



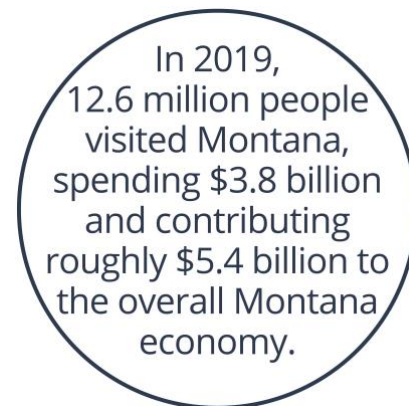
Tourism Could Be an Economic Driver in Indian Country, With Focus and Investment

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Because of necessary precautions to curb the spread of the coronavirus, the tourism industry in Montana took a hit this year. Typically, tourism is one of Montana's leading industries, supporting tens of thousands of jobs and contributing billions of dollars to the state economy annually. In 2017, the Montana Legislature passed Senate Bill 309 to increase tourism in Indian Country and Montana. Today, Montana is recognized as a leader in tribal tourism.¹ Still, there is a significant opportunity to expand tourism and economic development on reservations and across the state. As Montana rebuilds from COVID-19, the Legislature should consider solutions to reinvigorate and strengthen the tourism industry.

Tourism Provides Significant Boost to Montana's Economy

In 2019, 12.6 million people visited Montana, spending \$3.8 billion in local communities. Each visitor group spent an average of \$153 per day and stayed between four and five nights. When accounting for direct, indirect, and induced impacts of this spending (see endnote for definitions), the overall economic contribution of visitor spending to Montana's economy was an estimated \$5.4 billion. This activity supported more than 53,000 jobs and generated more than \$265 million in state and local taxes.²



Businesses like gas stations, restaurants, hotels, and outfitters tend to benefit most directly from tourism. In 2019, tourists spent the greatest share of their dollars on gasoline/diesel. Restaurants and bars saw the second greatest share, followed by sleeping accommodations and outfitters/guide businesses.³ A breakdown of tourist spending by category for 2019 is shown in the chart on page 2.

However, tourism impacts Montana beyond visitor spending. Outdoor recreation, a major draw for nonresident visitors, also attracts visitors to return to Montana with their businesses and jobs.⁴ According to a 2015 study, more than 50 percent of Montana residents have moved here from elsewhere. Of that group, about 13 percent vacationed here first, and of the 50 percent, nearly 7 percent own a business. New residents bring a wide variety of businesses that result in job creation and business diversity.⁵

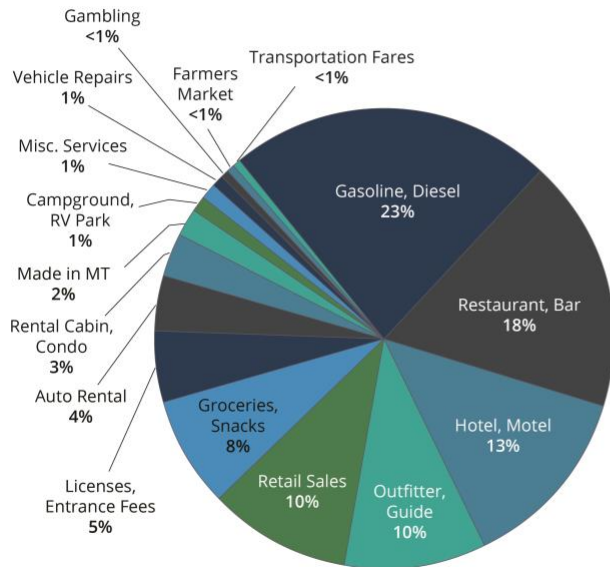
National Parks, Recreation, and Indian Country Bring Tourists to Montana

As mentioned, the outdoors attract visitors to Montana. In 2019, visitors came primarily for vacation and outdoor recreation, with the main draws being Glacier and Yellowstone National Parks. Other popular recreation attractions included mountains, forests, and other open spaces and uncrowded areas.⁶

Indian Country also draws tourists to Montana. According to research commissioned by the Montana Department of Commerce, 82 percent of visitors to Montana expressed interest in exploring sites and experiences related to American Indian culture and history.⁷ However, one-quarter to one-half of travelers do not stop while passing through a reservation because they do not know what is available.⁸ While still a significant amount, of the 12.6 million visitors in 2019, more than 750,000, or 6 percent,

reported reservation visits as an activity of their trip.⁹ Lack of awareness and visibility contribute to the issue, showing that there is still an opportunity to grow tourism activity in Indian Country and Montana.¹⁰

Visitor Spending Brings Billions of Dollars to Montana 2019 Nonresident Traveler Expenditure



Expenditure Category	Allocation by Category	Average Daily Per Group	Total Expenditures
Gasoline, Diesel	23%	\$34.49	\$860,770,000
Restaurant, Bar	18%	\$27.55	\$681,020,000
Hotel, Motel	13%	\$20.09	\$496,440,000
Outfitter, Guide	10%	\$15.30	\$375,160,000
Retail Sales	10%	\$14.39	\$357,820,000
Groceries, Snacks	8%	\$12.21	\$303,760,000
Licenses, Entrance Fees	5%	\$8.85	\$204,990,000
Auto Rental	4%	\$5.67	\$139,120,000
Rental Cabin, Condo	3%	\$4.90	\$116,700,000
Made in MT	2%	\$3.26	\$80,840,000
Campground, RV Park	1%	\$1.99	\$50,110,000
Misc. Services	1%	\$1.81	\$43,500,000
Vehicle Repairs	1%	\$1.12	\$28,300,000
Gambling	<1%	\$0.57	\$14,200,000
Farmers Market	<1%	\$0.30	\$7,290,000
Transportation Fares	<1%	\$0.04	\$860,000
Estimated Total		\$152.54	\$3,760,880,000

Senate Bill 309 Helps Fund Tribal Tourism Activities

To help connect visitors to places and experiences in Indian Country, the 2017 Legislature passed Senate Bill (SB) 309, which:

1. Added to the state’s existing tourism regions an Indian Country Tourism Region, which spans the entirety of the state and its six existing tourism regions;¹¹
2. Expanded the Governor’s Tourism Advisory Council (TAC) to include a tribal member from the private sector; and
3. Designated the State-Tribal Economic Development Commission (STEDC), an eleven-member governor-appointed body that works to expand and improve economic opportunities for each of the eight tribal nations, as the authority to expand tourism in Indian Country.

SB 309 also helps fund tribal tourism activities. It allocates 0.5 percent of state bed tax revenue to the STEDC to develop and promote the Indian Country Tourism Region.¹² In fiscal year 2019, that revenue share amounted to \$120,000.¹³ The coronavirus pandemic could likely have an impact. Between fiscal years 2019 and 2020, bed tax collections decreased from \$35.2 million to about \$30.7 million.¹⁴ The Department of Commerce separately funds a full-time tribal tourism officer and various programs, including Indian Equity Fund (IEF) Small Business Grants and the Tourism Grant Program, for which tribal governments and tourism businesses may be eligible to apply.¹⁵

Tribal Tourism Improves Access to Economic Opportunity

Visitor interest in tribal tourism presents tribal communities with the opportunity to tap into the tourism market and to translate visitor interest into economic development opportunities. Unquestionably, local

tribal citizens, governments, and businessowners are in the best position to understand and identify the unique local landscapes, cultures, recreational opportunities, and events that will help increase tourism in their communities. Many tribal nations are seeking to diversify their economies from single revenue-generating assets, such as agriculture, coal, or timber, to include more emphasis on tourism. From hotels and campgrounds, gas stations, guided hunts, and exhibitions of traditional culture, several tribal nations have already undertaken a variety of economic development efforts focused on tourism, and others are planning to do more in the future.

In addition to the efforts and enterprises undertaken by tribal governments, there are also several individual Indian-owned businesses working to draw visitors to their communities. These businesses offer an array of products and services, including activities such as whitewater rafting, overnight camping in tipis and cabins, and guided cultural tours of tribal homelands.

Tribal tourism promotes access to economic opportunity and a greater understanding of contemporary American Indian culture and identity. Montana's new Indian Country Tourism Region is helping maximize the benefits of tourism to enhance reservation economies by supporting the growth of local businesses and increasing employment opportunities.

Tribal Tourism Is a Win-Win for Indian Country and Montana

Each year, nonresident visitors contribute billions of dollars to Montana's economy, support tens of thousands of jobs, and generate hundreds of millions of dollars in state and local tax revenue. Indian Country plays a key role in drawing those visitors to Montana, entitling the tribal tourism industry to state investment. This year, tribal nations exemplified leadership and took steps to protect public health through emergency orders and proactive measures, despite the impacts on tribal tourism and economies. As Montana plans for a post-COVID-19 recovery, the Legislature should consider solutions to reinvigorate and strengthen the tourism industry.

¹ Sobrepena, H., "[Implementation of SB 309 \(2017\)](#)," presentation to the State-Tribal Relations Committee, Mar. 6, 2020.

² **Direct impact** result from traveler purchases of goods and services. **Indirect impact** result from purchases made by travel-related businesses, and **induced impact** result from purchases by employees in travel-related occupations. Grau, K., "[2019 Nonresident Visitation, Expenditures & Economic Impact Estimates](#)," University of Montana Institute for Tourism and Recreation Research, May 18, 2020.

³ Grau, K., "[2019 Nonresident Visitation, Expenditures & Economic Impact Estimates](#)," University of Montana Institute for Tourism and Recreation Research, May 18, 2020.

⁴ Sage, J., "[Using Tourism to Recruit New Business](#)," University of Montana Institute for Tourism and Recreation Research, June 2020.

⁵ Grau, K., "[Relocation to Montana: Current Residents Who Were Influenced by Previous Vacations or Seasonal Tourism Jobs to Move to the State](#)," University of Montana Institute for Tourism and Recreation Research, Mar. 1, 2015.

⁶ University of Montana Institute for Tourism & Recreation Research, "Nonresident Report Data," accessed on Dec. 7, 2020.

⁷ Department of Commerce, "[Tribal Tourism Montana Strategic Plan, FY20-21](#)."

⁸ Sage, J. L., Wheeler, I., and Nickerson, N. P., "[Indian Country Cultural and Heritage Tourism](#)," University of Montana Institute for Tourism and Recreation Research, July 2019.

⁹ University of Montana Institute for Tourism & Recreation Research, "Nonresident Report Data," accessed on Dec. 7, 2020.

¹⁰ Sage, J. L., Wheeler, I., and Nickerson, N. P., "[Indian Country Cultural and Heritage Tourism](#)," University of Montana Institute for Tourism and Recreation Research, July 2019.

¹¹ Sobrepena, H., "[Implementation of SB 309 \(2017\)](#)," presentation to the State-Tribal Relations Committee, Mar. 6, 2020.

¹² Montana Office of Tourism and Business Development, "[Tribal Tourism Montana](#)."

¹³ Office of Tourism and Business Development, "[Tribal Tourism Montana](#)."

¹⁴ Office of Tourism and Business Development, "[Lodging Facility Use Tax](#)," accessed on Dec. 17, 2020.

¹⁵ Montana Office of Tourism and Business Development, "[Tribal Tourism Montana](#)."