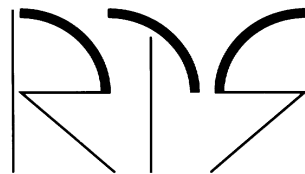


**Clusters of Creativity:
Innovation and Growth in Montana**

**A Report to the Montana Governor's Office of Economic
Opportunity on
The Experience Enterprise and Tourism Cluster**



**R E G I O N A L
T E C H N O L O G Y
S T R A T E G I E S , I N C .**

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Prologue: Montana Industry Clusters

In the Spring of 2002, the Montana Governor's Office of Economic Opportunity embarked on a bold new direction in pursuing the state's economic development. After meeting with leading national experts and consulting with the Montana business community, the state's economic "stewards" embraced the most innovative and promising new approaches to developing good jobs, prosperous businesses, and a competitive Montana economy for the 21st century. The new approaches work from the simple premise that Montana's existing businesses are the state's most important assets. Their entrepreneurial energy and skills represent the state's most efficient source of economic growth. They have chosen to be in Montana for a reason.

This paper represents a single chapter taken from a report conducted by Regional Technology Strategies, Inc., (RTS) that was delivered to the Montana Governor's Office of Economic Opportunity in May 2003. It examines Montana's existing and nascent industries as a set of "clusters." A cluster is defined, in simplest terms, as a geographic region containing enough companies that have similar or related needs and interests to generate external economies of scale and produce innovation. Ultimately, these innovative businesses are likely to export more goods and services outside of the state, creating jobs and wealth for Montanans. To "supercharge" their potential and the state's economic wellbeing, economic development leaders at the state and local levels can focus on working together to organize the state's services in a way that helps them compete and grow, and help the businesses themselves organize to collaborate in ways that enhance their competitive standing. In tandem with this report, RTS also conducted an assessment of innovation and entrepreneurship support capacity within Montana's regions.

The study therefore focused on the questions: Which industries are the drivers of Montana's economy; where, if anyplace, are they clustered; how does this translate to advantage for the industries; and what further advantages can be developed to accelerate growth? The full report analyzes the state's assets and opportunities and recommends a set of cluster-based policies and strategies designed to strengthen its regional economies. It identifies existing and nascent clusters, assesses their strengths, challenges, and potentials, and recommends actions for building and elevating their respective competitive positions. The report also focuses on small, creative, and innovative businesses that are particularly important to Montana's economic success.

We have chosen to analyze six value-added clusters, which represent important regional economic drivers in some depth. The clusters were selected because (a) they already have a significant scale and therefore are important to Montana's overall economy and (b) they comprise very different kinds of industries in different stages of growth.

- The **creative enterprise cluster**, and the **experience enterprise and tourism cluster** encompass products and services and convert Montana's unique culture, heritage, and natural resources into economic advantages.

- **Wood-based industries** and **food processing** are traditional industries important to the state for many decades.
- **Information technology** and **life sciences**—often grouped under the term “New Economy”—are ascendant clusters that have not yet reached their potential.

Some businesses cross the boundaries of these clusters such as agricultural biotechnology (agriculture and life sciences), or custom furniture design firms (wood and creative enterprises, complicating efforts to say just how much of Montana’s economy is involved in these ventures. Nonetheless, a rough estimate is that one-fourth of Montana’s business establishments and just under one-fourth of the state’s employees are involved in these clusters. Cluster members comprise a larger proportion of the state’s highest value-added industry and, we believe, are a significant source of its future growth.

In addition to the industry clusters examined by this report, many other industries employ large numbers of people and produce significant revenue. These include embryonic clusters such as aerospace, environmental technologies, and health care planners, as well as mature clusters such as oil and gas or metalworking. The goal of this report is not to be the “last word” on Montana’s industries of importance, but rather, to help Montana begin to build more effective structures and programs to work with the six clusters and empower the state to be a more effective partner to all of the state’s industries.

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“As goods and services become commoditized, the customer experiences that companies create will matter most.”

- B. Joseph Pine II and James H. Gilmore, “Welcome to the Experience Economy,”
Harvard Business Review, 1998

For years, while working for non-profits, Pam and Bill Bryan had been arranging fishing trips, wildlife viewing, ranch visits, and other outdoor activities for friends and relatives. In the mid-1980s they decided to turn their knowledge of the West’s resources, respect for the environment, and organizational skills into a business venture. In 1986, they found investors to start a tour business that they named Off the Beaten Path. Over the last 17 years their company has grown to 17 people in its home office in Bozeman. They also contract with a number of tour guides around the world. Off the Beaten Path arranged more than 2,000 trips last year in Montana and across the Canadian and Central Rockies, Alaska, the Southwest, Pacific Northwest, and Patagonia at prices ranging from approximately \$1,600 to \$4,000. About two-fifths of the firm’s business is repeat and two-fifths is referrals, a testimony to the quality of the experience. The other fifth comes through advertising. The company is part of an international network called the Adventure Collection that works together and sometimes co-brands tours.

“Experience,” some contemporary experts predict, will become the next major growth area for regional economies. It differs dramatically from more traditional economies in a number of ways, as shown in Table IV-1. Its competitive advantage is based on the ability to offer a customer a satisfying and memorable experience. Customer demand is based not on utility or benefits but on the sensations and memories that the experiences create. Buyers are guests, not clients or users. Successful regions have integrated the for- and non-profit enterprises that organize, promote, or facilitate the experiences themselves and the businesses that support travel or other needs and interests associated with the experiences.

Montana is a state that is fortunate to be able to offer a vast range of native experiences, without having to simulate or fabricate experiences with theme parks or mega malls. Montana is the real deal—natural resources, diverse topography, wildlife and wilderness areas, and a distinctive heritage including its Native American and frontier cultures. Its mountains, forests, ranges, lakes and rivers, and national parks provide the state economic opportunities to respond to the baby boomers’ appetite for structured and active outdoor activities, retirees’ interests in exploring historical sites and nature preserves, hunters’ interests in a wide range of wildlife, and generation X’ers interests in outdoor sports. The state’s historical western cowboy and exploration heritage, Native American history, and western art, design, and music attract visitors of all ages.

Table IV-1 Economic Distinctions				
Economic Offering	Commodities	Goods	Services	Experiences
Economy	Agrarian	Industrial	Service	Experience
Function	Extract/Grow	Make	Deliver	Stage
Nature of offering	Fungible	Tangible	Intangible	Memorable
Key Attribute	Natural	Standardized	Customized	Personal
Buyer	Market	User	Client	Guest
Demand Factor	Characteristics	Features	Benefits	Sensations

Source: Pine and Gilmore, "Welcome to the Experience Economy," *Harvard Business Review*, July-August 1998.

The firms and entrepreneurs that structure, promote, and facilitate the experiences, provide the transportation, supplies, and equipment to take advantage of the experiences, and accommodate those who participate in them represent the core of this cluster. These companies and freelancers represent a large source of employment and wealth and also support related jobs as those from out-of-state purchase other goods and services that express the state's character, such as art, souvenirs, and gifts.

Tourism results from many interests but most can be classified in one of two general categories, cultural tourism and ecotourism. Cultural tourism, as defined in a position paper prepared for the 1995 White House Conference on Travel and Tourism is "travel directed toward experiencing the arts, heritage and special character of a place."⁴¹ History is one form of cultural tourism that cuts across all of Montana, with major sites that mark the exploration and development of the western United States. The impending anniversary of the Lewis and Clark expedition through Montana will provide an excellent opportunity to market the state and its history. Various regions are already developing "cultural corridors" to showcase their regions' landmark sites in order to attract new and repeat tourists interested in history and encourage visitors who come to Montana for other reasons to extend their stays.

The Missoula Cultural Council, for example, is designing corridors that span the area west of the Rockies. It is mapping paths of cultural attractions along four different corridors, each of which uses Missoula as a gateway: Pioneer Pathway following the Mullan and Yellowstone trails; Flathead Valley, following I-93 from Missoula north; Seeley-Swan, along the way to Glacier National Park; and Bitterroot Valley, south along the Lewis and Clark trail. Other cultural corridors are being planned in other regions, such as along U.S. Highway 200.

Another type of cultural tourism is based on Montana's exceptional concentration of artists, craftspeople, and writers, who attract people who want to study with them or just view and perhaps purchase their work (see Section III).

Eco-tourism is based on visitors who come to Montana for recreation, nature-based vacation, adventure, or sports. These are people who travel to the state to hunt, fish, climb mountains, raft the rivers, hike the trails, camp, take scenic drives, mountain bike, horseback ride, ski, bird watch, snowmobile, or vacation on working farm or dude ranches. The state and federal parks and forests are major attractions, but private lands

also draw large numbers of eco-tourists. The category also includes agri-tourists who come to the state to spend time on working farms, dude ranches, and spas, which are among the state's oldest attractions for visitors. In the 1930s, for example, Montana had more than 100 dude ranches; today there are at least 200 ranches that offer guest services.

Some of the activities classified under either cultural and ecotourism are related to special events. These events, which can be either participatory or spectator, are generally planned and time-sensitive occasions. They include conferences, football games, arts workshops, Elderhostel programs, festivals, and family reunions. Cultural tourism and eco-tourism are not mutually exclusive from event tourism or from each other, and many people who come for one purpose may also pursue other forms of tourism. The "incidental tourists," who may have traveled to Montana for work, conferences, meetings, or family visits, might be enticed, with proper planning and marketing, to extend their stays to participate in cultural events or visit historic and scenic places. The Montana Festival of the Book, International Choral Festival, Montana Old Time Fiddlers Convention, Sweet Pea Festival of the Arts, Nordicfest, and Running of the Sheep are just a few examples of local events aimed at drawing people from outside the region and state.

A A Few Facts about Experiences and Tourism in Montana

Montana has one of the highest rates of non-resident travel of any state. In 2001, nine and a half million people traveled into the state, 27 percent more than a decade earlier and about double the number of non-resident visitors to North Carolina on a per capita basis. Visitors to the state spent more than \$1.7 billion and generated an estimated \$563 million in personal income.^{ii iii} Tourists consumed 110 million meals in Montana in 2001. Montana ranks 13th in the nation in per capita spending by tourists.

A recent survey of tourists found that most people are attracted to Montana because of its natural resources, that is, its parks, mountains and rivers, and wildlife for sports, recreation, or solitude. The most popular recent destinations were Yellowstone (21%) and Glacier (17%) national parks. Next were the mountains, forests, rivers, and lakes (13%). Open/less populated spaces (11%), hunting & fishing (9%), and camping (2%) combined accounted for 22 percent of destinations. Traveling to see family and friends (12%) and learn first-hand about Montana history (4%) made up most of the rest.^{iv}

In 2001, a survey of non-resident tourists showed that 37 percent shopped, 30 percent watched wildlife, 27 percent took day hikes, 23 percent visited historic sites, 19 percent camped out, 17 percent visited museums, 14 percent fished, and 13 percent visited Native American sites, and 13 percent visited Lewis and Clark sites.

The vast majority of domestic tourists came from the western half of the U.S., with only about six percent from the Northeast and seven percent from the Southeast. Only two percent, however, came to Montana from outside of North America. Agri-tourism has proven a bigger draw for easterners. Among those coming for ranch or farm visits based

on earlier research, nearly two in five were from the East, and one in five was from the Midwest.^v

The promotion of tourism is a common function of state governments and, increasingly, a leading rural development strategy.^{vi} In Montana that function is carried out by Travel Montana, which clearly recognizes the economic value of tourism as an industry, if not as a cluster. It maintains an extensive web site, produces marketing materials, represents the state internationally with representatives in six European countries, provides technical assistance, and gives out grants to local organizations. In September 2002, the Montana Tourism & Recreation Initiative and Montana Department of Commerce Promotion Division produced a strategic plan for the cluster titled *Big Sky...Montana Tourism & Recreation Strategic Plan 2003-2007*.

Travel and tourism are viewed not only as an economic activity with direct and measurable outcomes but also as an advantage in recruiting businesses and talent to the state by highlighting its natural and cultural assets. The recent state plan separates the elements of this cluster among attractions, activities, events, and support systems.

The measure of this cluster's success is its ability to draw people into the state and entice them to spend as much money as possible—without harming or degrading the natural or cultural environments or altering the characteristics the tourism industry's foundation. This is a delicate balance that has been difficult to keep in some places. The scenic Wisconsin Dells, for instance, have been turned into a tourist attraction that today holds little of its original charm. Because outside influences can change a community, Montana residents surveyed in 2000 stated in strong terms that decisions about tourism should involve residents and not be left solely to the market. Natural attractions also have capacities that can alter the environment when exceeded, sometimes irreversibly. Therefore, the state and its citizens ought to have some voice in the scale of the experiences that create tourism.

B Who's Who in the Tourism and Culture Cluster?

This cluster, like the creative enterprise cluster, is difficult to distinguish by standard industry classifications. Most of the revenue generated comes not from the core of the cluster, the amenities that attract tourists, but from the incidental expenditures, the spending on lodging, meals, and souvenirs, and gifts. The cluster core, as noted earlier in this section, is composed of two classes of attractions, cultural tourism and eco-tourism.

- Cultural tourists are drawn by experiences that relate to special historical, educational, and artistic attractions.
- Eco-tourists come for activities associated with nature and the environment, such as outdoor sports-related, nature, and action activities, e.g., rafting, skiing, hiking, camping, and bird watching.

It is important to note that many visitors do not view these two classifications as mutually exclusive. People are more apt to visit a variety of attractions. Part of

Orlando's attraction, for instance, is that it has multiple theme parks, water resorts, and vacation spas in close proximity to one another. Montana can't match that kind of concentration, but it can compete on authenticity if the attractions are well packaged and accessible. A group coming to Montana to hike may also choose to visit historic sites and attend events, and people coming for business purposes, conferences, or family events may choose to extend their stays to take advantage of attractions. The current efforts to build "cultural corridors," if designed to be inclusive enough, are one way to extend visitors' stays and expand their exposure to the region.

Experience enterprises

The companies that comprise the two sub-clusters include those that design, organize, host, manage, maintain, preserve/protect, and/or guide people to and through places that provide the experiences, such as historic sites; museums and theatres; ski, snowmobile, hiking, and horse trails; hunting clubs; casinos; parks, lakes and rivers; and farms, spas, and ranches.

The experience enterprise cluster includes approximately 200 museums in the state that feature art, regional history, sacred sites, battlefields, nature, and science that had about 2.3 million visitors and employed more than 800 people in 1999. A survey found that, conservatively, museum visits added more than \$42 million to the state's economy. The Bighorn County Historical Museum on the Crow Indian Reservation, for example, attracted 30,000 visitors last year, 96 percent from out-of-state, and employs three people full-time and six part-time, as well as 20-25 volunteers. The Fort Peck Dam Interpretive Center and Museum that is under construction and scheduled to open next year expects to attract an annual 400,000 visitors who will come to learn about the prehistoric finds of the area and local wildlife as well as the construction of the dam during the Depression. But the economic impact extends beyond the museum visits themselves to crafts sold at their gift shops and local stores, food and lodging, and other incidental expenses of tourism.

The cluster also includes the large number of companies and independent contractors that arrange and guide groups on various outdoor recreational and sporting experiences. Some of the most successful of these companies have turned their interests and knowledge globally, arranging and leading tours in all parts of the world.

This cluster also encompasses tourist activities at working ranches and farms—an increasingly important source of supplemental income for many agrarian economies. Such tourist attractions target urban people, many of whom want their children to have a rural experience. The outdoors, and often agricultural, experience, a recent research survey concluded, "is probably one of the best marriages in terms of market demand. With growing populations in urban America, there is a need for open space, a relaxed atmosphere, and a different way of life (even if it is just a one-week vacation). The farmer/rancher can provide these opportunities..."^{vii} A survey conducted in 1997 found that 16 percent of farm and ranch revenues in Montana come from recreation. Of the 292 farms and ranches that responded, 34 percent operate a working ranch or farm; 25

percent are guiding and outfitting; 21 percent receive fees from a dude/guest ranch; 23 percent get fees for hunting or fishing, and 19 percent rent cabins or guest houses.

There is considerable crossover between the creative enterprise cluster and this cluster, with many of the creative enterprises holding events that attract people from out-of-state who are also tourists. The ceramic workshops of the Archie Bray Foundation and photography workshops of the Rocky Mountain School of photography bring people to Montana who then take advantage of other state attractions. The festivals and fairs organized by various arts and writing associations and guilds have the same impact.

A large number of the experience enterprises are marginal mom and pop businesses in terms of revenues, operating for supplemental income or subsidized and managed on a volunteer basis because they enhance a community's attractiveness. Most of the museums, for example, operate on shoestring budgets and take in less than \$10,000 per year. Nearly all experience enterprises, however, begin that way and some do grow to scale. A certain percentage find a special niche, and with sufficient ambition, and technical/financial assistance, do grow to scale—although “scale” in this cluster tends to be significantly less than the SBA definition of “large” as 500 or more employees. Companies such as KOA, Missoula Children's Theater, and Off the Beaten Path are small by SBA's criteria but are major employers in the state and important leaders within the cluster.

Tourism support enterprises

The larger economic impact of the cluster comes from the many enterprises that support the experience-based industries, produce the majority of the jobs associated with the cluster, and generate the majority of the cluster's revenues. The challenge in measuring those economic impacts is that many of the most numerous support establishments serve local and other in-state residents as well as tourists. Local residents and tourists alike frequent restaurants, specialty gift shops, theaters, and sports events.

A national study found that a typical non-resident attendee at a non-profit art event spends on average, in addition to the price of admission, \$15 on food, \$4 on gifts and souvenirs, \$6 on transportation, and more than \$13 on other.^{viii} The major downside to employment in the support sectors is that they tend to pay less than the core enterprises. Many of the jobs are low wage, part-time, seasonal, and pay too little to support a family.

The Institute for Tourism and Recreation Research estimates the share of expenditures associated with non-resident travel each year. It increased, using 2002 dollars, from \$1,597 million in 1994 to \$1,712 million in 1998 to \$1,804 million in 2002— with an increase of 13 percent in constant dollars over the eight years. The 2002 expenditures are: retail sales (24 %), restaurant & bars (18%), hotel and lodging (16%), groceries and snacks (8%), miscellaneous expenses and services (6%), auto rental and transportation (5%), and campgrounds & RV parks (1%). But the full impact of the cluster also includes, on the input side, the jobs and revenues associated with extensive advertising, communications, and publications; and the purchases made by visitors applicable to the experience (fishing and hunting gear, hiking and water equipment and clothes); as well as those that

result from wanting to possess artifacts or retain memories of the experiences (e.g., books, clothing, art, cameras).

Table IV-2 provides a rough estimate of the cluster's scale. It is based on available national data for establishments and non-employer enterprises for North American Industry Classifications but adjusted on the basis of better information collected from knowledgeable sources within the state. For example, even though the national data that informs most cluster analyses show only 70 enterprises classified as museums and galleries, the Montana Historical Associations estimates museums alone at about 200. Similarly, none of the national industry analyses detected the 707 agri-tourism businesses found through surveys conducted by the University of Montana. Thus, the table generally undervalues the economic impacts of the cluster, particularly in rural communities where small businesses can have large impacts. However, to the best of our ability to quantify the cluster with reliable data, between eight and nine percent of all employment and all enterprises with employees operate within this cluster.

Table IV-2 Sectors included in Tourism & Culture Cluster						
NAICS	Type	Est with	Est w/o	□ Estab	Employees	□ Total Workforce
3484	Small arms mfg	17	-	17	114	131
	Farm/ranch tourism		707**	707**	707	707
3949	Sports goods mfg	35	-	35	661	696
5947	Gift, souvenir shops	216	-	216	909	1,125
7032	Sport & rec camps	80	-	80	542	642
7139	Amusement & rec	449	663	1,112	1,569	2,681
7922	Theatrical services	38	-	38	279	317
7929	Entertainers	22	2,157	2,179	53	2,232
7941	Sports Clubs	26	-	26	165	191
7948/92	Sports, races, golf	80	262	342	656	998
7993	Coin operated	199	58	257	2,235	2,492
8412	Museums & galleries	58	182	240	236	418
4725	Tour operators	13	-	13	26	39
4142/489	Bus, water transport	10	-	10	84	94
5810	Eating & drinking*	664	215	879	7,472	8,351
7011/21	Hotels, etc.	571	305	876	9,182	10,058
7514	Car rental	38	-	38	474	512
	Non-profits	250		250		
	TOTAL	2,766	4,549	7,315	25,364	31,668
	State Total	31,849	70,243	102,755	296,220	366,463
	Percent of State	8.7	6.5	7.1	8.6	8.6

* Assumes 25% related to non-local people.

** Number of farms and ranches that earn income from agri-tourism based on survey.

C Regional Distinctions

Although it views tourism as an economic development category, the state has created a slightly different regional structure for tourism than for economic development in general; this structure uses six regions instead of the five used by development agencies. While the topographical features and cultural heritages overlap, moving from west to east one encounters distinctive topographical and cultural differences. It should be noted that the economic activities on the reservations, which may be located within the “countries,” are independent and depend on their own sources of support.

- The Western Region, called “Glacier Country,” is heavily wooded and includes Glacier National Park and Flathead Lake—a growing location for high-end second homes.
- The Southwest, called “Gold Coast Country,” also heavily forested, has mineral resources, and includes a large part of the western intercontinental divide.
- The South Central, called “Yellowstone Country,” includes the northern entrance to the national park.
- The North Central, or “Russell Country,” extends from the northern Rockies into the plains.
- The Northeast, “Missouri Valley Country,” is sparsely populated and rolling heavily agriculture and rangeland, and home to a large wildlife refuge.
- The Southeast, named “Custer Country,” is similar to the Northeast, with no cities of any size but containing western heritage areas.

The western regions are more densely populated, forested, and mountainous than the east. They can offer action-oriented experiences, such as climbing, skiing, snowmobiling, fly fishing, hunting, camping, and hiking, as well as visual experiences such as bird watching, motoring, and spa stays. Traveling east, the terrain becomes more even and progresses into the Great Plains. Experiences include ranch and farm stays, rodeos, hunting and fishing, horseback riding, cultural trails, Native American history, and museums of prehistoric times.

Table IV-3 shows some of the regional variations in relative concentrations for various subsets of the cluster. Transportation industries, for example, have high concentrations in the West and Southwest. A location quotient of 1.7 indicates that the companies are 70 percent more concentrated in these regions than in the nation as a whole. In all regions, hospitality sectors and gift shops have greater relative concentration in their economies than in the national economy. The regional analysis reveals that all regions have high concentrations in sports and amusements and in hospitality sub-clusters and the western half of the state has a high concentration in its transportation sub-cluster. Table IV-4 presents regional differences in the numbers of recreational sites, guided recreational services, campgrounds, and bed and breakfasts. It shows, for example, the predominance of guided services and campgrounds in the mountain regions, especially

near the national parks, but a significant number in the east, particularly relative to population density.

Although the experience enterprises do not lend themselves to easy analysis because there are so many are micro- and part-time enterprises, it is possible to map some of the individual attractions. For example, Montana has 147 registered museums, and their distribution by region (“country”) is one indicator of tourism activity (which also has to be considered in light of population density differences). Among the regions, Custer has 27 museums, Glacier has 42, Gold West has 22, Missouri River has 10, Russell has 27, and Yellowstone has 18.

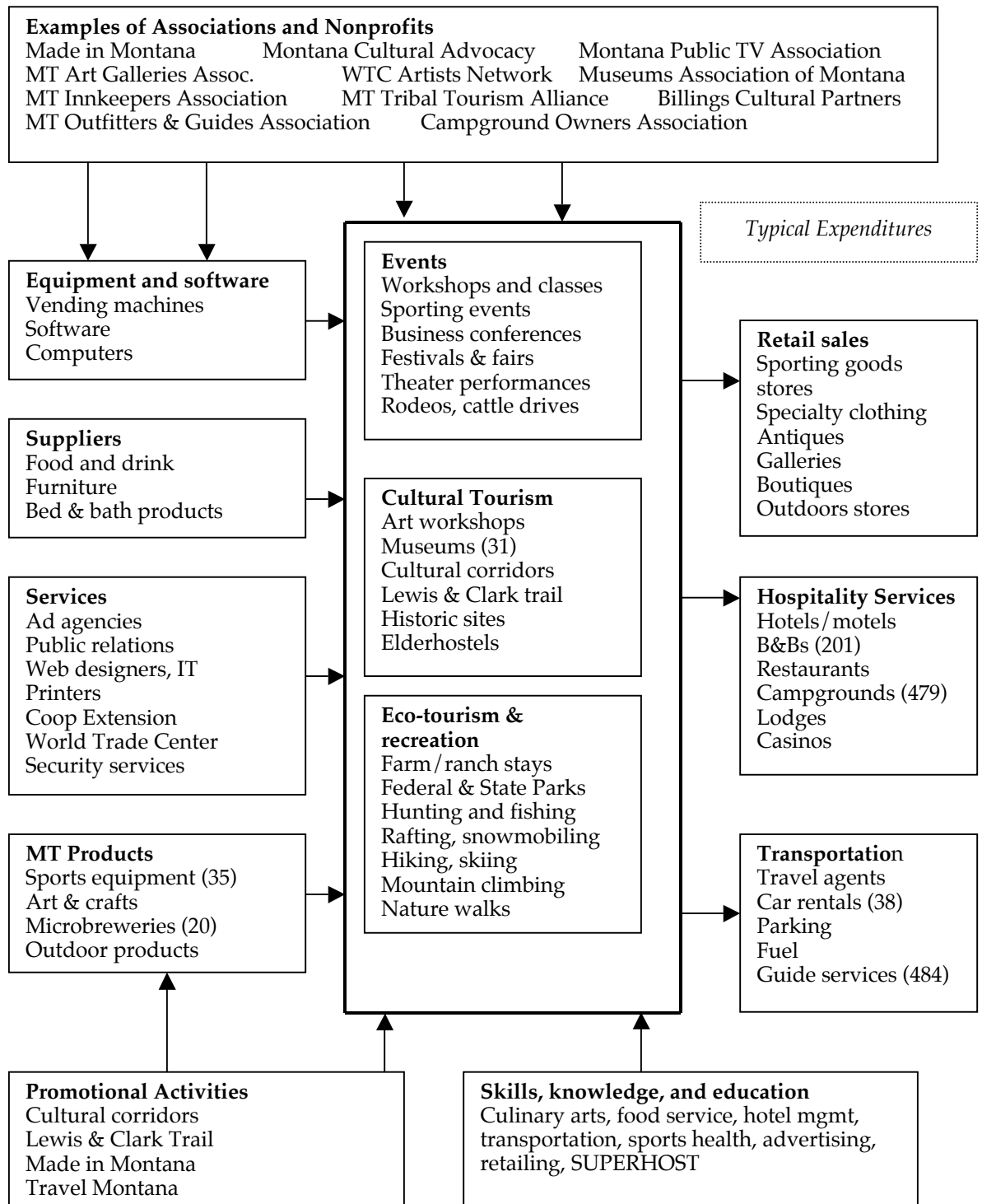
Table IV-3				
Relative Concentrations, by sub-cluster and Region, 2001				
Sub-cluster by Region	Employees	LQ	Firms	LQ
Transportation				
West	336	1.2	55	1.7
Southwest	273	1.3	40	1.7
South Central	168	0.8	26	0.8
North Central	118	0.9	26	1.0
East	15	0.2	5	0.4
STATE	1,008	1.0	158	0.9
Hotels, restaurants, gift shops				
West	4,500	1.4	417	1.5
Southwest	5,128	2.0	408	1.7
South Central	3,751	1.4	274	1.4
North Central	2,493	1.5	231	1.6
East	1,111	1.5	128	1.8
STATE	17,599	1.6	1,470	1.5
Sports and Amusement				
West	1,506	1.9	237	3.1
Southwest	1,311	2.1	226	3.6
South Central	1,139	1.8	184	3.4
North Central	744	1.9	117	3.0
East	237	1.3	40	2.1
STATE	5,059	1.8	882	3.0
Culture and Attractions				
West	166	0.8	27	0.8
Southwest	141	0.8	35	1.3
South Central	105	1.0	19	1.2
North Central	155	0.9	29	1.3
East	15	0.3	6	0.7
STATE	607	0.8	120	1.0

Source: County Business Patterns

Table IV					
Selected Enterprises by Tourism Regions, 2003					
Region	Ranches, Spas, Hostels, Hot Springs	Guided Recreational Services, Outfitters	Public Campground	Private Campground	B&Bs
Glacier (West)	68	88	102	73	74
Gold West (Southwest)	45	100	119	40	35
Yellowstone (SW/South Central)	52	140	67	35	48
Russell (North Central)	19	62	35	29	20
Custer (South Central/East)	14	42	15	33	18
Missouri (East)	8	16	16	15	6
State	206	448	254	225	201

Source: *Montana Travel Planner, 2003-2004*, Helena: Travel Montana, 2003

Figure IV : Tourism and Culture Cluster



D Profiling the Experience Enterprise and Tourism Cluster

The experience enterprise and tourism cluster differs from more conventional industry clusters in that its outcomes are measured largely by the scale of its imported customers' expenditures, rather than the scale of exported products or services. Most other places that have identified and developed similar "tourism" clusters have focused more heavily on the support industries—that is, the hotels and eating establishments providing many of the jobs, rather than on the core enterprises that attract visitors. The following factors help define this cluster's advantages and disadvantages, point out strengths and weaknesses, and allow it to be benchmarked to other clusters.

Skills and labor

The jobs in the core enterprises in this cluster tend to attract well-educated people and offer low-investment entrepreneurial opportunities. Yet few of the entrepreneurs interviewed had had any previous education that related to the business they were currently operating. Instead, these entrepreneurs combined their interests, hobbies, or visions with their desire to remain in Montana to forge innovative business opportunities. They learned the skills and acquired the knowledge they needed as they went along by teaching themselves, talking to others in similar businesses, and by making mistakes. Few had enrolled in any formal courses.

In contrast, many of the jobs in the tourism-based support sectors are part-time or seasonal, relatively low wage, and provide no or poor benefits. And, considering the large number employed in this cluster, the educational system provides few programs that would give employees the skills to advance—nothing remotely comparable to the programs at Hocking College in Ohio (inset IV-1). In 2001, only 57 people received degrees in programs directly bearing on this cluster (Table IV-5).

Travel Montana has developed a seminar series across the state called Montana SUPERHOST! aimed at improving customer service. The state offers about 150 of these low-cost SUPERHOST! seminars a year, and about one-fifth of all attendees are high school students.

**Table IV-5
Selected Enterprises by Tourism Regions, 2003**

Program	School	Cert/Assoc	BA/BS	MA/MS/PhD
Culinary Arts	MSU-COT Billings	1	-	-
Tourism & Travel	Western MT College	4	-	-
Institutional Food	UM-Missoula	14	-	-
Hotel/Motel/Rest Mgmt	MSU-COT Billings	1	-	-
	Flathead Valley	3	-	-
Parks, Rec, Leisure Mgmt	UMT-Missoula	-	26	6
Wildlife/Wildlands Mgmt	UMT-Missoula	-	-	1
Natural Res. Mgmt	UMT-Missoula	-	-	1

Source: Montana Office of Higher Education reports, 2002

Inset IV-1: Training for Natural Resources and Tourism Development in Ohio Nelsonville, Ohio is a community of just over 4,500, rich in history and natural beauty but “severely depressed” with high poverty rates. Much of the land in the college’s service area is forested and publicly owned, limiting the taxable base for the region. In 1990, the college and business leaders formed Towne Centre, Inc., a non-profit group to preserve buildings in the downtown business district and to be a catalyst for economic development. The key to this new growth has been Hocking Community College. It has established innovative programs, such as eco-tourism, aquaculture/fish hatchery management, archeology, global positioning systems, and geographic information systems. The eco-tourism program promotes the area’s natural, historical, cultural, and environmental assets. On the Hocking College campus, Robbins Crossing, a historical re-enactment village with authentic and reproduction log cabins behind split rail fences and vegetable gardens recreates the daily lives of Ohio villagers in the 1850s. Student and community volunteers demonstrate weaving, wool carding, candle making, and a host of other activities for some 30,000 visitors per year. The college owns and operates a full-service Ramada Inn on campus where students in both the culinary arts and hotel/restaurant management programs gain first-hand knowledge of the restaurant and hospitality industries. It also operates Uniglobe Hocking Hills Travel Agency, a hands-on training facility for travel and tourism students and the only travel agency in the town. In addition, students in the School of Applied Business manage and operate Wildlife Products, a nature products boutique located on the Nelsonville Public Square. The college, along with the Ohio Forestry Association, co-sponsors the Paul Bunyan Show, the single largest forestry exhibition in the eastern United States; the last leg of the International Bow Hunter’s triple crown, which attracts thousands of bow hunters and their families; and the Ohio State Smoked Meat and BBQ Festival, a cook-off held each October. The program’s goal is to stimulate economic activity downtown, and involve students and residents in community service. The college has changed its role and mission, by being entrepreneurial and investing in risky new programs and enterprises in order to create a niche market for itself and push the envelope in education and economic development. See http://www.hocking.edu/natural_resources/index.htm.

Relationships and social capital

This cluster is well organized, both formally and informally, along common interests and similar services. Within the core of the cluster, entrepreneurs and employees know each other and tend to associate informally. Many businesses that are organized around specific types of recreational or cultural activities or services have membership associations, non-profit support organizations, networks, or alliances. Because most people who travel to Montana for pleasure require a variety of services from different parts of the state, the formal associations are important devices for making referrals, recommendations, and even bookings. But informal networks are also important. Guides network and learn from each other about places to go, dangers to watch out for, and the best employers. Museum directors interact frequently at their meetings but they also talk among themselves and call on each other for advice or information.

**Table IV-6
Examples of Cluster Membership Organizations**

Association	Office	Members	Functions
Campground Owners Association	Florence	47	Promotion, reservation service
Montana Bowhunters Association	n/a	None	Education, newsletters, instruction, lobbying, 4-H
Montana Snowmobile Association	Missoula	n/a	Rescue, promotion, lobbying, safety programs
Montana Bed & Breakfast Association	Helena	70	Promotion, lobbying, inspection licensing, exchanges, referrals, trade shows, networking
Montana Innkeepers Association	Helena	200	Lobbying, group benefits, credit card program, energy savings
Montana Restaurant Association	Billings	300	Group benefits, credit card process, lobbying
Montana Tribal Tourism Alliance	Lame Deer	40-50	Represents tribes, conducts summer encampment, training, organizes tours, econ. dev.
Museums Association of Montana	Helena	200	Newsletters, conference, advice on grant apps, training
Fishing Outfitters Association of Montana	Gallatin Gateway	372	Lobbying, group benefits, web site, industry newsletter, annual meeting
Montana Outfitters & Guides Association	Helena	200	Promote conservation, the industry, lobbies.
Montana Wilderness Association	Helena	6 Chapters Individuals	Protecting wilderness areas, wild lands, ecosystems
Museums Association of Montana	Helena	200+ (80% rural)	All-volunteer, coordinates shows, sponsors education, communications, promotion
Greater Yellowstone Coalition	Bozeman	89 orgs 230 firms	Workshops, field trips, newsletters, conferences, outings

**Table IV-7
Examples of support organizations and coalitions**

Association	Location	Region	Functions
Montana Tourism & Recreation Initiative	Helena	State	Coordinating planning and development.
Montana Arts Foundation	Bozeman	State	Technical assistance, marketing, planning, promotion
Montana Historical Society	Helena	State	Technical assistance and expertise in museum mgmt, exhibition planning, archiving, etc.
Montana Art Gallery Directors' Association	Great Falls	State	Organizing tours, disseminating tech. Information, procuring public and financial support
Missoula Cultural Council	Missoula	City	Strategic planning and support for cultural tourism, advocacy and coordination across agencies
Montana Committee for the Humanities	Missoula	State	Making grants for programs on history, literature, & arts; organizing conferences and workshops
Montana Ghost Town Preservation Society	Bozeman	State	Preserving and maintaining historic ghost towns, annual meeting, field trips, newsletter
Billings Cultural Partners	Billings	City	Bringing together 13 organizations to use cultural institutions as economic anchor
Federation of Fly Fishers	Bozeman	State Chapter	Workshops, equipment rentals, school programs, conservation. e.g., "anglers against weeds" program
Elk Foundation	Missoula	Inter	Researching and protecting the habitat of the elk to ensure future hunting
Travel Montana	Helena	State	Promotion assistance, travel planning, web site and calendar of events, tourism infrastructure investments

Suppliers and services

Much of the economic benefit of tourism is based on local purchases, both directly and indirectly related to the activity. Examples include specialized clothing, equipment, or consumables, and incidental but necessary purchases of local goods, food, and accommodations. Since this cluster is composed primarily of services, the major suppliers are knowledge-based, including manufactured goods such as marketing information, maps, guidebooks, and sporting paraphernalia, and other services, such as workshops and classes related to activities, history, or culture; legal and bookkeeping; marketing and promotion including web support; and janitorial and maintenance services. All travelers need some of these. For example, at the most basic level visitors need places to stay overnight, eat their meals, and travel to, from, and within the state. The first two of the services, accommodations and eating establishments, are provided by what is generally called the hospitality sector. Other services are commonly used but not universal. For example, experience enterprises tend to use the Internet and may need a web master and network administrator and they may subcontract with hosts, guides, and advertising companies.

Another type of supplier is companies that manufacture or deliver items that enhance or match the experience. While national outlets such as L.L. Bean and REI can meet much of the national market demand for outdoor clothing, there are advantages to being located near the center of activity. Proximity helps companies learn about flaws and gaps, more quickly respond to market demand, and produce goods tailored to the experience. Montana has a number of entrepreneurial firms that produce customized equipment and clothing for Montana tourists and residents. Red Oxx Manufacturing in Billings, for example, produces soft-sided luggage tailored for hunting, hiking, and other outdoors travel. With assistance from the Montana Manufacturing Extension Center, the company expanded its production this past year. Simms Fishing Products makes premium waders, wading boots, vests, and other special clothing. The company even hosted a training program for other companies, coordinated by MMEC training, on stream mapping.

This segment of the cluster also includes the specialized outdoors and sporting goods retail outlets, gift shops, booksellers, and mapmakers. Beyond the experience enterprises, the establishments mentioned above that support the cluster have their own set of second tier suppliers and services, providing food to the restaurants, bedding and bathroom supplies to the hotels, parts to the equipment and clothing manufacturers. Finally, the first tier also includes a number of non-profits, especially related to cultural activities, many of which are shown in Table IV-6. These non-profits provide a range of marketing services, group benefits, and technical assistance.

Marketing and transportation

The time and cost of getting to Montana, particularly for the eastern half of the nation, is one of the biggest barriers to greater numbers of tourists. Reaching the dense eastern population is hampered by the small number of places nationally that can reach any airport in the Montana directly. Direct service from existing hubs in Atlanta, Chicago, St. Louis, Charlotte, Pittsburgh, or Cincinnati would reduce travel time and possibly costs. Once in the state, automobile is a common mode of transportation and results in the greatest distribution of benefits, and Montana has a very good system of Interstate, state, and county roads.

The marketing of the cluster has been greatly aided by three things: Travel Montana, the Internet, and a group of authors who write about the state in publications including books and articles in state or national magazines. All have been very effective in promoting tourism for Montana, by reaching large national and international audiences. Marketing in Europe, viewed as the most promising non-North American source of tourism revenues is carried out through a one-person Travel Montana office in cooperation with South Dakota, Idaho and Wyoming. Together, they use the services of Rocky Mountain International, attend selected trade shows, visit prospective sources, and bring European tour operators to the region. Travel Montana, in partnership with the Montana Arts Council and other associations, also produces the *Montana Cultural Treasures Guide*, which lists places such as art galleries, museums, and performing arts centers.

Word of mouth, which does not easily lend itself to policies, is also a very effective, yet not easily evaluated, means. The most common source of information about a ranch or farm stay

has been family, friends, and acquaintances of former guests (78 percent) or the farmer/rancher (56 percent). The state's *Montana Travel Planner* was third on the list of sources of information (48 percent) and magazines/news articles fourth (38 percent).

Key resources include the following:

- *Travel Montana* provides extensive materials, a web site, calendar of events, travel packets, a call center, and assistance.
- *Rocky Mountain International* is an international tourism marketing program for four mountain states. It encourages media coverage and organizes tours to the region for authors of international tour guides and travel magazines and television stations.
- *Montana Magazine* and other state publications list special events and provide information about tourist attractions.

In addition to publicity from resident authors, the state and many of its larger cities publish a large number of free periodicals that report on and promote current culture and entertainment. In the Bozeman area, for example, one can pick up copies of the following regional and statewide newspapers and magazines at a number of local establishments.

- *The Big Sky Weekly*, published in Big Sky
- *The BoZone Entertainment and Event Calendar*, published weekly in Bozeman
- *Tributary Magazine*, published monthly in Bozeman
- *Montana Pioneer*, published monthly in Livingston
- *Explore Magazine*, published weekly in Bozeman
- *Outside Bozeman*, glossy magazine published monthly in Bozeman
- *Distinctively Montana*, glossy magazine published periodically in Bozeman
- *Hooked on the Outdoor*, published in Bozeman
- *Montana Living*, state magazine published monthly in Missoula
- *Montana Outdoors*, state magazine published monthly
- *Big Sky*, state magazine published monthly
- *Mountain Living*, state magazine published monthly
- *Lively Times*, newspaper published monthly in Charito

These publications make it easier for visitors to partake in unplanned experiences and increase their spending on local events and at places of interest.

Entrepreneurship and capital

This is a cluster that is relatively easy to enter and for the core enterprises requires little capital. Many of the most innovative and successful experience enterprises are relatively young firms that received little if any public sector assistance. Most of the entrepreneurs interviewed picked up their business skills as needed from friends, books, or short courses, rather than from formal education. Start-ups in the support structure, e.g., lodging, restaurants, and conference centers, require more capital and thus are riskier.

Technology technical assistance and innovation

The most important technologies for this cluster are the computer and the Internet, which are widely used for marketing, coordinating, and scheduling activities and events and by the hospitality sub-cluster for marketing. The proposed network of travel kiosks, if it becomes a reality, will make it easier for visitors to plan their itineraries and stops.

Innovations are likely to relate to how an experience is shaped and orchestrated to make it more original or satisfying. Travel Montana has a Tourism Infrastructure Investment Program that could encourage innovation. Each year, it awards a small number of grants to develop new tourism-related products and improve existing ones. In 2000, for example, it gave out five grants totaling about \$170,000 for construction or facilities improvements that took into account some technological improvements. Since many of the enterprises are small and part-time, there is little expertise in grant writing. Many depend on their associations for information about opportunities and advice, but the small companies have little success. One common complaint among entrepreneurs is lack of information about funding criteria and lack of feedback on proposal deficiencies.

Equity and opportunity

This is a cluster that represents the extremes of the equity and opportunity continuum. Many companies in the core of the cluster require relatively little formal education for worker entrance and little capital to enter as an employer. For example, individuals who have grown up in a mountain environment and know the terrain and have the tacit knowledge comes from guiding tours, hunting parties or participating in outdoor sports; individuals who know the entertainment field; or who have worked otherwise in the industry can start their own small businesses.

Work in the hospitality industry that supports the cluster tends to offer wages near the bottom of the scale and poor benefits, if any. Part of the challenge of building an economy around this cluster is developing career paths that can lead individuals to better paying jobs or to becoming entrepreneurs. Such bridges will entail expanded postsecondary educational opportunities and workers' acquiring greater knowledge of their industry, as well as technical assistance, counseling, and financial support.

E Challenges and Possibilities

There is no shortage of well-construed plans for this cluster. Most regions already recognize its economic potential and are well on their way to implementing development strategies. Organizations such as the Yellowstone Heritage Partnership, Missoula Cultural Council, and Montana Arts Foundation are working hand-in-hand with their local development agencies. Yet there are challenges to be overcome.

- One challenge facing regions and the state is finding a way to marshal resources to implement the plans in a way that is sustainable to the key draw, the natural and cultural environment. Regions will have to work together and coordinate their efforts rather than compete with one another, remembering that tourists, like companies, pay little attention to arbitrary jurisdictions in doing business.
- A second challenge is to create jobs that provide a reasonably good standard of living, benefits, and opportunities for advancement. The average wages in the hospitality sector are well below the state's average.
- A third challenge is to stimulate the entrepreneurial energy of the population, on which this cluster depends. It is local and idea driven, not investment driven. Most of the core companies that generate the experience are locally owned, with large national chains providing mainly some of the meals and lodging.
- A fourth challenge is reaching less-populated areas that lack the concentration to bundle experiences. Experiences have to be more self-contained, and the eastern regions need more help in promotion and on reaching customers.
- A fifth is retaining the environment that makes the region attractive. Adding inauthentic cultural traditions and over-commoditizing culture for tourist consumption can undermine a region's genuine attractiveness and magnetism.

Finally, attracting more customers from farther away is a challenge. The farther away the visitors come from, the longer they are likely to stay and the more money they are likely to spend. European visitors spend many times more than U.S. visitors but comprise a tiny part of the tourist population.

Table IV-8 Cluster Competitiveness Factors*		
Factor	Rating	Comments
Skills & labor	3	Few programs of study, opportunities for formal preparation for the field
Relationships & social capital	8	Numerous non-profits, trade associations, and networks
Suppliers & services	7	Most services and supplies are local. The major service is food and lodging—readily available but with less tendency to be locally owned.
Marketing & transportation	5	Cost and distance reduces numbers; state does good job of advertising
Technology & innovation	8	Internet most important technology and widely used on many fronts; recreational enterprises use modern equipment
Entrepreneurship	6	Many opportunities but too few take advantage, not emphasized in education
Equity & opportunity	3	Plentiful opportunity at the bottom but few transparent career paths

* This table is a subjective assessment, using a scale of 1 = low to 10 = high, of the factors compared, to the best of our ability, to other clusters in the U.S.

This cluster (Table IV-8) rates high in the areas of social capital, supply chains, and innovation but low in education and training opportunities, ease of getting places, and equity—mainly because the service side of the cluster pays poor wages and benefits.

F Recommended Actions

Based on observation, research, knowledge of benchmark clusters, and the comments of the people interviewed, we suggest the following actions for Montana’s Experience Enterprise and Tourism Cluster.

Bundle experiences

A survey conducted in 1999 noted that visitors found the state lacking in culture, arts, and sophistication. The state cannot, and should not, try to replicate urban sophistication, but it can better educate visitors about the arts, culture, and amenities. This is already a goal of a number of cultural tourism alliances, but ought to be more effectively carried out.

Organizations arranging tours, conferences, and festivals should make more intensive attempts to package their activities to include marketing forms of arts and culture that complement the experiences.

One thing areas can do is create “maps” and guidebooks to highlight all of the places visitors may want to visit, as HandMade in America has done for western North Carolina (Inset IV-2). A group in Havre, for example, is preparing “Hands of Harvest-The Craft Heritage Trails of North central Montana” modeled after HandMade in America.

Action: Travel Montana should provide support for the development of regional guidebooks that highlight and map all of the cultural, historical, arts and crafts, and natural features that may attract people to expand and extend their visits.

Inset IV-2: HandMade in America, a non-profit founded in 1994 to promote Western North Carolina's rich craft heritage, began with a planning grant and developed into a nationally renowned and successful organization that has had a major impact on its regional economy. Representing a 21-county region, the organization's *Craft Heritage Trails of Western North Carolina*, which has sold more than 40,000 copies, and the more recent *Farms, Gardens, & Countryside Trails of Western North Carolina* have brought millions of dollars into the region, much of which is very rural and poor. The program makes low interest loans, develops school programs, and manages a crafts registry to link makers with galleries, museums, and other buyers. Founder and Director Becky Anderson has branched out into community revitalization projects and is now working on developing The HandMade Institute for a Creative Economy. In December 2002, HandMade was named one of America's top 24 non-profits by Worth Magazine.

Major drive to market in Europe Asia and South Pacific

Europeans spend about five times per capita as domestic visitors. Despite continuing marketing efforts and representatives, the state attracts too few visitors from outside North America. This suggests a new approach making greater use of the writing and film talent in the state to spotlight Montana as a tourist destination. The cluster itself ought to have opportunities to find markets in other parts of the world by designating some incentive funds for participation in study tours or establishing regional partnerships and connections with peers in non-U.S. regions. The region might, for example, develop links around tourism with Europe's mountain regions through the EU's Euromontana program.

Action: Assist cluster associations in reaching international markets by creating opportunities for cluster-based connections and incentives for forming alliances with non-U.S. partner organizations.

Support agri tourism and create an agri tourism center

Agri-tourism makes an important contribution to this cluster, while allowing residents to maintain lifestyles and to sustain rural economies by supplementing more traditional sources of incomes. With few opportunities for off-farm or off-ranch employment, many small farmers and ranchers can only stay in business by being entrepreneurial and taking advantage of the growing urbanization of America, which increases demand for authentic rural experiences. These part-time agri-tourist enterprises do not show up in typical employment databases but collectively represent a large state industry. A special center for agri-tourism located in eastern Montana would provide information, marketing, business skills, and small grants to new and growing part-time enterprises. Tourism should also be taught as an elective within agricultural education in the schools.

Action: Establish and fund an Agri-tourism Resource Center.

Establish "Investors in People" for high road employers

Scotland has established a very successful program to recognize companies that have high standards for human resource development that is now used throughout the United Kingdom. The economic development agency Scottish Enterprise established a set of guidelines for employers including training and advancement opportunities, working conditions, and pay and benefits (www.iipuk.co.uk). Businesses meeting the guidelines receive a special "Investor in People" award that is highly valued and displayed on letterheads, web sites, etc. A similar set of criteria for Montana's cluster would be a signal to those customers who place a value on work conditions that a business treats its employees fairly.

Action: Establish human resource and development criteria for awarding businesses "Investors in People" credential and publicize that achievement.

Develop more educational programs for the cluster that offer career paths

The paucity of state programs to prepare youth and adults for this field is surprising given its importance to the state's economy. SUPERHOST! is a useful program but too short in duration to provide the guarantee of good service that it consigns to employers who send staff. The quality of an experience, whether an expedition or a meal, is associated with particular skills and attributes of those who prepare and deliver it. The design, delivery, and management of experiences and tourism represent a legitimate field of study. Montana ought to examine other places that have benchmark educational programs (such as the programs described in Insets IV-1 and IV-3) and designate one two-year college for tourism support and one university for experience enterprise management to become the lead institutions. They would have responsibility for developing the necessary curricula and methodologies to establish high quality cluster centers.

Action: Strengthen, or create where demand exists, programs at high schools, two-year colleges, and universities and add entrepreneurial components to each.

Inset IV-3: The Hotel and Catering College in Copenhagen, Denmark is Northern Europe's largest vocational college of this type. The college, which has about 1,300 students, educates chefs, waiters, caterers, receptionists, and hotel and recreation assistants. The program of study for a hotel receptionist is three years and two months, which includes alternating classroom study/apprenticeships (an integral part of all Danish vocational programs), two languages, and study abroad. The program for a catering assistant is three years and one month, while the program to become a chef is four years and requires study abroad. The final examination for this latter program requires the design of an entire business, with a business plan, budget, menus, advertising plans and marketing brochures. In Denmark, this field is considered a career opportunity, not part time work. Guilford Technical Community College in Greensboro, North Carolina has an on-going faculty exchange with the culinary program at a Danish college in Sønderborg in order to learn more about the Danish model.

Establish a support center for entrepreneurs

A number of people told us that they received little support or assistance in getting started, despite the state's system of small business development centers (SBDC). This may be due to

inadequate marketing or scale, but some pointed to staff knowledge about marketing arts and crafts. The state ought to have at least one office staffed by experienced industry people that can support potential entrepreneurs and small and part-time businesses. While one center would not be able to serve entire state, it could advise other centers and cluster organizations, establish a web-based presence to respond to questions, and provide special materials tailored to the cluster to other centers and associations.

Action: Designate at least one SBDC as lead center for this cluster, staff with people with experience in the cluster, and widely market and promote the center.

Build “Montana Arts and Heritage Centers” at select sites outside cities and along well traveled highways

Distinctly Montana log buildings furnished in western style wood could be built to offer picturesque stopping places for refreshments and information about nearby attractions, as well as an opportunity to view and purchase authentic, high quality Native American, mountain, western arts, crafts, and other products that are hand-made (or manufactured on a limited scale) by Montana residents. They could be modeled after the various Guild Shops of the Southern Highlands Craft Guild, such as the Folk Art Center, Arrowcraft, and Parkway Craft Center along the Blue Ridge Highway.

Action: Develop plan and budget for five initial sites.

Organize and promote factory or workshop tours of unusual Montana products

In many parts of the world, the strengths of the economy can create experiences and be an effective source of tourism. Many large plants in the U.S. (e.g., Saturn, Hershey, Celestial Seasoning, and Ben & Jerry’s), and places of business that have interesting products or processes like wineries, breweries, art glass, and San Francisco’s Basic Brown Bear Factory host regular tours. Montana could convert some of its weaving studios, pasta plants, mines, and log home assemblers into tourist attractions.

Action: Look for unusual Montana businesses, as Butte has already done and some farms and ranches do, to develop as tourist attractions.

Endnotes

ⁱ Cited in *A Handbook of Cultural Tourism Marketing* prepared for the Cultural Tourism Institute, February 2000, Missoula Cultural Council.

ⁱⁱ Thale Dillon and Jill Sanderson, *An Economic Review of the Nonresident Travel Industry in Montana*, Missoula: University of Montana, Institute for Tourism and Recreational Research, July 2002, p. 26.

ⁱⁱⁱ Montana Department of Tourism, *Montana Tourism & Recreation Strategic Plan 2003-2007*. Helena: State Government, 2002.

^{iv} Thale Dillon and Jill Sanderson, *An Economic Review of the Nonresident Travel Industry in Montana*, Missoula: University of Montana, Institute for Tourism and Recreational Research, July 2002, p. 26.

^v Rita Black and Norma Nickerson, *The Business of Agritourism/Recreation in Montana*, Missoula: Institute for Tourism and Recreation Research, July 1997.

^{vi} Mike Woods, "Diversifying the rural economy: Rural Tourism," No. 10, Southern Rural Development Center, June 2000.

^{vii} *Ibid.*, p. 21.

^{viii} Americans for the Arts, *Arts & Prosperity: The Economic Impact of Nonprofit Arts Organizations and Their Audiences*. Washington, DC: Americans for the Arts, 2002.