

**Population and Labor Market Trends
And Economic Development Opportunities
For Glacier County, Montana
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**By Steve Seninger, Ph.D. Economist
Bureau of Business and Economic Research
Room 234 Gallagher School of Business
University of Montana-Missoula Campus
(steve.seninger@business.umt.edu and 406-243-2725)**

EXECUTIVE SUMMARY

Main patterns and issues in Glacier County identified in this report are:

→ The Blackfeet Indian Community is the major source of population and labor force growth

→ An aging and smaller white population contrasts with the almost 3300 Blackfeet youth are under 20 years of age and represent 25 percent of total county population.

→ Average labor earnings are 92 percent of Montana's average that is the lowest nationally

→ Seasonal fluctuations in labor demand contribute to a county unemployment rate that is two times higher than the Montana rate

→ Deficiencies in worker skills, education and in labor force participation combined with a lack of jobs contribute to the extremely high unemployment rates (+50%) on the Blackfeet Reservation

→ Higher wage jobs, year round employment, and re-employing the unemployed – especially on the Blackfeet Reservations -through job creation and training programs should be primary objectives for economic development

→ Economic development in tourism and recreation needs to move beyond small retail and service businesses to year round, higher end businesses in cultural and heritage tourism

→ Public capital improvements for roads, jail facilities, recreation facilities for youth in Browning and Cutbank, and other public buildings can create jobs and improve the region's economic development attraction

→ Value added enterprises in agriculture, timber and other natural resource areas should be explored and assessed for economic development opportunities

→ Oil and gas exploration/production are very dependent on currently unstable world markets

→ Any effective economic development strategy will require full participation by the Blackfeet Indian Community

BACKGROUND

Rural economic development and job creation have been major policy concerns in Montana during the 1990's. While statewide growth in jobs has been strong during the past decade most of this employment growth has been in urban areas. Rural areas have higher unemployment rates due to job declines in timber and mining, and resource-based production and to a general lack of labor mobility. The declines in the demand for workers in resource sectors have not been offset by the inflow of good jobs in other sectors.

Montana is a rural state with its 900,000 population spread out over 147,000 square miles making the state the third least-densely populated with less than 6 people per square mile. The state's large size creates a challenging mix of small, rural labor markets and larger, urban labor market areas. Over 80 percent of all jobs in Montana are located in Billings, Great Falls, Helena, Butte, Bozeman, Kalispell and Missoula. The concentration of employers and jobs in urban counties provides employment to rural workers who are able to commute from outlying areas.

The geographic pull of urban jobs does not reach rural workers in the more remote counties, many of whom are hanging onto low skill and low wage jobs in small retail trade, service, and, in some cases, natural resource-based firms. The rural work force has lower educational attainment rates and skill levels compared to urban workers, a human capital deficiency that poses special challenges since rural job opportunities do not offer incentives to pursue more education and training.

The following analysis of Glacier County identifies demographic, economic, and labor market trends. The economic development potential and opportunities suggested by the data are outlined and discussed. This analysis is part of larger community audit process by the Glacier County Community Management Team. The data analysis and identification of economic development potential are intended to be inputs to a community development framework that will include specific action plans and workforce development strategies.

ECONOMIC CHANGE IN MONTANA'S ECONOMY

The Glacier County economy has been affected by the changes occurring in Montana over the past three decades. In 1970, almost two of every four Montana workers were employed in basic industries—farming, federal government, forestry, manufacturing, mining, and nonresident travel—producing goods for sale outside the state economy. Only one of every four Montana workers was employed in these basic industries by 2000.

Between 1970 and 2000, the basic sectors' share of total employment dropped from 40 percent to 24 percent, with some of the biggest drops occurring in agriculture. Montana agriculture accounted for 12 percent of total jobs in 1970 and dropped to less than 5 percent by 2000. An increase in the number and share of retail trade and service jobs has helped to offset this decline. Retail trade and service sector jobs have grown from 60 percent of all jobs in 1970 to 76 percent in 2000.

One of the most dramatic trends is Montana's drop in per capita income rankings. In 1970, Montana was ranked 34th by per capita income among all states, and had dropped to 47th by 2000. These dramatic changes are best understood by looking at stages of economic growth in Montana over the past 50 years.

I. Growth and Expansion—1950s-1970s: During this period, the state's basic industries were driving jobs and wages. Real wages and salaries were high and keeping pace with national growth in worker earnings.

II. Recession and Readjustment—1980s: The 1980s saw major declines in labor demand and a phasing down in basic industry sectors due to changing world markets and labor-saving technological changes. Permanent losses of high wage jobs and significant deterioration of workers' earnings occurred during this period.

III. Recovery and Transformation—1990s: This was a decade of strong job growth but lagging growth in real wages and labor income. During the 1990s, employment continued to shift away from traditional, basic industry to retail trade and service sector jobs.

Growth in worker wages has been the most pressing problem in Montana's labor market during the 1990's. While there has been a slight recovery of real earnings in some sectors, the state continues to lag behind the nation in real earnings per worker. Average wage levels in Montana vary over a wide range from \$9.67 in retail to \$11.91 in services and \$14.89 in manufacturing to \$11.75 in mining. The average, non-farm wage rate is \$12.37 per hour. High wage sectors—like mining and manufacturing—employ low proportions of Montana's work force while most of the state's job growth has been lower wage jobs in retail trade and services. Of the estimated 7,000 new jobs in the Montana economy in 1997, about 60 percent paid \$9.00 per hour or less.

Current job growth projections show a total of approximately 9,400 jobs per year for the next five years. Its expected that about sixty percent of this job growth will be in services and trade establishments such as health services, business services, social services, recreational services and retail trade employers. The demand for skilled workers is expected to continue growing in rapidly expanding areas such as health care and the technical component of business services.

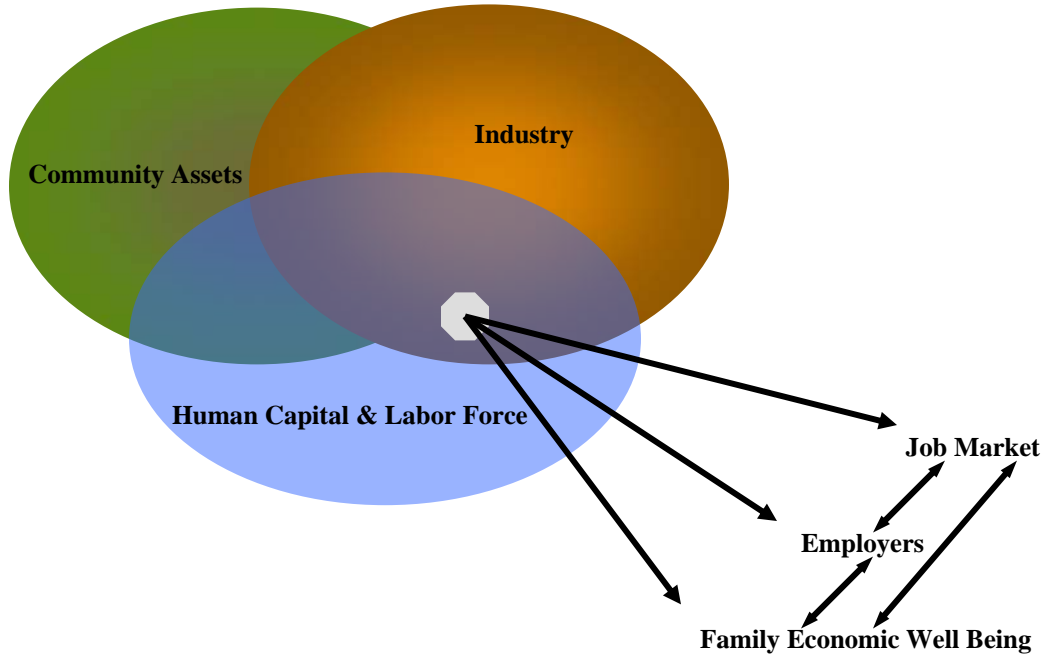
Employers in the goods producing sectors will account for 4,000 jobs per year with significant skill requirements in housing and commercial construction and in durable goods manufacturing. Some of the employment growth and skill needs will be in the manufacture of industrial machinery and sporting goods along with small-scale production of scientific instruments and equipment.

OVERVIEW OF ECONOMIC DEVELOPMENT AND THE COMMUNITY AUDIT

Montana Job Training Partnership's work with Community Management Team in Glacier County includes completing a sustainable community checklist that will become part of a strategic economic development plan. Figure 1 offers a useful perspective on the

linkages between major components of a community checklist and economic development.

Figure 1: Infrastructure & Economic Development



A region 's infrastructure—community assets, industry structure, and human resources—reflects important components of the economic development process. Community assets include physical capital assets like transportation, housing, water/sewer, recreational facilities and public building and social capital in the form of community organizations and partnerships among educational, government, business, and non-profit groups. Community assets also include quality of environment and cultural values of the population. The industry component reflects industrial plant and equipment, malls, and commercial real estate plus any special facilities such as ports, rail-warehouse centers, and business parks. Human resources include the workforce along with its level of skills and education and other people assets such as the entrepreneurial energy of individuals and business leaders.

Community assets, industry, and human resources are all vital to a healthy local economy. For example, without an adequate transportation system, products can't get to market and the products cannot be produced without high quality human resources. All three elements of infrastructure affect economic development through the labor market and employers who are producing and selling the goods and services.

Proximity to Glacier National Park is one of Glacier County's biggest assets. The scenic setting of snow-capped mountains looming as the western destination for travelers coming into and across Glacier County offers a key asset for continued tourism and recreation-based economic development. Public capital like roads, school buildings, libraries, and law enforcement/jail facilities need upgrading and modernization

investments. Highway U.S. 2 is especially in need of upgrading for continued tourism-recreation development.

The industry component of Glacier County's infrastructure needs a major overhaul. Natural resource based industries such as oil, gas, timber, agriculture & ranching were major actors in the local employment base but have declined as important sources of job and wage growth. Labor saving technological changes and fundamental shifts in national and global workers make the return of natural resource based industries quite unlikely. In their place we have tourism, services, and retail trade, all of which have been inadequate replacements for the natural resource-based industries. Economic development needs to focus on a strong industry base as part of the community's infrastructure.

The human resource component of Glacier County's infrastructure needs more attention and development. High school dropout rates are high and graduation rates are low in Browning putting young Blackfeet Indians at a serious disadvantage for employment or post-high school education and training. The Blackfeet Community College is a major asset in the county. A large number of small business start up and entrepreneurial training programs offer by the BCC have resulted in numerous new, small businesses in the Browning economy through the Tribal Business Information Center.

Workforce investment programs should focus on high-school completion and remedial education along with school to work transitions. But such programs will only be effective if there are jobs to employ young people.

High unemployment county-wide and unofficial estimates of Reservation unemployment rates of 50 percent and point to serious under-development and utilization of human resources in Glacier County. Workforce investment policies should focus on remedial education, skills retraining, and work-experience programs for women with no work experience. Such workforce investments need to be supplemented with family support programs such as childcare and eldercare. Transportation to work programs that help low-income workers to get to a job are also necessary in view of the high poverty rate and the high costs of owning and maintaining a vehicle for traveling to jobs, especially across county commutes.

High road strategies for economic development should improve levels of economic well being for households and families through increased employment, better job opportunities and higher earnings. Average wages or annual labor earnings, local jobless rates, skill levels of new jobs, and opportunities for job advancement within the local economy are some basic indicators that would improve household and family economic well being.

Specific economic development strategies must be partly based on a community's recent economic experience along with underlying trends in its population and the local labor market. Demographic patterns and trends will be examined followed by a look at benchmark data on income and wages. Employment patterns will be identified. The implications of the demographic and labor market trends will then be related to economic development strategies and opportunities.

DEMOGRAPHIC PATTERNS

Glacier County's population has increased since the 1980's to a level of 13, 247 persons. This is a reasonable high population for rural counties in a state like Montana and shows a growth of 9.3 percent since 1990. State and surrounding county population growth rates help put Glacier's population growth in perspective. Montana's population grew by 13 percent between 1990 and the Census Year 2000. Neighboring counties experienced lower population growth. Pondera County's population was basically a zero growth (-.1 percent) over the decade and Toole County grew by 4.4 percent. Glacier County's population growth followed statewide growth and was above surrounding counties.

FIGURE 2: Total Population of Glacier County, Montana: 1950-2000

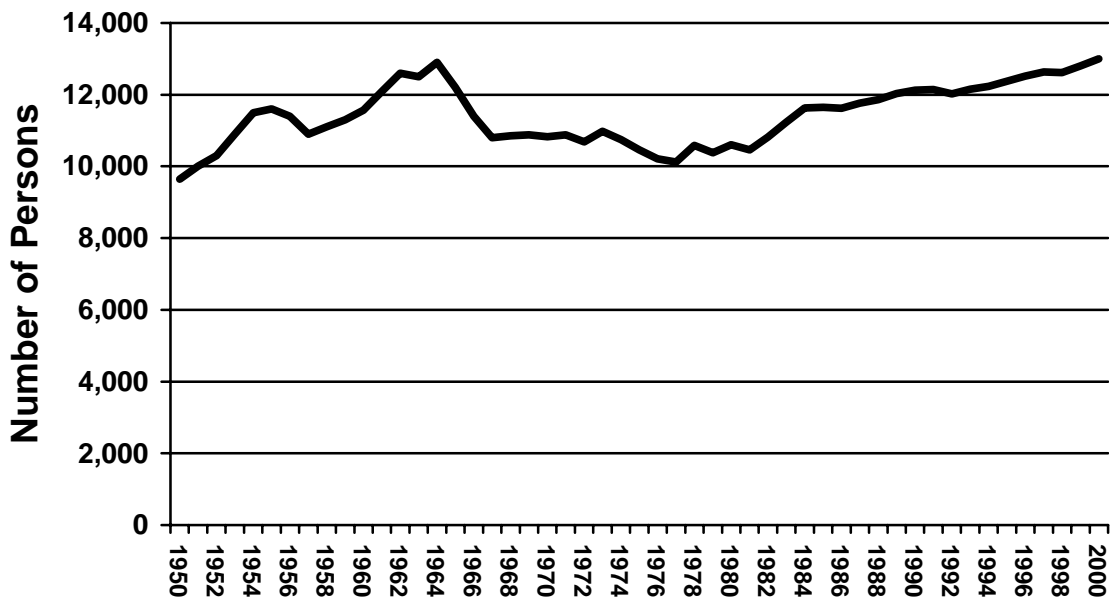


FIGURE 3. Components of Population Growth, Glacier County, 1950-2000

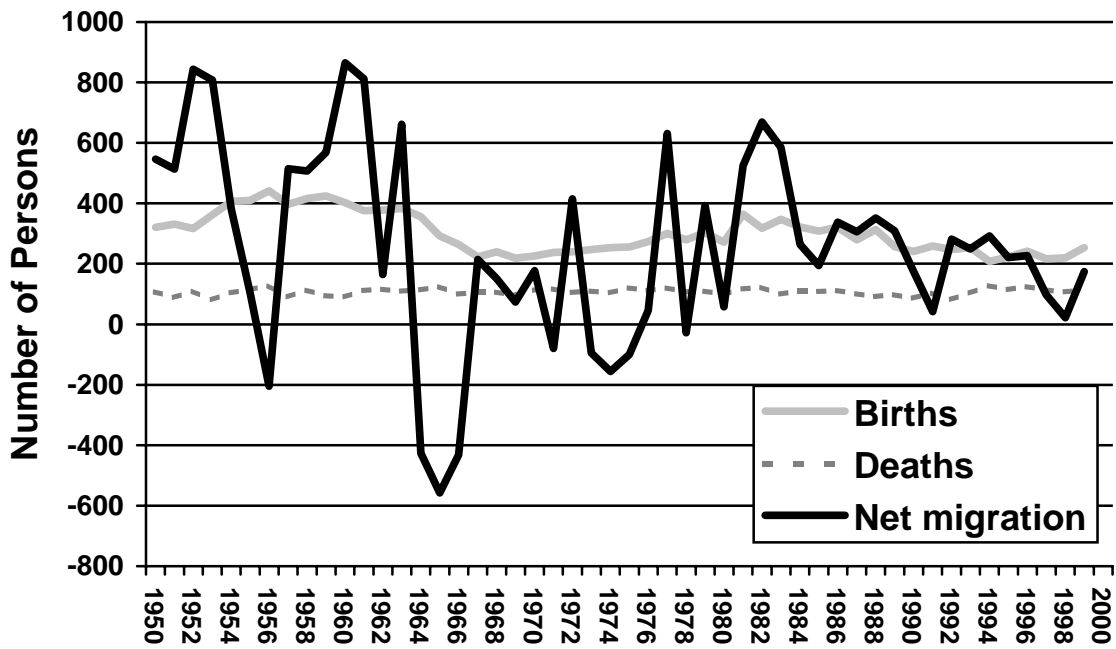
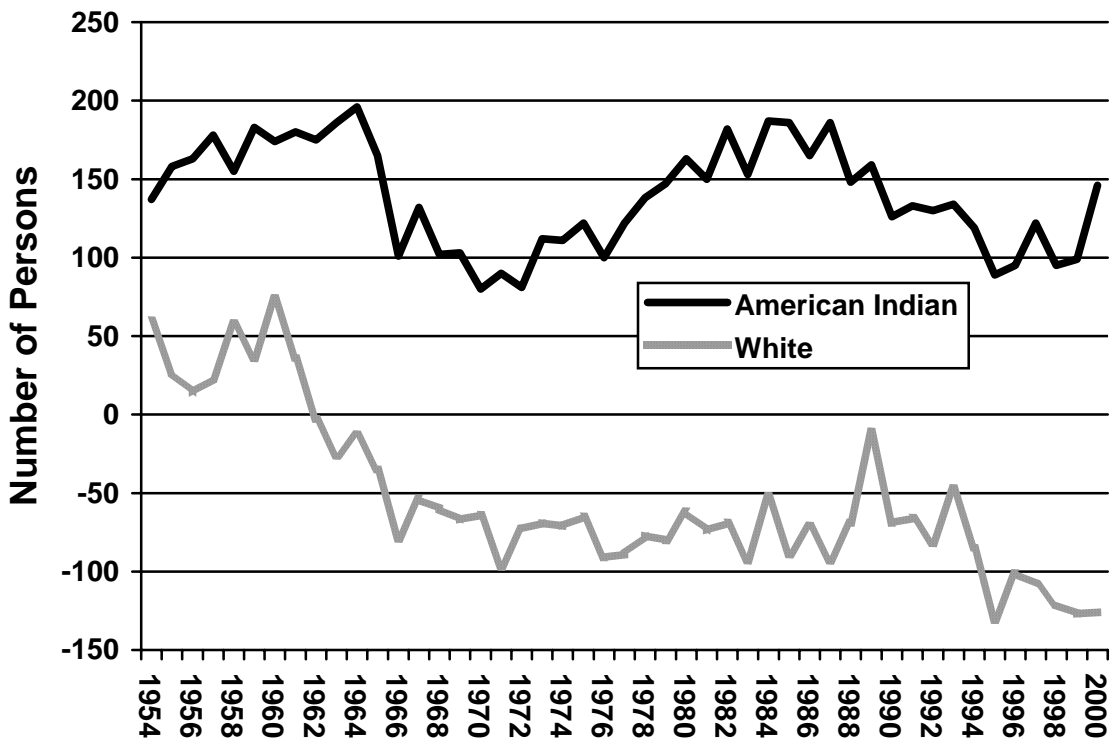


FIGURE 4. Natural Increase by Race in Glacier County: 1950-2000



Births, deaths, and net migration are the three major drivers of population in a rural region like Glacier County. The county's birth rate has exceeded its death rate for a number of years resulting in a net population gain. Net migration is the other major determinant of regional population growth. When net migration is positive there are more persons moving into an area than there are persons moving out. A negative migration represents an excess of persons moving out over persons who moved in over some time period.

Glacier County's net migration has been positive during the 1990s making it different from many other rural counties in Montana who have experienced negative net migration in the form of out-migration. As Figure 3 shows, Glacier County's net in-migration does not represent large numbers of people but its positive value adds to population growth from the excess of births over deaths during the 1990s.

The age breakdown of net-migration is shown in **Appendix Figure 1** and does not show any pattern of in or out migration for age groups. The numbers shown by the bars in the diagram represent the proportion of persons in an age group that will move either in or out of the region in a given year. These proportions are derived from 1990 and 2000 Census data and represent the probability or likelihood that a person in a certain age range is likely to move in (greater than zero) or out (less than zero). There is a lot of variation of net-migration probabilities in Figure A1. Some age subgroups in between 6 and 18 years of age are likely to move out while other subgroups are likely to move in. There is no clear pattern to these data nor is there any message about migration by age for other age subgroups shown in the data.

The American Indian population, representing 65 percent of Glacier County's 13, 247 population in 2000 has experienced high natural population growth with the annual number of births above the number of deaths (Figure 4). The natural increase in the white population has been negative since the early 1960s thereby reinforcing the importance of American Indian population as **the** demographic force in Glacier County. Clearly, the Blackfeet Tribal Community needs to be a major partner and player in any economic development strategies in Glacier County.

The age composition of population is the other notable feature of Glacier County demographics. **Appendix Figures 2 and 3** show the age and sex composition of the American Indian and the white populations in the county. There is a much higher number and proportion of young people among the Blackfeet Indian population. Thirty-eight (38%) percent of the Indian population is less than 20 years old, a pattern that has significant implications for the regions school system, its future work force and for economic development opportunities.

The white population is older and, with an excess of deaths over births, will become smaller and older over the next two decades. A region's population is its source of workers and, in the case of Glacier County, the Blackfeet Tribal Community represent a major part of the population. Blackfeet Indians as a percent of the county's labor force is more difficult to measure. Long term unemployment and a lack of jobs has caused some Blackfeet adults to either drop out completely or maintain a marginal attachment to the labor force. Lower labor force participation rates make it well nigh impossible to formally measure these people as a proportion of the workforce other than in a potential

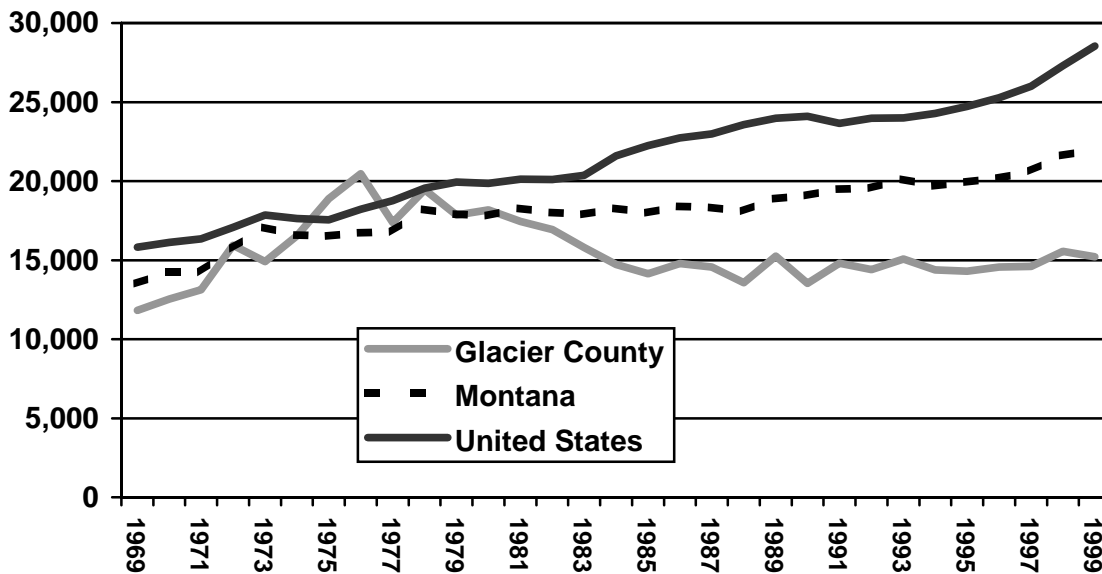
sense. Clearly, the majority of workers and the highest proportion of the labor force would come from the Blackfeet Indian community since they represent the majority of county population. Blackfeet Indian youth represent the largest, potential supply of workers making their attainment of high school education and early work experience crucial to the kind of labor force available over the next two decades.

WAGES, LABOR INCOME, AND EMPLOYMENT

Montana’s low average wage levels and the state’s shift from resource based employment to retail trade and service jobs has affected wage and employment patterns in Glacier County. Personal income going to households, labor income earned, and average wages in the county are low and below Montana and U.S. levels.

FIGURE 5 Per Capita Personal Income

1999 Dollars



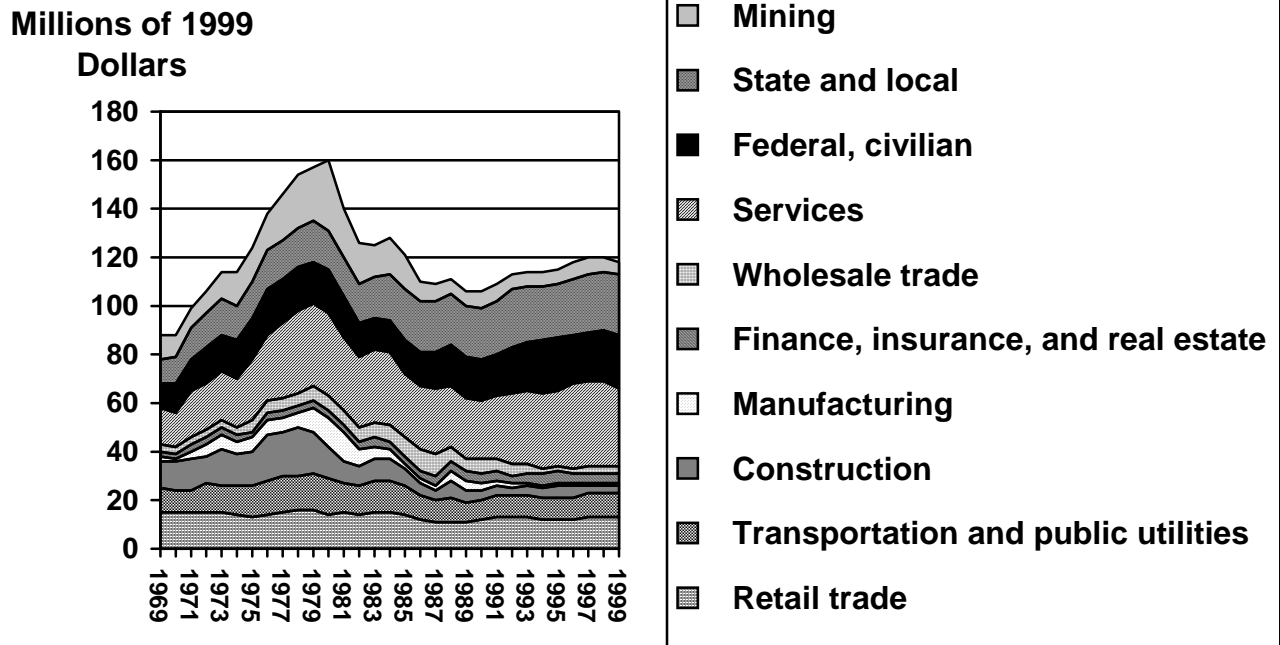
Total personal income is the basis for per capita income and represents income payments to all persons from all sources including labor income, dividends, interest payments, and transfer payments such as Medicare, Social Security, welfare programs, and unemployment compensation. Per capita income is derived by dividing personal income total population.

Glacier County’s per capita income has tracked below the state and the nation since the 1980’s. Both the level and the rate of growth in county per capita income have been less than Montana’s level and growth. Montana’s growth rate has been about equal to the national rate during the 1990’s although our state level of per capita income has never made up for negative income growth years during the 1980’s. There has been virtually no change in Glacier County’s per capita income during the past ten years causing the

county to fall farther behind the state. The county's 1999 per capita income of \$15,205 as 69 percent of the state average of \$21,997 and 53 percent of the national average, \$28,546.

In 1999, labor earnings were 57.5 percent of total personal income in Glacier County (**Appendix Figure A4**). Property income consisting of dividends, interest, and rent was 17.5 percent and transfer payments were 25 percent of total personal income. Labor earnings and property income in the county were lower shares of total personal income compared to Montana. Transfer payments were a higher proportion of Glacier County's personal income –25 percent–compared to the state where they represented 15.6 percent of Montana's personal income. Unemployment compensation payments reflecting the county's high unemployment rate and low income assistance programs including Medicaid and general assistance reflecting high rates of poverty accounted for some of the greater importance of transfer payments in Glacier County's personal income.

Figure 6 Non-Farm Labor Income by Industry, Glacier County



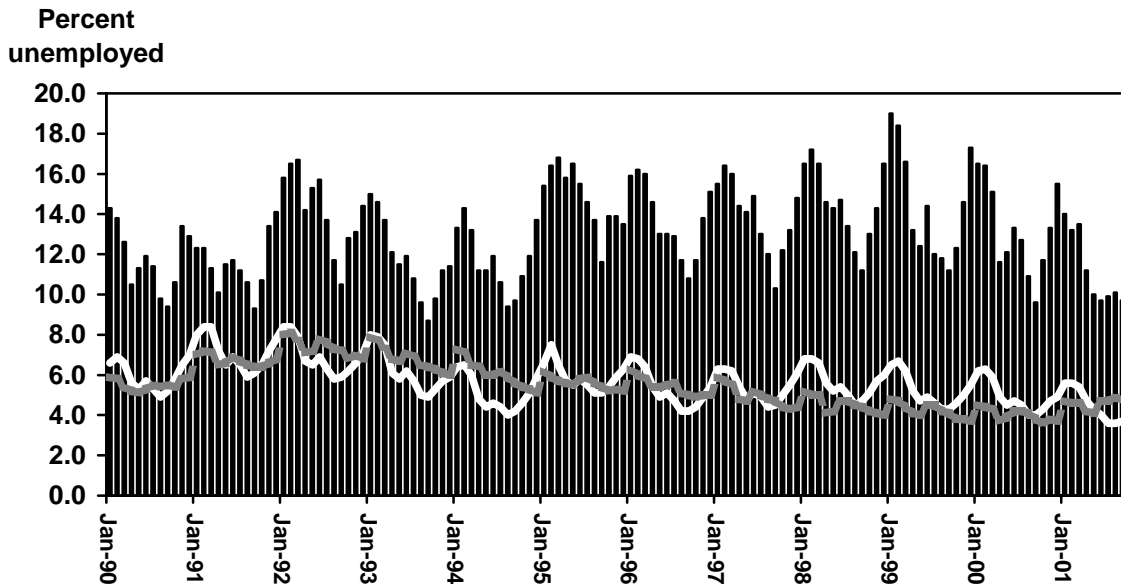
Labor income earned by persons in Glacier was \$118 million in 1999. The service sector accounted for 27 percent of non-farm labor income, state and local government represented another 21 percent and labor income earned by federal government workers was 18.6 percent of the total. Federal government labor income was the fastest growing in 1999 increasing by 5.6 percent over the previous year. Retail trade businesses accounted for 11 percent of Glacier County's labor income in 1999.

Labor income by industry is directly related to Glacier County's job base. Services, which include lodging, auto repair, and personal services accounted for 36 percent of all jobs while retail trade accounted for another 16.5 percent. One third of all jobs in the

county were with government with local government providing the largest number of jobs (**Appendix Table 5**).

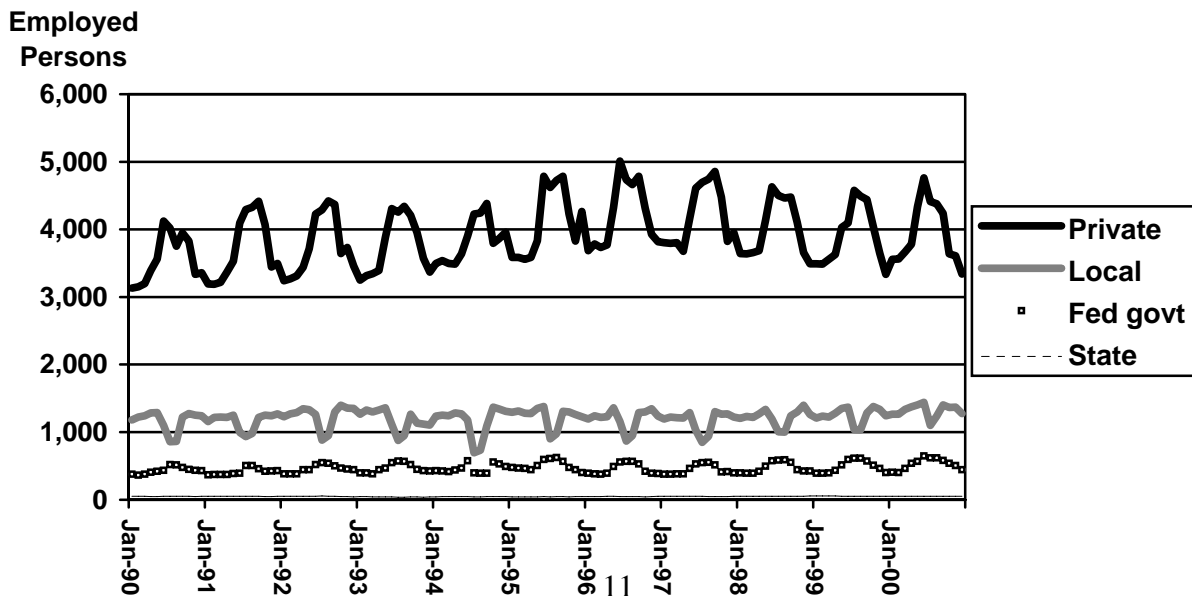
The predominance of service and retail jobs in the county's employment base affects the county's labor income and per capita income measures. Retail and service jobs pay low wages resulting in lower labor income and per capita income levels. In addition, many of the retail and service jobs are seasonal with greater demand for workers in the busier summer months of the tourist season. Jobs become more scarce during the late fall and winter off-season when employer demands for workers drop.

FIGURE 7: Unemployment Rates Glacier County



*Black bars=Glacier County unemployment rates
 Grey lines=Montana unemployment rates
 White lines=U.S. unemployment rates*

FIGURE 8: Employed Persons in Glacier County



The seasonal nature of employment in Glacier County is shown in Figures 7 and 8. The Glacier County unemployment rate of 9.7 percent in 2000 was above Montana's jobless rate of 3.7 percent and the rates in surrounding counties (Pondera was 3.6 percent and Toole was 2.5 percent). Unemployment in Glacier County increases in the fall and winter months peaks when the tourist-travel season is over.

The Blackfeet Reservation is considerably above the county unemployment rate with some official government estimates of 20 percent. Community leaders in Browning reservation cite unemployment rates that are much higher than the official government estimates. Different observers and some surveys suggest unemployment rates on the Blackfeet Indian Reservation in excess of 50 percent. The exact number and percent of unemployed on the Blackfeet Indian Reservation is difficult to estimate since the unemployment rate is based on the number of people who are in the labor force-people who are either employed or looking for work. People who are unemployed for extended periods or are seasonally employed tend to drop out of the labor force. While it is problematic to establish a jobless rate that is accurate at acceptable, statistical confidence levels, it is clear that unemployment rates on the Reservation are extremely high.

Throughout the county, local government employment drops off in the summer while federal government adds about 100 jobs to the local employment base in the summer months. Retail trade and services increase employment during the summer months. This seasonal shift in the local demand for workers reflects increased tourist and recreational business from Glacier Park visitors and other tourism/recreation traffic through the region.

Employment in Glacier County follows a seasonal pattern (Figure 8) and that also shows up in monthly unemployment rates. Employment goes up in the summer and decreases in the off-season. There has been some overall employment growth over the past decade. Non-farm employment in Glacier County grew by 9 percent between 1990 and 2000, a rate that was below the statewide employment growth rate of 30 percent and below job growth rates in Pondera County (10 percent) and Toole County (20 percent).

Labor market trends in Glacier County point to three major concerns for economic development. First, wages and earnings are low with the county's average annual wage equal to 92 percent of the state average, which is, in turn the lowest in the nation. Second, seasonal fluctuations in labor demand cause higher employment during the summer tourist recreation season and higher unemployment rates in the fall and winter months. And third, high unemployment in the county and extremely high unemployment on the Reservation reflect fundamental problems of worker skills and education and sustained participation in the labor force and a lack of jobs. The problems of low wage jobs, seasonal fluctuations in employment, and structural unemployment with discouraged workers need to be addressed by economic development strategies.

RURAL DEVELOPMENT STRATEGIES

There are a number of major strategies for rural economic development, some of which are more relevant to an overall high road strategy of developing better jobs and stronger industries. The appropriate high road strategy depends on a region's recent economic performance and its demographic and labor market characteristics. High road

initiatives target training investments toward real opportunities and real skill needs and not for non-existent jobs. The following five strategies are presented in ascending order by a) relevance for Glacier County and b) potential for creating good jobs in the community:

- I) Local-within the region- strategies;
- II) Regional associations and networks;
- III) Enterprise recruitment and new firm formation;
- IV) Urban-oriented interaction with nearby cities;
- V) Value added enterprises in natural resources.

I) Local strategies that emphasize development of a region's human and physical capital resources are especially relevant for Glacier County. Human capital refers to the skill and education levels of the population and the health of the population including families and children. The care, parenting, and schooling of children from the ages of 1 to 5, a critical period of mental and physical development, are also part of a region's human capital base. Family support services such as child and eldercare programs, GED programs, and school-to-work transition programs are also part of a human capital approach. Development of physical capital resources includes retail/main street revitalization and beautification efforts, roads and highways, water/sewer systems, and public service facilities like police stations, post offices, community centers, and recreation facilities.

II) Regional associations and networks can be developed for local government, communities, and businesses. Business networks for marketing of regional products to outside markets can be based on products from agriculture, wood products, as well as artisan and craft groups. Regional associations can also be formed around education and training programs that are delivered over a multi-regional or county area. Multi-community scenic loops for tourists and cooperative administration of education, health care, technology centers and business assistance centers are other examples of regional networks. Whites and Indians—as a partnership

III) Urban oriented interaction involved the marketing of tourism, retirement, and recreation services to nearby, larger cities. Development of 'back office' and other service jobs such as telecommunications—including telemarketing—is another form of rural-urban interaction. Recruiting secondary manufacturing plants from an urban area is also part of this strategy. Marketing of specialty goods in urban markets for crafts and farm goods is another example of this strategy.

IV) Enterprise recruitment and new firm formation is a very traditional development strategy emphasizing the attraction of new employers who sell their goods and services in markets outside the region. This strategy involves selling a region's location advantage in terms of natural and human resource endowments, business climate, and reasonable transportation access to export markets. New firm formation is a local approach to engendering establishment of new businesses that sell their good or service to outside markets.

V) Value added enterprises in natural resources encourage development, especially in natural resource sectors, of more and more highly differentiated markets, chiefly by

increasing the value captured locally through design, processing, and marketing of goods. This strategy usually involves some type of industrial activity that generates increased capture of the benefits of local resource based production. The inputs required for this strategy are extensive and include

→ Capital and financing of small businesses and start-ups; for plant and equipment expansion including newest technology and for identifying and expanding into new markets;

→ Technology—helping firm utilize existing technology more effectively—technology not only in terms of production process but also in terms of new products and services and new markets;

→ Training of workers with new and sometimes higher skills

→ Marketing and product development involving distribution channels, processes between good products and buyers including redesigning products for targeted markets.

ECONOMIC DEVELOPMENT OPPORTUNITIES FOR GLACIER COUNTY

A number of economic development opportunities for Glacier County are suggested by the demographic and labor market trends, by personal visits with people in the county, and by travels in the region. The following, brief discussion should be viewed as a starting point for a more comprehensive approach that will come from the communities in the county and the people involved with the CMT. Stable, year round employment opportunities is one objective that should be pursued in order to eventually eliminate the seasonal nature of employment and to help address the extremely high unemployment rates on the Blackfeet Indian Reservation.

Public Capital Construction Projects

Public capital projects offer a source of good jobs and an opportunity for the modernization of the Glacier County's infrastructure serving businesses and industry. Roads and highway improvement including U.S. Highway 2 would improve travel for tourists and for businesses getting product or services to outside markets. New jail facilities, school buildings, and health clinics could be financed through federal monies for community economic development and American Indian projects as well as planning and technical assistance monies from foundation like the Northwest Area Foundation and the Liz Clairbourne/Art Ortenberg Foundation who focus on the Pacific Northwest and Montan. The employment and wage benefits from the construction phase of such projects should have some carry over to new business that either start up in the region or come in from the outside and remain after project completion.

Increased jobs in the construction sector would offer some relief, perhaps for a short period, from the seasonal pattern of unemployment and the high unemployment rates on the Blackfeet Reservation. Longer-term solutions to the region's unemployment problems require continued development of jobs like those offered by Pikuni Industries in the modular home and construction industry. While their current workforce is small, the firm's continued exploration into new markets and projects offers great potential labor demand for semi-skilled and skilled workers.

Oil exploration on the Blackfeet Indian Reservation is another potential, long run source of jobs depending on the hiring practices of outside firms who come in to do the exploration and extraction. Oil and associated natural gas production can be a very unstable source of employment since this energy sector is very dependent on the world price of oil. A recent price spike to \$30 per barrel of crude oil seems to have a blip above a price in the low \$20s, a level that many forecasters see as the more likely ‘settling out’ over the next couple of years.

Labor Force Development and Family Support

Increased training and education for the Glacier County population and workforce is another, long term development opportunity. Higher quality workers offer a location cost advantage to new businesses and firms looking for a region to move and also make workers more mobile. More educated and skilled workers will need better local employment opportunities, some of which would accompany the public capital projects and the American Indian culture and the Lewis and Clark heritage tourism. Higher skilled, educated workers would also have greater geographic mobility that may be a necessary to relieve the structural unemployment component of the county’s high jobless rate.

Family support programs including childcare, eldercare, and early childhood education should also be part of this development approach. Childcare and eldercare programs helping men and women in finding and keeping jobs. They also reduce turnover and absenteeism costs to employers. Early childhood education provides the basic skills and mental development for pre-school children that positions them for more successful educational outcomes in K-12 schooling and in the accumulation of work experience when they enter the labor force.

Resource Based Value Added

Value added business opportunities related to the region’s natural resources would seem to be in the agricultural and wood products areas. A starting point for this opportunity area would to identify examples, individuals, and existing firms that produce or process resource-based commodities and find some natural interactions between like firms—informal like tips and ideas exchanged through business and social contact to more formal such as joint marketing or subcontracting ventures; shared advice about technological innovations to joint efforts in product procurement and quality management.

There are examples of value-added agriculture businesses in other parts of Montana. The bovine biotechnology businesses around Miles City’s and Billings livestock industry, and log home manufacturers in Western Montana are examples. Another example is Wheat Montana Farms and Bakery in the Three Forks area that sells to customers throughout Southwest Montana and has succeeded on the basis of niche-marketing, establishing brand name recognition, and low-cost sourcing of wheat and wheat flour. Cream of the West in Billings is another agricultural value-added business based on high-protein, hard red Montana spring wheat. Their niche marketing has encountered some market obstacles in the form of consolidation in retail food stores reducing the number of

outlets as well as a dwindling number of independent food distributors in the state for getting Cream of the West delivered to stores.

Success in agricultural value-added business requires a) low costs; b) entrepreneurial energy; and c) niche marketing. Wheat Montana and Cream of the West score well on the entrepreneurial and niche marketing factors but, for several external reasons, not well on realizing lower costs. Higher transportation and distribution costs prevent market penetration in the larger urban markets such as Seattle, Spokane, Salt Lake City, Denver and Minneapolis. As a result these firms deal with Montana and other, nearby regional markets, the size of which prevent lower per unit production costs via economies of large scale production.

Examples outside the state include Woodnet, a regional network of firms in wood and logging in Washington's Olympic Peninsula who used a foundation grant to get started on wood products firms ranging from logging to lumber to furniture to boats to wood cabinets. Woodnet—Woodnet is the lead organization that establishes and develops network and partnerships—through community organizations and through regular meetings and communications between businesses although its role will become more passive role of facilitating and serving as a clearinghouse. The Woodnet example could be used as a model for resource based opportunities that need to be identified by the CMT working with other groups.

It is important to remember the full array of resources and inputs need for success in resource-based value added business development. The finance capital, technology, labor skills, and marketing requirements are not insignificant. It is also important to note the availability of statewide and community resources for some of these requirements. The Montana World Trade Center at the University of Montana in Missoula offers marketing expertise to Montana firms seeking new product development and markets. The Blackfeet Community College Tribal Business Information Center has been active in entrepreneurial development and small business startups in the Browning area. GAIN and the Chambers of Commerce in Cut Bank and in East Glacier offer a variety of expertise for businesses, projects, and partnerships in seeking public and foundation funding sources. MSU-Bozeman has the Montana Manufacturing Extension Center that offers technical and business operations assistance to manufacturing firms of all kinds. The Montana Job Training Partnership and the state Department of Labor and Industry offer range of resources and programs for worker training and labor market projects and trends. The Bureau of Business and Economic Research, School of Business Administration at the University of Montana monitors the state economy and its major industry and provides information on-line at www.bber.edu.

Travel, Tourism, and Recreation Businesses

There are many opportunities for tourism and recreation businesses in Browning, Cutbank, and throughout Glacier County. More eating places and motels-especially in Browning—and other small businesses such as tackle/hunting shop, regional and Indian craft shops, outdoor/recreation stores are opportunities in this area. Other opportunities related to the large youth population on the Blackfeet Reservation are recreation and entertainment businesses such as skateboard parks, an ice hockey rink, movie theaters, and youth sports facilities.

Expansion of the existing North Great Plains Indian Museum into a major interpretive center could emphasize the Blackfeet Indian culture and western history of Northern Great Plains in both the US and Canada. Such a center would serve as a draw to travelers coming through as well as people staying at East Glacier, Many Glacier, and St. Mary. Continued development of the Lewis and Clark heritage of the region offers tour business opportunities in the upcoming bicentennial, especially in Cutbank as the gateway to the northern-most reach of Merewether Lewis's travels. There seems to be a sustained, strong world interest in the Lewis and Clark Corps of Discovery as evidenced by the ongoing success of Stephen Ambrose's *Undaunted Courage* as well as other books and coverage of that era of westward exploration. Cutbank tourists and travel businesses could broker some regional tours in Glacier County from the tourists expected to visit the Lewis and Clark Interpretive Center in Great Falls over the next several years.

Blackfeet Indian art and regional arts and crafts oriented to the Glacier Park country offer opportunities for economic development that would provide year-round jobs. Continued development of the already existing artists and crafts people through acquisition of more public and private gallery space and retail outlets offers one way to develop a more solid business base. Other areas such as New Mexico and the upper Rio Grande Pueblo Indian arts and craft industry and the Pacific Northwest Native Peoples art are examples of substantive, long term jobs and earnings. Arts and crafts coops of artisans and small producers of high craft goods could share workshop space and facilities, purchase supplies together, share large jobs, and market through common channels.

Concluding Points on High Road Strategies

There are many economic development opportunities in Glacier County. It is helpful to keep in mind that many of these opportunities depend on local people—entrepreneurs and workers. It is also important to remember that some 'outside markets' come to you in the form of tourism and recreation and that time spent in planning how to develop and expand those markets into more substantive, higher pay, year round jobs can be very productive and at relatively low costs. Other outside markets—particularly the market for oil, gas, and mining—depend on national and world conditions and economic forces. These external forces do generate wide swings in employment and business within regions that become highly dependent on such outside markets.

Based on the analysis and discussion in this report the two high road strategies offering the best potential for Glacier County are:

a) Labor force and human resource development of human capital through remedial education and training, especially in the Blackfeet Indian Community is a pre-requisite for economic development in the region. High unemployment and a lack of recent work experience and job skills are a liability in Glacier County and the Blackfeet Indian Community that detract from economic development. Existing and new employers are attracted by a labor force that is healthy, educated at least at the high school level, and offer job skills and work experience.

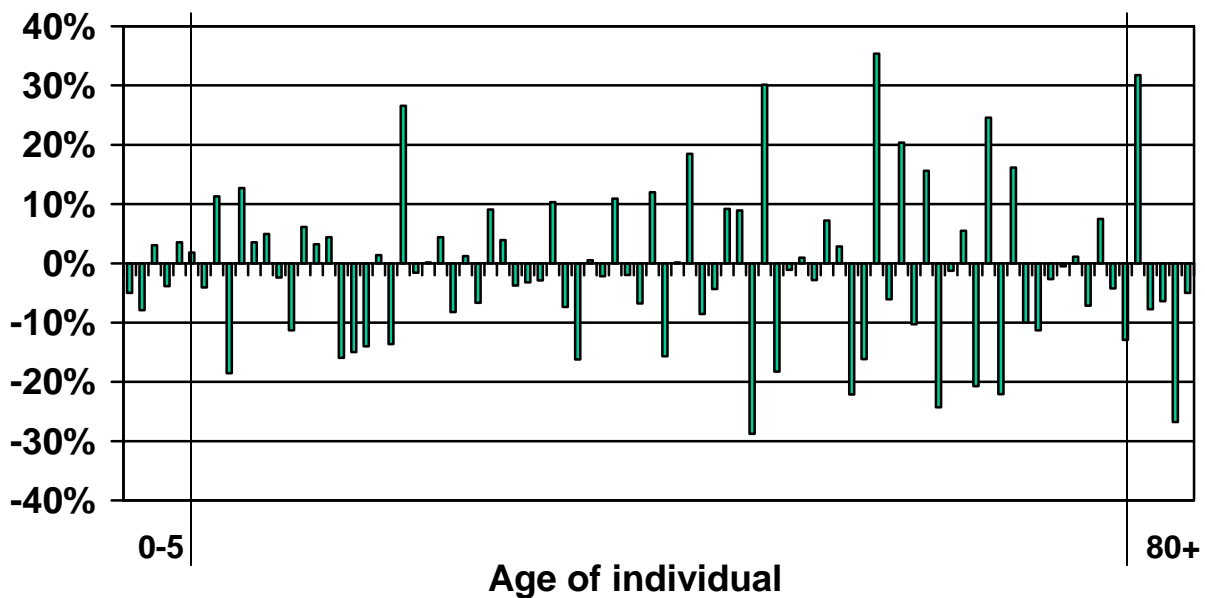
b) Cultural and outdoor tourism for higher end jobs in tourism and recreation needs to be more fully developed starting with marketing research.

c) Public capital investment projects in roads, government buildings in Cutbank and Browning, and in other public facilities including courts and jails should be pursued. This will improve community infrastructure and generate good jobs during the construction phase with potential carryover via new, small firm startups in the construction industry.

d) The Blackfeet Indian arts should be developed in terms of facilities to display, art education programs for youth, and more effective marketing through cultural festivals and national advertising.

APPENDIX FIGURES

FIGURE 1: Migration Rate by Age for Glacier County, 1990 to 2000*



*Each bar represents the proportion of persons of an age that will move in a given year.

FIGURE 2: Population by Age and Sex American Indians, Glacier County 2000

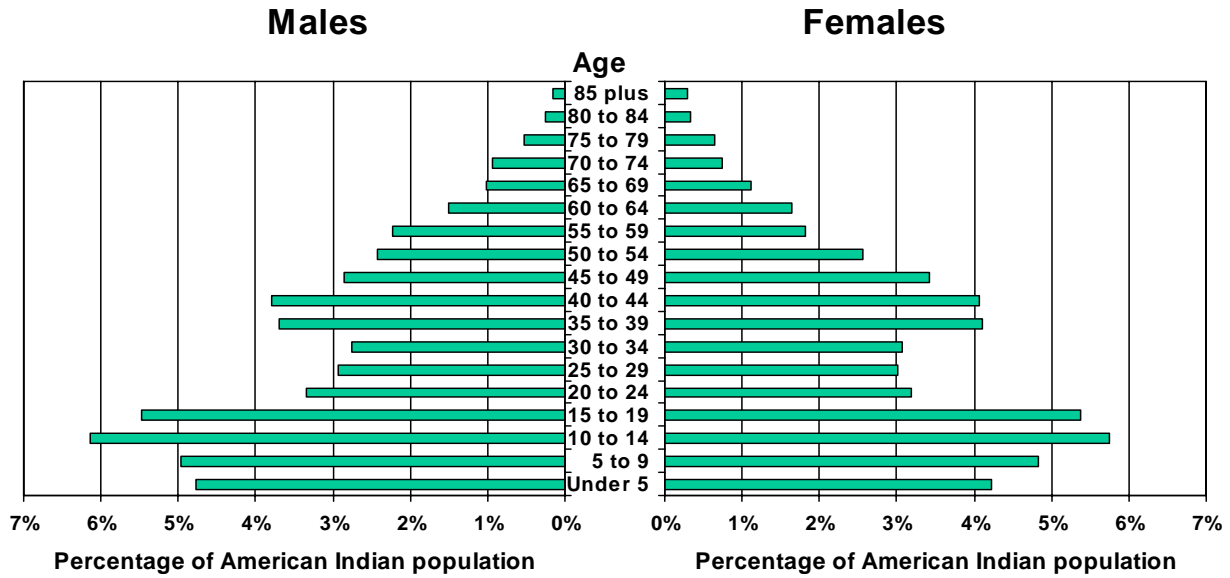


FIGURE 3: White Population by Age and Sex in Glacier County, 2000

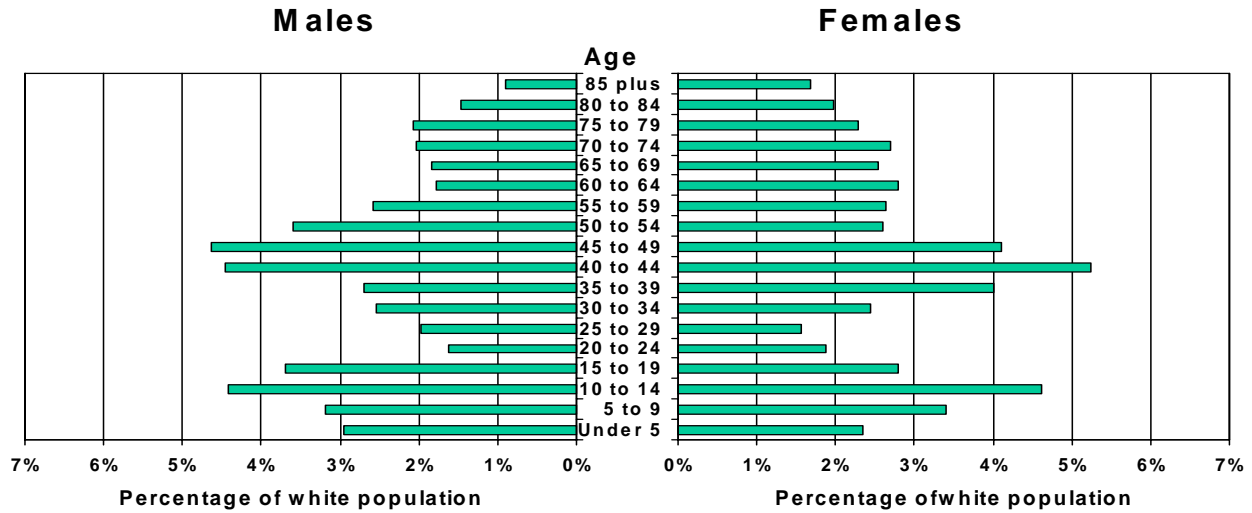


FIGURE 4: Personal Income by Component, Glacier County

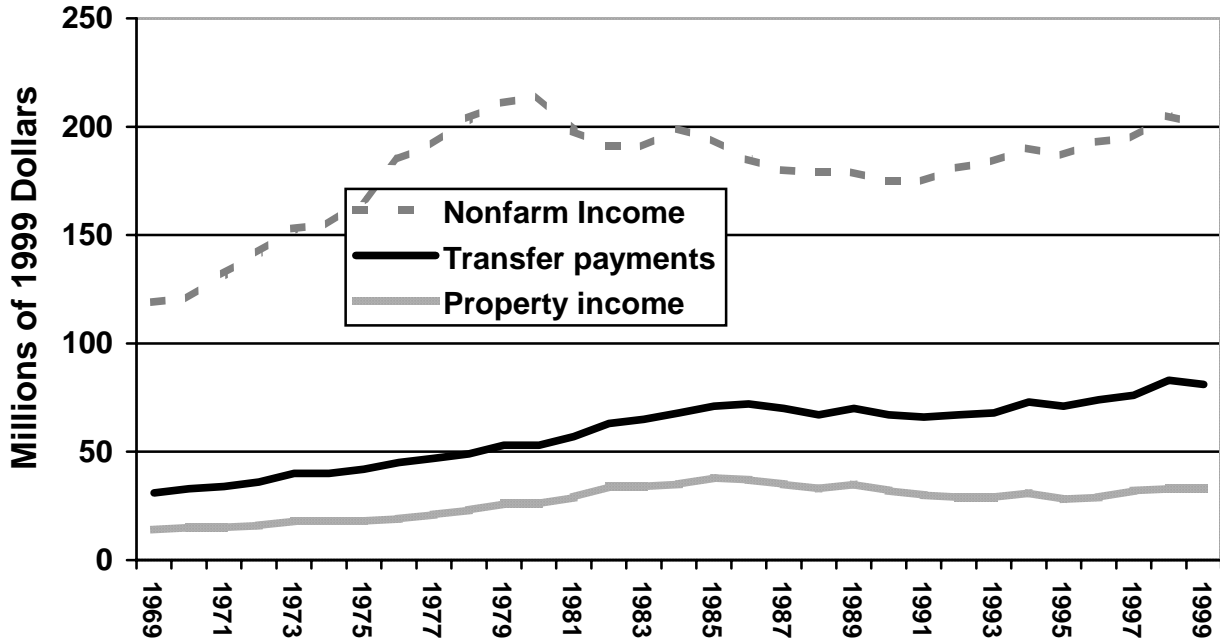


FIGURE 5: EMPLOYED PERSONS GLACIER COUNTY

