Located in the tri-county region of northeast Washington, the NEW Forest Vision 2020 project is situated in an area with a strong natural resource economy. However, all three counties rank in the top 10 statewide for unemployment at over 9 percent. As further proof of the economic state of the tri-county region, all three counties have been designated as Historically Under-utilized Business Zones (HUB Zones) by the Small Business Administration due to high unemployment and/or low incomes. With a focus on creating jobs and other benefits for local communities, the impact of the CFLRP will depend upon the ability of local communities to leverage these public investments.
Stewardship Timber Program a Huge Boon for Communities in Northeast Washington

During the first three years of the CFLR program in northeast Washington, the USDA Forest Service sold 71.8 million board feet (MMBF) of timber using Stewardship authority. Most of this volume (78 percent) went to a local sawmill. The remaining volume was distributed between local mills making plywood, paper and electricity.

Because the timber was sold using stewardship authority, the revenues generated through the sale can be reinvested in restoration and maintenance activities as part of current or future projects. Of these reinvested revenues, it is estimated that approximately 41 percent will go to local contractors.

JOBS SUPPORTED BY THE SALE OF TIMBER

- Forestry & Logging: 86
- Sawmills: 73
- Pulp, paper, etc.: 38
- Veneer: 24
- Bioenergy: 2

Source: Bureau of Business and Economic Research, USDA Forest Service, Esri, USGS, NOAA
**Place of Residence vs. Place of Work**

The project area (place of work) for the NEW Forest Vision CFLRP (in green) does not tell us a lot about where economic impacts occur and who benefits. Research has shown that a better measure is the place of residence—in this case the business address of contractors conducting the work. This place of residence is where business owners and their employees spend the majority of their earnings - housing, food, services and business to business transactions. Between 2012 and 2015, only 17 percent of the dollars invested via the CFLRP went to contractors in the local impact area (shown above). The value and location of contracts awarded through the CFLRP project are displayed at left.

**Share of Economic Impact by State**

- **ID**: 32%
- **OR**: 20%
- **WA**: 20%
- **Local Impact Area**: 17%
- **MT**: 4.3%
- **CO**: 3.8%

Source: Bureau of Business and Economic Research, USASpending.gov, USDA Forest Service, Esri, USGS, NOAA
Are Forest Restoration Investments Benefiting Local Communities Most in Need?

A new program seeks to create jobs and improve rural economies through investments in restoration, but the results have been mixed.

Chelsea P. McIver

FERRY COUNTY IS FIRST in the rankings of Washington counties with the highest unemployment rates. In fact, all three counties in northeastern Washington register in the top ten and all have unemployment rates above 9%. Clearly this forest-dependent region could benefit from economic development. Federal investments in restoration have been steadily increasing and a new program called the Collaborative Forest Landscape Restoration Program (CFLRP) aims to bolster this trend while creating economic opportunities for local residents.

1 Counties in northeast WA are struggling to recover jobs and income lost during the Recession

UNEMPLOYMENT RANKINGS, DEC. 2015

<table>
<thead>
<tr>
<th>County</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ferry</td>
<td>11.2%</td>
</tr>
<tr>
<td>Yakima</td>
<td>10.2%</td>
</tr>
<tr>
<td>Whitman</td>
<td>9.5%</td>
</tr>
<tr>
<td>Okanogan</td>
<td>9.4%</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>9.4%</td>
</tr>
<tr>
<td>Adams</td>
<td>9.4%</td>
</tr>
<tr>
<td>Franklin</td>
<td>9.4%</td>
</tr>
<tr>
<td>Grant</td>
<td>9.4%</td>
</tr>
<tr>
<td>Grays Harbor</td>
<td>9.3%</td>
</tr>
<tr>
<td>Stevens</td>
<td>9.0%</td>
</tr>
<tr>
<td>Whatcom</td>
<td>9.0%</td>
</tr>
<tr>
<td>Washington State</td>
<td>5.5%</td>
</tr>
<tr>
<td>United States</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

2 Economic impacts tend to occur where workers live (place of residence and/or business), rather than where they work

Most of the economic impacts of restoration are lost due to leakage out of the local tri-county economy.

As much as 86% of contract dollars flowed to business, workers and communities out of state.

3 Programs such as stewardship contracting have been shown to keep more dollars in the local economy, but other efforts targeting economically-disadvantaged counties have been less effective.

Economic impacts tend to occur where workers live (place of residence and/or business), rather than where they work.

Restoration activities packaged into a stewardship contract increased the share of dollars staying in the local economy by 19%.

Contracts set-aside for businesses from economically-disadvantaged counties through the HUB Zone program have had weak effect in local economy (% Local, CFLRP vs. non-CFLRP).

4 Harvesting timber benefits counties where trees are cut AND processed

100 percent of timber harvested was processed by local mills, generating multiple benefits

For more information on this and similar projects, contact:

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