



June 20, 2018

## **Copper Mining in the Boundary Waters Watershed is a Job Killer: Minnesota's Arrowhead Region Has Far More to Lose Than Gain**

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

- **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.
- **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.
- **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.

An October 2017 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 on Superior National Forest lands 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. The majority of economic activity supporting jobs in a wide range of industries now relies predominantly on a healthy, pristine Boundary Waters to attract and retain business owners, workers, visitors and retirees. Taconite mining outside the watershed accounts for 2.5 percent of the region's overall employment.

The study concludes that **opening the Boundary Waters 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.**

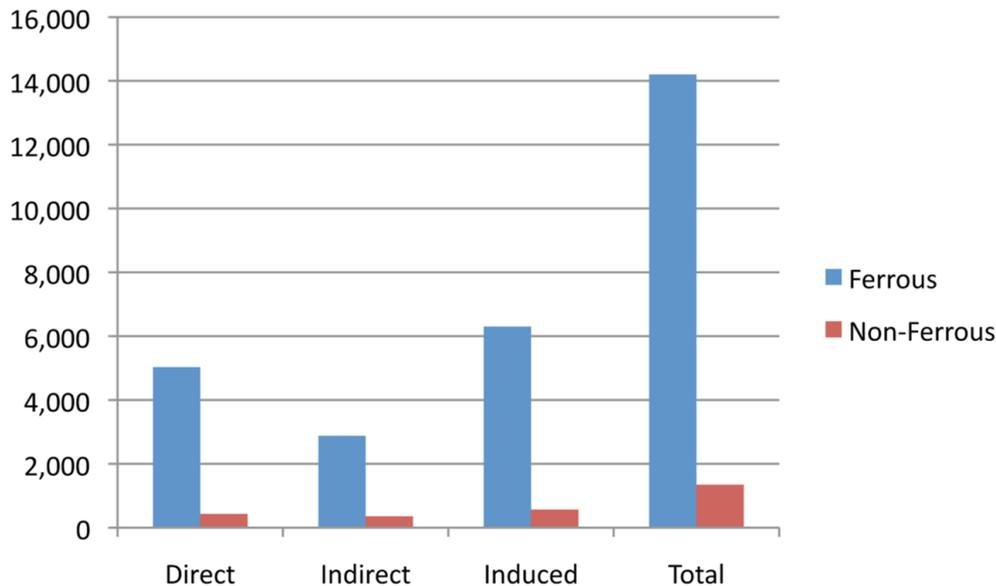
**Since the mining decline of the 1980s, the Arrowhead has seen growth in key indicators:**

- **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).

See: *Sulfide-Ore Copper Mining and/or A Sustainable Boundary Waters Economy: The Need to Consider Real Tradeoffs* by Spencer Phillips, PhD, and Carolyn Alkire, PhD, October 2017.

Copper mining supporters cite a 2012 report by the University of Minnesota-Duluth to say that opening Superior National Forest lands in the watershed to copper mining will create 5,000 mining jobs and 12,000 construction jobs. **But is this what the University of Minnesota-Duluth report really says?**

**No. These projections relate to proposed expansions of existing taconite mines in ore bodies located outside the Boundary Waters watershed. This has nothing to do with copper mining – different ore bodies and different place. The report projects only 427 mining jobs with copper mining. Job loss (4,490 local jobs) if copper mining were developed in the Boundary Waters watershed would be more than ten times any projected job gain (427 jobs).**



See: *The Economic Impact of Ferrous and Non-Ferrous Mining on the State of Minnesota and the Arrowhead Region, including Douglas County, Wisconsin* by the Labovitz School of Business and Economics University of Minnesota Duluth, November 2012. In particular, see Tables 11 (page 15) and 22 (page 22).

See: *A Review of 'The Economic Impact of Ferrous and Non-Ferrous Mining on the State of Minnesota and the Arrowhead Region, including Douglas County, Wisconsin'* by Evan Hjerpe, PhD, and Spencer Phillips, PhD, December 30, 2013.