



## **Copper Mining in the BWCA Watershed: Minnesota's Arrowhead Region Has Far More to Lose Than Gain**

A new study of the Arrowhead Region's economy reveals a diverse and growing economy in which numerous industries – including healthcare, tourism and recreation, small businesses, manufacturing, construction, services, forest products and taconite mining – can coexist peacefully **as long as copper mining does not occur in the Boundary Waters watershed.**

The report also details the formidable economic costs to the three-county Arrowhead Region 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 accounts for 2.5 percent of the region's overall employment, the majority of economic activity supporting 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.

The new study concludes that **opening the watershed to sulfide-ore copper mining would result in huge costs for businesses, workers and communities throughout the region by damaging the strongest growing elements of the existing Arrowhead economy.**

*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:
  - Professional services - up 12.3% (since 2010);
  - Real estate - up 12.1% (since 2010);
  - Educational services - up 10.0% (since 2010);
  - Arts, entertainment and recreation - up 8.9% (since 2010).

*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:** \$509 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.
- **“By implementing the mining withdrawal, as proposed, these and other costs would be avoided, thus delivering a benefit to the American people and Minnesotans equivalent to a one-time payment of more than \$6.1 billion. In addition, the mining withdrawal could save between 9,556 and 27,281 jobs.”**

The new report by Key-Log Economics, which totals 42 pages and examines and analyzes a wide range of economic data in St. Louis, Cook and Lake counties, can be found [here](#).

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