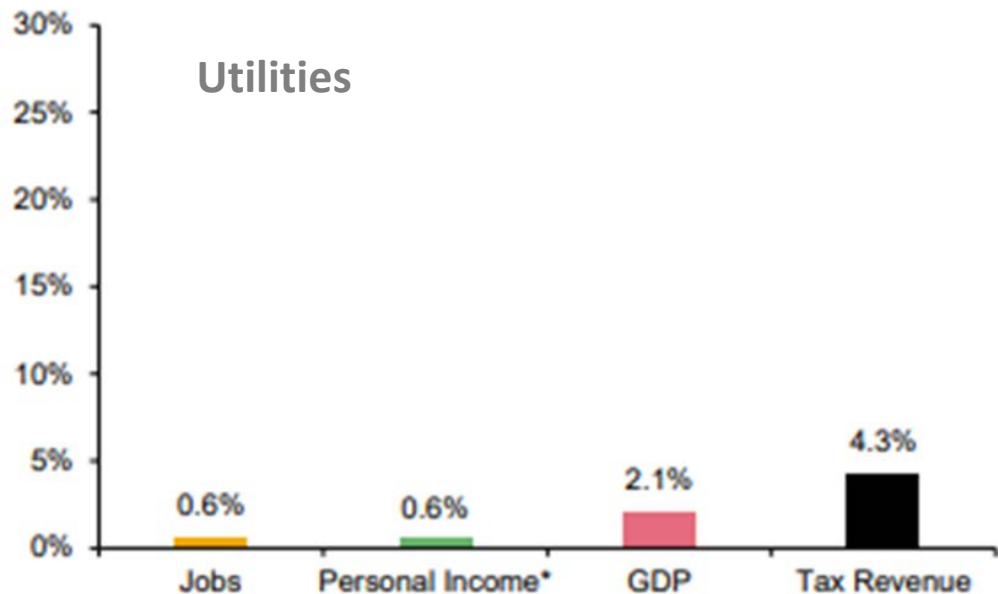
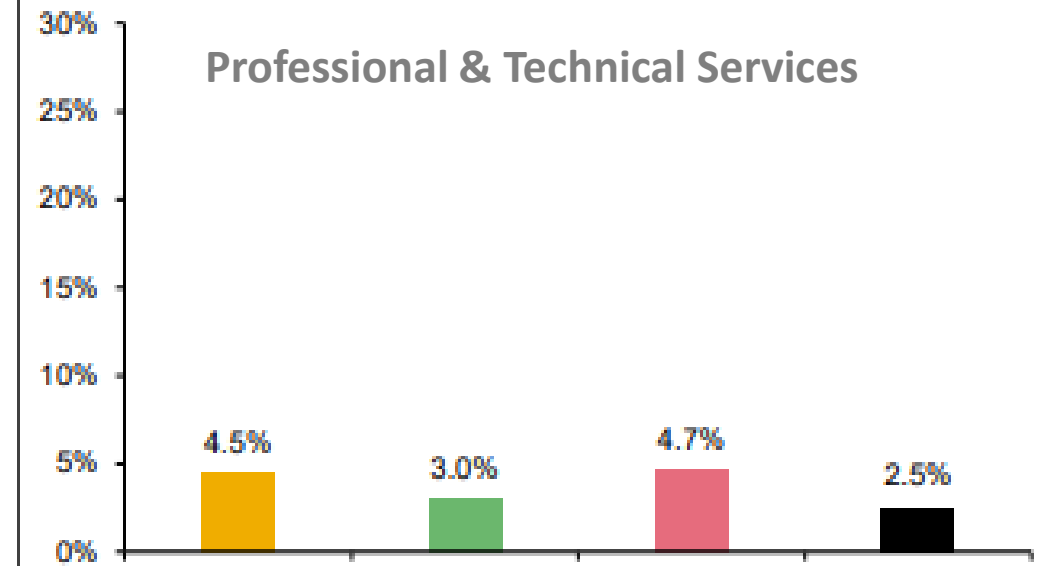
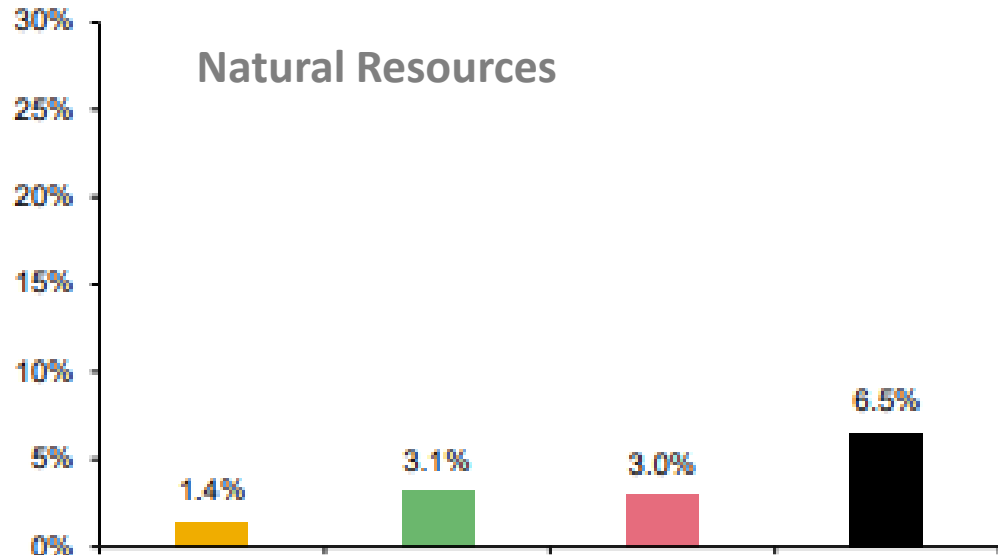
Without Tax Reform, Economic Diversification Hurts WY

100 new jobs in sectors other than energy generates budget deficits



<https://headwaterseconomics.org>

Rural Opportunity is Fiscal





**SAVE
BOZEMAN**

 fb.me/SaveBozeman

Building A Federal Endowment For Rural Counties



COMMERICAL RECEIPTS
earned from management of public lands.



FEDERALLY CHARTERED NGO acts as fiduciary to counties and schools.



NATURAL RESOURCES PERMANENT FUND invested to grow the principal.



4.5% AVERAGE DISTRIBUTION provides permanent and increasing payments.



COUNTIES & SCHOOLS distributions fund SRS and Refuge payments.

.....



GRANTS & LOANS for stewardship and economic development.



Only a crisis -
actual or
perceived -
produces real
change.

- Milton
Friedman