

4 COMMUNITY-FOREST INTERACTIONS

The explorations of the Lewis and Clark Core of Discovery offered a literal and figurative roadmap for those from the east who traveled west in search of adventure as well as gold, silver, timber, grasslands, land, and other natural resources. As exploration gave way to settlement, community economies and lifestyles were based on the commercial use of natural resources. A common historical legacy of these communities is an identity that merges lifestyle, resource extraction, and the expectations of personal and community well-being. Early in the 20th century, Gifford Pinchot and many of those who followed him as Chief of the Forest Service recognized that National Forests provided timber, supporting the economies and lifestyles of adjacent communities. Congress also recognized the interaction of forests and communities in what is often termed the “Sustained Yield Act” of 1944 (US, 1944) the purpose of which is stated in Section 1 of PL-78-273:

Sec.1. In order to promote the stability of forest industries, of employment, of communities, and of taxable forest wealth, through continuous supplies of timber; in order to provide for a continuous and ample supply of forest products; and in order to secure the benefits of forests in maintenance of water supply, regulation of stream flow, prevention of soil erosion, amelioration of climate, and preservation of wildlife, the Secretary of Agriculture and the Secretary of Interior are severally authorized to establish by formal declaration, when in their respective judgments such action would be in the public interest, cooperative sustained-yield units which shall consist of federally owned or administered forest land under the jurisdiction of the Secretary establishing the unit and, in addition thereto, land which reasonably may be expected to be made the subject of one or more of the cooperative agreements with private landowners authorized by section 2 of this Act. (US, 1944)

Promoting stability in communities that were often highly unstable because of boom and bust cycles in demands for natural resources thus became a concern of the Forest Service. In fact, Libby and Troy were among the communities included in the “The Montana Study” that focused on identifying how to promote “community stability.” Harold and Lois Kaufman, the authors of that study, were perceptive in their definition of community stability:

The term community stability ... does not imply a static condition, the absence of change or the necessity of maintaining the status quo. The basic implication is orderly change rather than a fixed condition. Synonyms of stable are lasting, permanent and durable. But for an institution to be lasting ... it must gradually change to meet new conditions. For this reason the most stable type of community in the present day (1944) would probably be one in which there was orderly change toward given goals; those goals embracing ‘the good life’ in whatever way that might be defined (Kaufman and Kaufman, 1946).

Before and shortly after World War II community stability was defined in terms of sustainable timber harvests that could support local economies. Lifestyles, healthy local economies, and timber production were linked in conceptualizing the promotion of community stability. The Kaufman’s notion of “community stability” foresaw changes in

demand and supply that eventually lead to the Multiple-Use Sustained Yield Act of 1960 that broadened the dimensions of interaction between forests and adjacent communities to include recreation, grazing, watersheds, and wildlife habitat. Subsequent laws further broadened the range of issues affecting the interaction of the Forest Service with adjacent communities.

Social science has examined this relationship with concepts such as: stability (Kaufman and Kaufman, 1946), economic dependency (Robbins, 1987), well-being (Kusel, 1996), and resiliency (Barney & Worth, 2000). Research about sustainable communities and “community viability” (Michaelidou, et al., 2002) also examine the interaction of ecosystem conservation and forest communities. Although social science research remains diverse in approaches and conclusions about the relationships between communities and national forests, it is clear that a focus only on timber production is insufficient to characterize the complexity of these interactions. Indeed, these studies suggest the importance of social and cultural variables as well as a wider range of economic factors other than timber production. The discussion in this chapter is a preliminary assessment of social as well as economic issues that describe the range of interactions between the KNF and adjacent communities.

To describe these dimensions of interaction, we examine demographic conditions and trends, economic characteristics and trends, and social conditions and trends. This examination includes a specific discussion of the socioeconomic contributions of the KNF to county communities. This discussion can serve as one source of information to assess the socioeconomic consequences of alternative forest management approaches.

4.1 Demographic and Socioeconomic Trends

The socioeconomic conditions in Lincoln and Sanders counties are linked to the conditions in the rest of Montana. There are some general demographic and economic trends that characterize existing conditions, especially in western Montana, that constitute the broader context for understanding changes in Lincoln and Sanders counties. The discussion below highlights some of these broader trends and then summarizes specific demographic and economic changes for each of the counties.

4.1.1 DEMOGRAPHIC TRENDS AND ISSUES

The following are among the noteworthy trends in Montana demography for the 1990-2000 decade.

- There is a shift in the patterns of population growth. Most of eastern Montana counties are experiencing population declines, most western Montana counties are experiencing population growth. Some of this growth is a result of residents relocating from other parts of Montana, but in-migration from other states accounts for a significant component of the overall growth. Some interpreters of this shift suggest that population growth tends to be focused on those areas with high scenic and recreational values.
- The overall proportion of urban residents in Montana is rising. In the 1990 Census approximately 60.8 percent of the state residents lived in the urban counties and the Census 2000 data show an increase to 63.6 percent.
- The population is aging. The median age of Montanans for Census 2000 (37.5) is higher than the overall median age of the United States (35.3; and, within Montana, rural counties have higher median ages than more urban counties. This highlights

what appears to be a trend in younger people moving out of rural communities combined with older in-migrants and older residents remaining in their communities.

- Montana continues to have a relatively homogenous population. As the population has grown, the region has become more heterogeneous, yet in comparison to other parts of the intermountain West, Montana remains a relatively homogenous population with more than 90% of the population classified as Caucasian by the 2000 census.

With these broad trends in mind, we summarize here some of the recent demographic changes for Lincoln and Sanders counties. The Data Appendix contains tables that update selected information presented in the 1995 Social Assessment. In this discussion we briefly summarize some of the information about demographic changes in the two counties.

Table 8 and Table 9 show some of the characteristics of population change in Montana as a whole and for places within Lincoln and Sanders counties for the past two decennial census periods. Table 8 shows that in comparison to the 1980-1990 decade, growth in Montana as a whole as well as for Lincoln and Sanders counties increased substantially the 1990-2000 decade. In this decade Montana grew at 12.9 percent, Lincoln County 7.8 percent, and Sanders County 14.4 percent. Each of these rates of growth are more substantial than the preceding decades in which both Lincoln and Sanders counties experienced population declines.

Table 8: Percent of Population Change 1980-1990 and 1990-2000

	1980-1990	1990-2000
Montana	1.6%	12.9%
Lincoln County	-1.5%	7.8%
Eureka	-6.8%	-2.5%
Libby	-7.9%	3.7%
Rexford	1.5%	14.4%
Troy	-12.4%	.4%
Sanders County	-.1%	18%
Hot Springs	-31.6%	29.2%
Plains	-11.1%	13.5%
Thompson Falls	-10.8%	.2%

SOURCES: U.S. Bureau of the Census. Decennial Censuses of Population (title varies by census), 1890-2000. Processed by the Census and Economic Information Center, Montana Department of Commerce, March 21, 2001

Table 9 shows a longer term perspective on population growth for Montana as a whole and for places in Lincoln and Sanders counties. In general, these data show that prior to 1960 growth trends in both counties are generally consistent with the trends in Montana as whole. After 1960 the trends show some notable differences. In the 1950's and 1960's Lincoln County growth was significantly more than the state or Sanders County. However, in the 1980's Lincoln County's population declined whereas the state and Sanders County continued to grow.

Table 9: Decennial Census by Place 1910-2000

Census Region	1910	1920	1930	1940	1950	1960	1970	1980	1990	2000
MONTANA TOTAL		548,889	537,606	559,456	591,024		694,409	786,690	799,065	902,195
		46.0%	-2.1%		5.6%	14.2%	2.9%	13.3%		12.9%
LINCOLN COUNTY	3,638	7,797	7,089	7,882	8,693	12,537	18,063	17,752	17,481	18,837
% Change		114.3%	-9.1%	11.2%	10.3%	44.2%	44.1%	-1.7%	-1.5%	7.8%
Eureka	603		680	912	929	1,229	1,195	1,119	1,043	1,017
% Change				34.1%	1.9%	32.3%	-2.8%	-6.4%	-6.8%	-2.5%
Libby	630		1,752	1,837	2,401	2,828	3,286	2,748	2,532	2,626
% Change				4.9%	30.7%	17.8%	16.2%	-16.4%	-7.9%	3.7%
Rexford	no record		329	274	248	no record		130	132	151
% Change				-16.7%	-9.5%			-46.5%		14.4%
Troy	483		498	796	770	855	1,046	1,088	953	957
% Change				59.8%	-3.3%	11.0%	22.3%	4.0%	-12.4%	0.4%
SANDERS COUNTY		4,903	5,692	6,926	6,983	6,880	7,093	8,675	8,669	10,227
% Change		32.0%	16.1%	21.7%	0.8%	-1.5%	3.1%	22.3%	-0.1%	18.0%
Hot Springs	no record		447	663	733	585	664	601	411	531
% Change				48.3%	10.6%	-20.2%	13.5%	-9.5%	-31.6%	29.2%
Plains	481		522	624	714	769	1,046	1,116	992	1,126
% Change				19.5%	14.4%	7.7%	36.0%	6.7%	-11.1%	13.5%
Thompson Falls	325		468	736	851	1,274	1,356	1,478	1,319	1,321
% Change				57.3%	15.6%	49.7%	6.4%	9.0%	-10.8%	0.2%

SOURCES: U.S. Bureau of the Census. Decennial Censuses of Population (title varies by census), 1890-2000. Blank cells indicate missing or non-available data, or not an incorporated place when census was conducted. Processed by the Census and Economic Information Center, Montana Department of Commerce, March 21, 2001

The distribution of recent growth is also indicated in Table 9. Although Lincoln County's population increased only 7.8 percent from the 1990 census, Sanders County has increased to 18 percent. Plains and Hot Springs show substantial growth, but there is also significant growth in the western end of the county in Herron, Noxon, and other unincorporated communities. Lincoln County incorporated communities show less dramatic growth, although there has been noteworthy increase in the unincorporated regions of the county. Table 10 below is a rough measure of the stability of the population in both counties, as indicated by the percentages of persons living in the same residence and county since 1995.

Table 10: Residence Since 1995

	Montana	Lincoln	Sanders
Same as in 1995	53.6%	55.6%	56.7%
Different House U.S.	45.6%	44%	42.3%
Same County	22.5%	23.5%	16.2%
Different County	23.1%	20.5%	26.2%
Same State	9.9%	4.8%	8.7%
Different State	13.2%	15.7%	17.4%
Elsewhere in 1995	.8%	.3%	1.0%

Source: Census 2000 analyzed by the Social Science Data Analysis Network (SSDAN).

As new residents have arrived, concerns have developed about changes in community culture and the loss of traditional ways of life. Some of this concern is attributable to subdivision of ranch and farm lands, often in response to poor economic conditions. In other instances, private timber lands (such as those owned by Champion or Plum Creek) are being sub-divided for residential development. In either instance, new residents move in with values and ways of life that do not necessarily conform with those of existing residents. Some of these new residents participate in community events, while others do not. Some demand services such as paved roads and immediate fire and emergency responses that cannot be provided by existing fiscal resources and infrastructure. These demands are often evaluated by longer-term residents as the new residents “bringing with them what they want to get away from.” That is, some newer residents appear to wish to transform their new communities into those very types of places they left behind. Although new residents are often potential resources for community development, these resources are sometimes not tapped because of tensions between new and long-term residents.

The Data Appendix for this document contains additional demographic data that are an update and augmentation to the 1995 Social Assessment. Among the noteworthy points that stand out in these data are the following points:

- The median age of residents in both Lincoln and Sanders counties has increased since the 1990 census. The median age for Montana residents for 1990 was 33.8 and for 2000 37.5. The median age for Lincoln County for the same two periods is 34.7 and 42.1 and for Sanders County from 37 to 44.2.
- There is an increase in populations over 50 years of age and a decrease in populations less than 25. Population pyramids in the Appendix show the relative changes in males and females by age groups in five-year increments.

4.1.2 ECONOMIC CONDITIONS AND ISSUES

Economic measures such as employment, income, natural resource dependency, and industry diversity are commonly used to describe local economic conditions for social assessments. We will briefly summarize information about each of these variables in this section. However, it is also important to note that there is a national and regional context to these local conditions. Their contexts are relevant because they may identify broad trends and characteristics that may have local manifestations or otherwise affect local economic conditions. Noteworthy conditions, issues, and trends in the national and regional contexts include the following:

- There is a general decline in natural resource extraction industries and a specific decline in the timber industry.
- Timber harvests on public lands have steadily decreased, including USFS lands in western Montana and Idaho.
- Since the early to mid-1990's mill closures have occurred throughout western Montana as well as in Idaho, Oregon, and Washington.
- There is an increased call for limiting commercial uses of public lands, including timber harvesting and mining on public lands.
- The North American Free Trade Agreement (NAFTA) has contributed to increased imports of lumber from Canada and elsewhere. Approximately one-third of all lumber sold in the U.S. is imported from Canada. This has affected the economic markets for U.S. producers, especially given the strength of American currency relative to Canadian currency in recent years. Recent decisions by the U.S. Department of Commerce have imposed approximately a 29 percent tariff on imported Canadian lumber.
- Montana income remains lower than the national average.
 - Median Household income in the United States is \$41,944 where Montana ranks 46 with \$33,024 (1999 dollars) as the median household income.
 - Personal income per capita for the United States is \$27,813 while Montana is \$21,872 or 46th in the U.S. in 1996 dollars.
 - For the U.S. as a whole 12.4 percent of persons are below the poverty level. In Montana 14.6 percent of persons are below the poverty level. Montana ranks 10th highest among all states in persons below poverty.
 - Average annual pay in the U.S. is \$36,214. In Montana, the average annual pay is \$25,194 making it last among all states. ⁴
- Non-labor sources of income are among the fastest growing in the Intermountain West.
- Service sector jobs are the fastest growing segment of local economies in the Intermountain West, including Montana.

Since the 1995 report, several noteworthy changes have occurred in the local economic environment of Lincoln and Sanders counties. Some of these changes are related to national and regional trends affecting local economies throughout western Montana and elsewhere in the inter-mountain West. Some of these changes are expressed by data about income, employment, and natural resource dependency as summarized below and included in the Data Appendix. There are also some specific conditions that have influenced the economic environment of Lincoln and Sanders counties. These include:

- The Stimson Lumber Company closed its operation in Libby, resulting in the loss of approximately 300 employees.
- Mining also has not flourished in the two counties. Currently, there is limited mining activity, although some residents are hopeful the Sterling Mining Company will develop the Rock Creek Mine in the Cabinet Mountains and restore the mining industry in the region. Others see this as another potentially harmful exploitation of natural resources with adverse consequences on nearby residents and communities.
- Local attitudes to mining may be affected by the health and other community consequences of the operation of the vermiculate mine previously owned by W.R.

⁴ State rankings on selected social and economic variables for 2001 can be found at <http://www.census.gov/statab/www/ranks.html>

Grace. Although this mine was closed at the time of the 1995 Social Assessment, in the years afterward problems related to asbestos and its contribution to mesothelioma seriously affected Libby residents. Housing prices decreased and there were some reported tourism issues related to the stigma associated with the perceived pollution of Libby and environs.

- Champion, Plum Creek and other private timber companies are selling some of their lands for residential development. Some of this development is attracting in and out of state migrants to the two counties.

Individually and collectively these events have affected the economic outlook and conditions in the two counties. We first summarize some of the major economic conditions as indicated by readily available data from state and federal sources. The essentials of the current status of county economies can be described by summarizing the data for the following topics:

- Employment information is required to understand the size of the overall work force, the rate of employment (annual and seasonal), and the composition of the work force by gender.
- The structure of employment is also indicated by the percentage of employees in the standard categories that describe employment by industry. This is a useful measure of the relative size of different economic sectors within an economy. However, it is not the ultimate indicator of the importance of each economic sector. This would require additional data about the proportion of output of each economic sector combined with information about earnings per job by sector.
- Income is another useful indicator of the economic status of county communities. Income variables are diverse (e.g., personal income, per capita income, household income) and have different limits and uses. For our purposes, the following income variables are useful to profile county incomes:
 - Wages and salaries by industry is a compliment to similar data noted above about employment by industry. These data describe the relative contribution of different industries to total wages and salaries.
 - Personal income describes all sources of income, including wages and salaries as well as transfer payments and other income sources. This also allows us to examine the contribution of wages and salaries to total income.
 - Income distribution measures the percentage of persons in specified income categories. This is a useful means to measure trends in the change of the structure of income.
 - Household income is important because communities are composed of households as well as individuals. Household income is defined by the 2000 Census as: “the sum of money income received in calendar year 1999 by all household members 15 years old and over, including household members not related to the householder, people living alone, and other non-family household members. Included ... in the total are amounts reported separately for wage or salary income; net self-employment income; interest, dividends, or net rental or royalty income or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income” (Census 2000). This is similar to how individual personal income is measured.
 - Persons and families in poverty is also a useful economic indicator since it describes an income threshold below which individuals and families are considered as “poor.”

4.1.2.1 EMPLOYMENT

The civilian labor force and the number of employed persons shows a slight increase for both Lincoln and Sanders counties in the interval between 1990 and 2000. Table 11 summarizes some of the changes in the labor force for Montana and, Lincoln, and Sanders counties for the 1990-2000 interval.

Table 11: Labor and Income Characteristics for Montana, Lincoln County & Sanders County 1990 & 2000

Characteristic	State Total		Lincoln County		Sanders County	
	1990	2000	1990	2000	1990	2000
Persons 16 years and older	599,765	701,168	12,890	14,798	6,469	8,178
Persons in labor force	381,860	458,306	7,756	7,916	3,382	4,383
Civilian labor force	376,940	454,687	7,749	7,907	3,382	4,379
Employed Persons	350,723	425,977	6,500	6,814	3,061	3,952
Unemployed Persons	26,217	28,710	1,249	1,093	321	427
Percent Unemployed	6.9%	6.3%	16.1%	13.8%	9.5%	9.7%
Armed Forces	4,920	3,619	7	9	0	4
Persons not in labor force	217,905	242,862	5,134	6,882	3,087	3,795
Percent of Males (16 or over) in labor force (as % of total male labor force)	71.9%	71.0%	70.8%	57.6%	61.0%	59.9%
Percent of Females (16 or over) in labor force (as % of total female labor force)	55.8%	59.9%	49.8%	49.4%	43.5%	47.2%
Percent of Males Unemployed (as % of total male labor force)	7.7%	7.1%	17.7%	16.9%	9.4%	10.3%
Percent of Females Unemployed (as % of total female labor force)	6.1%	5.2%	13.9%	10.2%	9.6%	9.1%
Median Household Income *	\$22,988	\$33,024	\$20,898	\$26,754	\$18,616	\$26,852
Median Family Income *	\$28,044	\$40,487	\$25,084	\$31,784	\$21,320	\$31,340
Median Nonfamily Household Income *	\$12,502	\$19,484	\$10,920	\$14,315	\$10,863	\$14,564
Per capita income *	\$11,213	\$17,151	\$9,813	\$13,923	\$9,459	\$14,593
Persons below poverty level *	124,853	128,355	2,450	3,558	1,680	1,737
Percent of persons below poverty level *	16.1%	14.6%	14.1%	19.2%	19.6%	17.2%

1990 Source: U.S. Bureau of the Census, Summary Tape File 3C.

2000 Source: U.S. Bureau of the Census, Summary File 3 (SF 3).

* 1990 numbers are from 1989 and 2000 numbers are from 1999

Annual unemployment data since 1970 are presented in Table 12. As these data show, both Lincoln and Sanders counties have higher than average unemployment rates when compared to Montana as a whole.

**Table 12: Average Annual Labor Force for
Lincoln County, Sanders County & Montana 1971 - 2002**

Year	Lincoln Co.		Sanders Co.		Montana	
	Civilian Labor Force	Unemployment Rate	Civilian Labor Force	Unemployment Rate	Civilian Labor Force	Unemployment Rate
1970	7,275	8.9%	2,686	6.0%	273,021	4.3%
1971	7,176	9.1%	2,993	5.5%	278,513	4.8%
1972	7,282	9.0%	3,126	5.2%	291,152	4.8%
1973	6,872	9.2%	3,215	5.0%	303,186	4.8%
1974	6,552	12.1%	3,372	6.6%	318,602	5.2%
1975	6,315	14.3%	3,644	8.7%	322,575	6.4%
1976	6,505	13.1%	3,934	7.4%	335,000	6.1%
1977	6,788	12.8%	4,071	8.5%	348,000	6.4%
1978	7,291	12.4%	3,939	8.5%	368,000	6.2%
1979	7,202	10.3%	3,887	7.9%	371,000	5.1%
1980	6,992	15.3%	3,972	9.6%	370,000	6.1%
1981	7,558	15.0%	4,005	11.6%	385,000	6.9%
1982	7,788	19.4%	4,062	16.0%	394,000	8.6%
1983	8,497	13.4%	4,262	12.6%	395,000	8.8%
1984	8,847	12.8%	3,875	12.4%	404,000	7.4%
1985	8,691	11.6%	3,280	16.5%	405,000	7.7%
1986	8,816	11.4%	3,265	15.5%	407,000	8.1%
1987	8,712	10.9%	3,282	12.8%	403,000	7.4%
1988	8,879	11.7%	3,231	12.8%	402,000	6.8%
1989	8,431	10.2%	3,129	12.4%	405,000	5.9%
1990	8,272	11.2%	3,734	10.2%	401,087	6.0%
1991	8,273	14.9%	3,666	14.0%	406,533	7.1%
1992	8,050	13.0%	3,782	12.1%	421,525	6.9%
1993	8,296	14.0%	3,817	11.9%	426,482	6.1%
1994	8,065	13.6%	3,855	10.7%	439,502	5.1%
1995	7,398	14.9%	4,097	14.2%	437,098	5.9%
1996	7,136	11.7%	4,057	12.5%	445,910	5.3%
1997	7,244	12.1%	4,079	10.7%	454,614	5.4%
1998	7,457	10.5%	4,089	10.5%	466,450	5.6%
1999	7,110	12.4%	4,324	9.2%	474,006	5.2%
2000	6,974	11.8%	4,293	8.2%	476,508	5.0%
2001	6,740	11.3%	4,323	8.2%	463,479	4.6%
2002	6,776	11.5%	4,315	8.4%	463,859	4.6%

Source: Montana Department of Labor & Industry, Research & Analysis Bureau, Local Area Unemployment Statistics

Table 13: 2003 Percent Unemployed by Month shows unemployment data from the State of Montana Research and Analysis Bureau for Montana and the two project counties. The numbers for Lincoln County are the most dramatic, indicating a monthly unemployment rate that is at least twice and in some months three times the state average. While Sanders County also shows a higher than average unemployment rate, the effects of recent economic circumstances in Lincoln County are apparent. However, as previously noted, both project counties have historically had higher than average unemployment rates. Seasonal

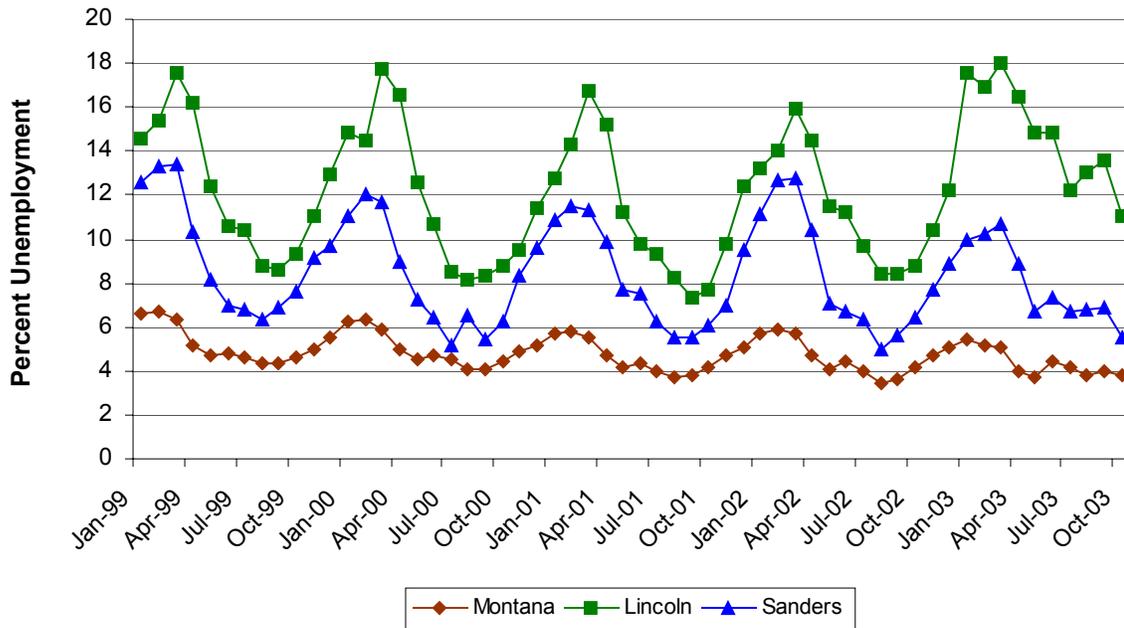
unemployment rates are displayed in the graph titled Figure 2: Monthly Unemployment Rate - Not Seasonally Adjusted, 1/1999 – 10/200. These data clearly show peaks in the winter months and decreases during the summer months. This pattern is consistent with the rise of seasonal employment opportunities with the KNF and other sources of summer employment.

Table 13: 2003 Percent Unemployed by Month

Month in Year 2003	Montana	Lincoln County	Sanders County
Jan-03	5.4	17.6	10
Feb-03	5.2	16.9	10.2
Mar-03	5.1	18	10.7
Apr-03	4	16.5	8.9
May-03	3.7	14.8	6.7
Jun-03	4.4	14.8	7.3
Jul-03	4.2	12.2	6.7
Aug-03	3.8	12.9	6.8

Source: State of Montana Research and Analysis Bureau

Figure 2: Monthly Unemployment Rate - Not Seasonally Adjusted, 1/1999 – 10/2003



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics
<http://data.bls.gov/labjava/outside.jsp?survey=la>

4.1.2.2 INCOME

There are two categories of income data of interest to describe recent trends: changes in personal income and changes in household income. Table 14, titled “Per Capita Income,

ARC

Total Personal Income and Components of Total Personal Income: 1997 - 2001” shows the changes in personal income and the components of personal income.

Table 14: Per Capita Income, Total Personal Income and Components of Total Personal Income: 1997 - 2001

	Per Capita Personal Income		Total Personal Income		Components of Total Personal Income			
	(\$)	% Chng	(\$1,000s)	% Chng	Earnings (%)	Dividends, Interest, & Rent (%)	Transfer Payments (%)	
Montana	1997	19,920		17,726,294		59.6%	23.9%	16.6%
	1998	21,225	6.6%	18,941,950	6.9%	59.7%	24.3%	16.0%
	1999	21,621	1.9%	19,405,391	2.4%	61.7%	23.0%	15.4%
	2000	22,961	6.2%	20,743,596	6.9%	60.4%	23.7%	15.9%
	2001	24,044	4.7%	21,769,095	4.9%	60.4%	23.4%	16.2%
Lincoln County	1997	15,564		292,474		54.7%	20.0%	25.2%
	1998	16,345	5.0%	306,847	4.9%	53.9%	21.0%	25.1%
	1999	16,518	1.1%	311,152	1.4%	54.4%	20.5%	25.1%
	2000	17,756	7.5%	334,517	7.5%	53.3%	20.9%	25.8%
	2001	18,260	2.8%	341,303	2.0%	51.5%	21.1%	27.3%
Sanders County	1997	14,607		148,332		48.6%	24.2%	27.2%
	1998	15,747	7.8%	159,000	7.2%	48.6%	25.4%	26.0%
	1999	16,147	2.5%	163,472	2.8%	51.0%	23.8%	25.2%
	2000	17,108	6.0%	175,442	7.3%	49.6%	24.5%	26.0%
	2001	17,978	5.1%	186,950	6.6%	49.4%	23.9%	26.7%

Source: Bureau of Economic Analysis website <http://www.bea.doc.gov/bea/regional/reis/action.cfm>

These data show a gradual rise in total and per capita income although the patterns are different for Lincoln and Sanders counties. For both counties, the components of personal income show slight changes in percentage of earnings and other income sources. In 1990 non-labor sources of personal income accounted for 36 percent of personal income by 2000 they accounted for 47 percent. For Sanders County, non-labor sources of personal income were about 45 percent in 1990 and in 2000 they were nearly 51 percent. Non-labor sources of income are a steadily increasing source of personal income in each county.

Table 15, titled “Percent Income Generation by Major Industry” shows the percentage of income by industry for Lincoln and Sanders counties for 1990 and 2000. As these data indicate, for both counties services manufacturing and durable goods are decreasing while services and government employment is increasing. Data from the Bureau Of Economic Analysis show that for both counties, local government is the greatest source of growth in jobs and income in the government sector.

Table 15: Percent Income Generation by Major Industry

County	Industry	1990	2000
Lincoln	Durable goods manufacturing	29.8%	21.5%
	Services	11.2%	18.4%
	Federal civilian government		15.3%
	Mining	12.0%	*
Sanders	Services	14.8%	25.5%
	State and local government	15.9%	17.4%
	Durable goods manufacturing 1/	18.7%	11.5%

* Not present in the top 3 industries for that date.

Source: Bureau of Economic Analysis, BEARFACTS and Regional Accounts Data

Household income is the second major income category of interest for this update. Table 16, titled "Household Income by Range 1989 & 1999" shows the percentage of households in income categories identified below. The data in this table are also grouped to show changes in selected ranges as indicated below.

Table 16: Household Income by Range 1989 & 1999

Income Level	Montana		Lincoln County		Sanders County	
	1989	1999	1989	1999	1989	1999
Less than \$10,000	19.9%	11.3%	21.2%	16.3%	24.2%	15.8%
\$10,000 to \$14,999	12.2%	8.9%	15.8%	11.7%	13.5%	11.6%
\$15,000 to \$24,999	21.8%	17.1%	21.6%	18.2%	29.8%	19.3%
\$25,000 to \$34,999	17.1%	15.4%	17.6%	17.5%	17.3%	16.5%
\$35,000 to \$49,999	15.9%	18.2%	15.3%	16.1%	9.5%	16.6%
\$50,000 to \$74,999	9.2%	17.1%	6.4%	13.5%	3.8%	13.2%
\$75,000 to \$99,999	2.2%	6.4%	1.0%	4.6%	0.8%	3.0%
\$100,000 to \$149,999	1.1%	3.6%	0.7%	1.6%	0.4%	2.5%
\$150,000 or more	0.6%	1.9%	0.4%	0.5%	0.8%	1.4%
Less than \$25,000	53.9%	37.3%	58.5%	46.2%	67.5%	46.7%
\$25,000 to \$49,999	33.0%	33.6%	32.9%	33.6%	26.7%	33.0%
\$50,000 to \$99,999	11.4%	23.5%	7.5%	18.1%	4.6%	16.2%
\$100,000 or more	1.7%	5.6%	1.1%	2.1%	1.2%	4.0%

Source: U.S. Census Bureau Data Set 1990 Summary Tape File 3 (STF 3) Sample Data and 2000 Summary File 3 (SF 3) Sample Data

Another indicator of economic change is the average earnings per job defined as the total wages divided by the total number of full and part time jobs. Data analyzed by the Sonoran Institute using the Economic Profile System (Sonoran Institute 2003) indicate the following trends in earnings per job for Lincoln and Sanders counties.

- In 2000, the average earnings per job in Montana were \$23,653 while the value for the United States as a whole is \$36,316 per job.
- In Lincoln County, average earnings per job for 2000 were \$21,706 down from \$35,527 in 1970 (2000 dollars).
- In Sanders County, average earnings per job in 2000 were \$16,403 down from \$23,092 in 1970 (2000 dollars).

These income data show that Lincoln and Sanders counties have lower incomes than Montana as a whole, which has one of the lowest income levels of all the states.

4.1.2.3 LOCAL ECONOMIES AND NATURAL RESOURCE DEPENDENCY

Historically, local economies in the Western States have been influenced by a range of extra-local forces and present-day conditions in Lincoln and Sanders counties are no exception. As noted previously, factors such as the North American Free Trade Agreement have influenced the availability of logs and lumber from Canada that affects mills in the counties. Similarly, the demand for lumber resulting from the recent (2002-3) housing boom affects harvesting on private lands and the employment of loggers, truck drivers, and others in the timber industry. Some sectors of local economies (e.g., construction) have benefited from regional trends such as the population increase in western Montana. Consequently, this discussion of natural resource dependency is framed by recognition of such extra-local influences. This discussion is also a precursor to a complimentary discussion below about the interconnections of the KNF with project area communities. This complimentary discussion includes consideration of social and institutional as well as economic interdependencies as summarized in this section.

If the county economies may be influenced by present or future KNF management policies, then there is a need to describe the essential components that may be affected. To describe these essential components, this discussion addresses two questions: (1) what is the current status of natural resources employment and income within the two counties: and (2) what is the contribution of natural resources employment to the economy of these counties? The first question describes the fundamentals of who is working in what industries for what amounts; and, the second questions develops the contribution of natural resource industries to local economies. We therefore use a pragmatic definition of “forest dependency”: reliance on resources provided by forest lands that contribute to local economies and lifestyles.

The available data allow us to assess: timber, grazing, mining, and recreational contributions to local economies from natural resources. We use recent IMPLAN data to describe the labor income derived from each of these sectors of local economies. The IMPLAN data uses labor income, including indicators of primary and secondary labor income. Primary labor income is defined as the sum of employee compensation and proprietor income, which is the income of sole proprietorships and partnerships. Secondary labor is calculated by IMPLAN using Type II⁵ multiplier that includes “induced” or secondary income derived from the Primary income expenditures. The table below summarizes the percentage of timber, grazing, mining, and recreation total labor income (primary + secondary = total labor income) for Lincoln and Sanders counties.

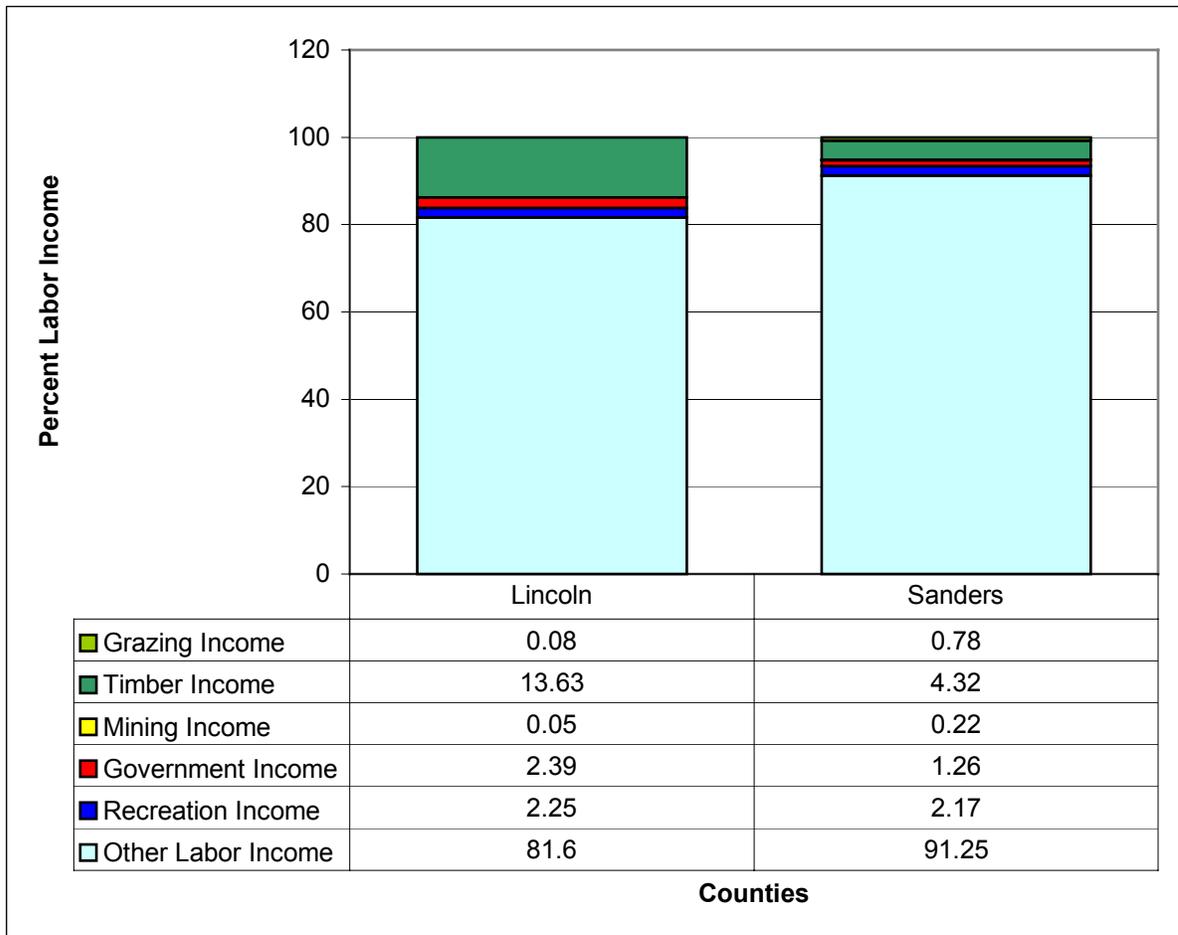
Table 17: IMPLAN Data: Percent Total Labor Income By Sector

	Grazing	Timber	Mining	Government	Recreation	Total Labor Income
Lincoln	.08	13.63	.05	2.39	2.25	18.41
Sanders	.78	4.62	.22	1.26	2.17	8.76

Source: 2000 IMPLAN data

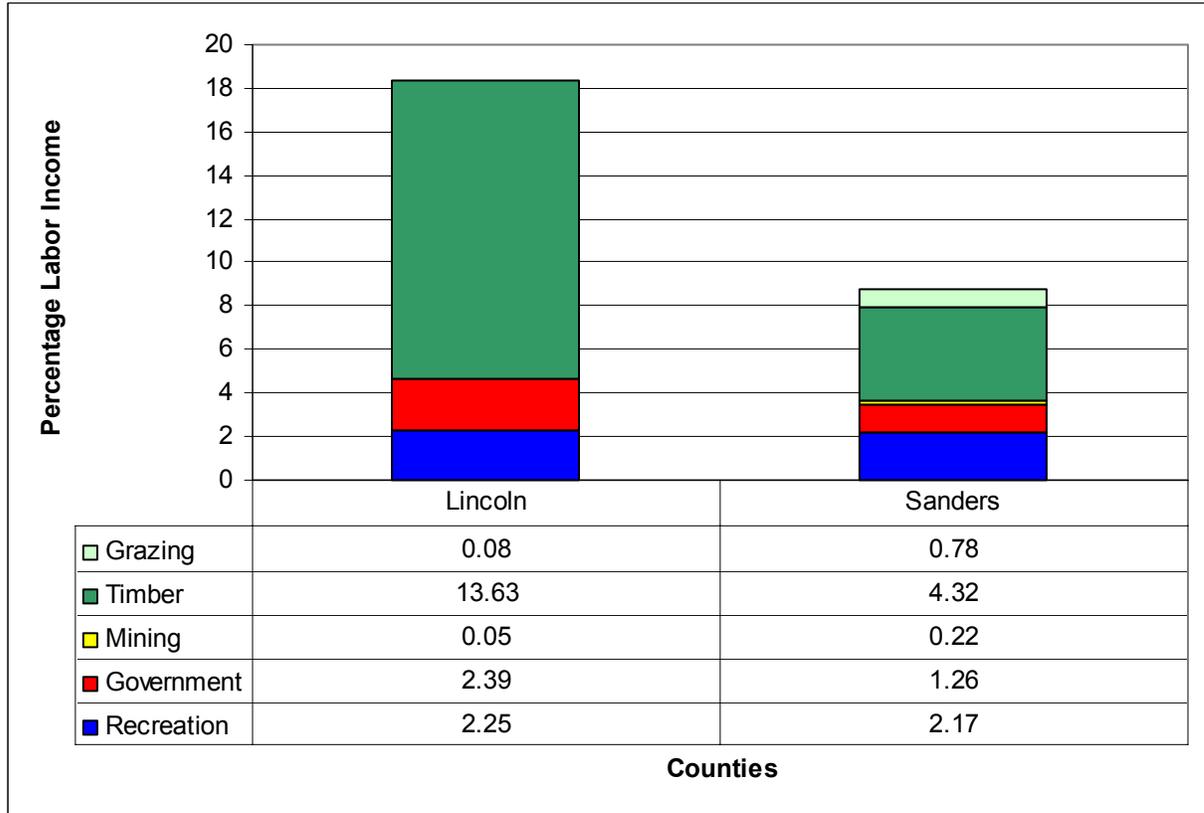
⁵Type II multipliers measure the direct, indirect, and induced effect. This type of multiplier accounts for secondary income those results from the expenditure of primary income.

Figure 3: Percent Labor Income All Sectors



Source: 2000 IMPLAN data

Figure 4: Percentage Labor Income Wildland Sectors Only



Source: 2000 IMPLAN data

These data show some noteworthy points:

- The majority of total labor income in both counties is derived from non-wildland sources.
- Wildland sources in Lincoln County account for 18.41 percent and Sanders County is 8.76 percent of total labor income. Considering all counties in Idaho and Montana for the year 2000, Lincoln County ranks 7th among the 100 counties and first among Montana counties while Sanders County ranks 33rd overall and 17th among Montana counties.
- Timber accounts for the largest percentage of total labor income from wildlands in Lincoln County at 13.63 percent. Of that amount 5.21 percent is accounted for by timber from Forest Service lands and the remaining 8.42 percent is accounted for by private timber. For Sanders County, timber also has the largest share of total labor income from wildlands at 4.32 percent.
- Government related wildland employment followed by recreation accounts for the next two largest sources of labor income. Grazing and mining account for relatively small proportions of the overall total labor income for each county, although Sanders County does have a higher percentage of mining and grazing labor income than does Lincoln County.

In relatively small economies, and arguably these are small economies, any economic sector is an important one. And where nearly 20 percent of the economy in Lincoln County and almost 9 percent in Sanders County is accounted for by natural resource related labor income, then these are important income sources. In fact, these data may not show the full range of labor income related to natural resources if definitions were expanded to include other labor income that derives from the amenity values that attract people to live and spend money in these counties. Nonetheless, these data suggest an important contribution of natural resources to these economies. Although the proportion of labor income from timber sources may appear small, these data so show that it in a small economy, this is an important source of diversification that adds to the adaptability of local economies.

4.1.3 COMMUNITY VULNERABILITIES

Part of the assessment of socioeconomic conditions in Lincoln and Sanders counties includes consideration of indicators of community vulnerabilities. For our purposes, we define community vulnerability as the presence of conditions that affect the resources available to communities to adapt to changing conditions. Such indicators are similar to “well-being” and “quality of life” measures that are often used to assess socioeconomic conditions. We focus on indicators that reflect local conditions in Sanders and Lincoln counties, especially school enrollments and various measures of social assistance.

4.1.3.1 SCHOOL ENROLLMENTS

Rising or falling trends in school enrollments can indicate diverse social conditions. This indicator alone does not indicate vulnerability. However, it can suggest changes in population that may affect community stability, which can also affect the capacity of a community to adapt to changing conditions. As we will be noting in a discussion later in this chapter, in both Lincoln and Sanders counties, residents are aware of declining school enrollments and perceive these as indicators of a decreasing mix in their social environment. These changes are evaluated as an indicator of increased vulnerability for adverse changes to local communities. The information below summarizes some data regarding school enrollments for the 1992/1993 and 2002/2003 school years.

Table 18: School Enrollment 1993 & 2003

	School Year	Pre-K	Kinder- garten	Elementary (1-8)	High School	Total Enrollment
Montana	1992-93	549	11,932	102,752	44,758	159,991
	2002-03	665	9,899	90,518	48,913	149,995
	% Chng	21.1%	17.0%	-11.9%	9.3%	-6.2%
Lincoln County	1992-93	22	271	2,512	1,129	3,934
	2002-03	36	172	1,778	1,220	3,206
	% Chng	63.6%	36.5%	-29.2%	8.1%	-18.5%
Sanders County	1992-93	0	123	1,192	558	1,873
	2002-03	13	109	967	697	1,786
	% Chng	1300%	11.4%	-18.9%	24.9%	-4.6%

Source: Montana Office of Public Instruction <http://www.opi.state.mt.us/>

As these data show, kindergarten and elementary school enrollments decreased for Montana as a whole and similar declines in enrollment in Lincoln and Sanders counties for the same

1993 to 2003 time period. High school enrollments for this time period show a modest increase for the state and Lincoln County and more substantial percentage increase for Sanders County. However, the decrease in enrollment elementary grades indicates that high school enrollments are also likely to decline in both counties in the coming years.

Table 19 focuses on recent changes in high school enrollments for both Lincoln and Sanders counties.

Table 19: County High School Enrollments 1999-2002

Lincoln County		
School Year	Total	% Chng
1999-2000	1194	
2000-2001	1213	1.6%
2001-2002	1196	-1.4%
2002-2003	1220	2.0%
Sanders County		
School Year	Total	% Chng
1999-2000	597	
2000-2001	629	5.4%
2001-2002	638	1.4%
2002-2003	697	9.2%

Source: Montana Office of Public Instruction <http://www.opi.state.mt.us/>

From 1999 to 2002-2003, Lincoln County high schools experienced a relatively modest increase in enrollments, whereas Sanders County enrollments increased at a higher rate. These rates of change are perceived by study participants as noteworthy if not prophetic:

If you look back at our history, when mining was going good here, our high school was among the best in the state in sports. We were state champions for a good while in various sports and the whole community was proud of it. Look at what is happening today. Our enrollments are down, our sports teams are not as good as they were in the past, and we aren't doing any mining. There is a connection there and I am not the only one who sees it.

While not everyone may share this assessment of the relationship between high school enrollments, the success of sports teams, and the nature of local economies, this appears to be a wide-spread sentiment and a locally meaningful indicator of community vulnerability.

4.1.3.2 SOCIAL WELFARE

Public assistance programs provide another source of information that can be used to assess community vulnerabilities. There is a wide-range of programs from assistance provided by the Women Infant and Children's Program to low income energy assistance. Rather than profile all possible social welfare data, an aggregate per capita expenditure as shown in Table 20: Per Capita Public Assistance 1997 - 2002 may be the most useful measure. These data can be examined to show any trends that indicate an increase or decrease in the funds expended on social welfare programs. As the data in the table show, in Lincoln County there has been an increase in per capita expenditures from \$634 to \$866 or a thirty-six percent increase from 1997-2002. For Sanders County the increase is from a per capita expenditure

of \$547 to \$622, or about 13.7 percent. The data show some decreases from 1997, but the trend is upward since FY 2000 for both counties.

Table 20: Per Capita Public Assistance 1997 - 2002

Lincoln County						
Obligations Incurred	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998	FY 1997
All Public Assistance	\$16,167,945	\$14,739,715	\$11,504,161	\$12,696,182	\$11,313,170	\$11,870,958
Population	18,665	18,664	18,837	18,819	18,717	18,726
Per Capita Assistance	\$866	\$790	\$611	\$675	\$604	\$634
Sanders County						
Obligations Incurred	FY 2002	FY 2001	FY 2000	FY 1999	FY 1998	FY 1997
All Public Assistance	\$6,451,678	\$6,100,806	\$4,719,811	\$5,002,723	\$5,084,091	\$5,594,636
Population	10,367	10,443	10,227	10,233	10,185	10,226
Per Capita Assistance	\$622	\$584	\$462	\$489	\$499	\$547

Source: State of Montana Department of Public Health & Human Services, Operations & Technology Division
 Source: U.S. Census website

Information included in the Data Appendix show the expenditures by program for the two counties for the 1997-2002 time periods.

4.1.3.3 PERSONS IN POVERTY

In 1989 Montana had approximately 16.1 percent of its population below the poverty level and in 1999 the percentage was 14.6 or a 1.5 percent decrease. At the same time Lincoln County had 14.1 percent of the population in poverty, but this number increased dramatically to 19.2 percent in 1999. However, for the same time period, Sanders County persons in poverty showed a drop from 19.6 percent in 1989 to 17.2 percent in 1999. In Lincoln County there was an increase of over three percentage points in persons in poverty for persons age 18-64. The data in Table 21: Poverty Level by County & Percentage, 1989 & 1999 show different trends in the economic status of residents in Lincoln and Sanders counties.

Table 21: Poverty Level by County & Percentage, 1989 & 1999

Poverty Level by Count	Montana		Lincoln County		Sanders County	
	1989	1999	1989	1999	1989	1999
Total Population:	776,793	878,789	17,315	18,568	8,566	10,074
Income below poverty level:	124,853	128,355	2,450	3,558	1,680	1,737
Under 5 years	13,980	12,174	255	279	130	143
5 years	2,915	2,184	44	32	26	40
6 to 11 years	15,634	14,875	337	485	255	172
12 to 17 years	12,177	13,679	259	459	184	235
18 to 64 years	67,714	75,074	1,288	2,008	785	992
65 to 74 years	5,916	4,473	149	177	137	84
75 years and over	6,517	5,896	118	118	163	71
Income at or above poverty level:	651,940	750,434	14,865	15,010	6,886	8,337
Under 5 years	43,620	41,591	929	635	433	328
5 years	9,786	8,868	250	105	146	49
6 to 11 years	61,451	61,346	1,479	1,138	626	561
12 to 17 years	58,960	70,795	1,569	1,531	654	869
18 to 64 years	391,379	463,844	8,887	9,158	3,994	5,000
65 to 74 years	54,081	57,478	1,163	1,527	695	908
75 years and over	32,663	46,512	588	916	338	622
Poverty Level by %	Montana		Lincoln County		Sanders County	
	1989	1999	1989	1999	1989	1999
Income below poverty level:	16.1%	14.6%	14.1%	19.2%	19.6%	17.2%
Under 5 years	1.8%	1.4%	1.5%	1.5%	1.5%	1.4%
5 years	0.4%	0.2%	0.3%	0.2%	0.3%	0.4%
6 to 11 years	2.0%	1.7%	1.9%	2.6%	3.0%	1.7%
12 to 17 years	1.6%	1.6%	1.5%	2.5%	2.1%	2.3%
18 to 64 years	8.7%	8.5%	7.4%	10.8%	9.2%	9.8%
65 to 74 years	0.8%	0.5%	0.9%	1.0%	1.6%	0.8%
75 years and over	0.8%	0.7%	0.7%	0.6%	1.9%	0.7%
Income at or above poverty level:	83.9%	85.4%	85.9%	80.8%	80.4%	82.8%
Under 5 years	5.6%	4.7%	5.4%	3.4%	5.1%	3.3%
5 years	1.3%	1.0%	1.4%	0.6%	1.7%	0.5%
6 to 11 years	7.9%	7.0%	8.5%	6.1%	7.3%	5.6%
12 to 17 years	7.6%	8.1%	9.1%	8.2%	7.6%	8.6%
18 to 64 years	50.4%	52.8%	51.3%	49.3%	46.6%	49.6%
65 to 74 years	7.0%	6.5%	6.7%	8.2%	8.1%	9.0%
75 years and over	4.2%	5.3%	3.4%	4.9%	3.9%	6.2%

Source: U.S. Census Bureau Data Set 1990 Summary Tape File 3 (STF 3) Sample Data and 2000 Summary File 3 (SF 3) Sample Data

4.1.3.4 AT RISK POPULATIONS

A 2001 white paper prepared by the Montana Primary Care Association (Frideres, 2001) identified several populations at risk in Lincoln County including the following:

- Individuals and families exposed to asbestos from the W.R. Grace mining operations and related events. This report indicates, "... staff for the Center for Asbestos Related

Disease (CARD) clinic in Libby report that over 500 people (9-10% of those tested) tested had an abnormality that needed immediate follow-up” (Frideres, 2001). The Lincoln County Health Department indicates that more than 850 persons have been diagnosed with asbestos related diseases.

- Uninsured and underinsured residents also represent another category of persons at risk. The initial screening program in the Libby area showed that 21% of the 6000 persons participating were uninsured.
- Poor families are at risk because of the limited resources of the county to respond to their needs. The report notes that there is a relatively high proportion of persons at or below the poverty level; and, in combination with high unemployment, health concerns, and teenage pregnancy rates, low income and poor families are at risk in Lincoln County (Frideres, 2001).

While there may be other populations at risk in Lincoln County, this report is an indication that prevailing health and welfare conditions contribute to the vulnerability of selected populations within the county.

4.2 KNF-Community Interdependencies

Any national forest interacts with communities and creates interdependencies in at least three ways: (1) the effects of natural resource management; (2) the community contributions of the agency and its personnel; and (3) the institutional contributions to the socioeconomic and sociopolitical infrastructure of surrounding communities. Economic dependency is one important aspect of the overall nature of interconnections between national forests and communities in adjacent counties. However, there are other types of connections that are also important in assessing the overall interdependencies of communities and national forests. In this discussion, we briefly describe some of the connections noted in discussions with residents of the two counties that illustrate these other types of connections and contributions of the KNF to adjacent counties.

4.2.1 INSTITUTIONAL CONTRIBUTIONS

The Kootenai National Forest has been a part of the social environment of Lincoln and Sanders counties since shortly after the Kootenai and Cabinet Forest Reserves were formed in the early 1900's. The agency thus has a long history as a part of the sociopolitical or institutional environment of these counties. As an institution of the federal government, it also brings potential resources and benefits to nearby communities. Discussants who participated in this update noted several types of resources the agency provides to the community:

- **Leadership** is an important contribution of the agency to the sociopolitical environment of these communities. KNF personnel have leadership training and professional expertise that is recognized as an available resource that can be accessed when necessary. For example, when the Lincoln County Healthy Communities group formed to address problems of the Stimson Mill closure, KNF personnel assisted with some of the structure and format for the group, especially the use of an “incident command system” framework to organize activities. This type of leadership resource enhances the overall ability of communities to respond to situations that require leadership resources that are often easily overwhelmed in small communities.

- **Professional expertise** is another noted institutional contribution of the KNF to local communities. The Forest Service has a staff of engineers, landscape architects, archaeologists, economists, biologists, and other professionals who are charged with managing the forest and its resources. Agency personnel are, of course, dedicated to agency work. Nonetheless, this expertise is often shared in presentations to schools, the professional contributions of agency personnel to service clubs (e.g., Rotary, Lions, etc...), and in special circumstances where this expertise is of value to communities.
- **Infrastructure** capabilities, especially those related to employment opportunities, office facilities, and fire fighting resources were noted by several discussants as contributions of the agency to local communities. The agency is one of the largest employers in the region with approximately 320 full time employees. However, the KNF also offers part-time as well as student employment opportunities. Community groups sometimes use Forest Service meeting rooms when there is an appropriate need. Similarly, fire-fighting resources of the KNF are also recognized as a substantial resource that benefits the communities when wild land fires arise. In small communities with limited infrastructure resources, an agency such as the KNF is recognized as contributing resources that are an overall benefit to local communities.

4.2.1.1 FISCAL CONTRIBUTIONS

There are at least three types of fiscal contributions to local communities that result from the presence of the KNF: payroll, contracting opportunities, and direct payments to counties from Payments to States (Forest Receipts) and Payments in Lieu of Taxes (PILT). As one of the largest employers in the region, the KNF payroll is about 18 million dollars annually. This is a substantial contribution to local economies through direct expenditures on goods and services. Similarly, the agency contracts with local businesses and individuals for a range of goods and services that are required to do the agency's business. This includes the hiring of bulldozers and other heavy equipment for fire fighting and fire prevention work. We also previously noted that the counties receive both Payments in Lieu of Taxes (PILT) as well as Payments to States or Forest Receipts funds. These constitute substantial contributions to county revenues and are a direct benefit to county residents. (Schuster and Rocky Mountain Research Station--Ogden., 1999) For example, in Lincoln County, the Superintendent of School calculated that Payments to States funds result in a 23.54 mil tax benefit to county residents. County Commissioners in Lincoln County estimated an overall tax benefit to county residents of approximately 100 mils. The data in the tables below show some historical information about the relationship of PILT and Forest Receipts (25 percent funds) received by Lincoln and Sanders counties.

Table 22: Payments as a Percent of Budget for 1996-97 (Thousands of Dollars)

County	25% Payments in 1996	PILT in 1996	Total 1996 Payments	1996-97 County Budget	Payments % of Budget
Lincoln	4,010	165	4,175	12,255	34%
Sanders	1,175	84	1,259	7,341	17%

Source: U.S. Census Bureau, Census of the Government 1997

Clearly these are important funds that forge a fiscal connection between the presence and operation of the Kootenai National Forest in both Lincoln and Sanders counties.

4.2.1.2 SOCIAL CONTRIBUTIONS

A strong theme in discussions with diverse discussants is the contribution of KNF personnel to a range of activities that enhance the quality of life in these communities. From schools and church to Rotary and Little League, KNF personnel and their families are acknowledged as making an important contribution to their communities. Indeed, the volunteer efforts of USFS staff are pervasive. For example, when one discussant was asked to describe as many activities in which both she and the USFS participated, she replied:

Let's see, there is soccer, bowling, and school things, then most of the clubs I belong to there are Forest Service people in them. Come to think of it, there isn't anything I do that someone from the Forest Service isn't involved in. It's not like it used to be in the 80's here when the Forest Service people were their own clique. Now they are in almost everything and they don't hang with each other the way they used to do.

While there is a tribute to the community involvement of KNF personnel, it is not surprising since the agency employs a relatively large number of persons. Nonetheless, the volunteer efforts and participation in clubs and other community events is a notable social contribution of KNF personnel to these communities. As one person noted, these volunteer efforts are essential to the maintenance of community:

The spirit of this place is its volunteers. We just don't have the money to do things any other way. Everything in this town is done by volunteers. Just look in the paper some time and you will see ads thanking people for their volunteer efforts. It is just part of the culture of this place.

Clearly, KNF personnel are part of the efforts that support volunteerism in these communities.

A less obvious issue noted by several discussants is the contribution of Forest Service personnel to the social mix in communities. Discussants suggest that in the recent past, communities in both counties were more socially diverse than they are now:

There used to be more of a middle-class here than now. With the loss of jobs we have had in the area, we are losing the people in the middle. It is not just the mill jobs or mining jobs, but it is the people who do their taxes, teach their kids, care for their pets, and are their doctors. The Forest Service is holding the middle for us now.

Social diversity that is not socially pretentious is an important value of these rural communities. Losing that diversity degrades the overall social environment and the perceived quality of life in these communities. As the quality of community life declines, then the social mix is threatened: people leave the community because they see a decline in services, resources, opportunities, and especially opportunities for the education of their children. As these individuals leave the community, then the decline in social mix continues. A one discussant observed:

Pretty soon we could just be a community where there are those who are well off and then the retirees and then those who are not doing well. There just might not be the mix of people that keeps the community going. It depends on how you look at it, but it is not the kind of thing we want for our future. We would like to see more of a mix of people and that will keep good schools and good medical facilities and some decent local shopping. If there were not enough people to volunteer for sports and things like that, there could just come a point that you have to think about leaving.

The threat of a declining social mix is somewhat mitigated by an assessment of the contributions of KNF personnel as contributing to the social mix of communities. This expression of this assessment may have been exaggerated somewhat because of news released during data collection about the possibility of out-sourcing jobs in the Supervisor's Office and in other District Offices. This may have influenced the frequency and intensity of comments regarding the contributions made by KNF personnel to local communities. However, the event raised an issue that discussants noted as a possible consequence of out-sourcing.

4.2.2 PERCEIVED BENEFITS OF KNF RESOURCES

Persons who participated in discussions for this update were asked open-ended questions about the benefits of national forest lands for their family and community. Analyses of the responses to these questions suggest six principal types of perceived benefits of the lands and resources of the Kootenai National Forest: existence, economic, environmental, lifestyle, recreation, and scenic. Each of these perceived benefits is briefly described below.

4.2.2.1 EXISTENCE

It was not uncommon for discussants to reply to questions about the benefits of KNF lands and resources with a phrase such as, "It's why I am here." The "it" for each discussant was variable. For some "it" means the recreation opportunities of the forest, for others "it" is the value of being near wildlife and perceived wild places, and for still others "it" is the assessment that their personal and family history is connected with the landscape through a pattern of use such as cutting logs, grazing cows, or mining. Collectively these sentiments can be interpreted as expressing an "existence value" or the benefit that derives from knowing a resource is there, independent of any use of that resource. For some this "existence" value is akin to a spiritual assessment of the forest as a place that needs to be there because of the nature of modern life. For others the existence value has more utilitarian content, but it is not completely economic. Rather this utilitarian assessment emphasizes the value of using forest resources, although there remains an emphasis on the independent value of the forest and its resources. A theme that emerges from an analysis of the data is: an important benefit of the KNF is that it simply exists; and, there is value in passing on the resource to future generations.

4.2.2.2 ECONOMIC

KNF lands and resources are perceived to have important direct and indirect economic benefits for communities in both Lincoln and Sanders counties. The direct benefits are the ones that accrue from timber harvesting, mining, grazing, recreation, and the commercial use of forest products such as mushrooms and other plant material. The "indirect" benefits accrue from having the infrastructure such as a lumber mill that derives direct economic

benefit from national forest lands. The type of “indirect” benefit most often discussed concerned the ability of private land owners to sell timber to local mills when they need the income. Their processing needs alone are not likely to support a mill. However, the presence of a mill supporting a larger timber industry allows the capability to process timber from their lands and “fill in the gaps” in income. This is an especially important indirect economic benefit for small and medium sized land owners in Lincoln and Sanders counties.

4.2.2.3 ENVIRONMENTAL

A theme of the “environmental benefits” was expressed by some discussants. Although this is a weak theme, it is nonetheless present in the comments of several discussants. The theme expresses the value of forest lands in contributing to the healthy natural environment of the two counties. One sub-theme concerns how the use of forest lands through grazing and timber harvesting contributes to creating a healthy forest through managed use: “A healthy forest creates a healthy environment and that is what we live in here, a healthy environment.” Another sub-theme suggests that KNF lands, if properly managed, can promote water quality and improve the overall environmental quality of lands in the west: “If you manage an ecosystem, a forest ecosystem, then you are creating environmental quality beyond just the forest. And if you manage it for ecosystem health, then there is room for all kinds of uses.”

4.2.2.4 LIFESTYLE

Lifestyle benefit is a construct from various discussant comments regarding how KNF lands enable a lifestyle that is out-of-doors oriented. This is more than providing recreational opportunities. It is the benefit that working people derive from living close to natural resources that they find meaningful. Homes are close to the forest. As one discussant noted:

It (the forest) makes my backyard a whole lot bigger than that little fenced area at the rear of my house. I can look out to the Cabinets and I know that it is my backyard to go play in when I get off work. It is a place my family and I can go hunt, go gather huckleberries, or just go be there together. It makes my life bigger than what it could be in the city.

There is also the sentiment that living in the midst of these surroundings adds a value to ways of living that cannot be bought:

Most everyone that is here by choice, the reason they say they are here is the quality of life here. You can be the only one on the river and never see another person. You can go out on a trail and never see another person. The river, the forest, the place is just something that makes you stay here even though there are things that need improvement in the community. It is something you can't buy with money or you can't find in Whitefish.

In communities where wages are lower than average and where the ability to travel and vacation in distant places is somewhat limited for the general population, KNF lands are a place that becomes integrated into a pattern of working, recreating, and living close to resources people value. In this sense, there is a lifestyle benefit that accrues to those who live in proximity to KNF lands.

A sub-theme among some discussants concerns how there are some who come to the region to “live off the land.” As one discussant noted,

There are people who move here and think they can live off the land. They want that lifestyle of hunting for their breakfast and fishing for their dinner. They don't care much about working, they just take advantage of the forest being here. Usually, they are gone after a winter or so, but there are some who hang on.

There are others who work part-time and live an out-of-doors lifestyle as weather and funds permit. Whether fully employed or unemployed, the forest is recognized as enabling a lifestyle that allows living close to resources they value; and, there is the opportunity to integrate these resources in their patterns of living.

4.2.2.5 HABITAT

Another theme in the responses about perceived benefit is the value of KNF lands as habitat for wildlife and vegetation. Specific species such as elk, grizzly bear, deer, sheep, and mountain lions were mentioned, but there was also discussion about the value of KNF lands as habitat for birds and less dramatic mammalian species. Similarly, there was also discussion of the benefits of having lands where old growth trees can develop and for the growth of a variety of vegetation that contributes to overall biodiversity. However, the strongest sentiment for this perceived benefit is the value of forest lands as habitat for larger mammals such as elk, deer, lion, and bear, especially grizzly bears. As one discussant suggested:

There are just not that many places where you get this much open space in such wild country. It is a value you cannot place a dollar on. It is a benefit to posterity to have this kind of space where bears can live and we can too.

4.2.2.6 RECREATION

Hunting, gathering, driving roads, wildlife viewing, skiing, trail riding and other recreational uses are an important perceived benefit of KNF lands and resources. Nearly everyone who responded to questions about perceived benefit mentioned some form of recreation as a personal benefit of KNF resources. In some instances the recreational benefits are from active use or engagement with resources such as hunting wildlife or picking huckleberries for recreation. In other instances the recreational activities were wildlife viewing or hiking to special places and quiet spots. The availability of national forest lands provide this breadth of personal, family, and community recreational opportunities that attracts people to the communities of Lincoln and Sanders counties and also motivates them to stay.

Some perceive the recreation opportunities offered by the forest as having direct economic benefit to their communities. The trail systems, the wilderness and roadless areas, and the diversity of recreational opportunities are assessed as an economic resource. There is also the more personal assessment that these recreation resources are an enhancement of personal lifestyles, if not the primary reason for residence in the region. As one retiree noted,

I always wanted to live in a place where I could hunt and fish out my back door. It is not quite out my back door, but I can see it from where I live and it isn't a multiple hour drive to get to it.

Another longer term resident commented:

There are some special places here like the 1000 Lakes that we use for all kinds of recreation. We hike and fish up there in the summer and use it in the winter too. You can't do that in the city, but you can here and that's why we love it.

These types of observations indicate the personal benefit individuals perceive as resulting from the recreational opportunities on KNF lands and resources.

4.2.2.7 SCENIC

The quality of "place" and specifically the range of scenic resources within KNF lands are perceived as a special benefit to individuals and their community. As one participant commented:

Just look out at that (towards the Cabinet Mountains). Have you ever seen anything as beautiful as that? You couldn't pay me to leave this place, just because it is so beautiful.

This scenic value is perceived to enhance the quality of life for individuals and the overall attractiveness of area communities. Participants commented that these are unique resources that attract others for viewing, but they provide enrichment for those who live in adjacent communities. The assessment of personal enrichment from the common property resource of the KNF is not one that individuals appear to understand as having specific economic value. That is, although the scenic values of the KNF may attract tourists and this may result in economic benefits, there is an assessment of the scenic values of the forests as enriching the overall quality of living in Lincoln and Sanders counties.

There is some important variability among participants in what constitutes "scenic" when discussions address forest conditions. For some, scenic constitutes a "park like" setting while for others it is a more dense forest. However, despite these differences on the specifics of how forests should look, the broader assessment is that the landscape of mountains, rivers, valleys, and forested lands is of high scenic value. This scenic value of large tracts of land that are more or less undeveloped appears to be the common ground among participants in assessing this particular benefit of KNF lands and resources.

4.3 Summary of Key Points

The relationship between the KNF and surrounding communities has demographic, economic, social, and cultural characteristics. These characteristics are briefly summarized in this chapter. Among the noteworthy demography changes are an increase in the median age for Lincoln (42.1 years) and Sanders (44.2 years) counties in comparison to the state as a whole (37.5 years), as well as an increase in the over 50 age cohort and a decrease in the

under 25 age cohort. In the 1990-2000 decade, Montana's population increased 12.9 percent while Sanders County increased 18 percent and Lincoln County 7.8 percent.

Economic trends affecting other rural communities of the west are also present in Lincoln and Sanders counties. These include lower than average household incomes, an increase in non-labor sources of income as a share of personal income, increases in service sector jobs, and decreases in jobs associated with natural resource extraction. Unemployment in both counties has traditionally been above the state average with seasonal patterns that suggest the influence of employment in natural resource industries. Recent mill closures in Libby have contributed to Lincoln County unemployment rates in the range of 14-18 percent in the spring and summer of 2003. Other data also suggest a dependency on natural resource industries, as indicated by IMPLAN income analysis. This preliminary analysis suggests that for Lincoln County 18.41 percent of total labor income is accounted for by natural resource industries (grazing, timber, mining, government, and recreation). Timber accounts for the largest share of this total with 13.63 percent. In Sanders County, natural resource income accounts for 8.76 percent of total labor income. Timber accounts for 4.62 percent of this total.

Social conditions are also changing. Residents point to decreases in school enrollments as an important local indicator of social change. In the 1993-2003 decade, total enrollment in the state decreased 6.2 percent, but in Lincoln County the decrease is 18.5 percent and in Sanders County 4.6 percent. Per capita public assistance payments are also generally increasing. In Lincoln County per capita public assistance was \$634 in 1997, dipping to \$611 in 2000 and then rising to \$866 in 2002. In Sanders County the 1997 per capita public assistance amount was \$547. This decreased to \$462 in 2000 and then increased in 2002 to \$622. The persons in poverty in Lincoln County increased from 14.1 percent in 1989 to 19.2 percent in 1999. Sanders County numbers show a decline from 19.6 percent to 17.2 percent for the same years. The Montana poverty rate decreased from 16.1 percent in 1989 to 14.6 percent in 1999. Libby's designation as a superfund site and health problems associated with asbestos exposure from the W.R. Grace mines is a noteworthy characteristic of the changed social environment from the 1995 Social Assessment.

The KNF makes several noteworthy institutional and social contributions to communities in Sanders and Lincoln counties. The institutional contributions are leadership resources, professional expertise, infrastructure capabilities, and fiscal contributions, especially from Payments to States funds. The social contributions of USFS personnel to the communities are perceived as enhancing overall community resources to adapt to changing conditions. Residents also suggest that they receive a variety of other benefits from the presence of the KNF in their counties. These perceived benefits include recreation, wildlife and plant habitat, scenic and existence values, environmental quality, lifestyle enhancements, and economic opportunities.