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Made in America: New Economic Study Shows Strength of Arrowhead's Wilderness-based Economy

Sulfide-Ore Copper Mining in BWCA Watershed Threatens Powerful Self-Sustaining Local Economy

Ely, MN - Today, during the President's weeklong celebration of the [American economy](#), Northeastern Minnesotans for Wilderness released a comprehensive study showing the strength of the Arrowhead's homegrown, Wilderness-based economy. This diverse and growing regional economy is at serious risk from proposed sulfide-ore copper mining in the watershed of the Boundary Waters Wilderness.

"World-class public lands like the Boundary Waters simply provide maximum value untouched and unthreatened by pollution," said Steve Piragis, owner of Piragis Northwoods Outfitting Company. "This new study shows the incredible value the wilderness provides to our economic well being: it gives us thousands of jobs, raises our property values, increases investment in the community and provides a dynamic economic environment for diverse and growing industries. All this is threatened by the risk posed by sulfide-ore copper mining right on the doorstep of the Boundary Waters."

While other studies published recently provide only a very limited look at direct tourism spending in the immediate vicinity of the Boundary Waters, [the report](#) released today by Key-Log Economics is the first to include a comprehensive analysis of all economic benefits to the Arrowhead Region created by the Boundary Waters and the high number of indirect jobs in numerous industries that rely on a pristine Wilderness. It is also the first study to offer a nuanced view of the complex post-mining boom economy and the first to explore the positive impacts of the BWCA as a powerful tool to attract talent and new investments to Northeastern Minnesota.

The study examines the current state of the Arrowhead's economy, in which numerous industries – including tourism and recreation, small businesses, healthcare, manufacturing, construction, services, forest products and taconite mining – can coexist peacefully as long as copper mining does not occur within the Boundary Waters watershed. In addition to growth in several of these sectors, Northeastern Minnesota has experienced steady growth in population, personal income, small business employment, outside investments and property value since the early 1980s.

The report also details the [formidable economic costs](#) that would follow the introduction of sulfide-ore copper mining within the Boundary Waters Watershed – including major losses in jobs, visitor spending, property value, Main Street businesses and more. Although taconite mining outside the watershed still

makes up a significant share of the region's economy, the majority of economic activity that supports jobs in a wide range of industries now relies predominantly on a healthy, pristine Boundary Waters Wilderness to attract and retain business owners, workers, visitors and retirees.

Key Findings

Since the mining decline of the 1980s, the Arrowhead has seen growth in key indicators:

- **Population:** Steady growth in population (after an early-1980s decline).
- **Income:** Steady growth in personal income across a diverse set of industries.
- **Small Business:** Growth in sole proprietors' employment and income.
- **Investment:** Increases in non-labor income, such as investments and Social Security.
- **Diversifying Economy:** These industries have experienced the strongest growth (since 2001):
 - Professional services (up 12.3%);
 - Real estate (up 12.1%);
 - Educational services (up 10.0%);
 - Arts, entertainment and recreation (up 8.9%).

Based on conservative assumptions, sulfide-ore copper mining in the Boundary Waters watershed would cost the Arrowhead economy:

- **Travel & Tourism:** \$288 million in lost annual visitor spending that would support:
 - 4,490 local jobs;
 - \$76 million in residents' income;
 - \$31 million in state and local taxes, and
 - \$181 million in proprietor's income and business-to-business transactions.
- **Diverse & Growing Industries:** 5,066 to 22,791 lost jobs and between \$402 million and \$1.6 billion in lost annual income if sulfide-ore copper mining suppresses or reverses overall amenity-based growth at the heart of the Arrowhead's recovery since the early 1980s.
- **Property Value:** \$344 million to \$480 million in lost property value – a one-time drop in asset value should sulfide-ore mining be allowed in the Boundary Waters watershed that will spawn annual reductions in local property tax revenue throughout the region.

The U.S. Forest Service is currently conducting a science-based environmental review process to determine whether or not they will allow sulfide-ore copper mining near the Boundary Waters Wilderness. As shown in this [report](#), the Arrowhead economy is trending upward and it is critical that sulfide-ore copper mining not be allowed to reverse this positive momentum.

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The Campaign to Save the Boundary Waters is a broad coalition of more than 35 partner organizations, including conservation, sportsmen and veteran's groups. The Campaign is also supported by more than 250 local and national businesses. The Campaign is led by Northeastern Minnesotans for Wilderness, which is based in Ely, Minnesota. For more information, visit: SavetheBoundaryWaters.org.