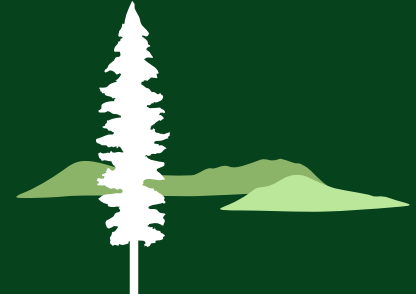




Ecosystem Workforce Program

BRIEFING PAPER
NUMBER 43
SUMMER 2012



FEDERAL INVESTMENT IN NATURAL-RESOURCE BASED ECONOMIC DEVELOPMENT IN OREGON

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Natural resource-based economic development in public lands communities requires robust businesses, a supportive policy environment, and institutions to create local benefits from land management. The United States Department of Agriculture (USDA) Forest Service fosters economic development through service work, timber sales, and other mechanisms. USDA Rural Development Business and Cooperative Service (RDBCS) assists rural businesses through loans, loan guarantees, and grants. Currently, there is not broad understanding of how their resources reach the ground. This study considers how these agencies invested in natural resource and economic development activities in Oregon from 2007-2011 (Table 1).

Approach

We obtained data on Forest Service and RDBCS investments from USASpending.gov. We included Forest Service spending through service contracts and agreements on natural resource management activities.

Results

Service contracts were the majority of the Forest Service's spending (79 percent or \$302 million; Figure 1). Thirty-nine percent of Forest Service spending was through the American Recovery and Reinvestment Act of 2009. The majority of RDBCS spending (88 percent or \$205 million) was through loan guarantees (Figure 1). Less than one percent of RDBCS spending went to businesses that we could clearly identify as natural resource-based.

The Forest Service and RDBCS each invested about 60 percent of all spending in western Oregon. Both agencies spent most the most in nonmetropolitan counties. However, the Forest Service spent

the most in counties with two-thirds federal land whereas RDBCS spent the most in counties with less than one-third federal land. For both agencies, spending was concentrated among a small number of recipients (Figure 2).

Conclusion

This study suggests that the Forest Service and RDBCS primarily engaged businesses through their natural resource management and economic development mechanisms, and spending was concentrated among small numbers of recipients. Additional research may reveal more about the breadth and depth of federal investment in natural resource-based economic development.

More information

The complete study can be found in the EWP Working Paper #43, "Federal investment in natural resource-based economic development in Oregon," which is available at ewp.uoregon/publications/working.



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Table 1

USDA Forest Service and Rural Development Business and Cooperative Service investments in Oregon, 2007-2011		
	USDA Forest Service	USDA RDBCS
Total invested, 2007-2011	\$380 million	\$237 million
Primary mechanism	Contracts	Business and industry loan guarantees
Primary recipient type	Businesses	Businesses
Percent spent on western/eastern sides of state	60%/40%	61%/39%
Percent spent in metro/nonmetro counties	45%/55%	45%/52% *
Percent of money spent in economically nonspecialized counties	40%	65%
Percent of money spent in counties with more than 2/3 public lands	44%	21%
Top recipients by county	Marion, Jackson, Lane	Umatilla, Polk, Clackamas

*Three percent of RDBCS spending was in an unspecified location

Figure 1

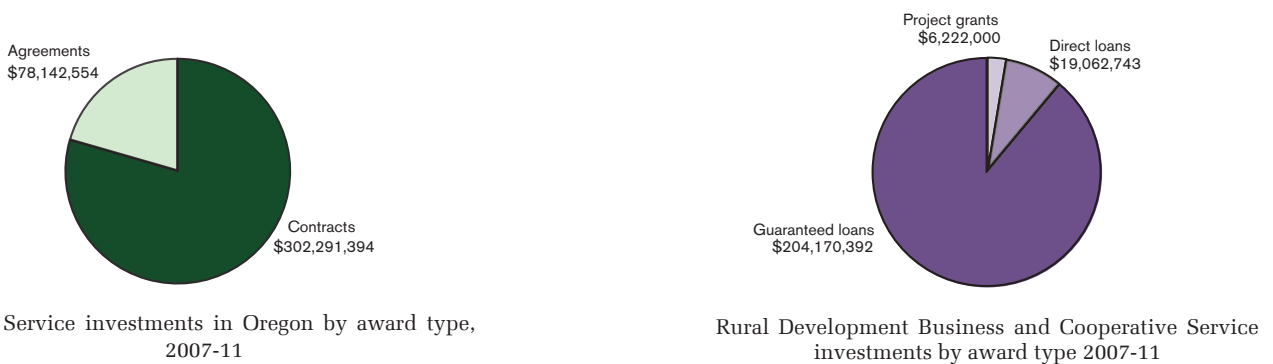
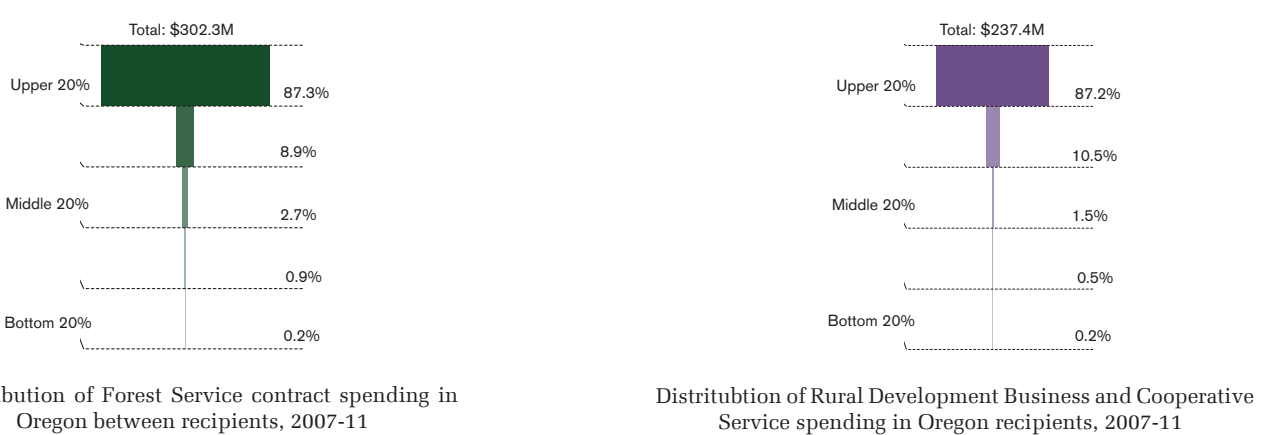


Figure 2



This briefing paper was made possible with funding from the US Endowment for Forestry and Communities and USDA Rural Development. The Dry Forest Zone project team is Sustainable Northwest, the Watershed Research and Training Center, Walla Walla Resources, and the Ecosystem Workforce Program. For more information, please see www.sustainablenorthwest.org/programs/dfz. Photo credit: Emily Jane Davis

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