



# BITTERROOT VALLEY: Arts, cultural heritage, and economic development

A report for the Bitter Root Cultural Heritage Trust

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**Cover photo:** A glass painting by a Bitterroot Valley artist based on an electron micrograph image produced by Rocky Mountain Laboratories, part of the Ravalli County Museum’s 2012 [“Science in Wonderland” exhibit](#).

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**Citizens' Institute  
on Rural Design**



## Introduction

The Bitterroot Valley possesses extraordinary assets. Its breathtaking scenery is legendary, attracting visitors from throughout the world. Several seminal events in US history took place here: Lewis and Clark camped here in 1805 on their epic Northwest journey, at the site they named Travelers' Rest; 72 years later, the Nez Perce traversed the Valley attempting to escape US Army troops by fleeing to Canada. Montana's "copper kings" played pivotal roles in America's industrial development. For almost a century, the Bitterroot Valley has been home to the world-renowned Rocky Mountain Laboratories, credited with eradicating Rocky Mountain Spotted Fever and other diseases. Ravalli County's population grew by 11.5 percent between 2000-2010.

But, in spite of its many advantages, the Bitterroot Valley faces some difficult challenges.

Although Ravalli County's unemployment rate (8.8 percent as of February 2013<sup>1</sup>) has improved in the past few years, it still hovers above that of the state (6.4 percent) and nation (7.7 percent). Its population is aging. The industries that have historically been the Bitterroot Valley's major economic engines – timber, mining, and agriculture – have all experienced setbacks. Mining has virtually vanished from the Valley; a 2003 report prepared for the US Department of Agriculture's Forest Service identified more than 130 abandoned mines on Bitterroot National Forest-administered land<sup>2</sup>. The region's timber industry has been declining for several decades, as has its derivative wood products industry. Agricultural acreage has fallen from roughly 260,000 acres in 1980 to 210,000 acres in 2010 – and, as former agricultural land has been consumed for new housing and commercial uses, sprawl development has cropped up along US Route 93. As Dr. Larry Swanson, of the O'Connor Center for the Rocky Mountain West at the University of Montana, aptly stated in a 2006 report, "Attractive areas with fast-growing populations where virtually anything goes with respect to development soon begin to look like places where anything does in fact 'go'. They can lose their attractiveness very quickly with cluttered, poorly planned, poorly designed, and poorly located development. They can become less desirable places to live and work. The 'trick', if there is one, is to find ways to accommodate growth that brings and sustains area economic vitality without

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<sup>1</sup> Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov))

<sup>2</sup> *Abandoned-Inactive Mines on Bitterroot National Forest-Administered Land*, prepared for the US Department of Agriculture's Forest Service – Region 1 by the Montana Bureau of Mines and Geology, Open-File Report MBMB 484, October 2003.

unnecessarily or inordinately degrading if not losing altogether important area amenities and aspects of quality of life.”<sup>3</sup>

In recent years, tourism has become a stronger economic engine for the Bitterroot Valley, partly through the attrition of the region’s former industries and partly through more aggressive marketing and promotion. Arts and cultural heritage are essential components of healthy tourism economies, as well as playing critical roles in other aspects of community economic development.

This assignment grew from a workshop sponsored by the National Endowment for the Arts and the Bitter Root Cultural Heritage Trust in 2009, called “Your Town”<sup>4</sup>. The workshop brought together scores of people and organizations involved in some aspect of arts and cultural heritage in the Bitterroot Valley – artists, representatives of historic preservation organizations, representatives of tourism organizations, business owners whose businesses serve visitors, state agency staff – to talk about ways they might join together to improve the appearance of the Highway 93 corridor through the Valley and, in so doing, entice visitors to explore more and stay longer.

The conversation was wide-ranging. One of the issues that repeatedly emerged was that, while workshop participants believed that arts and cultural heritage have a significant economic impact on the Bitterroot Valley’s economy, they had no tangible proof of its impact. Many participants felt that, if others were aware of the economic impact of this industry sector, arts and cultural heritage activities would be better supported by other organizations and agencies. Many participants left the meeting feeling like the connections they had made during the workshop were invaluable and that they would like to continue to get together and talk, in focused, ways, about issues that affect arts and cultural heritage within the region.

The National Endowment for the Arts found the discussion and the questions raised to be valuable, also, with possible relevance to other small towns in rural areas, and asked the Bitter Root Cultural Heritage Trust for suggestions for a next step.

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<sup>3</sup> *Growth and Change in the Bitterroot Valley and Implications for Area Agriculture and Ag Lands*, prepared by Dr. Larry Swanson for the Ravalli County Right to Farm and Ranch Board and Bitter Root Land Trust, April 2006.

<sup>4</sup> In 2013, the National Endowment for the Arts renamed the “Your Town” program the “Citizens’ Institute on Rural Design” ([www.rural-design.org](http://www.rural-design.org)).

The Bitter Root Cultural Heritage Trust asked other organizations for advice. After some discussion, the consensus was that knowing more about the economic benefits of arts and cultural heritage within the Valley (which, for practical purposes, is more or less synonymous with Ravalli County) would be helpful. This report, and the research and discussions it encompasses, are the result.

## Methodology

Our work involved several types of research – some sequential, some overlapping:

- We held several Skype video meetings with the members of a working group assembled by the Bitter Root Cultural Heritage Trust to provide input and feedback for this assignment. The list of organizations invited to participate in these meetings is a long one. It included business and economic development organizations (e.g., the Bitterroot Valley Chamber of Commerce, the Ravalli County Economic Development Authority), arts organizations (e.g., Bitterroot Art Guild, Artists Along the Bitterroot, Montana Professional Artists Association (MPAA), downtown revitalization organizations (Downtown Hamilton Association, Downtown Hamilton Business Improvement District, Stevensville Main Street Association), the Montana Arts Council, the Montana State Historic Preservation Organization, the USDA Forest Service, County Commissioners, and city council representatives from Bitterroot Valley communities, and many others.
- We reviewed dozens of reports and documents related to economic and community development, arts, and natural resources for Ravalli County and the Bitterroot Valley, plus a few whose scope included the entire state. We were particularly interested in planning documents dealing with community development, economic development, tourism, and the economic impacts of arts, tourism, and regional industries (such as wood-based products and agriculture). These included (in no particular order):
  - [\*Comprehensive Economic Development Strategy \(CEDS\) for Mineral, Missoula, and Ravalli Counties\*](#), prepared by the Bitter Root Economic Development District, Inc. (September 2007)
  - [\*2008-2012 Area Plan for Mineral, Missoula, and Ravalli Counties\*](#), prepared by Bitter Root Resource Conservation and Development Area, Inc.
  - [\*2012 Economic Outlook, “Ravalli County”\*](#), prepared by the Bureau of Business and Economic Research at the University of Montana
  - [\*“The Creative Enterprise Cluster: A Montana Business Case Study”\*](#), prepared by the North American Rural Futures Institute



- “Economic Benefits of the Arts in Montana”, by economist Matt Betcher of the Montana Department of Labor and Industry’s Research and Analysis Bureau (July 2012)
- Clusters of Creativity: Innovation and Growth in Montana, a series of reports on industry clusters (including creative enterprises, food processing, information technology, life sciences, experience enterprises/tourism, and wood-based products) prepared by Regional Technology Strategies, Inc. for the Montana Governor’s Office of Economic Opportunity (2003)
- “Growth and Change in the Bitterroot Valley and Implications for Area Agriculture and Ag Lands”, a report by Dr. Larry Swanson, O’Connor Center for the Rocky Mountain West, University of Montana (April 2006)
- Lolo Regional Plan (April 2002) and memos related to the plan’s 2010 update process
- Bitterroot Valley Natural Resource Use Plan, published without attribution but presumably by the Ravalli County Board of County Commissioners (approved November 2012)
- “Coming Together to Expand Montana’s Tourism Story”, a presentation by the Montana Office of Tourism (February 2012)
- The Economic Contribution of the Bitterroot National Forest, a presentation by Krista Gebert, regional economist for the US Forestry Service’s Northern Region
- “Cultural and Heritage Tourism”, a presentation by Bozeman-based tourism consultant and Montana Arts Council vice chair Cyndy Andrus for the 2006 Governor’s Conference on Tourism
- A report by the Montana Arts Council on its “To Market We Go” Project (2010)
- Program information and guidelines for the Montana Arts Council’s Montana Artrepreneur Program (undated)
- Bitterroot Valley Relocation Guide, produced by Nelson Publications (2010)

- *101 Things to Do in the Bitterroot Valley*, prepared by the Bitterroot Valley Chamber of Commerce in conjunction with the Ravalli Republic Newspaper (2012)
  - Reports related to Ravalli County's 2011-2012 Strategic Economic Plan (StEP)
  - *Montana Tourism Businesses: 2012 Review; 2013 Outlook*, a research report by Dr. Norma Nickerson of the University of Montana's Institute for Tourism and Recreation Research (January 2013)
  - *Results from the 2011-2012 Montana Manufacturers Survey*, prepared by the Bureau of Business and Economic Research of the University of Montana (May 2012)
  - *Bitterroot Resort Economic Impact Analysis*, prepared by ECONorthwest for the Missoula Area Economic Development Corporation and the Missoula Area Chamber of Commerce (November 2007)
  - "*Montana Travel Trends and Tools*", a presentation by Norma Nickerson, Christine Oschell, and Kara Grau of the University of Montana's Institute for Tourism and Recreation Research for the 2012 Governor's Conference on Tourism
  - *Hamilton Area Transportation Plan (2009 Update)*, prepared for the City of Hamilton, Ravalli County, and the Montana Department of Transportation by Camp Dresser & McKee (CDM) Inc. (September 2009)
- We examined national data sources – particularly data gathered and published by the US Census Bureau (*Census of Population, American Community Survey, Economic Census*), the US Bureau of Labor Statistics, and the US Patent and Trademark Office (more about the latter source later in this report).
  - We conducted interviews with representatives of organizations and agencies whose work involves the issues we were exploring – particularly arts, historic preservation, natural resources, tourism, and economic development.
  - We circulated an online questionnaire to a representative sample of people involved in arts, cultural resources, tourism, and economic development to gather perspectives and ideas about the role of

arts and cultural heritage in the economy of the Bitterroot Valley (narrative responses are collected in Appendix 3).

- We looked at reports from projects in other states and nations that have sought to quantify the economic benefits of arts and cultural heritage activity, examining similarities and differences in their approaches and exploring, where possible, what the results were of their work.

We began this assignment thinking that its end result would be an analysis of the economic benefits of arts and cultural heritage activities in the Bitterroot Valley, and that our conclusions might then be useful to those involved in these activities by demonstrating the positive impact of arts on the region's economy.

But, as we waded more deeply into the assignment and became more familiar with the economy, culture, and personality of Ravalli County and the Bitterroot Valley, we realized that there was something bigger at play here. In brief, we realized that estimating the economic impact of this sector might provide a snapshot of how this sector is currently performing – but that the true value of the arts and cultural heritage in the Bitterroot Valley lies in its *potential* to stimulate economic growth, not in its current performance. In essence, we realized that, while an economic impact analysis might provide some illuminating data, it would not provide a strategy forward. We also realized that, even if an economic impact analysis provided some illuminating data, the data would be very incomplete, for two reasons:

- First, the methods typically used to estimate economic impact do not translate particularly well to activities as diffuse as “arts” and “cultural heritage”.

For decades, economists have used input-output methodology to estimate the economic impact of institutions, agencies, or industries (usually for political purposes like attracting or securing public-sector or philanthropic funding, or offsetting negative public perceptions). Basically, input-output methodology quantifies the amount of labor, materials, energy, etc. that are required to create or do something. Through surveys and other sources of data, it then quantifies the costs of the supplies and labor needed to produce each of these subsidiary components (on the “input” side) and the amounts that the workers who benefit then spend on other products and services (on the “output” side). So, for every “direct” impact (every widget sold), there are “indirect” impacts (e.g., the amount paid for the supplies and labor used to make the widgets) and “induced” impacts (e.g., the things that the people who provide the supplies and labor buy to support themselves and their families). The total impact is therefore the sum of the direct, indirect, and induced impacts. Using survey and supply-chain data that is gathered and tested nationally and regionally, economists have reduced a large set

of indirect and induced impacts into multipliers that make it possible to estimate an entity's indirect and induced impacts, based on its direct impacts.

Input-output methodology works reasonably well for entities whose raw materials and byproducts are easily identifiable. Imagine a drywall factory, for example. It buys a certain amount of gypsum, paper, equipment, water, and electricity; it buys or rents a building; it hires a certain number of workers. These are its inputs – the ingredients that go into the production of drywall. It then sells a certain number of finished sheets of drywall; it pays salaries and provides worker benefits; it pays taxes; it disposes of its byproducts and waste. These are its outputs. The process is relatively predictable, so it is possible to use input-output multipliers to predict what the business's total impact is likely to be, taking into account all the direct, indirect, and induced costs and benefits of drywall production.

But input-output methodology does not work as well for something as nebulous as “arts” or “heritage”. True, we can count the numbers of businesses that are involved in arts and heritage – not only the people who create art but also the businesses that supply them with materials, that provide training, that serve as distributors, and that provide marketing and exhibition services. We can count the numbers of people who work in these support businesses, and the amount of money that their employees earn from this work, and how much money they spend locally with these earnings. We can count the numbers of people who attend performances and who buy paintings. We can measure the amount of money that visitors spend on car rentals, hotel rooms, and restaurant meals, and we can ask visitors the extent to which “arts” and “heritage” factor into their decision to visit – and, based on that data, we can estimate how much of the money they spend when visiting can reasonably be attributed to “arts” and “heritage”.

However, there is no predictable or routine process involved in creating “arts” or “heritage”. And, because the ripple effects of “arts” and “heritage” are so varied and so plentiful, input-output methodology will invariably underestimate their economic value.

Some organizations have taken a stab over the years at using transactional models for measuring the economic impact of arts and cultural heritage activities. These models focus primarily on the employment and purchases of arts organizations and on the money spent by arts patrons (ticket purchases, meals, parking fees, etc.). But, by doing so, they fail to trace and measure the indirect benefits of the arts outside these transactions. And, in small, rural communities, where arts-related “transactions” are fewer than in larger cities, the data is simply too sparse to draw reasonable conclusions.

- Second, the data available to estimate the numbers of people who work in “arts” and “heritage” is very limited.

The US Census Bureau’s *County Business Patterns* and *Non-Employer Statistics*<sup>5</sup> provide reasonably current data on the numbers of people who work in certain industries and occupations. But it only counts those who identify themselves as working full-time in an arts-related profession. This means that someone who considers himself an artist but who supports himself primarily through another job would not be included in either of these data sets.

There are other serious limitations, also. For instance, many artists are hired as independent contractors, rather than as salaried staff members of an orchestra, museum, dance troupe, or other arts-related organization – so, even if someone works full-time as an artist, the odds are good that his employment would not be included in either of these databases. And, perhaps most importantly, if we limit the definition of someone who works in a creative industry only to someone who reports that his employment is in NAICS category 71 (Arts, Entertainment, and Recreation), we would be excluding most of the people whose work actually involves creativity, from architects (NAICS category 541310) and art instructors (NAICS category 611610) to chefs (NAICS category 722310) and custom tailors (NAICS 315220).

Ultimately, we realized that trying to place a dollar value on the impacts of arts and cultural heritage in the Bitterroot Valley would invariably produce incomplete information – and, more importantly, by under-representing the extent to which arts and cultural heritage stimulate economic activity in the region, it would fail to accurately illustrate their importance. With the concurrence of the steering committee, we therefore reframed this assignment to identify and highlight some of the ways in which the arts and cultural heritage have significant economic value for the Bitterroot Valley – then to examine some of the factors that support and constrain the use of arts and cultural heritage as economic development tools and to suggest some ways in which they might have even greater economic value in the future.

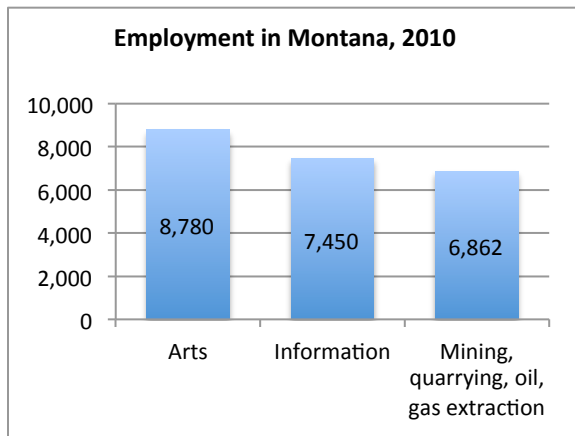
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<sup>5</sup> A person is considered an employee if she earns a salary for her work. A person is considered a *non-employee* if she is compensated in some way other than earning a salary – for example, if she owns a small business and takes an owner’s draw, rather than paying herself a salary (which is often the case with people who work in the arts and other creative industries).

## Indicators of the value of arts and cultural heritage in the Bitterroot Valley

In order to identify some of the ways in which the arts and cultural heritage affect the economy of the Bitterroot Valley, we examined data on business establishments (including for-profit and nonprofit establishments), employment, and visitorship in Ravalli County. We also looked at projections of job and business growth, by industry. And, we examined reports from earlier research on business establishments, employment, and industry clusters in Montana and in the Bitterroot Valley.

We found ample evidence that arts and cultural heritage already play a substantial role in generating economic activity in the Bitterroot Valley – and we found evidence that the impact of arts and cultural heritage has been largely overlooked. A few indicators:



- **The “arts, entertainment, and recreation” industry is already a significant employment sector in Montana and in the Bitterroot Valley.** More people are currently employed in the arts in Montana than are employed in construction, information, or extraction industries. According to the US Bureau of Labor Statistics, the arts, entertainment, and recreation industry (North American Industry Classification System code 71) employed 8,780 people in Montana in 2010 – more than extractive industries (NAICS 21, with 6,862 workers) and information industries (NAICS 51, with 7,450 workers).

And, as is the case statewide, it appears that arts and cultural heritage are already significant employers in the Bitterroot Valley, as well. According to the US Census Bureau’s *County Business Patterns* and *Nonemployer Statistics*<sup>6</sup>, there were 201 business establishments<sup>7</sup> engaged in the “Arts, Entertainment, and Recreation” industry in Ravalli County in 2010. By comparison, there were 128 wholesale trade establishments in Ravalli County in 2010, 159 finance and insurance establishments, and 141 accommodation and food services establishments [Table 1].

<sup>6</sup> *County Business Patterns* includes data from businesses with paid employees; *Nonemployer Statistics* includes data from businesses whose owners take an owner’s draw, rather than paying themselves a salary. Businesses whose data is included in *Nonemployer Statistics* therefore tend to be small, independently owned businesses.

<sup>7</sup> 108 of these 201 business establishments are classified as “independent artists, writers, and performers”; 30 are classified as “amusement, gambling, and recreation industries”, 28 are categorized as “other amusement and recreation industries” (including golf courses, ski resorts, fitness/recreation centers, and bowling centers), and the remainder is uncategorized.

NAICS	Industry	Number of establishments		
		Employers	Non-employers	Total
11	Agriculture, forestry, fishing, and hunting	22	162	184
21	Mining, quarrying; oil and gas extraction	2	6	8
22	Utilities	5		5
23	Construction	256	850	1,106
31	Manufacturing	85	158	243
42	Wholesale trade	59	69	128
44	Retail trade	172	418	590
48	Transportation and warehousing	74	168	242
51	Information	13	44	57
52	Finance and insurance	70	89	159
53	Real estate and rental and leasing	50	499	549
54	Professional, scientific, and technical services	119	478	597
55	Management of companies and enterprises	1		1
56	Admin. and support and waste mgmt./remed.	61	253	314
61	Educational services	17	62	79
62	Health care and social assistance	127	208	335
<b>71</b>	<b>Arts, entertainment, recreation</b>	<b>42</b>	<b>159</b>	<b>201</b>
72	Accommodation and food services	93	48	141
81	Other services (except public administration)	115	579	694
99	Industries not classified	2		2
		1,100	3,232	4,332

**Table 1:** Numbers of establishments, by industry group, in Ravalli County, 2010 (*Sources:* US Census Bureau, CLUE Group).

But this represents only a fraction of the people who are employed in creative industries in the Bitterroot Valley. When we added in data on the numbers of people who work full-time (whether on a salaried or self-employed basis) in other creative industries (such as journalism, architecture, interior design, broadcasting, culinary arts, etc.) we found that, as of 2010, there were 1,318 people in Ravalli County whose jobs involve creative activity [Table 2].

NAICS	Industry	Number of jobs	
		Employers	Non-employers
31	Manufacturing	85	158
51	Information	13	44
54	Professional, scientific, technical services	119	478
61	Educational services	17	62
71	Arts, entertainment, recreation	42	159
72	Accommodation and food services	93	48

**Table 2:** People who work full-time in creative industries in Ravalli County (*Sources:* US Census Bureau, CLUE Group).

- Most of the Bitterroot Valley’s creative-sector business establishments are small firms – and small firms are the ones that create most new jobs.** All of Ravalli County’s non-employer creative-sector businesses (in other words, all of its creative-sector businesses whose workers are exclusively owners, rather than salaried employees) have four or fewer workers [Table 3]. Small firms of this size create the majority of new jobs in the US. Even during the recent recession, small businesses created more jobs than large businesses<sup>8</sup>.

	Number of workers						
	1-4	5-9	10-19	20-49	50-100	100-249	250+
Firms with employees	231	62	26	22	2	2	0
Non-employer firms	1,318	0	0	0	0	0	0
Total	1,549	62	26	22	2	2	0

**Table 3:** Size of creative-sector businesses in Ravalli County (*Sources:* US Census Bureau, CLUE Group).

- Not even taking into account the impact of the businesses and industries that support arts and cultural heritage (such as tourism amenities like hotels, restaurants, gasoline, and groceries), the Montana Department of Labor projects that “arts, entertainment, and recreation” will experience**

<sup>8</sup> According to the ADP Employment Report, small businesses employed 2.6 percent more workers in March 2012 than at the beginning of the economic recovery in July 2009, while large businesses employed 0.2 percent fewer workers.



**the highest percentage of job growth in Ravalli County over the next ten years.** According to the state’s Department of Labor and Industry, the arts, entertainment, and recreation industry will grow by an estimated 35 percent (about three percent, annualized) between 2010 and 2020 – versus 31.7 percent for the construction industry, 27.4 percent for professional and technical services, and 26.2 for administrative and waste management/remediation services [Table 4].

NAICS	Industry	Numbers of workers		% chg	AGR
		Estimated, 2010	Projected, 2020		
11	Agriculture, Forestry, Fishing and Hunting	4,386	4,595	4.8	0.5
21	Mining	6,867	7,840	14.2	1.3
22	Utilities	3,220	3,049	-5.3	-0.5
23	Construction	22,774	29,995	31.7	2.8
31	Manufacturing	16,384	18,659	13.9	1.3
42	Wholesale Trade	15,659	17,224	10	1
44	Retail Trade	54,712	59,327	8.4	0.8
48	Transportation and Warehousing	10,915	11,759	7.7	0.7
491	Postal Service	2,272	2,186	-3.8	-0.4
51	Information	7,453	7,816	4.9	0.5
52	Finance and Insurance	14,877	16,550	11.2	1.1
53	Real Estate and Rental and Leasing	5,531	6,070	9.7	0.9
54	Professional, Scientific, and Technical Svcs.	18,625	23,726	27.4	2.5
55	Management of Companies and Enterprises	1,696	1,793	5.7	0.6
56	Admin. + Support; Waste Mgmt. + Remed.	18,852	23,783	26.2	2.4
61	Educational Services	39,497	41,779	5.8	0.6
62	Health Care and Social Assistance	62,548	71,900	15	1.4
<b>71</b>	<b>Arts, Entertainment, and Recreation</b>	<b>10,994</b>	<b>14,842</b>	<b>35</b>	<b>3</b>
72	Accommodation and Food Services	44,948	52,180	16.1	1.5
81	Other Services (Except Government)	15,892	17,643	11	1.1
90	Government	45,117	43,586	-3.4	-0.3

**Table 4:** Projected job growth in for selected industries in Montana, 2010-2020 (Source: Montana Department of Labor and Industry’s Research and Analysis Bureau).

- **The Bitterroot Valley’s arts and cultural heritage assets are second only to the Valley’s incredible natural environment in attracting visitors and therefore play a substantial role in the Valley’s healthy, and growing, tourism economy.** According to a 2001-2002 survey of Ravalli County visitors conducted by the Institute for Tourism and Recreation Research at the University of Montana, arts and cultural heritage assets ranked high on the list of reasons visitors cited for visiting the Bitterroot Valley. More than one-third (37 percent) said that they visited historic sites during their visit; this was the third most popular activity visitors cited (just below “day hiking”, at 43 percent, and “wildlife watching, at 40 percent). “Visiting museums” and “visiting special events” also ranked high on the list (both were cited by 22 percent of visitors).
- **Rocky Mountain Lab researchers report a strong correlation between creativity and their research work.** In a 2012 survey of researchers at Rocky Mountain Laboratories conducted by the Montana Arts Council, 84 percent of RML survey respondents said that creativity helps them in their work, and 91 percent said they see an intersection between arts and sciences.

The interrelationship of arts and scientific innovation is being documented by a growing number of researchers throughout the US and abroad. Ann Markusen, director of the Humphrey Institute’s Project on Regional and Industrial Economics at the University of Minnesota, was one of the first in the US to examine it, calling the phenomenon of enhanced productivity and output in communities with significant concentrations of arts and cultural activity “the artistic dividend”. As Markusen and David King wrote in their 1996 report *The Artistic Dividend: The Arts’ Hidden Contributions to Regional Development*, “... the productivity of and earnings in a regional economy rise as the incidence of artists within its boundaries increases, because artists’ creativity and specialized skills enhance the design, production, and marketing of products and services in other sectors. They also help firms recruit top-rate employees and generate income through direct exports of artistic works out of the region.”

More recently, Alan Marco, a deputy chief economist for the US Patent and Trademark Office, has found a correlation between arts and scientific innovation. In examining data on the numbers of “design” patents (patents that cover the design of objects, machines, materials, etc.) and “utility” patents (patents that cover processes, formulas, etc.), he found that about five percent of the people to whom utility patents are issued are also designers, but about 40 percent of the people to whom design patents are issued are also inventors. In other words, designer-inventors are almost twice as productive, in terms of patent issues, as people who are only inventors.

In spite of evidence of the importance of arts and cultural heritage to the Bitterroot Valley economy, we also found evidence that arts and cultural heritage are often overlooked in measurements of economic activity in Ravalli County and in Montana. For example, the annual economic outlook reports produced for each county by the Bureau of Business and Economic Research at the University of Montana report on trends in the health care, travel/recreation, agricultural, manufacturing/forest products, housing, and energy industries – but, for at least the past five years, have not mentioned arts and cultural heritage. And the Bureau’s annual survey of Montana manufacturers includes a question asking manufacturers about the factors that affect their decisions to remain in Montana. The factors included in the survey are:

- Workers compensation rates
- Workers compensation rules
- Health insurance costs
- Costs of energy
- Worker availability
- Cost of workforce development
- Foreign competition
- Raw material availability

The list does not include any factors related to quality of life – e.g., the presence of arts and cultural institutions, the quality of the natural and built environments, or the availability of cultural and recreational activities. Yet, in the Montana Arts Council’s survey of Rocky Mountain Laboratories researchers, almost 75 percent said that the arts and cultural environment of their community are important to them. Adding arts and cultural heritage to the economic development vocabulary of the agencies, institutions, and organizations that measure economic activity in the Bitterroot Valley is a crucial first step in boosting the effectiveness of arts and cultural heritage as economic development tools and in understanding their true economic value to the region.

## Recommendations

- 1. Actively and persistently promote a more expansive and inclusive definition of the role of arts and cultural heritage in the Bitterroot Valley's economy.** This is a broad and somewhat nebulous recommendation. But reframing the definition of arts and cultural heritage to encompass a broader understanding of creative processes is crucial to broadening understanding of the significance of arts and cultural heritage in the Bitterroot Valley's current economic performance and its opportunities for growth.

There are two important parts of reframing public perception of the role of arts and cultural heritage in the Bitterroot Valley's economy:

First, it is important to untangle arts and cultural heritage from tourism. There is, of course, an obvious and important overlap: the Bitterroot Valley's arts, historic places, and cultural activities are vital assets that attract tourists. But, by thinking of arts/cultural heritage *primarily* as a component of tourism development, it becomes too easy to overlook their other benefits in growing the economy.

Second, it is important to actively stress the importance of arts and cultural heritage in creating an environment that fosters innovation and encourages entrepreneurial activity. North Carolina State University's Institute for Emerging Issues states it well: "Creativity is now the world's most valuable commodity: it can't be outsourced or automated, and it generates the innovations that lead to new businesses and industries."<sup>9</sup>

The gist of the message is this: Entrepreneurs drive economic development. Creative places attract entrepreneurs. And, arts and cultural heritage are the core components of creative places.

- 2. Integrate creative processes into the region's community and economic development agendas.** Making arts and cultural heritage integral components of the Bitterroot Valley's community and economic development agendas will require persistent advocacy – and a steady stream of small actions, gradually leading to larger ones. Among the actions we suggest to help integrate arts and cultural heritage into the region's community and economic development agendas:

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<sup>9</sup> <http://www.ncsu.edu/iei/index.php/emerging-issues/creativity>

2.1. **Create a few simple measurements of the creative sector’s performance, augmenting available federal measurements.** Keep in mind that the point isn’t to focus on measuring the economic impact of the creative sector; it is to track progress over time.

- Numbers of creative enterprises (employers and non-employers)
- Total numbers of people working in creative enterprises (employers and non-employers)
- Total revenues of creative enterprises
- Numbers of independently owned businesses
- Numbers of patents issued
- Numbers of people attending special events and festivals

2.2. **Create a design center.** Community design centers serve as advocates and catalysts for improving the quality of the built and natural environments through good design practices.

There are several dozen community design centers in the US. All of them focus on improving the quality of the built environment and natural landscapes through good design. To varying degrees, they provide direct assistance with specific public interest design projects, bring in speakers to share best practices and educate interested community members about community design issues, raise money for design priorities, and sponsor special community design projects. Some focus primarily on one or two issues. Most – but not all – are affiliated with a college or university. Some are certified by the National Council of Architectural Registration Boards and, in that capacity, provide training and internships for architecture students. A few examples of design centers and their activities:

- The Rochester Regional Community Design Center sponsors an active speakers series – “Reshaping Rochester” – throughout the year, bringing in provocative speakers on a wide range of community design topics. Its list of past speakers is a virtual who’s who of leading community design practitioners, writers, and policy makers.
- The Center for Rural Design at the University of Minnesota’s College of Design helps civic leaders in small towns find innovative design solutions “to protect and improve rural landscapes, cultures, and communities”.
- The Community Design Center of Minnesota, whose tagline is “using food and ecology to promote healthy people and places” focuses largely on food policy. Its Garden Corps uses its

six organic gardens (including one at a nursing home, two at local churches, and one at a local restaurant) to teach young people about sustainable agriculture.

- The [Knoxville Community Design Center](#) recently engaged a local artist to paint a mural on an Interstate highway underpass.
- As its name suggests, [Seattle’s Environmental Works Community Design Center](#) focuses on sustainable design.

In addition, there are other types of organizations whose work includes some of the activities often offered by community design centers. For example, Baltimore’s [Creative Alliance](#) provides housing for artists at The Patterson, a former movie theatre and dance hall that have now been converted to a multi-purpose arts center that includes studio space, arts classrooms, a theatre, and gallery space.

We recommend creating a Bitterroot Valley Design Center. But, unlike all other design centers with which we are familiar, we recommend exploring the possibility of making the Bitterroot Valley Design Center be a virtual – perhaps even mobile – design center, traveling around the Bitterroot Valley rather than being rooted in any particular community. Some projects might include:

- Organizing an ongoing speakers series to talk about design and preservation issues of interest to Bitterroot Valley residents and visitors.
- Working with area designers to create a *pro bono* public design program<sup>10</sup>, with architects, landscape architects, and other designers contributing their time to improve the design of roads, intersections, public parks, signs, and other community design components.
- Enlivening downtown storefront windows to create a stimulating street experience, using tactics such as art exhibits<sup>11</sup>, interactive video installations, and active staging.

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<sup>10</sup> For example, see [Public Architecture](#), a San Francisco-based nonprofit organization that encourages architects to contribute time to public-interest design projects.

<sup>11</sup> For example, see Evanston, Illinois’s [“Art Under Glass”](#) program or Boston’s [“Boston Art Windows”](#) program.

- Providing design training to students and adults.
- Creating a graphic identity system for the Highway 93 corridor.
- Finding fun ways to engage the public in brainstorming solutions for design challenges. An example: New Orleans artist and urban planner Candy Chang has created a dozen or so projects to directly engage the public in shaping the community. For a project involving finding a new use for Fairbanks, Alaska’s Polaris Building (a vacant nine-story former hotel) Chang installed large chalkboards on both walls of an exterior corner of the building. She invited passersby to write their memories of the Polaris Building on one of the chalkboards and their hopes for the building’s future on the other. For a project involving finding a new use for a vacant storefront in New Orleans, she provided a box of stickers with the heading “I Wish This Were...” and asked people to jot down ideas on the stickers for how the building might be used, then stick the stickers to the plywood enclosing the building’s storefront window.
- Organizing a “Build a Better Block” program to enliven key streets in Bitterroot Valley downtowns<sup>12</sup>.

2.3. **Include ‘quality of life’ measurements in economic and industrial development surveys.** As we mentioned earlier, the Montana Manufacturers Survey does not ask manufacturers about the importance of quality of life issues in their location decisions, and with the possible exception of tourism data, found scant evidence of consideration of the roles of arts and cultural heritage in any of the major economic reports we reviewed for Ravalli County, the Bitterroot Valley, or the overall state.

2.4. **Create a program to designate and recognize heritage businesses.** Businesses that have reached a significant age milestone, that carry on a unique craft skill or tradition, or that provide products and services that are uniquely tailored to a community’s needs are instrumental in helping shape the community’s personality and in creating a public image for the region. We recommend recognizing these businesses – with plaques or window stickers, for example, and with inclusion in online and print marketing materials – in order to make the public more aware of their significance.

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<sup>12</sup> See *Tactical Urbanism: Short-term Action, Long-term Change, volume 2*, by Mike Lydon.

**3. Actively develop new, creative-economy businesses.** Creative-economy businesses include not just artists *per se*; they also include architects, graphic designers, chefs, libraries, restaurants, publishers, upholsterers, and scores of other businesses that involve creative energy. By actively pursuing development of new, creative-economy businesses, the Bitterroot Valley’s stakeholders – the organizations, agencies, institutions, and businesses involved in shaping the region’s economic future – could clearly demonstrate the catalytic power of arts and cultural heritage in stimulating economic growth.

**3.1. Create one or more coworking spaces to support current independent workers – and to cultivate new, creative-sector businesses.** Coworking spaces provide inexpensive office, meeting, and work space for independent workers and small firms. People can rent space for several hours a day, an occasional day, or can make a longer-term commitment. They typically have a core group of long-term tenants or members who use the coworking space as their primary place of work, plus a number of people who use the space only occasionally. But, unlike facilities that simply offer temporary space and some shared services to independent workers and small firms, coworking spaces actively encourage synergy and collaboration between tenants. Some examples:

- Blueline, in Bloomington, Indiana, focuses primarily on photography, video, and web production, but its members also include clothing designers, a fashion writer, and several freelance writers. It sponsors a monthly art show to support local artists.
- The Writers Room DC, in Washington, offers quiet space for independent writers to work.
- Sew Stitches Cafe, in Sparks, Nevada, provides space for independent fashion designers – and for avid hobbyists looking for workspace, high quality sewing equipment, and camaraderie. Sew Stitches Cafe also offers classes, private instruction, and fabric sales.
- Gangplank, in Chandler, Arizona, does not charge a membership fee or rent. Instead, users spend some of their time working on projects from the city government and local industries, which financially support the space.

**3.2. Bring artists, designers, and scientists together to collaborate on new business ventures.** We particularly recommend that the coworking space (or spaces) created in the Bitterroot Valley consciously and intentionally bring artists, designers, and scientists together to help one another



with their own work and to collaborate on new projects – including collaborating to create new business ventures for the Bitterroot Valley.

Here are a few examples of how a collaboration between the Bitterroot Valley’s arts and economic development communities might work:

- In the early 1980s researchers at the ITT Rayonier laboratory in New Jersey created a new substance they called microfibrillated/nanocellulose (MFC) – now also called nanocrystalline cellulose – with a strength-to-weight ratio eight times greater than that of steel. Made from nano-sized wood fibers with a very high length-to-width aspect ratio, nanocrystalline cellulose is extremely strong and highly absorbent and can be used in a variety of ways, from strengthening flexible computer displays to absorbing oil spills to making body armor. It can be made from any cellulose material, but is most commonly made from wood fragments and wood pulp – which, of course, the Bitterroot Valley has in abundance. ITT Rayonier chose to make the manufacture and uses of nanocrystalline cellulose open source in order to encourage innovation, with no restrictions on its patents. However, to date, there are only two facilities manufacturing nanocrystalline cellulose in the world – one in Montreal, and one in Wisconsin (and operated by the US Forest Service). The National Science Foundation expects nanocrystalline cellulose to grow into a \$600 billion industry within the next decade. But surprisingly – particularly given how plentiful its raw materials are, its lack of patent restrictions, and its many potential applications – only a small handful of companies are experimenting with applications. Bitterroot Valley artists and designers could collaborate with scientists to develop new products using nanocrystalline cellulose.
- ReCORK, a company that collects and recycles natural cork (primarily from restaurants, wine tasting rooms, and consumer recycling centers) for use in new products (such as floor tile, insulation, and packaging material) operates one of its two facilities in Great Falls, Montana. The company is focusing most of its energy on upcycling cork for shoe soles, in partnership with SOLE (also in Great Falls) – but there are many unexplored, and unmanufactured (or un-remanufactured) applications.

We are, of course, not suggesting that artists become experts on the wood-based product industry or any of the other industry clusters in which the Bitterroot Valley has some strategic advantages (such as agriculture, life sciences, and information technology). Instead, we believe that artists and designers have much to contribute to product development, design, and

marketing and could be invaluable partners in the development of new businesses and industries in the Bitterroot Valley.

Analogous observation is a research technique used to stimulate new ideas by observing experiences with similar characteristics but from different categories (such as different industries or different cultures). IDEO, a design and innovation consulting firm, famously used analogous observation to help a hospital improve its emergency room performance by borrowing a model from stock car racing. They found that pit crews lay out redundant sets of tools – one set of wrenches for changing tires, another for adjusting suspension, and so on – and, as in the racing pit, this practice could save valuable time in the emergency room. They also found that every member of the pit crew has an understudy who can step in quickly if needed.

The Bitterroot Valley is blessed with unusually large concentrations of both scientists and artists. We believe that, just as IDEO found inspiration for emergency room procedures by working with pit crews, the Bitterroot Valley has a rare opportunity to combine the skills of its artists and scientists to create new economic growth.

- 3.3. **Create a set of tools to help capitalize creative-sector businesses.** Some businesses can get started or expand with owner's equity, but others – particularly businesses with high start-up costs, like restaurants and small manufactures – may need help finding capital.

There is no single business capitalization tool that fits all needs. We have found that communities with the greatest success in stimulating new business development have a variety of tools and resources available and play an active role in helping entrepreneurs access the tools that offer the best fit for their needs. Some ideas (including some that are more appropriate for retail creative-sector businesses and some that are more appropriate for small manufactures and tech-based businesses):

- A forgivable loan program: Several towns and cities have used forgivable loan programs to encourage development of high-priority businesses (particularly retail businesses and restaurants) in targeted areas. For example, Waterville, Maine's forgivable loan program provides loans of up to \$50,000 to new businesses that the community's retail market analysis identified as high priorities for the downtown district. Businesses borrowing money from the program make interest-only payments for 5-7 years, with principal forgiven each year on a declining basis. Loan funds must be matched by owner's equity on a 1:1 basis. Funds support both development of new businesses and expansion of existing ones. The

program gives priority to businesses that fill ground-floor vacancies. The program, which was created in partnership with the Kennebec Valley Council of Governments, is capitalized by “pay-as-you-go” Tax Increment Finance revenues.

- Crowdfunding: Crowdfunding makes it possible for members of a community to directly support development of the types of businesses they most need or want. In recent months, businesses and nonprofits have used crowdfunding web-based services like IndieGogo and Kickstarter to launch thousands of new businesses.

Because of federal securities regulations, interested business supporters cannot directly invest in a new business via a crowdfunding service; instead, they purchase something from the new business. For example, SweetBar, a startup bakery in California, pre-sold things like muffins, signed cookbooks, naming rights to muffins, and private baking lessons. The bakery raised more than \$21,000 from 102 supporters within several weeks. CinemaSalem, a movie theatre in Salem, Massachusetts, raised \$69,000 - \$9,000 more than its \$60,000 goal – to upgrade to digital projection equipment.

Sometime in 2013, though, the federal JOBS Act, when implemented (regulations are forthcoming), will make it possible for businesses to raise up to \$1 million in equity annually from local investors. Individuals can invest between \$2,000 - \$10,000 annually (depending on their earnings and net worth) in a local business. Investments must be made via a government-accredited online portal.

The regulatory and organizational landscape for community-based equity investments is new. But it seems likely that it will be essential for a local organization or agency to play a central role in vetting entrepreneurs and pairing them with investors. This might be a role for the Ravalli County Economic Development Authority, the Bitter Root Economic Development District, the Chamber of Commerce, or even the design center (should it be created).

- A pop-up business development program: Pop-ups are temporary businesses that operate for several months – typically to test a new product or business concept. In most instances, owners of vacant storefront buildings agree to provide vacant storefront space for free for several months to temporary businesses that have been vetted by an organization sponsoring the initiative, with the hope that one or more of the pop-ups will become permanent businesses (and long-term tenants). In the short run, pop-ups help create energy for their district, attracting visitors.

An example: Meanwhile Downtown, the downtown development organization in Florence, South Carolina, organizes and sponsors an annual pop-up business competition. Potential businesses develop and submit business plans, and the organization chooses the two whose business plans seem most realistic and seem like a good fit for the downtown. Businesses receive three months of free rent. In the two years the competition has existed, three of the four pop-ups have signed long-term leases after their trial runs.

- An accelerator: Accelerators bring together a core group of essential ingredients to stimulate the development of new businesses: training (technology, marketing, management), mentors, workspace, and capital. They are usually focused on tech-based businesses (and often on web-based services) that have the potential to generate enough revenue to attract venture capitalists willing to invest in startups in exchange for equity shares in them. So far, only a few dozen accelerators are up and running in the US – but the number is rapidly growing. We believe that there is a reasonable chance that a Bitterroot Valley-based accelerator that brought together creative ideas and production skills from the region’s designers with the technology skills of the region’s researchers and scientists to create new business ventures could succeed.

An example: Venture Spur, which will be opening in the historic Film Exchange building in downtown Oklahoma City in the summer of 2013, will provide office space for early-stage, high-growth businesses in three industries: online education; online finance-related services; and telecom and mobility software development. Each company accepted for the accelerator will receive a seed investment of up to \$30,000, a 12-week training program, three months of free office space, web hosting, access to mentors, one or more business partners, assistance with preparation of Round A investor and syndication documents, and meetings with venture capitalists.

Another example: Fortify Ventures, a “founders funding founders” venture capital company in downtown Washington, DC, helps start-ups “with disruptive products in high-growth markets” in one of three ways. First, it provides coworking space. Second, it invests between \$25,000-\$250,000 in its portfolio companies. Finally, it competitively selects entrepreneurs with start-up ideas to take part in its accelerator program, The Fort, and provides them with a 20-week training program to hone their business plans, perfect their web platforms, and find funding. The entrepreneurs in each of the 20-week classes receive a share of one another’s profits, providing a strong incentive for collaboration.

Another entity, CoFounders Lab, helps people involved in start-ups find business partners and is a frequent collaborator with Fort start-ups, serving as a match-up service for people in six categories: programmers/developers, engineers, business developers, advisors/mentors, product managers, and marketers. While The Fort focuses mostly on web-based companies, the trio model could be adapted to stimulate development of almost any business category.

- Research and innovation grants: While many federal funding programs have been cut back or eliminated in the past few years, funding for research and innovation still exists, and private foundations and venture capitalists continue to support research and innovation with grants and equity investments.

In March 2012, the White House announced plans for a “National Network for Manufacturing Innovation”, an initiative that would create up to 15 manufacturing innovation institutes. The first of these institutes will be announced in the summer of 2013. The White House is also seeking more than \$2 billion for investment in manufacturing research and development, particularly focused on emerging technologies such as smart materials, biomanufacturing, and robotics. To support this initiative, the White House has created an interagency program – the Advanced Manufacturing National Program Office – to encourage development of public-private partnerships to support manufacturing innovation and to coordinate federal agency resources. The thrust of the Program – and the 2011 report on which it was based<sup>13</sup> – is to focus action on innovation policy, rather than on industrial policy (e.g., investing in specific industries). Incidentally, the 2011 report cites nano-scale carbon materials research – which would include research involving nanocrystalline cellulose – as an example of a technology ripe for development.

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<sup>13</sup> “Report to the President on Ensuring American Leadership in Advanced Manufacturing”, by the President’s Council of Advisors on Science and Technology, June 2011.

- 4. Simplify and streamline special events.** One of the most consistent messages we heard in our interviews is that there are too many special events and festivals in the Bitterroot Valley for the numbers of volunteers available to organize them and that, as a result, events are often poorly organized, with little calendar coordination between events and their organizers.
  - 4.1. Develop a coordinated calendar of events.
  - 4.2. Focus more time and energy on activities valued by Bitterroot Valley residents than by tourists. Visitors almost always want to have an authentic experience of the places they visit.
  - 4.3. Appoint “ambassadors” for major events who can greet tourists and other newcomers, orient them to the event, and offer assistance.
  - 4.4. Migrate visitor-oriented publications from print to web format so that they can be quickly and easily updated and refreshed.
  
- 5. Sharpen up arts and cultural heritage websites.** We checked the websites of every arts and cultural heritage website we could identify in the Bitterroot Valley. We found several websites that were current and that worked well in multiple web browsers. But the overwhelming majority of websites were outdated, had broken links, lacked information to orient first-time visitors, and/or offered no way to contact representatives for information. Some arts organizations had no website at all. Only a very small handful included links to the websites of other arts-related organizations.
  
- 6. Ensure that the physical environment remains one that attracts creative enterprises and cultivates creative activity.** The Bitterroot Valley’s greatest asset is its phenomenal natural landscape. As new development occurs, it is crucial that its natural landscape and stunning viewsheds be protected so that the Bitterroot remains a place that attracts residents and visitors for centuries to come. As many people have pointed out in recent years – including Dr. Larry Swanson and Dr. Stuart Rosenfeld – the Bitterroot Valley is in danger of diminishing this great resource with poorly planned development.
  - 6.1. **Concentrate business development activity in the Bitterroot Valley’s downtowns.** This will not only help create a critical mass of businesses that, together, can attract consumer attention but

will also help preserve the expansive views of the Valley from the highway and protect entryways into Highway 93 communities from becoming visually cluttered and unattractive to visitors (and residents).

**6.2. Sponsor a series of “design interventions” to improve the appearance of Highway 93 and Eastside Highway.** We recommend organizing an ongoing series of “design interventions” to improve the appearance of key spots along Highway 93 and Eastside Highway. Some examples:

- A group of artists collaborated with Hayward, California’s public works department to convert its traditional striped-line downtown crosswalks with piano keyboards.
- A San Francisco-based nonprofit organization, Public Architecture, designed a series of parking space-sized temporary parks for a visually distressed neighborhood block.
- A number of arts organizations have rented billboards and replaced traditional advertising images/messages with artwork.
- A nonprofit organization in Dallas, Promise of Peace, plans to convert an underused asphalt parking lot into a community garden with 30 raised garden beds for community members; it is raising money for the project from community members via crowdfunding website kickstarter.com.

Each year, artists could meet with interested members of the community to identify spots on Highway 93 and Eastside Highway that need improvement. The broader public could suggest spots, also, via a website (or even by writing notes on a publicly-posted map or maps). The public could then vote on five or ten (or six or twelve) priority projects for the year. A team leader (or several leaders) could then be appointed for each project to oversee its completion. Some of the interventions might involve inviting outside speakers with relevant specialized expertise.

## Next steps

Countless small and large factors affect the evolution of the form, economy, and personality of communities, and these factors are almost always very closely interwoven, with small changes in business operations, physical improvements, organizational membership, or any number of things invariably causing a ripple effect of changes. For this reason, it is important that changes take place incrementally, with small shifts synchronized to gradually build towards significant transformations. Successful economic development happens through simultaneous activity on several fronts. Rather than tackling one major initiative at a time, it is usually more effective to move forward with several initiatives that, together, create momentum.

So, what happens next? We recommend these next steps:

- **Break large tasks into small steps:** Large tasks often seem impossible until they are broken down into small, discreet steps that can be easily implemented by an individual, organization or agency in a relatively short period of time.
- **Divide and conquer:** It would be impossible for any one entity to singlehandedly undertake all the tasks that need to take place to strengthen the Bitterroot Valley's creative economy. Just as there are literally hundreds of small actions that have contributed to the challenges that face the Bitterroot Valley, strengthening the Valley's economy and improving its infrastructure to effectively encourage and facilitate economic development will require literally hundreds of small actions.
- **Coordinate:** In order to effectively implement scores of activities being done by dozens of different agencies, organizations, constituencies, businesses, property owners, and individuals, it is critical that there be a solid system in place for coordinating the many activities that need to happen. The most important factors to consider when making the decision about who will serve as "coordinator" are that the coordinating entity have the confidence of the community and that this assignment does not compete for time and attention with other assignments in a way that might damage the overall initiative.
- **Leverage resources:** Every agency, organization, constituency, and individual interested and involved in the Bitterroot Valley's economic growth has particular skills, resources, and vantage points that can be useful to the process. When breaking the major objectives contained in this



report into smaller action steps, give careful thought to which entities might already have the skills and resources needed for each particular action step. In this way, the revitalization initiative can leverage existing knowledge, financial, and skill resources as fully as possible.

- **Start with many small projects ... and a few catalytic ones:** Starting with small projects helps participants develop the skills and collaborative partnerships needed to gradually tackle more complicated projects - and doing so can mobilize dozens or even hundreds of volunteers, building a broader base of support for the overall initiative. At the same time, moving forward with a few catalytic projects can accelerate the timeline and provide tangible evidence that positive change is taking place.
- **Monitor changes:** Over the next 3-5 years, carefully monitor changes in the numbers of creative economy businesses opening and closing, the numbers of people who attend special events and festivals, the places and events that attract visitors, and new investment in physical improvements to existing buildings as well as investment in new commercial construction in the Bitterroot Valley.
- **Spread the word broadly:** It is particularly important that *all* businesses and property owners in the Bitterroot Valley be kept up to speed on what's happening and that no business or property owner feel left out. As with so many aspects of community economic development, there is no one single tool that will reach all business and property owners. Use a variety of tools, including e-mail distribution lists, announcements in community bulletins, announcements at public meetings, websites, postcards, and personal contact.
- **Take a leap of faith:** In our 25-plus years of working with communities throughout the US and abroad on community economic development, we have consistently found that the single biggest obstacle to change is skepticism. When people believe that a new initiative will succeed, it almost always does.

## Appendix 1

### Arts and cultural heritage entities in the Bitterroot Valley

Artists Along the Bitterroot offers tours each late spring/early summer of artists' studios throughout the Bitterroot Valley.

The Bitterroot Arts Guild promotes arts and artists in the Bitterroot Valley.

The Bitterroot Community Orchestra performed its premiere concert in June 2012 at the Victor Performing Arts Center.

Bitter Root Cultural Heritage Trust works in partnership with families, neighborhoods, and communities to restore historic structures, bring back traditional events and celebrations, encourage interpretation, and affirm cultural values.

Bitterroot Performing Arts Council produces roughly nine events annually.

The Bitterroot Quilters Guild meets monthly at a church in Hamilton; it sponsors periodic workshops and quilting retreats.

The Bitterroot Youth Symphony performs occasionally throughout the Bitterroot Valley.

The Chantilly Players perform at the Stevensville Playhouse.

The Marcus Daly Mansion, home of one of Montana's most famous copper kings, has been open to the public since 1986.

The Darby Historic Visitor Information Center and National Museum of Forest Service History focuses on the history of the forest service and the Darby Ranger Station

The Darby Pioneer Memorial Museum, one of the earliest hand-hewn cabins in the Bitterroot Valley, focuses on the Bitterroot Valley's pioneer heritage.

Fort Owen – the first permanent white settlement in Montana – was established as a trading center by Major John Owen in 1850. It is now a state park.

The Hamilton Main Street Historic District, listed in the National Register of Historic Places, dates from the 1890s and spans the community's evolution, from early wooden structures to Art Moderne buildings from the 1950s.

Hamilton Performing Arts Center, a 700-seat theatre built in conjunction with Hamilton High School

Hamilton Players, a nonprofit theatre organization, offers performances at the Hamilton Playhouse, as well as offering workshops and events for children and adults and hosting local and visiting artists.

The Montana A Capella Society performs regionally, promoting public awareness and audience appreciation for the art of a cappella singing (voices without instrumental accompaniment).

MAPS Media Institute after-school mission is to inspire, educate, and train Ravalli County high school students in multiple media courses and disciplines.

The Lewis and Clark National Historic Trail passes through the Bitterroot Valley. The nonprofit Lewis and Clark National Heritage Trail Foundation raises money for the trail's preservation and promotes trail-related educational programs and events.

The Mary Stuart Rogers Performing Arts Center, in Victor, hosts a variety of local and touring performances.

The Nez Perce National Historic Trail, which follows the 1,100 mile route the Nez Perce took towards Canada when attempting to escape the US Army in 1877, enters the Bitterroot Valley near Lolo Pass.

The Ravalli County Museum, in the historic Ravalli County Courthouse, is home to many permanent exhibits and hosts rotating and temporary exhibits.

The Rocky Mountain Laboratories Historic District, on the 900-block of Fourth Street in Hamilton, commemorates the lab's pioneering research in the early- and mid-20<sup>th</sup> century on insect-borne diseases and on vaccines to prevent them.

St. Mary's Mission, founded by Jesuit missionaries in 1841, was the first church in the Pacific Northwest and formed the nucleus of the town of Stevensville.

The Hamilton Southside Residential Historic District encompasses more than 100 key buildings spanning 18 blocks from Hamilton's early history, including the Marcus Daly Hospital, six churches, the historic Ravalli County Courthouse, and numerous historic houses.

The National Register-listed Stevensville Historic District consists of numerous houses and non-residential buildings within the incorporated city limits, including the Bitter Root Cooperative Creamery, Gleason Hote, and Bell and Holt Garage.

The Stevensville Historical Museum features local history memorabilia and photo displays.

Stevensville Playhouse, a small theatre (approximately 100 seats), serves as home to the Chantilly Players and Children's Summer Workshop.

Travelers Rest Heritage Preservation Association supports the preservation of Travelers Rest (now a state park) and programs activities there.

The Victor Heritage Museum, in Victor's historic railroad station, exhibits a variety of local history and railroad heritage artifacts and memorabilia.

Whaley Homestead at the Lee Metcalf National Wildlife Refuge

There are also a number of events:

Arts in the Park, a 40-plus-year event organized by the Bitterroot Arts Guild, attracts thousands of visitors each year during the last week of July and raises money for the Guild's art scholarship program.

Big Sky Fiber Arts Festival, held at the Ravalli County Fairgrounds in conjunction with Montana Mule Days, also attracts thousands of visitors.

The Bitterroot Valley Microbrew Festival, held the fourth Saturday in July, features regional microbrews and music.

The Stevensville Creamery Picnic, held the first weekend in August, dates back to 1911 and commemorates the Stevensville community's rapid rallying to rebuild a creamery destroyed by fire.

Darby Logger Days, a timber sports event, celebrates the importance of the timber industry in the Bitterroot Valley's history and features log-rolling, axe throwing, pole climbing, and other logging-related activities.

Founders Day, in Stevensville, commemorates the anniversary of Father Pierre DeSmet's founding St. Mary's Village in 1841.

A Parade of Lights and Festival of Trees takes place each December in Stevensville.

The Scarecrow Festival takes place each fall in Stevensville.

Riverfest in the Root, organized by the Bitter Root Water Forum, is a relatively new event promoting the importance of water resources in the Bitterroot Valley.

The Bitterroot Scottish Irish Festival celebrates the Bitterroot Valley's Scottish and Irish heritage, offering Highland game competitions, Highland music, food, and exhibits at the Marcus Daly Mansion grounds in Hamilton.

The Darby Strawberry Festival, a community ice cream social, raises money for the local volunteer fire department.

Western Heritage Days is a longstanding Stevensville-based event featuring tours of historic houses, a community barbeque, entertainment, and a variety of heritage-based activities and exhibits.

## Appendix 2

A partial list of US community design centers

### **Auburn University Foundation / Rural Studio**

Rural Studio  
PO Box 278  
Newbern, AL 36765  
[www.cadc.auburn.edu/rural-studio/](http://www.cadc.auburn.edu/rural-studio/)

### **University of Arkansas Community Design Center**

104 N. East Avenue  
Fayetteville, AR 72701  
479 575 5772  
[uacdc.uark.edu](http://uacdc.uark.edu)

### **Los Angeles Community Design Center**

701 East 3<sup>rd</sup> Street, Suite 400  
Los Angeles, CA 90013  
213 629 2702  
{no website}

### **Florida Community Design Center**

University of Florida School of Architecture  
PO Box 115702  
Gainesville, FL 32611-5702  
352 392 0205  
[gsoa.dcp.ufl.edu/degrees/special-academic-programs/florida-community-design-center/](http://gsoa.dcp.ufl.edu/degrees/special-academic-programs/florida-community-design-center/)

### **Community Design Activism Center**

Louisiana Tech School of Architecture  
PO Box 3147  
Ruston, LA 71272  
[www.arch.latech.edu](http://www.arch.latech.edu)

**Detroit Community Design Center**

A. Alfred Taubman College of Architecture and Urban Planning  
University of Michigan  
2000 Bonisteel Boulevard  
Ann Arbor, MI 48109  
734 764 1300  
[taubmancollege.umich.edu/resources/research\\_outreach\\_and\\_funding/dcdc/](http://taubmancollege.umich.edu/resources/research_outreach_and_funding/dcdc/)

**Community Design Center of Minnesota**

731 East 7<sup>th</sup> Street  
Saint Paul, MN 55106  
651 228 7073  
[www.comdesignctrmn.org](http://www.comdesignctrmn.org)

**Gulf Coast Community Design Studio**

425 Division Street  
Biloxi, MS 39530  
228 436 4661  
[www.gccds.org](http://www.gccds.org)

**Jackson Community Design Center**

509 East Capitol Street  
Jackson, MS 39201  
601 354 6480  
[caadjcdc.wordpress.com](http://caadjcdc.wordpress.com)

**Downtown Design Center**

University of Nevada Las Vegas  
401 South 4<sup>th</sup> Street, Suite 155  
Las Vegas, NV 90101  
702 895 1953  
[architecture.unlv.edu/ddc/](http://architecture.unlv.edu/ddc/)

**Rochester Regional Community Design Center**

1115 East Main Street  
Rochester, NY 14609  
585 271 0520  
[www.rrcdc.org](http://www.rrcdc.org)

**Community Design Center and Niehoff Urban Studio**

University of Cincinnati  
2728 (Short) Vine Street  
Cincinnati, OH 45219  
515 556 3282  
[www.uc.edu/cdc](http://www.uc.edu/cdc)

**Architects Without Borders – Oregon**

403 NW 11<sup>th</sup> Avenue  
Portland, OR 97209  
[awboregon.org](http://awboregon.org)

**Community Design Collaborative + Infill Philadelphia**

1216 Arch Street, First Floor  
Philadelphia, PA 19107  
215 587 9290  
[cdesignc.org](http://cdesignc.org)

**Design Center Pittsburgh**

The Design Center  
The Bank Tower  
307 Fourth Avenue, 15<sup>th</sup> Floor  
Pittsburgh, PA 15222  
412 391 4144  
[www.designcenterpgh.org](http://www.designcenterpgh.org)



**East Tennessee Community Design Center**

1300 N. Broadway

Knoxville, TN 37917

865 525 9945

[www.communitydc.org](http://www.communitydc.org)

**Austin Community Design and Development Center**

2108 EM Franklin Avenue, Suite B

Austin, TX 78723

[www.acddc.org](http://www.acddc.org)

**Environmental Works Community Design Center**

402 15<sup>th</sup> Avenue East

Seattle, WA 98112

206 329 8300

[www.eworks.org](http://www.eworks.org)

### Appendix 3

Narrative responses from a 2012 online questionnaire about arts/cultural heritage and economic development that was circulated to a representative sample of people involved in arts, cultural resources, tourism, and economic development

**1. What do you think are the most significant economic drivers in the Bitterroot Valley? (an "economic driver" is a major factor that contributes to economic growth)**

Tourism is growing: shoulder seasons like spring and autumn are slowly expanding. The Bitterroot Valley is a "natural" outdoor tourist destination, attracting people from all over the country. They usually have a connection or previous experience in the Bitterroot that drives them back.

Recreation

Tourism/recreation; Rocky Mountain Lab; GSK

I would say that our new community college definitely helps...also local businesses.

Jobs are the economic drivers and they seem to be decreasing.

Tourism, the scenery

Government Lab and Forest Service, Biotech Company, Health Care, Entrepreneurship

Natural resources

Agriculture, tourism, retail

#1 Agriculture - includes the declining forestry industry. #2 Small business - includes Retail, Manufacturing, Entrepreneurial. #3 Medical/Health Care/Retirement - includes Research (Rocky Mtn Lab, GSK)

Outdoor activities, Tourism related. Such as fishing, hiking, hunting, skiing, biking, the river and high country excursions. Building industry materials and the trades, such as Log Home Building. Fairs and events

RML and GSK, and the businesses that support them.

Agriculture and tourism. Tourism is powered by the great outdoors, and many small businesses are supported by it.

Health Care, Wood Products, Biological research (GSK and Rocky Mnt Labs), Tourism

Tourism: hiking, camping, fishing & fishing guides, hunting, water-sports, agriculture and the arts: theater, art shows and crafts

Agriculture, hunting/fishing, general tourism, health care and assisted living, retirement location, Bitterroot College Program

Jobs and or Tourism. Money available by residents and money coming into the area from outside.

The great outdoors are one of the most significant economic drivers. There are so many businesses based on it from eco tourism to hunting, fishing guides to self guided tours of the valley. I talk to people all the time that are here because of the scenery, wildlife, rivers, and mountains

Mountain valley farmland beauty draws tourists, quality of lifestyle attracts business relocation

Talent availability, commitment, awareness, attitude, business support, government support, city/county support

Agriculture, education, tourism

The history of the area with Lewis and Clark, fishing and hiking as tourist things to do, the mountains

Tourism & education  
Small business, retirees

Ranching

Tourism and recreation on public lands

The natural beauty of the landscape, outdoor recreation activities and the small town, Main Street feel of several towns in the valley.

Businesses that bring jobs

## **2. What role(s) do arts and cultural heritage play in the economy of the Bitterroot Valley?**

Artists are attracted to the Bitterroot, both as visitors and residents. Because of the population of visual artists that live and visit the area, the visual arts businesses have a natural resource to pool from. A major interest of our visitors is to find images that represent their experience in the Bitterroot. Visitors always seek out the local culture, the visual and performing arts. It is important to human beings to absorb the total experience of a "visit", of an experience that encompasses the mind, body and spirit, and the five senses. People are interested in the history and culture of an area, the differences that contrast with where they may have come from.

I don't think the Bitterroot is really known as an artsy/culturally centered community, so I do not believe they play a huge role in the economy here.

Attracts more tourism to bring in more outside interest as well as cash flow.

Festivals featuring our culture bring people to the area which helps boost tourism.

A large role. Artists, particularly traveling artists, bring outside money into the Valley.

Improves the quality of life in the area giving families, businesses, and individuals a reason to choose to live and work in the valley. Attracts visitors and contributes to tourism income/economy.

A big role, especially western arts  
As a driver of tourism

At this time, mostly to enhance the quality of life, thus to make us more satisfied and productive.

We DO have quite a history here, but it is not well promoted. I would like to see more promotion of Daly Days, or the Pow Wow's, etc. Lewis and Clark events. Arts and Crafts events.

Primary role--they directly employment of artists, museum staff, etc. This is significant and measurable. Secondary role--quality of life; they make the Bitterroot a desirable place to live, which is important to all of us, but more so to the highly trained, cosmopolitan workforces of RML and, to a lesser extent, GSK. This is even more significant, but not as easy to measure.

Live theater is primarily appreciated by the local Bitterrooters. For visitors staying here for several days, they may find the time to visit museums and historical sites.

The arts, depending on how broad your definition is, can play a role in attracting attention and tourists to the valley. Likewise, an awareness of our cultural heritage can contribute to the strength of the valleys determination to succeed as well as be a reason for tourists to visit.

They play a bigger part than some imagine. The arts bring money into the valley in many forms: lodging, restaurants, shopping during and after shows or productions. People from outside the area are attracted by the arts with a small town flavor.

Highlighting cultural heritage is an important tourism attractor. The arts enrich community life which attracts working professionals and tourists.

They help create jobs and encourage tourism without as many downsides (pollution/over populating) as do industry based economic contributions. Overpopulating and pollution of the valley would decrease one of the major factors that keep the area unique and so desirable.

When I talk to people about art and cultural events they always seem surprised at how much there is here. To me that says we are not doing a good enough job at getting the word out about the arts and cultural heritage here in the valley.

Valley is full of many creative artists using diverse tactics to be able to make a living here. Their efforts to draw tourists for themselves spills over to other businesses. Fairly significant role but should be more so.

They enhance the lives of people here but I don't see a huge impact on most of the people in the valley.

A resurgence in self efficiency - organic growing, fiber art, equestrian related events, agricultural experiences whether it be a pick your own, make your own or tour a farm or facility to learn about how your food, clothes, whatever is made.

They are a huge part of the valley and could build the economy.

More than you think. The arts play a role but not yet a big enough role. Cultural heritage???? Agriculture and it is being eroded daily in the valley with the lack of good land use planning. Native American....unfortunately not presented in any significant manner in the valley.

They need to be more focused on outside their immediate area to bring people into Stevensville.

Having the Hamilton Performing Arts Center and all the local venues available makes the valley appealing. I love all the local art around everywhere. I think that people who visit our valley are drawn back because of the local artists vibe, which is friendly and inviting.

There are many talented individuals here and groups for those individuals to come together. It would be nice if the groups had more opportunities to come together to work on projects and showcase their talents.

Make the community attractive to people wanting to move here - provide jobs.

**3. Do you have some ideas to share with us for expanding the role of arts and cultural heritage in the Bitterroot Valley's economy?**

1. I don't know why the train service from Missoula cannot be utilized in a more productive way. It has been used for cargo only and now because of damage to the tracks isn't being utilized at all. It could be used as a visitor tour train (like Napa Valley in California with the "wine trains"... with tours, talks, visits and stops, besides commuting services for Missoula/Bitterroot. 2. More events in the shoulder season for locals and residents. There is so much going on during the summer it is impossible to see and do everything.

Large Arts Shows

Build an art college/learning institution here. Historical, culturally driven and artistic groups/destinations/organizations should join forces to promote the BV as an arts and cultural heritage experience. Focus less on the place(s) and more on whole experience.

Put more money into the college, more information in the papers, some people aren't even aware that we have a college.

Support festivals that are here to help maintain and grow them.

More promotion of art events, more events.

Assist with funding local educational opportunities for non-profit and arts and cultural heritage professionals and/or professional development grants. Expand rural grants to assist in general operating costs of arts, cultural and heritage sites. Assist and support opportunities to educate the public on the importance of arts and culture.

Rather than 100 events every season -- choose a half dozen high profile events and really make them regional destination events -- we have too many events that are really poorly done.

Strive to include all community members. If we can identify our strengths and our position, we can share our unique community with the world.

Needs more press.

Higher visibility; marketing training for artists & cultural heritage staff. Finding markets outside the Bitterroot for local artists and craftsmen.

Hold an "art in the park" one-day artist show, where artists sell their art, regardless of the medium. The Artists Along the Bitterroot is a good event. Events are a great draw. It might help if the Bitterroot Valley focused on one medium. For instance, Seattle is known for glass art, Enterprise, OR is known for its famous bronze statues. Where are the biggest three to five cultural arts communities in the USA? Advertise and market the Bitterroot arts and cultural heritage in those communities. Get known by other artists. Create a buzz in the arts world.

Carefully planned and executed events focusing on the various aspects of the cultural heritage as a way to draw people to the valley where they can be exposed to the arts that are here in whatever form.

Media coverage of arts events is a must. They should be covered before an event and after. Most newspapers have a culture section; ours does not.

Establish local historic preservation officer in county or city government

Making sure the foundation/logistical needs are developed. These factors would include: infrastructure for transportation (roads/parking/public transportation), sewer/garbage disposal, zoning to encourage healthy/aesthetic growth and maintaining the desirable uniqueness of the communities/valley. All these factors need to be developed in order to continue growth without destroying the beauty of the valley.

Connect more traditional arts and crafts artists with a location or architecture that was historically site for such crafts, ie. weavers with sheep ranch.

Need more 'drivers' plus better education of the general public, from adults to school-age children.

Maybe some more workshops that are actually out in the communities, not sequestered at the Mansion or Stock Farm or Golf Course.

Many groups are trying to achieve this. Some just need some better leadership and public relations.

Yes! I believe that a dinner train experience from Missoula to Sula (or thereabouts) would be a great way to build the Bitterroot economy. Know that the rail line is back up, why not invest in this...locals and tourists would use it if the food & entertainment were bot top-notch...this could definitely work if it were implemented properly. The dinner train could run on weekends and the train could also be used for commuters on week days.

Support the existing galleries and other arts organizations like AAB, MPAA, Stevensville theatre, the new music hall in the old movie theatre in Hamilton, develop a Pow Wow or further develop the Native American presentation in Victor.



Print Ads, Radio spots, word of mouth and community involvement.

Continue to place public art where everyone can see and share it. The SASS sculptures in Stevi are a great example.

Make use of the three excellent, free public libraries that serve the valley.

I think this community already does a good job with this. Perhaps more for young people... toddlers to teens. There isn't much for them to do with their families especially during winter months. Perhaps a Saturday activity?

**4. What (if any) obstacles do you believe might exist that could prevent arts and cultural heritage from playing a larger role in the economy of the Bitterroot Valley?**

It will be important not to "change" the valley but enhance what we have and utilize the resources that people come to experience.

People in the Valley are stubborn and have their own agendas. Leaders who believe in cross-functional teams and cross-organizational relationships need to emerge in order to get the BV to a place of playing a larger role period.

Public interest and public awareness

Size- space

The economy and lack of business training for artists

Lack of professional development/education of arts and cultural heritage professionals. Lack of understanding how arts and cultural heritage can and do play a significant role in the local economy. Lack of funding to literally keep the doors and gates open to rural arts and cultural heritage sites.

Too many people trying to promote too many poorly run events.

The majority of the population is affected by negative economy. Spending income on arts and cultural heritage is not a priority. As our disposable income increases, so does our inclination to

spend in these areas. Also, the "arts/cultural heritage" community is viewed as liberal. This contributes to the widening schism that exists here politically and economically.

Lack of attention and education.

Depending on the local economy to support artists & institutions. For arts & cultural heritage sites to thrive, we need an expanded market, i.e. attracting more people to the area (tourists, visitors) and finding markets outside the Bitterroot.

Visitors come to Montana for the great outdoors first and foremost. Once they are here, tourists could find themselves pleasantly surprised by a thriving arts community.

Constraints to travel and a failure to present a unified and cooperative effort to make the valley a destination.

The artists and artisans are facing a worse economic dilemma than most industries. The economic downturn has prevented many from continuing to work in the arts. Artists are constantly asked to contribute to this cause or that charity without payment. Art has been the fund-raising generator of charities or non-profit organizations for years. Now many of those artists are looking for jobs.

Lack of effective coordination between arts organizations and cultural, historical organizations

The caliber of arts and cultural events now available. The ability/desire of persons to organize higher/bigger caliber events efficiently and economically. Logistical restrictions like lodging, event venues, utility impacts (sewage/garbage)

I think the economy itself is the biggest obstacle. There are so many people here that are in survival mode and tourism has slowed. As the economy improves over the years there will be more disposable income and people will start to look towards the arts again.

Destruction of historic buildings, artifacts lost. Too many competing events that don't have much to do with western pioneer heritage.

Dollars, cents, lack of understanding

Education, if the arts are dropped in the schools, appreciation for the arts will diminish.  
The residents that came here for the lifestyle but don't wish to share it with anyone.

Money.

The lack of a central office to coordinate and promote the existing activities and enterprises.  
There is always talk among various organizations to coordinate but it cannot happen due to the unavailability of one-source coordination.

Money is tight and people are stressed. Perhaps starting with some free showings with complimentary wine, give each person two drink tickets and that way no one gets crazy.

We currently have a commission who wants to rape and pillage everything that is beautiful around us for short term dollars.

The physical distance from one end of the valley to the other, the belief (real or imagined) that Hamilton gets all the good stuff, current lack of a strong and cohesive marketing strategy.

Cost of attending activities. However, it is hard to put on a good performance or exhibit, etc. without funding - grants are hard to come by.

## Appendix 4

Retail sales supply, demand, and sales voids (leakages or surpluses) in Ravalli County, April 2013

NAICS	Industry group	Supply	Demand	Gap
441	Motor vehicle and parts dealers	\$ 65,930,000	74,027,000	(8,097,000)
442	Furniture and home furnishings dealers	13,011,000	8,267,000	4,744,000
4431	Electronics and appliance stores	22,508,000	11,381,000	11,127,000
444	Bldg. materials, garden equip., supply stores	37,317,000	15,653,000	21,664,000
445	Food and beverage stores	89,258,000	65,154,000	24,104,000
446	Health and personal care stores	29,252,000	24,118,000	5,134,000
447	Gasoline stations	56,514,000	52,030,000	4,484,000
448	Clothing and clothing accessories stores	5,566,000	19,693,000	(14,127,000)
451	Sporting goods, hobby, book and music stores	16,427,000	11,108,000	5,319,000
452	General merchandise stores	16,685,000	71,724,000	(55,039,000)
453	Miscellaneous store retailers	14,139,000	13,416,000	723,000
454	Nonstore retailers	14,504,000	11,397,000	3,107,000
722	Food services and drinking places	34,634,000	37,428,000	(2,794,000)
		415,745,000	415,396,000	349,000

## Appendix 5

A few recommended reports and presentations about creativity and economic development

***The Artistic Dividend: The Arts' Hidden Contributions to Regional Development***, by Ann Markusen and David King, published by the Humphrey Institute of Public Affairs at the University of Minnesota, July 2003. Markusen and King began their research with the premise that studies that measure the economic impact of the arts by focusing primarily on arts venues, arts patrons, and the money they spend on arts-related activities fail to recognize the broad and complex range of contributions the arts make to local and regional economies. They then examined cities and regions with relatively large concentrations of artists (they included people involved in performing arts, visual arts music, and literature) and explored the factors that help those cities and regions cultivate strong arts communities – factors such as philanthropic, educational, and entrepreneurial support; the availability of arts-specific work space and live/work housing; and connections between arts and businesses. They refer to the economic activity that would not happen without the presence of artists the “artistic dividend”.

***Creativity and Neighborhood Development: Strategies for Community Investment***, by Jeremy Nowak, for The Reinvestment Fund, resulting from collaboration with the Social Impact of the Arts Project (SIAP) at the University of Pennsylvania (December 2007). Although focused on urban neighborhoods, rather than on rural communities, Nowak’s research on the importance of arts and cultural assets in strengthening economies has relevance for the Bitterroot Valley.

**The Economic Impact of Montana Artists**, produced by the Center for Applied Economic Research at Montana State University at Billings (January 2005). This study, based on surveys of 3,000 Montana artists, estimated that the artists participating in the survey generated \$28 million in sales in 2003, supporting 729 jobs and stimulating an additional \$11 million in spinoff sales in unrelated businesses. By extrapolation to the overall state, the report estimated that Montana artists generated approximately \$233 million in direct and indirect sales in 2003 (of which out-of-state buyers generated 77 percent) and provided over 4,200 full-time jobs.

**“The Economic Power of Creative Industries”**, a presentation by Stuart Rosenfeld of Regional Technology Strategies for the National Governors’ Association, March 24-25, 2011. Mr. Rosenfeld’s presentation discusses studies of creative industry clusters in seven states (Arkansas, Colorado, part of Mississippi, Montana, North Carolina, Wisconsin, Wyoming) and two cities (Charleston and Washington). He includes a reference to Montana from “Enterprising States”, US Chamber of Commerce (2011): “While Montana’s energy and mining clusters added a combined 8,400 high-paying jobs to the state since 2011, Montana’s

greatest source of national dominance came from the connection of arts, entertainment, recreation, and visitor industries, perhaps a sign that the rest of the nation is beginning to discover the Big Sky country”.

***New Engines of Growth: Five Roles for Arts, Culture and Design***, by the National Governors Association’s Center for Best Practice, in conjunction with Bill Fulton of the Solomar Research Group, explores five major roles that arts, culture, and design can play in economic development:

1. They can provide a fast-growth, dynamic industry cluster
2. They can help mature industries become more competitive
3. They can provide the critical ingredients for innovative places
4. They can catalyze community revitalization
5. They can deliver a better-prepared workforce

*New Engines of Growth* approaches the topic of arts and community/economic development from a state policy perspective but is nonetheless quite relevant for local and regional policy.