

montana business quarterly

WINTER 1984

AN UPDATE ON MONTANA'S TRAVEL AND TOURISM INDUSTRY

Richard T. Dailey

CREATING A CLIMATE FOR EMPLOYEE SELF-MOTIVATION

Robert W. Hollmann

FORECASTING MONTANA'S ECONOMY

Paul E. Polzin

MONTANANS AND SELECTED WILDERNESS ISSUES

Susan Selig Wallwork

Coming up . . .

THE 10th ANNUAL ECONOMIC OUTLOOK SEMINAR

Presented by the
Bureau of Business
and Economic Research
University of Montana

*Taking a look at the economies
of Montana and its major
cities. Join us in the location
of your choice:*

- **MISSOULA**
Village-Red Lion
January 25, 1985
- **BILLINGS**
Northern Hotel
January 29, 1985
- **GREAT FALLS**
Rainbow Hotel
January 31, 1985
- **HELENA**
Colonial
February 1, 1985

I plan to attend the 1985 Economic Outlook Seminar. I enclose the registration fee of \$40, which includes the cost of the luncheon and proceedings of the seminar.

Name _____

Mailing Address _____

_____ Zip _____

____ Missoula ____ Billings ____ Great Falls ____ Helena

All sessions run from 8:30 a.m. to 1:00 p.m.



PAUL B. BLOMGREN
Dean, School of Business
Administration

MAXINE C. JOHNSON
Director, Bureau of Business
and Economic Research

MARY LOGAN LENIHAN
Editor

NICOLE FLEMMING
Production Editor

The Montana Business Quarterly, published by the Bureau of Business and Economic Research, School of Business Administration, is a service of the University of Montana, Missoula. The contents of this publication may be reproduced without the consent of the publisher and/or authors. Proper credit should be given to the Quarterly and its contributors for the use of any published material.

Contents of the Quarterly reflect the views and opinions of the authors and do not necessarily represent those of the Bureau, the School of Business, or the University.

Second-class postage paid at Missoula, MT 59812.

The Montana Business Quarterly is available on Microfilm from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, MI 48106.

The subscription rates for the Quarterly are \$10.00 per year, \$18.00 for two years, \$24.00 for three years, and \$3.00 per single issue.

Reprints of the articles are not available but additional copies of the Quarterly may be secured at \$3.00 per copy.

All inquiries regarding subscriptions, publications, etc., should be addressed to:

Montana Business Quarterly
Bureau of Business and
Economic Research
University of Montana
Missoula, MT 59812

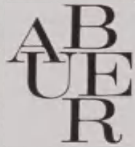
(ISSN 0026-9921)



464—UM Printing Services

montana business quarterly

Recipient of the
1983 Award of Excellence in Publications
presented by the
Association for University
Business and Economic Research



WINTER 1984

VOLUME 22

NUMBER 4

AN UPDATE ON MONTANA'S TRAVEL AND TOURISM INDUSTRY

Richard T. Dailey

2

CREATING A CLIMATE FOR EMPLOYEE SELF-MOTIVATION

Robert W. Hollmann

5

FORECASTING MONTANA'S ECONOMY

Paul E. Polzin

9

THE MONTANA POLL

MONTANANS AND SELECTED WILDERNESS ISSUES

Susan Selig Wallwork

15

An Update on Montana's Travel and Tourism Industry

Richard T. Dailey

Montana's non-resident travel industry is alive and reasonably healthy. Among the state's basic industries — those which sell goods or services to nonresidents or otherwise bring money in from out-of-state — only nonresident travel and heavy construction have increased their employment and payrolls in recent years.

Since 1979, most of Montana's basic industries have suffered permanent losses of jobs and income as plants and mines have closed and an interstate railroad ceased operation. Heavy construction was an exception because of the Colstrip project, but as that project nears completion construction too will likely experience a decline.

That portion of the travel industry which serves nonresident visitors also is defined as a basic industry. It brings money in from outside the state. Between 1979 and 1983, labor income generated by the expenditures of nonresident travelers is estimated to have increased 10 percent, from \$96 million to \$106 million, after adjustment for inflation. This was a notable achievement during a period of recession and increasingly unfavorable money exchange rates for Canadian visitors.

Figure 1 illustrates changes in labor income earned by workers in Montana's



basic industries between 1979 and 1983. Labor income includes wages and salaries and certain fringe benefits plus proprietors' income — in other words, all the income earned through participation in the labor force. Labor income is used as a measure of changes in economic activity when data equivalent to Gross National Product are not available, and as a measure of an industry's contribution to the economy. The figures are expressed in constant 1983 dollars.

In 1983, labor income from the nonresident travel industry accounted for 6 percent of total labor income from basic industries in Montana. Four years earlier, in 1979, it had contributed 5 percent of the total.

The increased income from nonresident travel resulted from a growth in number of visitors. Their numbers increased from less than 2.0 million in 1979 to more than 2.2 million in 1983 (figure 2). Total expenditures by nonresident travelers also are estimated to have grown from \$382 million in 1979 to \$423 million in 1983 after taking inflation into account (figure 3). It was not a steady growth; small setbacks occurred in 1980 and 1982. But certainly the industry has been much less cyclical than most other basic industries in the state.

People travel for a variety of reasons. The most recent travel survey in Montana — the Old West Commission Survey completed in 1980 — reported that 30 percent of nonresident travel in the state in 1979 was travel for pleasure. Travel for pleasure is the usual definition for tourism. It should be noted that it is a rather

narrow definition, by virtue of excluding the 23 percent of nonresident visitors in 1979 who said they were visiting friends and relatives.

Applying the 30 percent figure to expenditures and labor income suggests that nonresident tourists spent \$127 million in Montana in 1983, and those expenditures generated \$32 million in labor income. If one chose to include travelers visiting friends and relatives as tourists, those numbers would be \$224 million and \$56 million respectively.

We emphasize expenditures of nonresident travelers because, as noted

"There were approximately 20,200 travel-related jobs in Montana in 1983, compared to 17,600 in 1979."

above, they bring money into the state; the portion of the travel industry serving them is part of our economic base.

But Montanans also travel in Montana. The Billings resident vacationing in Flathead County has not added to the state's economic base, but he has contributed to the county economy. And if he chose Flathead over a trip to Puget Sound, he has kept money in state that otherwise would have left. We estimate that Montanans traveling in Montana spent a total of \$391 million in 1983, of which \$98 million was for pleasure (tourist) travel. Those figures compare to \$366 million and \$92 million in 1979. Labor income generated by these expenditures is estimated at \$98 million in 1983 and \$92 million in 1979 (table 1). These figures are very rough estimates.

There were approximately 20,200 travel-related jobs in Montana in 1983, compared to 17,600 in 1979. About one-third of the 1983 total was in the hotel-motel sector.

Average earnings per worker are considerably lower than in many other Montana industries because of lower wage rates and the large number of part-time and seasonal jobs. Nevertheless, the industry fills an important function by providing a large number of jobs for unskilled workers as well as those who desire part-time or seasonal work. It also offers entrepreneurial opportunities for people wanting to start their own businesses.

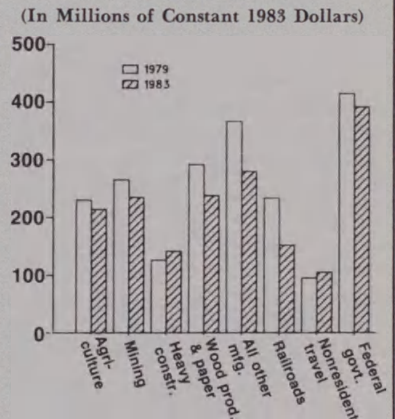
A few of the larger counties — Yellowstone, Gallatin, Flathead, and Cascade — account for almost half total travel-related employment (table 2). Yellowstone and Cascade counties, partly because of their size, are not so dependent upon travel as are Flathead and Gallatin counties. Those two counties are located adjacent to our two national parks, and together with Glacier, Park, and Beaverhead counties (also adjacent to the parks) are the most heavily dependent upon travel (table 3). About 23 percent of Glacier County's total employment is concentrated in travel-related businesses. In each of the other four counties, the proportion is approximately 10 percent or more. □

About this article. . .

The Bureau of Business and Economic Research recently conducted a study of Montana's travel and tourism industry. Sponsored by the Montana Promotion Division of the Montana Department of Commerce, Helena, the project was begun in summer 1984 and completed in November. This article presents some of the report's highlights.

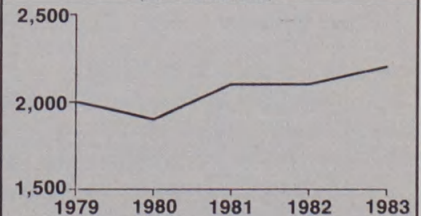
This study is based on data from secondary sources. We attempted to use the best information available, but data on travel and tourism in Montana are out of date and incomplete. Accordingly, some of the figures may not be entirely accurate, but we believe that the trends revealed are reliable. We tried to be conservative in making the estimates, preferring to err by understatement rather than overstatement.

Figure 1
Changes in Labor Income
Basic Industries, Montana
1979-1983



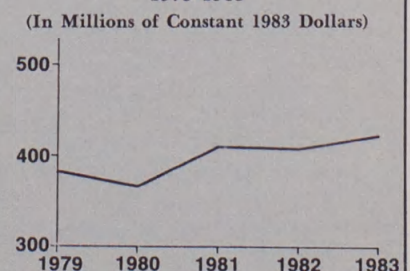
Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, unpublished data (Washington, DC, 1984), and University of Montana, Bureau of Business and Economic Research.

Figure 2
Number of Nonresident Visitors
Montana
1979 and 1983
(In Thousands)



Source: University of Montana, Bureau of Business and Economic Research.

Figure 3
Expenditures by Nonresident
Visitors, Montana
1979-1983
(In Millions of Constant 1983 Dollars)



Source: University of Montana, Bureau of Business and Economic Research.

“A few of the larger counties—Yellowstone, Gallatin, Flathead, and Cascade—account for almost half the total travel-related employment.”

Table 2
Concentration of Travel-Related Employment in Montana Counties, 1983

County	Percent of State Travel Employment in County
Yellowstone	15.4
Gallatin	11.2
Flathead	10.8
Cascade	9.2
Silver Bow	6.8
Missoula	6.6
Glacier	6.5
Lewis and Clark	5.0
Park	3.3
Dawson	2.9

Source: University of Montana, Bureau of Business and Economic Research.

Table 3
Montana Counties Most Heavily Dependent on Travel-Related Employment, 1983

County	Percent of County Employment Which is Travel-Related
Glacier	23.0
Park	12.0
Flathead	10.1
Gallatin	10.0
Beaverhead	9.9
Madison	9.5
Silver Bow	9.2
Dawson	8.4
Roosevelt	5.8
Richland	5.2

Source: University of Montana, Bureau of Business and Economic Research.

Richard T. Dailey is professor of management, School of Business Administration, University of Montana. He worked with the Bureau of Business and Economic Research in completing the research and analysis for this travel study.

Table 1
The Montana Travel Industry 1979 and 1983

	1979	1983	Percent Change
(Millions of Constant 1983 Dollars)			
Total travel expenditures	748	814	9
Nonresident	382	423	11
Tourist	114	127	11
Resident	366	391	7
Tourist	92	98	7
Total labor income generated	188	204	9
Travel by nonresidents	96	106	10
Tourist	29	32	10
Travel by residents	92	98	7
Tourist	23	24	7
(Number of Jobs)			
Number of travel-related jobs	17,600	20,200	15
Nonresident	9,000	10,500	17
Resident	8,600	9,700	13

Source: University of Montana, Bureau of Business and Economic Research.

Note: Percentage changes calculated from unrounded numbers.

Creating a Climate for Employee Self-Motivation

Robert W. Hollmann

Practitioners and academicians alike have agreed for years that one of the primary functions of managers is to motivate employees. Toward this end numerous motivational techniques have been developed. And these techniques have had varying degrees of success.

It strikes this writer that motivation is not really something a manager "does." *The truly successful manager is one who creates an organizational climate in which employees are self-motivated.*

In other words, motivation is an employee-based process that is stimulated by management.

Creating a climate wherein

employees are self-motivated is a matter of proactive rather than reactive management. Managers should not wait until their employees seem to be low on motivation and then hurriedly attempt to build a motivating climate. Proactive management requires that managers *anticipate* the motivational needs and desires of employees and *continually* build the climate wherever their needs and desires can be satisfied on a regular, ongoing basis.

Building a self-motivating climate cannot be done via a "cookbook" approach. There are no easy "1-2-3 steps." Nonetheless, there are some strategies that seem to work. This article discusses a number of activities that can facilitate the development of such a climate.

Know yourself as a manager

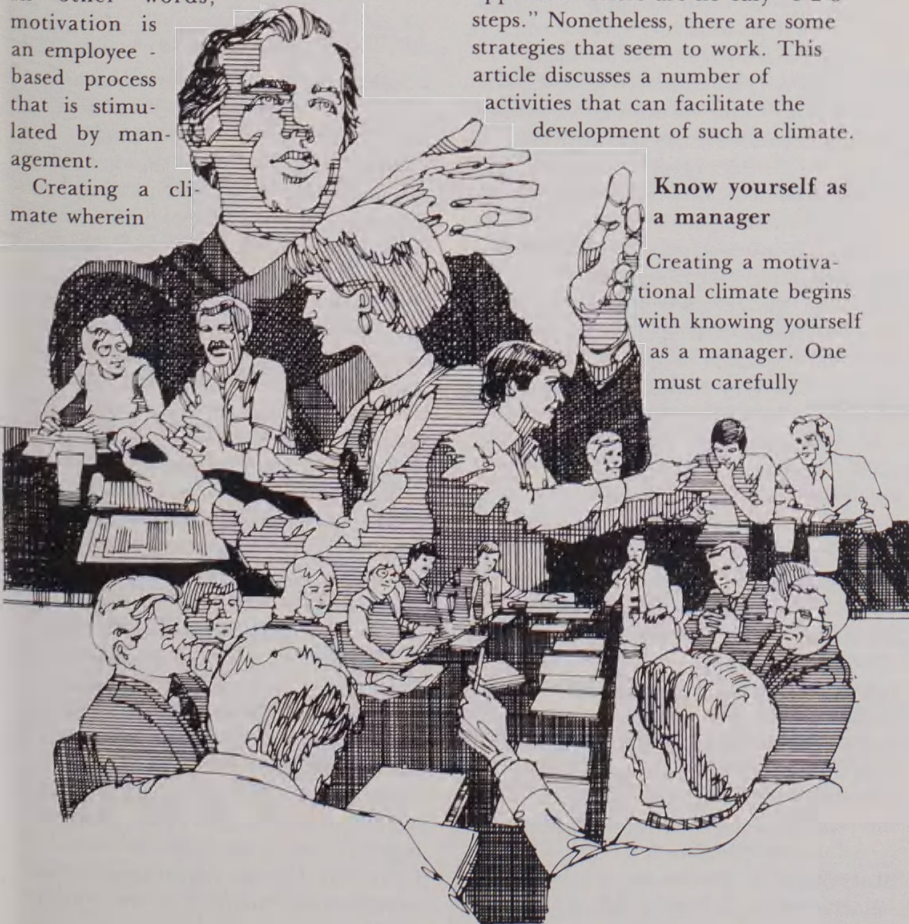
Creating a motivational climate begins with knowing yourself as a manager. One must carefully

identify strengths and limitations. A manager should build on strengths and work hard to improve limitations. After all, what incentive is there for employees working under managers who show no interest in improving themselves?

How the manager functions in a leadership capacity is especially important. Employees are motivated by a leadership style that is responsive to their needs and expectations. Effective leadership is more than getting subordinates to just "follow" — threatening employees with discharge can get them to follow. The challenge is to get employees to be willing followers. Willing followers are those who follow a manager because they have trust, confidence, and respect for that manager.

Managers need to strive to develop flexibility in their leadership styles. For example, in some instances the leader needs to show greatest concern for getting the task accomplished with less concern for the personal needs of subordinates. In other instances, the leader may need to show equal concern for the task and subordinates. And finally, in some situations the needs of subordinates may be more important than the task at hand. Accordingly, the good leader can assess the range of factors influencing the leadership situation and select the approach that is likely to be most effective. Of course, developing such leadership skill takes time and practice. It also begins with a careful self-analysis of one's existing leadership practices.

In addition to leadership flexibility, the effective leader manifests a high degree of enthusiasm. In fact, one can't be a strong leader without enthusiasm. Enthusiasm rubs off on people. An enthusiastic leader creates a climate of enthusiasm. Employees working in a



“Managers should not wait until their employees seem to be low on motivation and then hurriedly attempt to build a motivating climate.”

climate of enthusiasm become enthusiastic. And enthusiastic employees are motivated.

Know your employees

A motivating climate can be enhanced further by managers who know fully and care for their employees. Workers today have a wide range of needs, values, and beliefs that vary across numerous dimensions. A young single male may have needs different from an older male with three children in college. A female single parent, such as a divorced woman with two children to support, will have different needs than a part-time married female worker whose children are raised. And workers with high levels of education are likely to have different job expectations than those with limited educations.

Values also vary. Individual values are developed primarily during the teen years and early twenties. Thus, those who “grew up” during the patriotic years of World War II are most likely to have values different from those who grew up in the 1960s. Similarly, employees raised in a small-town rural agricultural environment will probably have values different from those raised in a fast-paced urban setting such as New York City or Chicago.

Caring for employees is also important. The manager who displays a genuine concern for subordinates is more likely to develop a motivating climate. This is the manager who listens to employees — listens with empathy. This is the manager who strives diligently to build teamwork and cohesion among subordinates. This is the manager who takes a “wholistic” viewpoint, a viewpoint that recognizes the whole person on the job.

People have numerous dimensions. Their dimensions include off-the-job problems. The manager with a wholistic viewpoint realizes that non-job dimensions and problems are part of the total person. They cannot be “checked at the gate” when reporting to work in the morning and picked up at the end of the work day. These

problems may affect job performance. By working to understand this interrelationship between non-work-related and work-related dimensions of employee life the manager is in a better position to create conditions wherein the dimensions blend together harmoniously.

Close the communication gap

A highly motivational climate is characterized by open communications that are multi-directional. This includes vertical communication between the supervisor and subordinates as well as horizontal communication among subordinates themselves.

Perhaps the most important form of vertical communication involves informing employees what is expected of them. Employees can hardly be motivated if performance targets and standards are unclear. The manager who says “A good employee knows what is expected of him” is missing the point. The good employee has first had the chance to discuss expectations with the boss and consequently is motivated to work toward their achievement.

Identifying expectations is facilitated by establishing specific employee objectives. Numerous organizations have utilized formal “Management by Objectives” (MBO) programs. While these can be very helpful, they are not necessary. Typically, all that is necessary is a *mutual discussion* between the manager and the subordinate resulting in an agreement on a few key performance objectives for a specific time period. With this approach, employees have something concrete to aim for. They have a clear picture of the supervisor’s expectations.

Communication gaps also occur with respect to feedback on performance. In addition to knowing where they are going, employees want to know how they are doing. Communicating only when they make an error is not motivating. The “no news is good news” syndrome is bad management. Minimizing the communication gap can be achieved by providing subordinates

with both good and bad feedback. Feedback on errors can facilitate correction. Feedback on good performance can *reinforce* that performance.

A manager should also encourage regular horizontal communication among subordinates. Teamwork is especially important today and it doesn’t occur without team communication. Regularly scheduled team meetings during working hours are critical to cooperative horizontal communications. Teamwork can be reinforced further by a manager who *emphasizes excellence*. This manager strives for and supports a climate that encourages superior results. And, of course, excellence can be facilitated by high-level goals and objectives.

Encourage participation

Encouraging employee participation in decision making can play a significant role in creating a self-motivating climate. Today’s employees, especially those with high levels of education, expect to have a regular say in matters that affect them. Unilateral decision making by managers is inconsistent with their expectations and is likely to have a negative impact on the motivational climate. Involving employees makes them more aware of their own self-worth and dignity. It shows management feels they can make meaningful contributions.

Employee participation doesn’t mean that employees have to make all decisions. Sometimes all that is necessary is to ask employees to respond to the manager’s decision or suggest potential modifications. In other cases, the manager may obtain employees’ suggestions before making the final decision. Or, even greater participation can be encouraged in some instances where employees are informed of the problem and asked to make a decision within specified limits. What is most important is that the level of participation is one that manager and employees feel comfortable with. After

"The manager who displays a genuine concern for subordinates is more likely to develop a motivating climate."

all, not all employees want to participate fully in all decisions.

Subordinate participation can result in increased "ownership" of ideas; that is, employees feel that part of the decision is theirs, and, accordingly, they will be more committed to the decision. This commitment leads to stronger motivation. An "average" decision with everyone behind it is often better than a "brilliant" one with very little support.

Delegate

Many managers do not delegate enough. Failure to delegate occurs for a variety of reasons. Some managers are simply unwilling to relinquish any control to subordinates; they want to maintain a tight reign on all matters. Other managers lack confidence in their subordinates and are afraid they will make an error in carrying out the assignment. This fear is compounded by the manager's realization that he or she is still accountable for the task. And some managers don't delegate because they don't know how to delegate. For example, a manager may delegate a task but then monitor the subordinate's performance so closely that the subordinate isn't truly on his or her own. This is not really delegation.

Failure to delegate can have a significant negative impact upon the motivational climate. First, if a subordinate can't perform a task completely or properly, he or she never will be able to do it if never given the chance. Second, subordinates' current skills and abilities can be developed more fully through delegation. Presenting employees with challenging assignments provides them with the chance to grow. And third, increased delegation is consistent with the expectations of today's workers who want additional challenge, responsibility, and authority in their work.

From the manager's point of view, the most important benefit of increased delegation is that it results in a pool of more talented and capable employees — a group that can keep things running smoothly even in the manager's absence.

In addition, the manager is provided with time to perform more critical and time-demanding managerial activities such as long-range planning and organizing.

Delegation is really not difficult; it just takes practice. A few tips for delegating effectively are: 1) trust your subordinates; 2) be willing to take some risk and let go of some activities; 3) select the delegatee carefully — delegate a task that challenges the subordinate but not one that is so far beyond his or her capabilities that he or she is completely discouraged; 4) explain the task and authority limits clearly; 5) do not monitor so closely that the employee feels little if any autonomy; and 6) maintain open communications and be available to assist if needed.

Redesign jobs

As stated earlier, most of today's employees are interested in having meaningful work. They want jobs that are challenging and stimulating. Furthermore, they desire increased autonomy and discretion in their work.

Developing a motivating environment can be enhanced by redesigning jobs to meet these needs of today's employees. There is a range of redesign strategies that can be utilized. First, individual jobs can be expanded to include a greater variety of tasks. Second, employees can be rotated among a number of different jobs thereby giving them more variety. Third, jobs can be changed so that the employee is given the opportunity to perform the complete task rather than just a portion of the task. Performing the complete task gives employees a greater feeling of significance. Fourth, individuals can be given more freedom with respect to how they perform their jobs; for example, allow them to both schedule their own work and then check the final product to see that it meets standards.

Job redesign strategies should seek to maximize the talents of individual workers. Of course, one should recognize that not all employees want such redesigned jobs. We want to try to

match each worker's talents and expectations with the demands of the job.

Administer rewards effectively

A major challenge for managers is to achieve a consistent linkage between employees' performances and the rewards they receive for that performance. Employees like to see such a linkage, especially when performance is above the level normally expected. The manager is the key to this linkage. If a manager doesn't reward employee performance, who will?

As employees perform their jobs, they have their own perceptions of what is a "fair" reward for their performance. When rewards don't match expectations, lower employee satisfaction usually results. Lower satisfaction can lead to reduced effort by the employee, which in turn is followed by lower job performance. If this cycle continues, we certainly do not have a motivating climate. Why should employees work extra hard if they are never rewarded for that effort and performance?

Part of the difficulty is caused by a belief that rewards given to employees need to be monetary in nature. This is not necessarily true. Employees also have a wide range of needs which can be met by a number of non-monetary rewards. Perhaps the most important are praise and recognition, especially public praise and recognition. Other rewards include special assignments and tasks, increased discretion on the job, assignment to training and development programs, increased job security, and greater opportunity for social interaction with co-workers. In addition, the previously discussed activities of increased participation, greater delegation of tasks and authority, and job redesign are also excellent non-monetary rewards.

Of course, monetary rewards cannot be ignored. Employees will eventually tire of praise or other non-monetary rewards and will expect their supervisors to occasionally back them up with such rewards as merit pay, compensatory time off, and promotions.



“Employees can hardly be motivated if performance targets and standards are unclear.”

Administering rewards effectively essentially involves rewarding desired positive behavior. Such rewarding reinforces the behavior and increases the likelihood of it being repeated. Rewards should be given in a timely fashion; they should be made soon after the desired performance occurs. Desired behavior need not be rewarded every time and rewards should be given only when they are deserved. And a manager should be cognizant of variances in employees' needs; give rewards that satisfy particular needs. For some employees, praise and recognition are all that are required. For others, money is the key. And still others may react quite favorably to increased opportunities for participation and more challenging work with greater autonomy. The key is to reinforce behavior through rewards rather than through punishment.

Managing conflict productively

Conflict is found in all organizations, primarily because employees are continually interacting with each other. Many people feel that conflict is bad and should be avoided. People are expected to be rational and conflict situations are often perceived to reflect immaturity and lack of rationality. How often do we hear individuals saying “Don't rock the boat” or “It's important to be a team player”?

People who try to avoid conflict don't understand the positive role it can play in organizations. For example, conflict can create greater awareness of problem situations, bring about necessary changes, increase employee cohesiveness and morale, stimulate creativity, lead to better reasoned decisions, and develop as well as circulate leadership.

Instead of avoiding conflict, the motivating climate is characterized by managers who recognize the inevitability of conflict and work hard to manage it effectively. Conflict avoidance is discouraged and instead employees are encouraged to face it head-on and resolve it through cooperative problem solving. There is heavy use of small group discussions to resolve problems and the manager is more likely to

function as a group “facilitator” rather than as an authoritative decision maker.

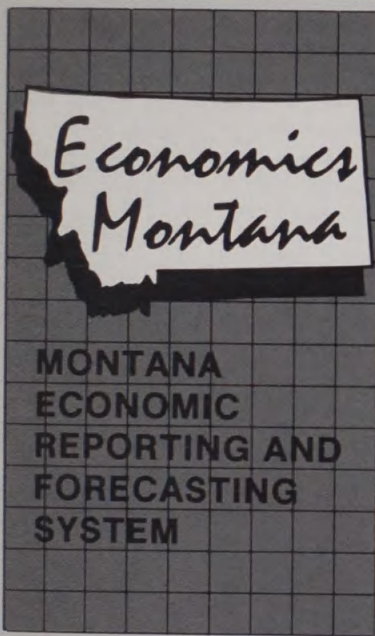
As a facilitator, the manager's job is to make sure the group members clearly identify the problem first before working toward its resolution. The manager can then use whatever techniques are perceived to aid the group in resolving the conflict. Over time, individuals will develop their own conflict resolution skills. They will then no longer try to avoid conflicts; instead, they will try to make conflict work for them. In essence, then, conflict that is managed properly can help workers solve problems, improve their cooperation, and strengthen their commitment to the organization.

The importance of trust

In this writer's opinion, the real key to developing a self-motivating climate is the building of a trusting environment — one where there is a high level of trust between the manager and all subordinates. Downward authoritarian communication, limited delegation, tight reporting and control mechanisms, and jobs with very little discretion reflect limited trust in subordinates. A trusting environment, on the other hand, recognizes the worth and dignity of employees. It involves treating employees as adults; if you treat them as children, you get childlike behavior such as absenteeism and tardiness. When there is a high degree of superior-subordinate trust, it is much easier to implement the strategies of increased participation, greater delegation, and redesign of jobs.

Employees today are demanding a work environment that better utilizes their talents and adapts to their needs, wants, and expectations. The manager who is responsive to their expectations in a trusting fashion is much more likely to create and maintain a climate wherein employees are self-motivated. □

Robert W. Hollmann is associate professor of management, School of Business Administration, University of Montana. Several of his articles on personnel management have been published in national journals.



Economics Montana

**MONTANA
ECONOMIC
REPORTING AND
FORECASTING
SYSTEM**

Economics Montana was funded by the 1983 Montana Legislature and is administered by the Montana Department of Commerce. Although headquartered at the Bureau of Business and Economic Research at the University of Montana, economists from Montana State University, Montana Tech, various state government agencies, and private industry are important contributors to the project.

Economics Montana provides forecasts of easily interpreted economic indicators. Forecasts will be made for two to three years into the future and represent the short-run outlook for the Montana economy.

the same general trend as nonfarm labor income: relatively rapid growth in 1984, followed by moderate increases in 1985 and 1986. Finally, Montana's unemployment rate has declined to 7.9 percent in 1984 from 8.8 percent in 1983; the forecasts call for 7.7 percent in 1985 and 7.8 percent in 1986.

The national outlook

Our forecasts for the Montana economy are based on projections for the U.S. economy prepared by Chase Econometrics. As shown in table 1, they call for a sharp reduction in economic growth during 1985 and 1986. Inflation-adjusted Gross National Product (GNP) which measures total production of goods and services, is projected to grow 3.2 percent in 1985 and 2.5 percent in 1986, less than one-half the 1984 increase of 7.0 percent.

The downward trend in the growth rate does not indicate a new recession. Instead, the 1985 and 1986 increases are approximately equal to the long-run sustainable growth rate of the U.S. economy. They are modest only when compared to the 1984 figure. Chase Econometrics expects interest rates and inflation to rise slightly in 1985 and 1986. In both cases, however, the resulting figures are still encouraging when compared to those of the early 1980s.

Housing starts, which are particularly important for Montana's wood products industry, are projected to be 1.46 million in 1985 and 1.55 million in 1986, as compared to 1.77 million in

The Latest Forecast

The latest Economics Montana forecasts predict a continuation of the state's current economic recovery for the next two years. Montana's economy has grown at a record pace during 1984; the increases expected in 1985 and 1986 will be smaller, but certainly better than the dismal years of the early 1980s.

The new Montana projections are based on upward revisions in the outlook for the U.S. economy as of September 1984. Despite these revisions, the national economy still is expected to experience slower growth in 1985 and 1986 than occurred in 1984.

The following sections present the national outlook and our latest Montana projections for nonfarm labor income, total personal income, nonfarm wage and salary employment, and the unemployment rate.

The revised forecasts for nonfarm labor income, a proxy for overall economic activity, show a real (net of inflation) growth rate of 4.9 percent in 1984 followed by increases of 1.5 percent in 1985 and 2.8 percent in 1986. Total personal income and nonfarm wage and salary employment, two other general economic indicators forecast by Economics Montana, have

Forecasting Montana's Economy

Paul E. Polzin

With this issue, we present for the first time up-to-date estimates of certain demographic characteristics of Montana's population. The Montana Economic Reporting and Forecasting System is intended to provide information useful for Montana decision makers. During the past year we have developed forecasting systems for state economic indicators, and have presented the projections in the Montana Business Quarterly. Projections of the future, however, are not the only information useful to decision makers. Up-to-date figures on current demographic characteristics may also help Montanans understand their economic environment.

About revisions . . .

The latest data available and the most recent outlook for the U.S. economy and other factors which influence Montana are incorporated into the forecasts presented here. All Economics Montana forecasts are clearly dated, and readers are urged to note the date and use the most recent revisions.

Economics Montana forecasts are revised four times per year. Frequent revisions mean that our forecasts incorporate the latest information about factors which affect Montana's economy.

1984. The unemployment rate decreased from 9.6 percent in 1983 to 7.5 percent in 1984; the forecasts for both 1985 and 1986 are 7.1 percent.

Table 1
Economic Trends for the
U.S. Economy

	1983	1984	1985	1986
Real GNP, percent change	3.7	7.0	3.2	2.5
Inflation (CPI), percent change	3.2	4.3	4.6	5.7
Interest rates, percent				
90-day T-bills	8.6	10.0	11.8	11.7
Mortgage rate	12.7	12.4	13.9	14.1
Housing starts, millions	1.70	1.77	1.46	1.55
Unemployment rate, percent	9.6	7.5	7.1	7.1

Source: Chase Econometrics (September 1984).

The Montana outlook

Nonfarm labor income. Nonfarm labor income consists of wages and salaries, proprietors' income, and certain fringe benefits of all working persons, except those working on farms and ranches. In other words, it is the labor income of all working people (except those in agriculture) engaged in the production of goods and services, and is sometimes called nonfarm participation income.

Nonfarm labor income, after being converted to constant 1983 dollars, provides an approximate equivalent for changes in GNP, a statistical series not available for Montana. It measures payments to workers. In most areas there is a high correlation between economic activity and the amount of labor required to produce it. Thus we use nonfarm labor income as an indicator of economic activity.

Table 2 presents the latest projections of nonfarm labor income in Montana. Nonfarm labor income is expected to rise about 4.9 percent in 1984, the largest increase since the onset of the recession in 1979. Even so, nonfarm labor income in 1984 was still below the prerecession peak in 1979. Following the U.S. trend toward slower growth, the forecasts are for an increase of 1.5 percent in 1985 and 2.8 percent in 1986.

Total personal income. Personal income is the income received by Montanans from all sources. It includes labor income, transfer payments, and dividends, interest, and rent. Personal

Table 2
Personal Income by Major Component
Montana
Actual and Projected as of October 1984
(Millions of Dollars)

	Actual					Forecast		
	1979	1980	1981	1982	1983	1984	1985	1986
Total personal income								
Current dollars	\$ 5,954	\$ 6,576	\$ 7,364	\$ 7,741	\$ 8,124	\$ 8,794	\$ 9,413	\$ 10,181
1983 dollars	7,827	7,847	8,087	8,026	8,124	8,523	8,773	9,050
Labor income								
Current dollars	4,335	4,642	5,019	5,049	5,291	5,724	6,052	6,523
1983 dollars	5,698	5,540	5,512	5,235	5,291	5,548	5,640	5,798
Farm income								
Current dollars	175	248	323	233	214	230	250	270
1983 dollars	230	296	354	242	214	223	233	240
Nonfarm labor income								
Current dollars	4,160	4,394	4,696	4,816	5,077	5,494	5,802	6,253
1983 dollars	5,468	5,244	5,157	4,993	5,077	5,325	5,407	5,558
Mining								
Current dollars	202	246	322	294	235	240	260	280
1983 dollars	266	293	354	305	235	233	242	249
Construction								
Current dollars	352	344	331	342	351	377	356	370
1983 dollars	463	410	364	354	351	365	332	329
Manufacturing								
Current dollars	501	491	509	462	518	561	588	633
1983 dollars	658	586	559	479	518	544	548	563
Wood and paper products								
Current dollars	222	204	209	182	238	249	252	276
1983 dollars	292	244	230	189	238	241	234	245
Government								
Current dollars	888	954	1,028	1,104	1,188	1,271	1,357	1,450
1983 dollars	1,168	1,138	1,129	1,145	1,188	1,232	1,265	1,289
All other industries								
Current dollars	2,216	2,360	2,505	2,614	2,784	3,046	3,241	3,520
1983 dollars	2,913	2,816	2,751	2,710	2,784	2,952	3,020	3,129
Adjustments to labor income								
Current dollars	-296	-322	-370	-388	-410	-453	-488	-531
1983 dollars	-389	-384	-406	-402	-410	-439	-455	-472
Nonlabor income								
Current dollars	1,916	2,255	2,715	3,080	3,242	3,523	3,850	4,189
1983 dollars	2,518	2,691	2,982	3,193	3,242	3,414	3,588	3,723
Dividends, interest, & rent								
Current dollars	1,095	1,285	1,608	1,834	1,890	2,130	2,366	2,596
1983 dollars	1,439	1,533	1,766	1,902	1,890	2,064	2,205	2,307
Transfer payments								
Current dollars	821	971	1,108	1,246	1,352	1,393	1,484	1,593
1983 dollars	1,080	1,158	1,216	1,291	1,352	1,350	1,383	1,416

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, and Bureau of Business and Economic Research, University of Montana, Montana Economic Reporting and Forecasting System.

Table 3
Employment and Unemployment
Montana
Actual and Projected as of October 1984
(In Thousands)

	Actual					Forecast		
	1979	1980	1981	1982	1983	1984	1985	1986
Number of nonfarm wage and salary jobs	283.9	280.4	281.8	273.7	269.8	282.6	287.3	292.3
Mining	7.7	8.8	11.5	9.3	7.0	7.1	7.5	7.7
Construction	15.6	14.5	13.3	13.4	12.8	14.1	13.4	12.8
Manufacturing	27.0	24.2	23.2	20.6	20.8	22.3	22.5	22.3
Wood and paper products	11.8	10.0	9.6	8.0	9.7	10.6	10.4	10.4
Government	70.1	70.2	69.3	67.4	68.2	69.0	69.5	70.0
All other industries	163.5	162.7	164.5	163.0	161.0	170.0	174.5	179.6
Unemployment as a percent of labor force	5.1	6.1	6.9	8.6	8.8	7.9	7.7	7.8

Sources: Research and Analysis Division, Montana Department of Labor and Industry, Helena, MT, and Bureau of Business and Economic Research, University of Montana, Montana Economic Reporting and Forecasting System.

income does not include personal contributions for Social Security, and has been adjusted for persons who work in one state but live in another.

Personal income measures the ability of Montanans to purchase clothing, food, and other consumer items. Therefore, forecasts of total personal income may be of particular interest to retailers and other persons concerned with consumer spending. Forecasts of total personal income for Montana are shown in table 2.

Total personal income of Montanans, adjusted for inflation, is expected to grow about 4.9 percent in 1984. This rise in income, the largest since the late 1970s, is certainly good news for Montana merchants. Income growth is projected to continue, but at slower rates. Total personal income is forecast to rise 2.9 percent in 1985 and 3.2 percent in 1986. It will grow faster than nonfarm labor income because property income (rent, dividends, and interest) and transfer payments (especially Social Security benefits) will grow faster.

Nonfarm wage and salary employment. Nonfarm wage and salary employment includes all jobs in Montana except those in agriculture and the self-employed (which includes farm and ranch proprietors). Even though some workers are not counted, nonfarm wage and salary employment provides a reliable indicator of short-run changes in the labor market and job opportunities in Montana. In short, nonfarm wage and salary employment measures an economy's ability to provide jobs for its residents.

Nonfarm wage and salary employment is expected to increase 4.7 percent in 1984. This translates into more than 12 thousand additional jobs for Montanans (table 3). The increases will be smaller in 1985 and 1986 with about 5,000 new nonfarm wage and salary jobs created each year.

The unemployment rate. The unemployment rate measures the percentage of the civilian labor force that is currently unemployed. It includes those persons looking for and available to take a job, or waiting to be called back to a job from which they have been laid off. The unemployment rate does not include "discouraged workers," those persons who are no longer looking for work because they couldn't find a job.

Montana's unemployment rate is expected to remain relatively stable during the next few years. During 1984, unemployment will be about 7.5 percent, down from 8.8 percent in 1983. The projections are for 7.7 percent in 1985 and 7.8 percent in 1986.

New Demographic Data

The detailed data provided by the U.S. Census of Population are useful tools for analyzing the Montana economy. Unfortunately, the Census is only conducted every ten years, and the data quickly become out-of-date. In order to improve the information available to Montana decision makers, we have made current estimates of certain demographic characteristics which were formerly available only in the Census of Population.

The current demographic estimates are not as accurate as the Census figures. But they are based on the latest data and incorporate the underlying population trends. As with all information provided by the Montana Economic Reporting and Forecasting system, the demographic estimates will be revised as new information becomes available.

Population by age and sex

In recent years we have analyzed some of the economic implications of the changing structure of the population. In particular we have examined the implications of the aging of the postwar baby crop — those individuals born between 1946 and 1964.

The 1980 distribution of Montana's population by age and sex and the 1983 estimates presented in table 4 help to bring us up-to-date on the "baby boomers." They are now in their twenties and thirties; these age categories accounted for almost 30 percent of Montana's 1983 population. And the largest increases between 1980 and 1983 were in the 30 to 34 and 35 to 39 year old categories.

Another interesting feature shown in table 4 is the increase in infants between 1980 and 1983. There were 69,500 persons 0 to 4 years old in 1983, up from 64,606 persons in 1980. This group is sometimes called the "echo" because they are the children of the "baby boomers." The increase in births is the inevitable result of the aging of the boomers. That is, the increase is not due to higher birth rates, but simply to the larger number of people in the high fertility age categories.

Table 4
Population by Age and Sex
Montana
1980 and 1983

Age	----- July 1, 1980 -----			----- July 1, 1983 -----		
	Male	Female	Total	Male	Female	Total
0-4	33,170	31,436	64,606	35,600	33,900	69,500
5-9	30,946	29,436	60,382	31,500	29,600	61,100
10-14	31,957	30,730	62,687	32,000	31,400	63,400
15-19	38,658	36,139	74,797	34,500	32,400	66,900
20-24	37,285	36,908	74,193	38,000	36,600	74,500
25-29	36,107	35,578	71,685	36,700	36,800	73,500
30-34	31,633	29,921	61,554	35,700	34,600	70,300
35-39	24,450	23,708	48,158	28,600	27,200	55,800
40-44	20,291	20,178	40,469	23,000	22,400	45,400
45-49	18,247	18,151	36,398	19,000	19,100	38,100
50-54	18,581	18,872	37,453	18,100	18,400	36,400
55-59	18,103	18,541	36,644	17,800	18,200	36,000
60-64	16,985	17,778	34,763	16,900	18,000	34,900
65-69	14,143	15,536	29,679	14,800	16,400	31,100
70-74	10,188	11,782	21,970	11,300	13,200	24,500
75-79	6,388	8,569	14,957	7,200	9,400	16,500
80 and older	6,417	11,735	18,152	6,500	12,500	19,000
Total	393,549	394,998	788,547	407,200	409,800	817,000

Sources: U.S. Department of Commerce, Bureau of the Census, and Bureau of Business and Economic Research, University of Montana, Montana Economic Reporting and Forecasting System.

Note: Details may not add due to rounding.



Table 5
Households by Type and County of Householder
Montana
April 1, 1980

<u>County</u>	<u>Total Households^a</u>	<u>Husband-Wife Households</u>	<u>Female Head, No Spouse Present</u>	<u>Single Males Households</u>	<u>Single Females Households</u>
Beaverhead	2,987	1,827	168	435	394
Big Horn	3,293	2,143	353	302	322
Blaine	2,257	1,430	197	228	289
Broadwater	1,140	812	55	124	102
Carbon	3,096	1,993	178	313	484
Carter	651	446	31	54	88
Cascade	29,385	18,285	2,395	3,078	3,877
Chouteau	2,169	1,500	97	252	236
Custer	4,901	2,937	371	518	797
Daniels	1,046	715	51	113	136
Dawson	4,182	2,820	203	417	502
Anaconda-Deer Lodge	4,421	2,691	379	486	688
Fallon	1,317	936	56	125	141
Fergus	4,714	3,034	282	492	700
Flathead	18,790	12,475	1,235	1,724	2,174
Gallatin	14,923	8,859	834	1,554	1,692
Garfield	589	396	36	51	79
Glacier	3,435	2,184	361	294	378
Golden Valley	364	254	9	39	44
Granite	998	641	56	127	116
Hill	6,305	3,937	509	647	814
Jefferson	2,362	1,562	149	254	256
Judith Basin	955	665	49	101	100
Lake	6,627	4,382	546	545	829
Lewis and Clark	16,066	9,462	1,296	1,727	2,443
Liberty	835	561	28	94	120
Lincoln	6,063	4,208	374	596	570
Madison	2,096	1,407	89	228	288
McCone	896	647	34	87	88
Meagher	771	507	31	94	87
Mineral	1,329	872	83	189	108
Missoula	28,019	16,224	2,097	3,031	3,437
Musselshell	1,698	1,093	89	199	255
Park	5,005	3,216	264	555	710
Petroleum	232	168	12	26	19
Phillips	1,916	1,240	124	235	223
Pondera	2,334	1,592	136	232	300
Powder River	889	655	34	76	85
Powell	2,318	1,513	143	223	335
Prairie	667	458	28	71	82
Ravalli	8,008	5,627	425	618	992
Richland	4,289	2,918	203	420	460
Roosevelt	3,388	2,078	373	305	411
Rosebud	3,188	2,050	230	440	278
Sanders	3,180	2,129	164	350	372
Sheridan	2,016	1,372	96	222	241
Butte-Silver Bow	14,605	8,287	1,263	1,744	2,607
Stillwater	2,072	1,433	93	202	264
Sweet Grass	1,236	814	41	162	188
Teton	2,316	1,633	98	215	309
Toole	2,048	1,333	116	209	307
Treasure	357	263	14	32	38
Valley	3,671	2,311	283	390	518
Wheatland	883	583	38	104	128
Wibaux	510	333	19	71	69
Yellowstone	39,891	24,691	3,194	4,008	5,323
Yellowstone Park	30	13	2	7	5
Montana	283,729	178,616	20,114	29,435	36,897

Source: U.S. Department of Commerce, Bureau of the Census.

^aIncludes male head, no spouse present, and other nonfamily households.

Table 6
Households by Type and County of Householder
Montana
July 1, 1983

County	Total Households ^a	Husband-Wife Households	Female Head, No Spouse Present	Single Males Households	Single Females Households
Beaverhead	3,200	1,900	200	500	400
Big Horn	3,400	2,200	400	300	300
Blaine	2,300	1,500	200	200	300
Broadwater	1,200	900	60	100	100
Carbon	3,200	2,000	200 ^b	300	500
Carter	600	400	-	100	100
Cascade	29,500	18,300	2,400	3,100	3,900
Chouteau	2,200	1,500	100	300	200
Custer	4,900	3,000	400	500	800
Daniels	1,000	700	100	100	100
Dawson	4,400	3,000	200	400	500
Anaconda-Deer Lodge	4,100	2,500	400	500	600
Fallon	1,300	900	100	100	100
Fergus	4,700	3,000	300	500	700
Flathead	19,500	12,900	1,300	1,800	2,300
Gallatin	16,100	9,500	900 ^b	1,700	1,800
Garfield	600	400	-	100	100
Glacier	3,700	2,300	400 ^b	300 ^b	400 ^b
Golden Valley	400	300	-	-	-
Granite	1,000	600	100	100	100
Hill	6,500	4,100	500	700	800
Jefferson	2,700	1,800	200	300	300
Judith Basin	1,000	700	100	100	100
Lake	6,900	4,600	600	600	900
Lewis and Clark	16,800	9,900	1,400 ^b	1,800	2,600
Liberty	900	600	-	100	100
Lincoln	6,300	4,400	400	600	600
Madison	2,200	1,500	100 ^b	200	300
McCone	900	600	-	100	100
Meagher	800	500	-	100	100
Mineral	1,300	900	100	200	100
Missoula	27,900	16,200	2,100	3,000	3,400
Musselshell	1,800	1,200	100	200	300
Park	5,100	3,300	300 ^b	600 ^b	700 ^b
Petroleum	200	200	-	-	-
Phillips	2,000	1,300	100	200	200
Pondera	2,400	1,700	100 ^b	200	300
Powder River	900	700	-	100	100
Powell	2,300	1,500	100 ^b	200	300
Prairie	700	500	-	100	100
Ravalli	8,700	6,100	500	700	1,100
Richland	5,000	3,400	200	500	600
Roosevelt	3,700	2,300	400	300	400
Rosebud	4,300	2,800	300	600	400
Sanders	3,300	2,200	200	400	400
Sheridan	2,200	1,500	100	200	300
Butte-Silver Bow	13,900	7,900	1,200	1,700	2,500
Stillwater	2,200	1,500	100 ^b	200	300
Sweet Grass	1,300	800	-	200	200
Teton	2,300	1,600	100	200	300
Toole	2,100	1,400	100 ^b	200 ^b	300 ^b
Treasure	400	300	-	-	-
Valley	3,500	2,200	300 ^b	400	500
Wheatland	900	600	-	100	100
Wibaux	500	300	-	100	100
Yellowstone	43,000	26,500	3,400 ^b	4,300 ^b	5,800 ^b
Yellowstone Park	100	100	-	-	-
Montana	294,400	185,500	20,800	30,600	38,100

Sources: U.S. Department of Commerce, Bureau of the Census, and Bureau of Business and Economic Research, University of Montana, Montana Economic Reporting and Forecasting System.

^aIncludes male head, no spouse present, and other nonfamily households.

^bLess than 50 households.

Note: Details may not add due to rounding.

Households

A household consists of a person or a group of persons living together in one dwelling unit. The number of households equals the number of occupied dwelling units. Tables 5 and 6 present the number of households in each Montana county for 1980 and 1983.

We have prepared estimates for several household types. Husband-wife households are the traditional family. Female head, no spouse present, are single parent families headed by women. Single male and single female households are men and women living alone. Included in the total, but not reported separately, are households with male head, no spouse present, and other nonfamily households.

Each household requires a number of basic items — a dwelling unit, a stove, a telephone, for example. Further, the various household types have different needs. The housing requirements of a husband-wife household are certainly not identical to a single male or a single female household. Trends in the number and types of households provide clues about the demand for basic

commodities, and the up-to-date estimates may be valuable for merchants selling these items.

The number of households in Montana increased about 3.8 percent between 1980 and 1983, roughly equal to the 3.6 percent rise in population. The greatest increase was in traditional families; the number of husband-wife households rose by almost 6,400. During the same period, the number of single person households rose by almost 2,500 — reflecting both the “baby boomers” who have left their parents’ home and the growing number of elderly persons in our population.

Unpublished Data Available

In the interest of brevity, we have not published all the current demographic estimates available from the Montana Economic Reporting and Forecasting System. We have prepared annual estimates of the age-sex distribution of the population for all 56 Montana counties and the state for the years 1981 through 1983. An example of the information available for counties is shown in table 7. In addition, data for 1981 and 1982 for the number of

households by type are also available. Please contact the Bureau of Business and Economic Research if you are interested in these unpublished figures. □

Paul E. Polzin is professor of management and director of forecasting, Bureau of Business and Economic Research, School of Business Administration, University of Montana. Bureau statistician Jim Sylvestre also works on the Economics Montana project.

Table 7
Population by Age and Sex
Yellowstone County
1980 and 1983

	----- July 1, 1980 -----			----- July 1, 1983 -----		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
0-4	4,668	4,391	9,049	4,900	4,600	9,600
5-9	4,376	4,148	8,524	4,600	4,200	8,800
10-14	4,270	4,127	8,397	4,800	4,900	9,600
15-19	4,897	4,923	9,820	4,700	4,400	9,100
20-24	5,054	5,752	10,806	4,600	5,100	9,700
25-29	5,253	5,248	10,501	5,300	5,600	10,900
30-34	4,582	4,471	9,053	5,700	5,600	11,300
35-39	3,477	3,423	6,900	4,700	4,500	9,100
40-44	2,766	2,861	5,627	3,400	3,400	6,800
45-49	2,546	2,667	5,213	2,700	2,800	5,600
50-54	2,607	2,696	5,303	2,600	2,700	5,300
55-59	2,435	2,599	5,034	2,500	2,600	5,100
60-64	2,096	2,260	4,356	2,200	2,400	4,600
65-69	1,612	1,922	3,534	1,800	2,000	3,800
70-74	1,172	1,484	2,656	1,300	1,600	3,000
75 and older	1,297	2,393	3,690	1,500	2,700	4,200
Total	53,108	55,355	108,463	57,100	59,300	116,400

Sources: U.S. Department of Commerce, Bureau of the Census, and Bureau of Business and Economic Research, University of Montana, Montana Economic Reporting and Forecasting System.

Note: Details may not add due to rounding.

Montanans and Selected Wilderness Issues

Susan Selig Wallwork

The proposed Montana Wilderness Act may have set off controversy among wilderness advocates, the federal government, resource-based industries, and other interest groups, but, at the time of the latest Montana Poll, most Montanans apparently were unaware of the proposal. And among those who were aware of it, the reaction was divided.

At least one Montanan in four responding to the Poll claimed to be a wilderness user, and there was continued strong support for the general concept of setting aside lands as designated wilderness. But Montanans overall expressed relatively little support for the addition of more land to the state's wilderness system.

These and other opinions on selected wilderness issues were compiled in the September 1984 edition of the Montana Poll, conducted by the University of Montana Bureau of Business and Economic Research and cosponsored by the *Great Falls Tribune*. The interviews were conducted by telephone with 416 adult Montanans between September 5 and 12.

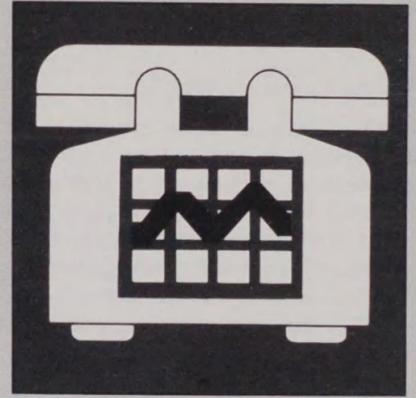
Montanans as wilderness users

Based on the Poll results, a sizable proportion of Montanans consider themselves to be wilderness users (table 1). Four in ten said they had visited a designated wilderness area in the state in the last five years, and about a fourth said they had visited such an area within the last year. But when these more recent users were asked to identify the last wilderness area they had visited, only about two-thirds (or about 15 percent of all those polled) identified an actual designated wilderness area in the

The Montana Poll is cosponsored by the Great Falls Tribune and the Bureau of Business and Economic Research, University of Montana. The quarterly Poll, conducted by the Bureau and directed by Susan Selig Wallwork, is based on a minimum of 400 telephone interviews with Montanans aged eighteen and older. The interviews are conducted by Bureau interviewers from its offices on the University campus in Missoula. Telephone numbers are randomly generated by computer, using the Bureau's random digit sampling program, and the interviewers then use a second random sampling procedure to select the person in the household to be interviewed. This procedure eliminates interviewer choice in selecting the respondent and assures selection of a representative sample.

Distribution of the sample based on age, sex, residence, employment status, and income compare favorably with available data on the state population and, thus, the Poll results are considered to be representative of Montana's actual adult population.

As with all sample surveys, the results of the Montana Poll can vary from the opinions of all Montanans because of chance variations in the sample. With a minimum statewide sample of 400, the overall results are subject to a margin of error of five percentage points either way, 95 percent of the time, because of chance variations. That is, if one talked to all Montanans with phones during the



THE MONTANA POLL

survey period, there is only one chance in twenty that the findings would vary by more than five percentage points. Findings for smaller groups of respondents within the overall sample (subsamples based on age, sex, residence, income, etc.) are subject to a somewhat higher margin of error, which would vary depending on the size of the respective subsamples.

Of course, Montana Poll results could also differ from other polls because of differences in the exact wording of questions, different interviewing methods, and differences in when the interviews were conducted.

state, and, thus, could be classified as "actual users." The rest identified a National Forest or National Park (about 6 percent overall) or some other nonwilderness area or were unable to identify the area they had visited.

The Bob Marshall Wilderness Area was the most frequently visited by the actual users; about four in ten (or 6 percent of all those polled) said they had visited the Bob Marshall in the last year. The other areas mentioned most frequently were, in order, the Absaroka Beartooth, Selway-Bitterroot, and Anaconda-Pintler wilderness areas.

Many actual wilderness users reported making more than one trip to a designated wilderness area. Seven in ten

reported making more than one visit within the last year, and roughly one in ten reported more than ten visits. The median number of visits was two in the last year.

Not surprisingly, wilderness use declined noticeably with age. Conversely, it increased noticeably with income. And the following profile was apparent: Montana wilderness users were more likely to be young adults (under age thirty-five), male, with at least some college education, living in the western part of the state (where most of the state's wilderness areas are located), and from households with higher incomes (over \$35,000 in 1983). Users were also much more likely than nonusers to

describe themselves as political independents.

The wilderness concept

The idea of adding to the state's wilderness system may stir up controversy among many, but there is apparently little disagreement about the general concept of setting aside certain federal and state lands as designated wilderness. Montanans most definitely approve of the idea of preserving an area from development so that it will be available to future generations.

Roughly eight Montanans in ten said they favored the designation of wilderness areas in general. About 41 percent said they were strongly in favor, and another 35 percent said they were somewhat in favor. Only about 16 percent were opposed to the general concept (table 2).

The strong conceptual support was evident among all types of Montanans. The highest degree of support was expressed by young adults (under thirty-five) and Democrats, but in no group did fewer than seven in ten favor the concept of designated wilderness.

Various wilderness issues were addressed about two and a half years ago (in March 1982) in the Montana Poll, and the conceptual support for designated wilderness has not diminished since then. At that time, about eight Montanans in ten also expressed support for the general idea of setting aside lands as designated wilderness.

The amount of wilderness

Similarly, since March 1982 there has also been no significant change in opinions expressed on the question of adding land to the state's wilderness system. This is despite the current controversy surrounding proposed additions.

Poll respondents were asked, each time, if they feel Montana has an adequate amount of land in designated wilderness now, if there is more than is needed, or if they favor the addition of more designated wilderness in Montana.

Two years ago, about one-fourth of those polled favored the addition of more land as designated wilderness. In September, roughly the same proportion felt that way — 28 percent said they favor such additions (table 3).

Still, as before, the majority of Montanans — about 55 percent — said there is an adequate amount of land in designated wilderness in the state now. Another 9 percent said there is already more than is needed.

For the most part, this pattern prevailed among the various types of

respondents. The highest degree of support for adding to the state's wilderness system was expressed by young adults (under thirty-five) and by those with household incomes under \$15,000 in 1983. Among these two groups, about four in ten favored the addition of lands to the system; among

Table 1
Montanans as Wilderness Users

All respondents	100%	
Claimed to have visited a designated wilderness area in Montana in the last five years ^a	43%	
In the last two to five years ^a	19%	
Within the last year	24%	100%
Actually visited a designated wilderness area (actual user)	15%	63%
Bob Marshall	6%	24%
Absaroka Beartooth	2%	7%
Selway-Bitterroot	1%	5%
Anaconda-Pintler	1%	4%
Visited a nonwilderness area, or could not identify area visited	9%	37%
National Forest or National Park	6%	25%

^aArea not checked for accuracy as to whether it is an actual designated wilderness area (as was done for visits within the last year).

Table 2
Montanans' Attitudes Regarding General Concept of Designated Wilderness

	September 1984	March 1982
Favor concept	76%	85%
Strongly	41%	52%
Somewhat	35%	33%
Oppose concept	16%	10%
Strongly	6%	4%
Somewhat	10%	6%
Don't know	6%	2%

Note: Percentage detail may not add to 100 because of rounding and the omission of miscellaneous responses.

all other groups, no more than three in ten were supportive. Those least in favor of wilderness additions were older Montanans (thirty-five and over) and Republicans.

In every case except those from lower income households, no fewer than five in ten said there is an adequate amount of land in designated wilderness now in this state.

Those who favored adding to the wilderness system were asked where such wilderness should be designated. About three in ten (or 8 percent of all those polled) cited specific locations — certain existing designated wilderness areas, the National Forests or National Parks, and other areas. A few in this group (about 2 percent overall) cited the Big Hole area, which has been the focus of a recent campaign promoting support for its designation as wilderness.

The rest were either much less specific — ranging from general references to western Montana to vague responses like “all over,” “anywhere,” and “everywhere” — or they were unable to specify a location.

Proposed Montana wilderness legislation

The proposed legislation unveiled last summer by Montana's congressional delegation pulled together several proposals covering about 6.4 million acres of “undesigned” federal land in the state. At present, well over 3 million acres of land in Montana are already federally designated wilderness. The proposal would have added roughly 750,000 acres of wilderness to this system (thirteen new areas and additions to eight existing areas). In addition, it would have designated about 500,000 acres as “special management areas” eligible for protection from development but open to some wildlife, scenic, or recreation use; and would have set aside roughly 120,000 acres for further wilderness study. The remaining 5 million acres would have been released from further wilderness consideration.

The legislative proposal was put on hold after it met with considerable controversy and media attention, as the various interest groups again squared off over the issue. Yet, despite all the controversy and media attention, about seven Montanans in ten professed to be unaware of the proposed wilderness legislation. And not all of those who

claimed awareness were actually familiar with any aspects of the legislation (table 4).

Overall, about 22 percent of all those polled qualified as having any real awareness or knowledge of the proposed legislation, but that knowledge was mostly very general. Almost all in this group (about 19 percent of all those polled) knew generally that it involved additional designated wilderness. Only a couple of people knew that the proposal dealt with the RARE II lands, and the rest noted that it involved the release of

some lands from possible wilderness designation.

While the lack of awareness prevailed among all types of Montanans, awareness of the legislation did increase noticeably with income and with formal education. Interestingly, though, among those with some college or more, the gap between claimed and real awareness was noticeably bigger than it was for those at the lower end of the formal education scale.

College graduates, actual wilderness users, and those in the higher income

Table 3
Montanans' Opinions about Amount of Land in Designated Wilderness in Montana

	September 1984	March 1982
Adequate amount of designated wilderness now	55%	60%
More than is needed	9%	10%
Favor additions of more designated wilderness	28%	24%

Note: Percentage detail may not add to 100 because of rounding and the omission of miscellaneous responses.

Table 4
Montanans' Awareness of Proposed Montana Wilderness Legislation September 1984

All respondents	100%	
Said they are <u>unaware</u> of proposed legislation	70%	
<u>Claimed to be aware</u> of legislation	30%	100%
Indicated some real knowledge of proposal	22%	71%
Position on the proposal:		
In favor	8%	28%
Opposed	13%	43%
Don't know	8%	26%

Note: Percentage detail may not add to totals because of rounding or the omission of miscellaneous responses.



households (over \$35,000) indicated the highest degrees of awareness. But in all groups, these included, no fewer than about seven in ten indicated a lack of knowledge.

Those who claimed to be familiar with the legislative proposal were also asked how they felt about it — whether they were in favor of what was proposed or opposed to it. More respondents were opposed than were in favor, but the results were certainly not decisive. About four in ten (or about 13 percent of all those polled) were opposed, about three in ten (8 percent overall) were in favor of the proposal, and another three in ten said they did not know how they felt about it.

All those in favor of the proposal expressed pro-wilderness reasons for their position — they favored the designation of wilderness in general, wanted more designated wilderness, or wanted to protect wilderness in its natural state and preserve it for the future.

Those opposed to the proposal were of two minds in their reasoning. About a fourth of those opposed cited what might be called anti-development reasons. They felt any development would ruin the land released from wilderness consideration or they did not want to “lose” the land to development, or they offered pro-wilderness reasons such as those above.

The rest, about three-fourths of those opposed to the proposal, said most often that there is already enough designated wilderness in the state. A few felt that wilderness regulations put too many limitations on any possible resource use.

And a few others said the land was just being cut off for no justifiable reason. One of these cited the North Big Hole as an example, saying “nothing in it requires it to be wilderness, no extraordinary topography or wildlife.”

East versus West

Most of Montana's designated wilderness areas are located in the western part of the state. Thus, it is perhaps not surprising that those residing in that area, particularly those in the western congressional district, were much more likely than their eastern counterparts to have visited a designated wilderness area in the state and to be aware of and generally knowledgeable about the proposed legislation. However, they did not differ significantly on the questions of wilderness concept or the amount of designated wilderness in the state. Residents from both east and west expressed equally strong conceptual support for designated wilderness. Likewise, both expressed similar opinions about the amount of designated wilderness in the state — at least half said Montana has an adequate amount of designated wilderness already, and only about three in ten favored adding more. □

Susan Selig Wallwork is research associate and director of survey research, Bureau of Business and Economic Research, School of Business Administration, University of Montana. She is director of The Montana Poll. Bureau statistician Jim Sylvester is responsible for the Poll's computer programming and data processing.



Index of Quarterly 1980-84

Vol. 18, No. 1, Spring 1980

- Montana in the 1980s: Economic
Problems and Challenges.....Maxine C. Johnson
- Whatever Happened to the Work Ethic?
Motivating Employees in a
Changing Society.....Maureen F. Ullrich
- Missoula, Billings, Great Falls, and Helena:
A Review of the Seventies and What's
in Store for the Eighties.....Paul E. Polzin
- Growth and Change in Retail Trade.....Paul E. Polzin

Vol. 18, No. 2, Summer 1980

- Economic Update: Montana's Outlook
at Midyear.....Maxine C. Johnson
- North Dakota Wheat Pool: What
Went Wrong.....Heiko de B. Wijnholds
- Population Age Structure:
An Update.....Paul E. Polzin
- Economists' Notebook
- Gold: The Beginning of
Modern-Day Montana.....Mary L. Lenihan

Vol. 18, No. 3, Autumn 1980

- Kalispell and the Flathead County
Economy.....Paul E. Polzin
- The Complex Challenge of the
Future.....Andrew C. Sigler
- Economists' Notebook
- Is There a Generation Gap?.....Paul E. Polzin

Vol. 18, No. 4, Winter 1980

- Branch Banking in Montana.....Emil W. Erhardt
- Travel and Tourism in Montana.....Bruce Finn
- Economists' Notebook
- Recent Trends in the Butte-
Anaconda Area Economy.....Paul E. Polzin
- Regulation in Montana: The View
from Industry.....Maxine C. Johnson

Vol. 19, No. 1, Spring 1981

- Montana in 1981: An Economic
Perspective.....Maxine C. Johnson
- Our Market System: Looking to the Future.....Richard Stroup
- Missoula, Billings, Great Falls, and Helena:
The Outlook for 1981.....Paul E. Polzin
- Montana Business Views 1981.....Susan Selig Wallwork

Vol. 19, No. 2, Summer 1981

- The Bozeman Area Economy.....Maxine C. Johnson
- The Economic Importance of Montana's
Health Care Industry.....Paul E. Polzin
- Recent Montana Recreation and
Tourism Studies.....Paul E. Polzin
- The Gilman State Bank Failure.....Jeffrey L. Cunniff

Vol. 19, No. 3, Autumn 1981

- Rosebud County and Energy Development:
Boom Without Bust?.....Paul E. Polzin
- Challenges and Opportunities in Small
Business: Some Advice to Business
Students.....A. Warren Wilcox

- Using Operating Cycle Figures to Spot
Inventory and Accounts Receivable
Problems.....Teresa K. Beed
- What Montanans Told Us about Economic
Growth and Other Issues.....Mary L. Lenihan
- An Economic Profile of Ravalli County.....James T. Sylvester
- Is Montana's Agricultural Land Disappearing?.....Paul E. Polzin
- The Montana Population by Race and
Ethnic Origin.....Mary L. Lenihan

Vol. 19, No. 4, Winter 1981 (out of print)

- Recent Trends in the Flathead
County Economy.....Paul E. Polzin
- An Examination of Havre and the
Tri-County Area.....Paul E. Polzin
- Increasing Worker Productivity in a Small
Business.....Robert W. Hollmann
and Maureen F. Ullrich
- Significant Changes in the Montana Business
Corporation Act and the Montana
Limited Partnership Act.....Teresa K. Beed,
Michael R. Brown,
and Ronald C. Wyse
- Reaganomics and State Fiscal Policies.....Susan Selig Wallwork
- What Montanans Told Us about Their
Travel Activities and Preferences.....Mary L. Lenihan
- The Consumer Price Index.....James T. Sylvester

Vol. 20, No. 1, Spring 1982 (out of print)

- Montana's Outlook for the 1980s.....Maxine C. Johnson
- Past Trends and Future Growth in
Montana Major Urban Areas.....Paul E. Polzin
- The Montana Poll: Highlights
from the First Year.....Susan Selig Wallwork
- How Montana Business Views 1982
The Montana Poll
How Montanans Feel About the
Economy.....Maxine C. Johnson
Mary L. Lenihan,
Paul E. Polzin,
and Susan Selig Wallwork
- Financial Reporting: An
Opportunity for Change.....Roy Regel

Vol. 20, No. 2, Summer 1982

- The Montana Poll
Montanans and Wilderness Issues.....Charles E. Keegan,
Mary L. Lenihan,
Paul E. Polzin,
and Susan Selig Wallwork
- Montanans' Winter Travel Activities.....Nicole Flemming
- Small Business and Small Computers:
The Getting of Wisdom.....David E. Cummins
- Advertising and Montana CPAs.....James E. Nelson
and Clinton J. Frazee
- Lenders, CPAs, and a Business Loans: Is
There a Communication Gap?.....Larry Gianchetta,
Robert Bragg,
and Timothy Jackson
- Economists' Notebook



Vol. 20, No. 3, Autumn 1982

- The Death of American Productivity Lester C. Thurow
The Montana Poll: Montanans and
Economic Growth Maxine C. Johnson
and Susan Selig Wallwork
- How Montanans Feel About
Reaganomics Mary L. Lenihan
- Montanans' Standard of Living Nicole Flemming
- The Business Communications Audit:
Evaluating and Improving
Business Communications Mary Ellen Campbell
- Economists' Notebook: The Index of
Leading Economic Indicators Richard Withycombe

Vol. 20, No. 4, Winter 1982 (out of print)

- Looking to the Future: Economic
Development in Montana Gary Buchanan
- An Economic Profile of the Butte-
Anaconda Area Paul E. Polzin
- The Montana Poll
Montanans and Education Susan Selig Wallwork,
Mary L. Lenihan,
and Nicole Flemming
- Education to Enhance Employee Skills: A
Survey of Western Montana Employers Larry Gianchetta
and Sue Spencer

Vol. 21, No. 1, Spring 1983

- Montana's Prospects for
Recovery in 1983 Maxine C. Johnson
- The Local Outlook: Billings, Great Falls,
Helena, and Missoula Paul E. Polzin
- The Consumer's View of 1983 Mary L. Lenihan
- The Montana Poll: More Than Just
a Public Opinion Poll Susan Selig Wallwork
- The Montana Poll
Montanans Speak Out on Legislative
Priorities and Other State
Government Issues Nicole Flemming
- Montanans' Economic Outlook: Improved
but Not Bright Mary L. Lenihan

Vol. 21, No. 2, Summer 1983

- Forecasting Personal Income in Montana William S. Peters
- Wood for Fiber Products and Fuel:
A Diminishing Supply? Charles E. Keegan III
and Mary L. Lenihan
- Employee Assistance and Employee Fitness
Programs: A Growing Trend in U.S.
Businesses Robert W. Hollmann
- Factors Influencing Changing Consumer
Trends Aaron Andreason
- The Montana Poll
Montanans' Message to the 1983 Legislature:
Listen to Us but Don't Expect Us to Get
Involved Nicole Flemming
- How Montanans Are Faring in the Battle
with Unemployment Susan Selig Wallwork

Vol. 21, No. 3, Autumn 1983

- The West in the 1980s: What the Future
Holds for Economic Growth and the
Potential for Financing Paul E. Polzin
- The Montana Poll
How Montanans See the Economy: Consumer
Confidence Up but Cautious Overall Mary L. Lenihan
- Montanans Respond on Nuclear Issues:
Pro Freeze, Mixed on MX Nicole Flemming

Vol. 21, No. 4, Winter 1983

- The Forest Products Industry and the
Montana Economy Maxine C. Johnson
- The Role of the Nonfuels Mineral Industry
in the Montana Economy Paul E. Polzin
- New Federalism and the Financial Problems
of Montana's Local Governments Craig V. Wilson
and Esther G. Bengtson
- Understanding the Export Trade Dilemma Max Baucus
- Montana and the Nation: Some
Demographic Notes Mary L. Lenihan

Vol. 22, No. 1, Spring 1984

- The Montana Economy: On the Mend Maxine C. Johnson
- Understanding Economic Forecasts Paul E. Polzin
- The Forecast for Montana Maxine C. Johnson
- The Outlook for Missoula, Billings,
Great Falls, and Helena Paul E. Polzin
- The Consumer Outlook for 1984 Mary L. Lenihan
- The Montana Poll
Montanans on Foreign Policy: Grenada,
Lebanon, and Reagan Susan Selig Wallwork
- Montanans View 1984: Continued but
Cautious Optimism Mary L. Lenihan

Vol. 22, No. 2, Summer 1984

- The Bozeman Area Economy in 1984 Maxine C. Johnson
- The Garage Sale: A Growing
Distribution System James L. Brock
- Forecasting Montana's Economy:
An Introduction to Economics Montana
The Forecasts for 1984-1986 Jean H. Watanabe
- The Outlook for Montana's Travel
and Recreation Industry John Wilson
and Julie Davies
- The Montana Poll
Montanans Say Fix the Deficit, but
Not at Our Expense Nicole Flemming
- The Montana Employment Situation
in March 1984 Susan Selig Wallwork
- Recovery or No, Montanans Still
Concerned about Economic Issues Nicole Flemming

Vol. 22, No. 3, Autumn 1984

- The Future of Montana's Forest Products
Industry Charles E. Keegan III
and Timothy P. Jackson
- How Montanans Feel about Selected
Public Education Issues Susan Selig Wallwork
- The Montana Poll
Montanans Still Say "Yes" to
Economic Growth Nicole Flemming
- Montana Consumers: Confidence in
the Economy Easing? Mary L. Lenihan
- Population Update, 1980-1983 Mary L. Lenihan
- Forecasting Montana's Economy Paul E. Polzin

Vol. 22, No. 4, Winter 1984

- An Update on Montana's Travel and
Tourism Industry Richard T. Dailey
- Creating a Climate for Employee
Self-Motivation Robert W. Hollmann
- Forecasting Montana's Economy Paul E. Polzin
- The Montana Poll
Montanans and Selected Wilderness
Issues Susan Selig Wallwork

Note: Back issues of the *Montana Business Quarterly* are available for \$3 per copy.

Bureau of Business and Economic Research

PAUL B. BLOMGREN
Dean, School of Business Administration

MAXINE C. JOHNSON
Director and Professor

PAUL E. POLZIN
Research Associate/Director of Forecasting
and Professor

SUSAN SELIG WALLWORK
Research Associate/Director of Survey
Research

CHARLES E. KEEGAN III
Research Associate/Director of Forest
Products Industry Research

MARY LOGAN LENIHAN
Montana Business Quarterly Editor/
Research Analyst

NICOLE FLEMMING
Production Editor

JAMES T. SYLVESTER
Statistician

TIMOTHY JACKSON
Research Analyst

JUDY DONOVAN
Secretary

NANCY MONTHYE
Clerk-Typist

The Bureau of Business and Economic Research is the research branch of the University of Montana's School of Business Administration. Located on the University of Montana campus at Missoula, the Bureau has pursued research in business and economics for more than thirty years.

The Bureau's purpose as a public agency is to serve the general public, as well as business, labor, and government. To meet this goal, the Bureau is regularly involved in a wide variety of activities, including economic analysis, survey research, and forest industry research.

The Montana Economic Reporting and Forecasting System is the most recent Bureau undertaking. When fully developed, this project will provide current economic information for state and local areas plus statewide forecasts of economic activity. The project is funded by the Montana Department of Commerce.

Local area analysis is the focus of the annual series of economic outlook seminars, cosponsored by the respective Chambers of Commerce in Missoula, Billings, Great Falls, and Helena.

The Montana Poll, a quarterly public opinion poll, questions Montanans about their views on a variety of economic and other current issues. It is cosponsored by the *Great Falls Tribune*.

The Bureau has recently published comprehensive analyses of the forest products industries of both Montana and Idaho. The Forest Industries Data Collection System, a census of forest industry firms conducted approximately every five years, provides a large amount of information about raw materials sources and uses in those states plus Wyoming. It is funded by the U.S. Forest Service. The Montana Forest Industries Information System collects quarterly information on the employment and earnings of production workers in the Montana industry. It is cosponsored by the Montana Wood Products Association.

Readers of the *Montana Business Quarterly* are welcome to comment on the *MBQ*, request economic data or other Bureau publications, or to inquire about the Bureau's research capabilities.



montana business quarterly

Use this form to order Montana Business Quarterly, to extend your subscription, or to file an address change.

Name

Mailing Address

City

State

Zip

Send subscription orders to:

Bureau of Business and Economic Research
University of Montana
Missoula, MT 59812

- One year: \$10.00
- Two years: \$18.00
- Three years: \$24.00

- New order
- Renewal
- Address change

(For Change of Address or Renewal
Attach Old Label Here.)



montana
business
quarterly



MONTANA BUSINESS QUARTERLY
Bureau of Business & Economic Research
School of Business Administration
University of Montana
Missoula, Montana 59812

Second Class Postage
Paid
Missoula, MT 59812

LIBRARY -- ARCHIVES (1:2)
UNIVERSITY OF MONTANA
CAMPUS 59812