

## CHAPTER III ECONOMY OF LINCOLN AND LEWIS AND CLARK COUNTY

### Total Employment

Non-farm employment accounts for over 98 percent of the employment opportunities in Lewis and Clark County. According to a University of Montana Bureau of Business and Economic Analysis, employment in the year 2000 was divided by sectors as follows: service industry 32.3 percent; government 23.8 percent; financial, insurance, and real estate 8.2 percent; construction 5.2 percent, retail trade 17.2 percent, and other 13.3 percent. Total employment by sectors from 1994 until 2000 is presented in Table III - 1.

**TABLE III-1:  
TOTAL FULL-TIME AND PART-TIME EMPLOYMENT BY INDUSTRY  
LEWIS AND CLARK COUNTY 1994-2000**

ITEM	1994	1995	1996	1997	1998	1999	2000
Employment by place of work							
Total full-time and part-time employment	34,538	35,757	36,939	37,117	37,178	37,746	39,011
By type of work							
Wage and salary employment	27,673	28,840	29,505	29,490	29,942	30,482	31,522
Proprietors employment	6,865	6,917	7,434	7,627	7,236	7,264	7,489
Farm proprietors employment	498	501	510	527	545	552	545
Non farm proprietors employment	6,367	6,416	6,924	7,100	6,691	6,712	6,944
By industry							
Farm employment	611	636	652	645	690	687	702
Non-farm employment	33,927	35,121	36,287	36,472	36,488	37,059	38,309
Private employment	25,279	26,426	27,485	27,641	27,459	28,110	29,036
Agricultural services, forestry, fishing and other	340	269	295	298	327	426	452
Mining	171	186	154	113	89	80	87
Construction	1,687	1,835	1,876	1,973	2,046	2,087	2,049
Manufacturing	1,272	1,272	1,295	1,301	1,287	1,197	1,235
Transportation and public utilities	1,393	1,303	1,285	1,294	1,493	1,622	1,705
Wholesale trade	823	856	947	945	971	1,015	1,025
Retail trade	5,868	6,182	6,448	6,559	6,393	6,457	6,712
Finance insurance, and real estate	2,483	2,705	2,829	2,876	2,992	3,015	3,183
Services	11,242	11,818	12,356	12,282	11,861	12,211	12,588
Government and government enterprises	8,648	8,695	8,802	8,831	9,029	8,949	9,273
Federal, civilian	1,417	1,370	1,327	1,299	1,350	1,329	1,422
Military	326	319	310	311	307	309	299
State and local	6,905	7,006	7,165	7,221	7,372	7,311	7,552
State government	4,930	4,994	5,001	5,044	5,271	5,208	5,409
Local government	1,975	2,012	2,164	2,177	2,101	2,103	2,143

(Source: Bureau of Economic Analysis, U.S. Dept. of Commerce, 2005)

### Unemployment Rate for Lewis and Clark County and Lincoln CDP

Between 1995 and 2005, the annual unemployment rates in Lewis and Clark County ranged from 3.6 to 5.0 percent (U.S. Department of Labor, Bureau of Labor Statistics, 2005). During the same period, the annual unemployment rates for Montana ranged from 4.4 to 5.6 percent. According to the U.S. Census 2000, the civilian labor force in the Lincoln CDP was 465 persons, of which 23 persons, 5 percent, were unemployed. Table III-2 shows the employment statistics for Lewis & Clark County from 1995 through May of 2005.

**TABLE III-2:  
Employment and Unemployment Statistics for Lewis and Clark County**

Year	Labor Force	Employment	Unemployment	Unemployment rate
1995	27,841	26,521	1,320	4.7%
1996	27,642	26,326	1,316	4.8%
1997	27,892	26,508	1,384	5.0%
1998	27,853	26,523	1,330	4.8%
1999	27,599	26,328	1,271	4.6%
2000	31,185	29,920	1,265	4.1%
2001	28,005	26,827	1,178	4.2%
2002	27,946	26,778	1,168	4.2%
2003	28,327	27,287	1,040	3.7%
2004	28,163	27,072	1,091	3.9%
May 2005	31,094	29,972	1,122	3.6%

(Source: Bureau of Labor Statistics, U.S. Dept. of Labor, 2005)

### Income

State, federal and county government accounts for approximately 25 percent of Lewis and Clark County's economic base as measured by labor income. Total personal income in Lewis and Clark County increased by approximately 32 percent between 1995 and 2003. (Bureau of Business and Economic Research, 2004)

The median income in the Lincoln CDP, according to the 2000 Census, for a male full-time worker was \$24,583, and a median wage for a female full-time worker was \$15,227.

### Employment in the Lincoln Planning Area

Employment statistics specific for the Lincoln Planning Area are not available. However, the Lincoln Area, which in the past has been primarily supported by commercial timber harvest, mineral extraction and modest agriculture in the form of ranching, appears to be increasingly dependent on tourism and retail trade.

There are no reliable estimates available on the numbers of persons who commute to Helena and other places outside the Planning Area to work.

Census 2000 compiled employment statistics for the Lincoln CDP. Employment statistics specific for the Lincoln CDP show that retail trade and service industries have increased in importance to the area's economy. Commercial timber harvesting, mineral extraction and modest agriculture in the form of ranching provide fewer employment opportunities at this time. Table III-3 shows employment data collected for the Census 2000.

**TABLE III-3:  
EMPLOYED CIVILIAN POPULATION 16 YEARS AND OLDER IN THE  
LINCOLN CDP**

SUBJECT	Number	Percent
<b>OCCUPATION</b>		
Management	141	32
Service Occupations	93	21.1
Sales and office occupations	77	17.5
Farming fishing, and forestry	20	4.5
Construction, extraction and maintenance	47	10.7
Production, transportation and material moving	62	14.1
<b>INDUSTRY</b>		
Agriculture, forestry, fishing, and hunting and mining	52	11.8
Construction	35	8.0
Manufacturing	45	10.2
Wholesale trade	19	4.3
Retail trade	54	12.3
Transportation and warehousing	19	4.3
Information	14	3.2
Finance, insurance, real estate and rental and leasing	19	4.3
Professional, scientific, management, administrative and waste management	20	4.5
Educational, health and social services	62	14.1
Arts, entertainment, recreation, lodging and food services	67	15.2
Other services (except public administration)	21	4.8
Public administration	13	3.0

(Source: US Dept. of Commerce, Bureau of Census, Census 2000)

### Impacts of Tourism

Tourism is one of the fastest growing industries in the state. Growth in the tourism industry has out paced all other basic industries in recent years. From 1994 to 2004 the number of non-resident visitors to the state increased by 11.7 percent, from 8.65 million to 9.8 million visitors. In 2004, those 9.8 million visitors spent an estimated \$1.96 billion in Montana.

One way of calculating the importance of the tourism/visitor industry to Montana is through extrapolation from the four percent (4%) Lodging Facility Use tax (also called the bed tax) on accommodations. The Montana Legislature levied an additional 3% selective use tax in 2003 on the cost of accommodation, for a total of seven percent (7%) bed tax on accommodations. This tax is charged on all lodging bills (whether hotel, motel, campground, or other accommodations). Research by the Montana Institute for Tourism and Recreation Research estimates that lodging costs consume 12 percent of the tourist dollar. Table III-4 presents the revenues generated by the bed tax, the estimated expenditures for accommodations, and estimated total visitor expenditures. The total projected lodging tax revenue for the state for fiscal year 2005 is \$12,970,036.

**TABLE III- 4  
VISITOR INDUSTRY REVENUE  
MONTANA  
1996 - 2003**

YEAR	Bed Tax Revenue	Expenditures for Accommodations	Total Visitor Expenditures
1996	\$10,816,000	\$270,400,000	\$1,389,000,000
1997	\$11,168,000	\$279,200,000	\$1,450,000,000
1998	\$11,544,000	\$288,600,000	\$1,537,000,000
1999	\$11,960,000	\$299,000,000	\$1,596,000,000
2000	\$12,168,000	\$304,200,00	\$1,656,000,000
2001	\$12,008,000	\$300,200,000	\$1,719,000,000
2002	\$12,420,000	\$310,500,000	\$1,800,000,000
2003	\$21,448,000	\$306,400,000	\$1,924,000,000

(Source: Institute for Tourism and Recreation Research, University of Montana, 2005)

The University of Montana's Institute for Tourism and Recreation has estimated that visitor expenditures in Montana for 2003 are distributed as follows: retail sales, 21 percent; food services, 28 percent; lodging, 12 percent; transportation, 29 percent; and incidental expenses, 4.5 percent.

The estimated non-resident expenditures, by category, in Lewis and Clark County for 2001-2002 were:

Restaurant	\$15,873,000
Retail	\$14,857,000
Hotel	\$ 9,749,000
Outfitter/Guide	\$ 9,076,000
Gas	\$ 8,153,000
Grocery	\$ 4,152,000
Auto rental/repair	\$ 3,644,000
Fees/licenses	\$ 2,113,000
Camping	\$ 492,000

Other	\$ 313,000
Transportation	\$ 163,000
Total	\$68,585,000

(Source: Institute for Tourism and Recreation Research, University of Montana, 2001-2002)

According to the Institute for Tourism and Recreation Research of the University of Montana, in 2000, the average daily non-resident expenditure in Lewis and Clark County was \$97.00. This non-resident expenditure value is greater than the statewide average of \$93.00.

Impacts of Hunting:

Research by the Institute for Tourism and Recreation Research shows that in 2004, hunting ranked sixth out of the top ten attractions that bring non-resident visitors to the State. Both resident and non-resident hunters spend a substantial amount of money in the State each year. The following 2004 data from the Montana Department of Fish, Wildlife & Parks shows the estimated average daily expenditures by resident and non-resident elk and deer hunters statewide.

Resident Elk Hunters	\$ 70.00 per hunter/per day
Non-Resident Elk Hunters	\$331.00 per hunter/per day
Resident Deer Hunters	\$ 55.00 per hunter/per day
Non-Resident Deer Hunters	\$151.00 per hunter/per day

Elk hunting provided approximately \$18.2 million in net value to the economy of Lewis and Clark County in 1993. Approximately 55 percent of that net value was generated by resident hunters in 1993.

Approximately one-half of hunting districts (HD) 281 and 293 are located in the Lincoln Planning Area. HD 293 ranked fourth and HD 281 ranked fifth in net value generated by hunters within Lewis and Clark County. Figure 5 shows the boundaries of the hunting districts in relation to the Lincoln Planning Area.

Table III-5 presents the number of hunters, hunting days and net value produced in these two hunting districts in 1993. The Montana Department of Fish, Wildlife and Parks estimated that a resident hunter generated \$53.58/day/person and a non-resident hunter generated \$251.83/day/person for the local economy. The net value of a day of elk hunting in Lewis and Clark County was estimated to be \$88.41.

**TABLE III-5:  
ELK HUNTING HD 281 and 293 (1994)**

District	Number Hunters	Hunter Days		Expenditures		Net Value
		Res	Non-Res	Res	Non-Res	
281	2121	11,148	1,596	\$597,310	\$401,921	\$999,231
		(Total: 12,744)		(Total: \$999,231)		
293	2449	12,725	1,099	\$681,805	\$276,761	\$958,566
		(Total: 13,824)		(Total: \$958,566)		

(SOURCE: Montana Department of Fish, Wildlife and Parks, 1994)

Since 1993, the number of estimated elk hunter days for both HD 281 and HD 293 has decreased substantially. Economically, the average daily expenditures by those hunters has actually increased and therefore compensated for the decline in hunter days. Table III-6 shows a rough estimate of the expenditures by elk hunters in each hunting district in 2002. These estimated expenditures provide an example of the impact that recreational hunting has on the economy of the Lincoln Planning Area.

**TABLE III-6:  
ESTIMATED HUNTER EXPENDITURES IN HD'S 281 and 293  
(2002)**

District	Hunter Days	Average Expenditures (Both Resident & Non-Resident)	Net Value
281	8,233	\$200.00 Per day	\$1,646,600
293	10,942	\$200.00 Per day	\$2,188,400

(SOURCE: Montana Department of Fish, Wildlife and Parks, 2002 & 2004)