

The Sonoran Institute

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# REPORT SUMMARY

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**The California Desert Conservation  
and Recreation Act of 2015: Impacts on  
Mining and the Regional Economy**



## **INTRODUCTION AND KEY FINDINGS**

This report explores the economic contribution of mining in the California Desert and assesses the impact of the proposed California Desert Conservation and Recreation Act (CDCRA) of 2015 on mining activities in the region. The report concludes that the legislation will have minimal impact on mining and builds on the natural and cultural attractions that have been significant drivers of the regional economy for the past four decades.





# AMONG THE REPORT'S FINDINGS

- ▶ Over the past four decades the California Desert has experienced steady growth in population, employment, and personal income. This growth is significantly driven by businesses and demographic changes that benefit directly from preserving the desert.
- ▶ Since 1970, mining has played a small role in total private employment. In the last 25 years, mining has contributed no more than 0.25% of the region's overall employment. Within the California Desert only 5 mining operations employ more than 100 employees.
- ▶ Current mining operations, existing mining claims, and future mineral development in areas of high potential are all preserved and excluded from the conservation areas within the legislation.







## Background

The California Desert region covers approximately 20 million acres of southeastern California. The desert's wildness and remoteness are among its biggest assets, offering significant recreational opportunities, including camping, hiking, rock climbing, hunting, horseback riding, exploring historical sites, and wildlife watching. These activities contribute hundreds of millions of dollars to local communities and the regional economy. The desert's natural splendor has also spurred development. The military makes use of the desert's vast undeveloped terrain to test new equipment and train combat forces.

The California Desert Conservation and Recreation Act, introduced in 2015 by Senator Feinstein, builds on a 6-year legislative effort to protect spectacular desert lands and provide for recreation. This effort has included significant outreach and community input, and has garnered impressive support throughout the California Desert.

*The CDCRA would create two new national monuments:*

- ▷ **The Mojave Trails National Monument, which would encompass 965,000 acres of land, including the former Catellus-owned lands that were donated to the U.S. government with the intention of preservation.**
- ▷ **The Sand to Snow National Monument, which would encompass 135,000 acres of land from the desert floor of the Coachella Valley to the peak of Mount San Gorgonio.**

In addition, the proposed legislation would designate new Wilderness Areas, the Alabama Hill National Scenic Area, Wild and Scenic Rivers, and existing Bureau of Land Management (BLM) Off-Highway Vehicle areas as permanent Off-Highway Vehicle (OHV) recreation areas. The CDCRA would also add existing public lands in the Castle Mountains to the Mojave National Preserve and other public lands to Joshua Tree and Death Valley National Parks.

This report looks at the economic contributions of mining in the California Desert region and the potential impact of the CDCRA on current and future mining activities. It is intended to inform ongoing general public discussions about the CDCRA and public lands conservation in the California Desert. It focuses on the 7 desert counties that are part of the California Desert Conservation Area: Imperial, Inyo, Kern, Los Angeles, Riverside, San Bernardino and San Diego.



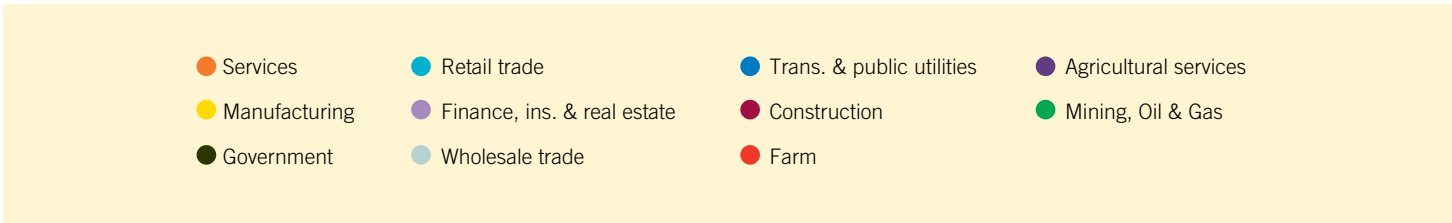
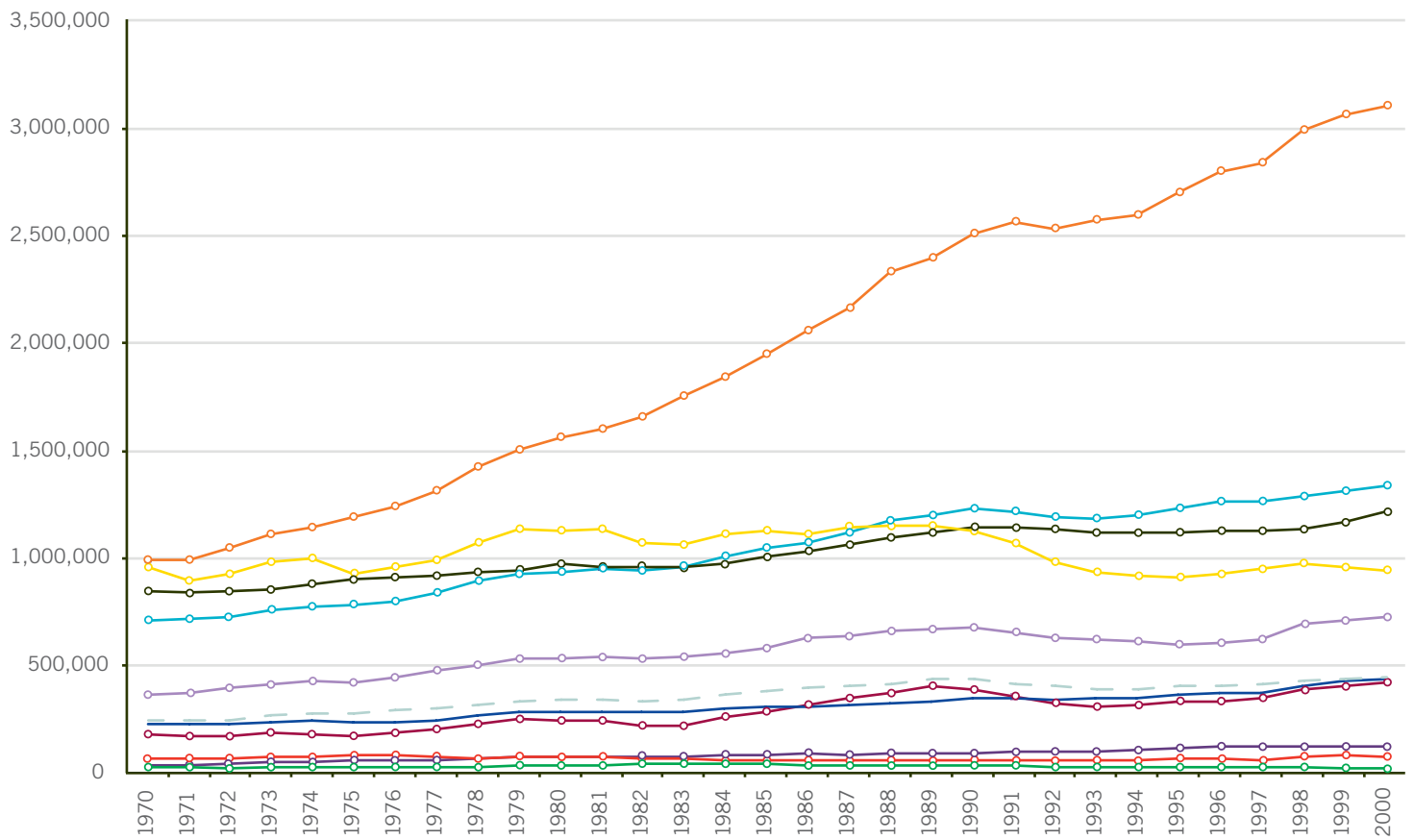
# GROWTH and PROSPERITY

## The Desert Economy and Mining

While the California Desert is sparsely populated relative to other areas, the region's smaller cities and towns have experienced significant population growth over the past 4 decades. Despite the region's growth, mining's contributions to the desert economy have been modest, with jobs in mining playing a small role in total private employment (see Figures 1 and 2). In the last 25 years, mining's contribution to total private employment in the 7 desert counties has not exceeded 0.25% (see Figure 3). Most recent total regional employment estimates (2013) range between 3,000 and 5,600 direct employees. At a local level, mining does provide a more significant contribution. In Kern and Inyo counties in 2013, employment in all mining (including oil and gas) represented 5.5% and 4.4% of total private employment; San Bernardino County had 0.2% of employment in mining for the same time period. For small communities, such as Lucerne Valley or Borrego Springs, mining operations that employ 25, 50, or 100 persons are considered major employers.

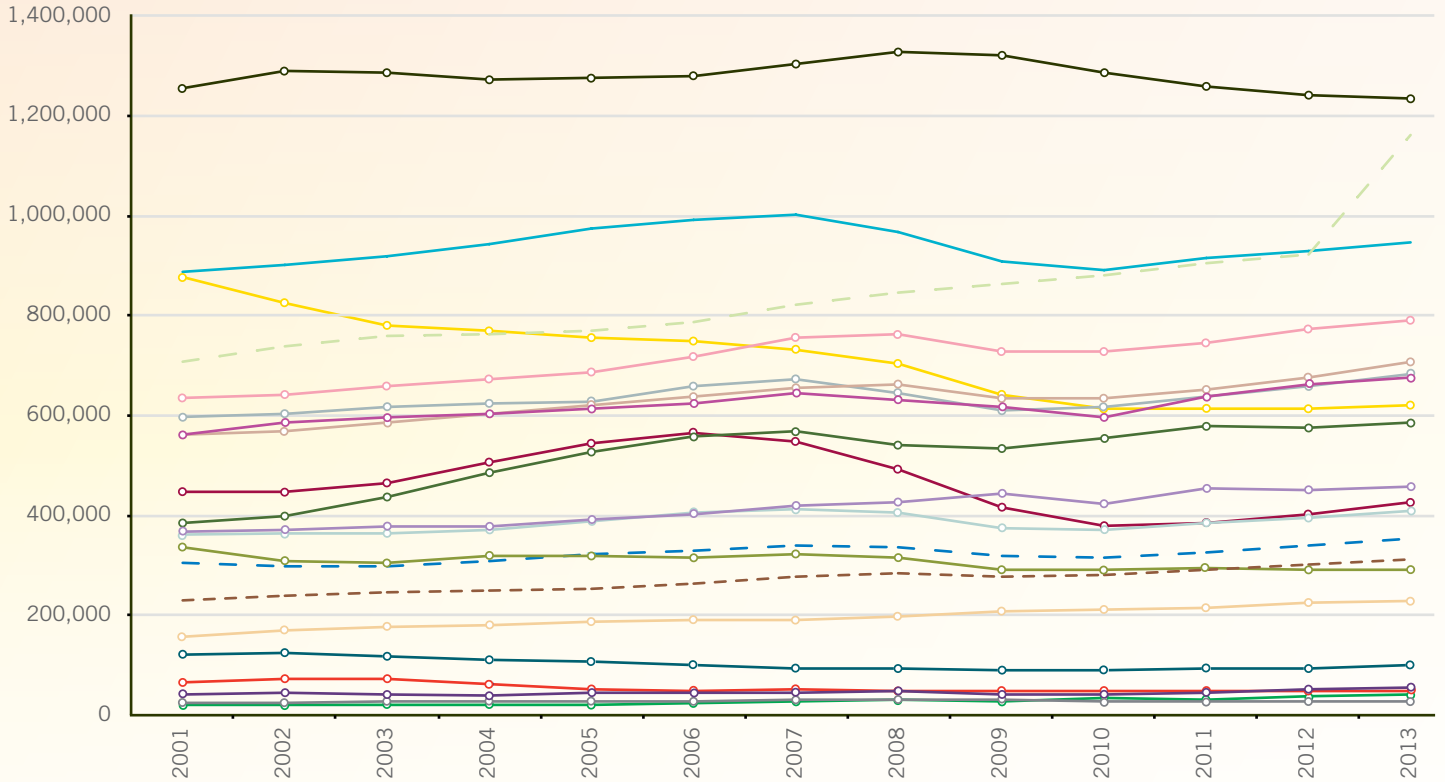


**Figure 1. Employment by Industry, 7 Desert Counties, 1970–2000**



Source: US Department of Commerce, Bureau of Economic Analysis, Tables CA25 and CA25N.

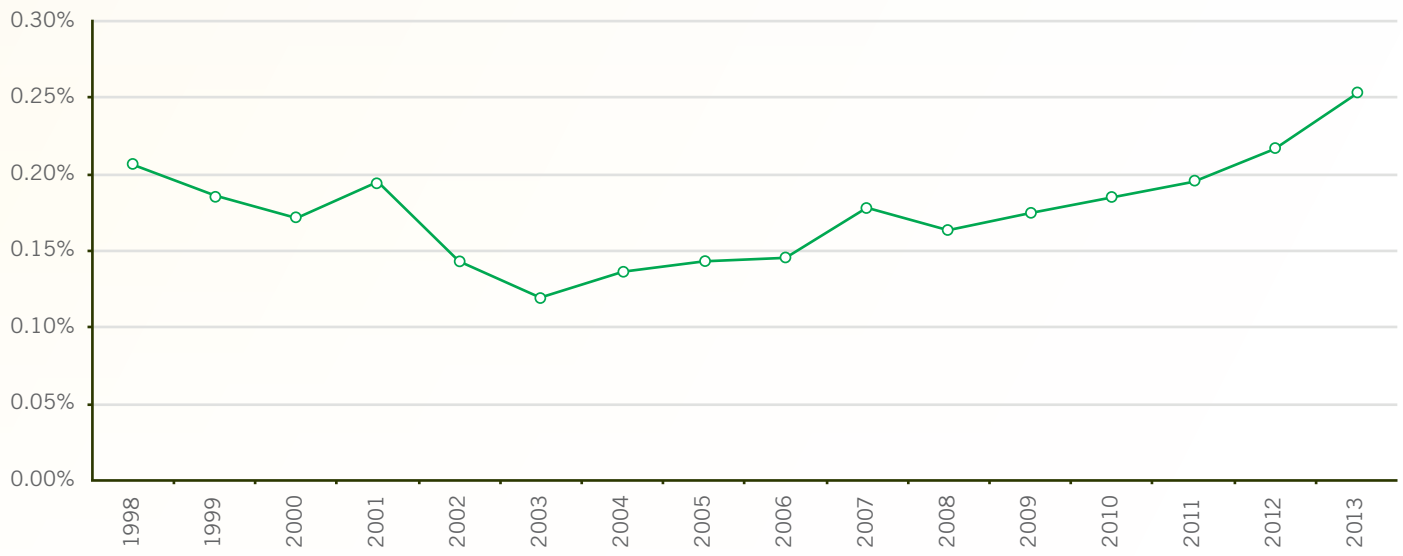
Figure 2. Employment by Industry, 7 Desert Counties, 2001–2013



Source: US Department of Commerce, Bureau of Economic Analysis, Tables CA25 and CA25N.



**Figure 3. Percent of Total Private Employment in Mining, Oil & Gas, 7 Desert Counties**



Source: US Census Bureau, County Business Patterns, 2015.



A reflection of its modest contribution to regional employment, mining's contribution (including oil and gas) to overall labor-related income is small in the desert region counties (see Figures 4 and 5). In 2013, the contribution of mining to overall labor-related income in the desert region was approximately 0.8%. Between 1970–2013, that contribution has fluctuated between 0.3% and 1.0%, with no defined trend, while overall labor-related earnings between 1970 and 2013 increased by 132%. Non-labor income increased by 287% in that time period.

Even when direct, indirect, and induced impacts on Gross Domestic Product (GDP) are considered, the contribution of mining to nominal GDP in 2014 was estimated at between 0.04% and 4.12%. When only the desert portions of these counties are considered, the contribution of direct, indirect, and induced impacts on GDP due to mining activities were highest in Kern (25%), Inyo (8%), and San Bernardino (5%) counties. These impacts likely represent upper limits, as the multipliers used were developed for use at the state level and likely overestimate impacts at the county and sub-county level.

Mining activity is influenced by many factors, depending on the specific commodity. Industrial minerals currently being mined in the California Desert, such as construction aggregate and cement inputs, are influenced by local and regional demand and supply. Mining for most metals such as gold, base metals and rare earth elements is affected by global supply/demand factors. The availability of public lands for mineral exploration and mining has a much smaller influence on mining activity than regional and global economic forces have on mining activity.

## THE DESERT ATTRACTS MILLIONS OF VISITORS



# MINING'S CONTRIBUTION TO THE CALIFORNIA DESERT'S ECONOMY IS OVERSHADOWED BY GROWTH IN OTHER ECONOMIC SECTORS THAT TRACK CLOSELY WITH ECONOMIC TRENDS THROUGHOUT THE INTERIOR WEST.

Mining's contribution to the California Desert's economy is overshadowed by growth in other economic sectors that track closely with economic trends throughout the interior West. These trends reflect the increasing importance of regional amenities, notably natural and cultural attractions, and are defined by growth in Services, Professional, and Government sectors, and Non-Labor Income. As the figures below indicate, these sectors and income sources have grown over the past 4 decades—serving as the key economic drivers throughout the region.

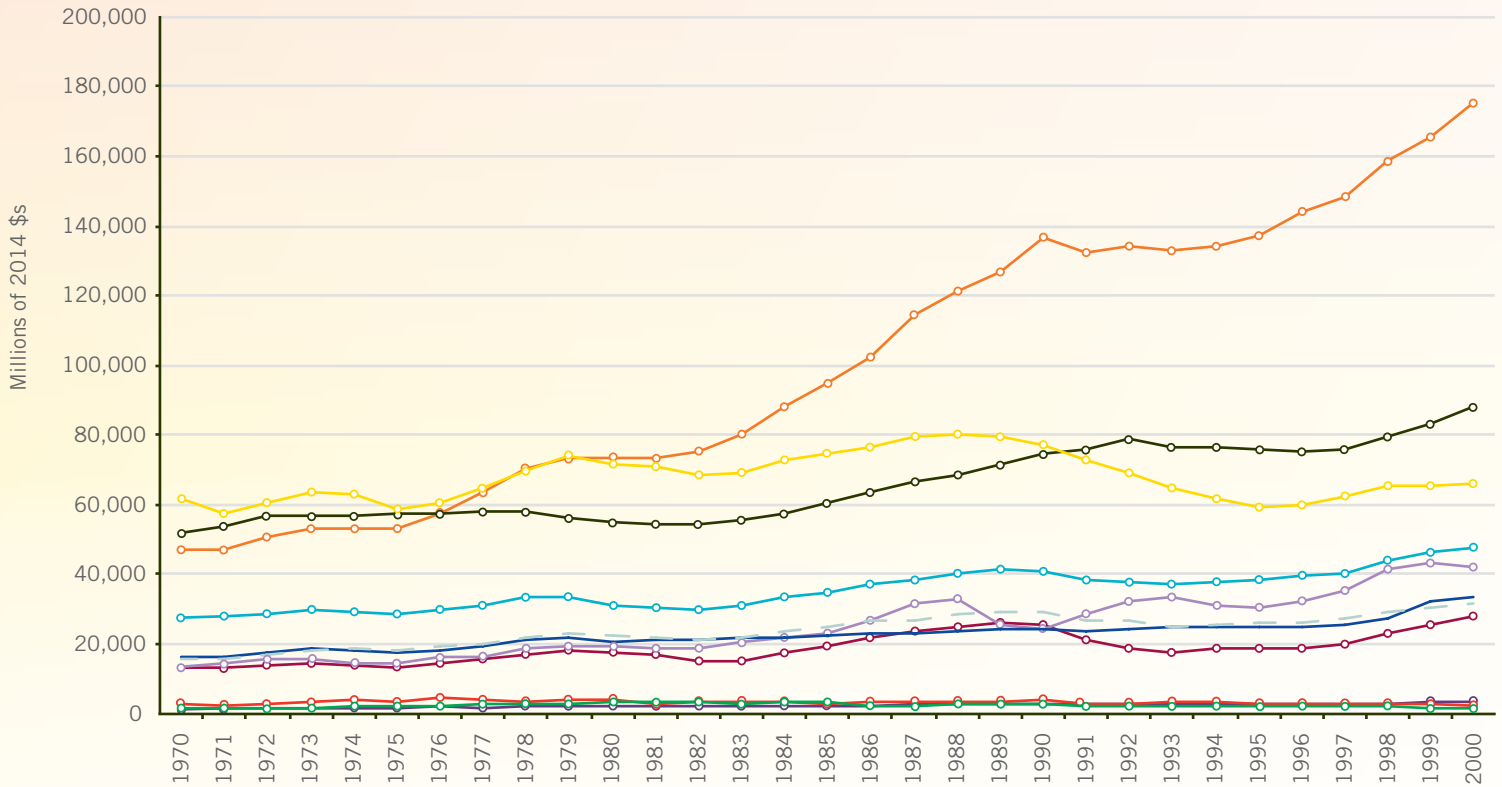
These trends also have profound implications for the economic role of public lands, where protected public lands become an important economic asset. A 2012 study by Headwaters Economics titled *West is Best: How Public Lands in the West Create a Competitive Economic Advantage* found that western counties with protected federal lands — such as national parks, monuments, and wilderness — enjoy a competitive economic advantage that result in more jobs and increased per capita income.

Trends in the desert region are consistent with trends in other regions, states, and communities and the West, and speak to a broader economic transformation that has been ongoing over the last 4 decades. Headwaters Economics' analysis shows that industries that include travel and tourism comprised over 15% of all total private employment in all 7 desert counties in 2013, with Inyo County employment comprising over 33% in those industries.

In fact, tourism and recreation remain one of the bright spots of the region's economy, having rebounded to pre-recession levels: total direct travel spending in the desert region in 2013 reached \$6.2 billion. The desert attracts millions of visitors annually and local economies benefit from visitation to the area. In 2014, the area welcomed over 3.2 million visitors to the 3 desert national parks and almost 4.2 million visitors in 2013 to areas managed by BLM California Desert District Offices.

## ANNUALLY AND LOCAL ECONOMIES BENEFIT FROM VISITATION TO THE AREA.

**Figure 4. Personal Income by Industry, 7 Desert Counties, 1970–2000**

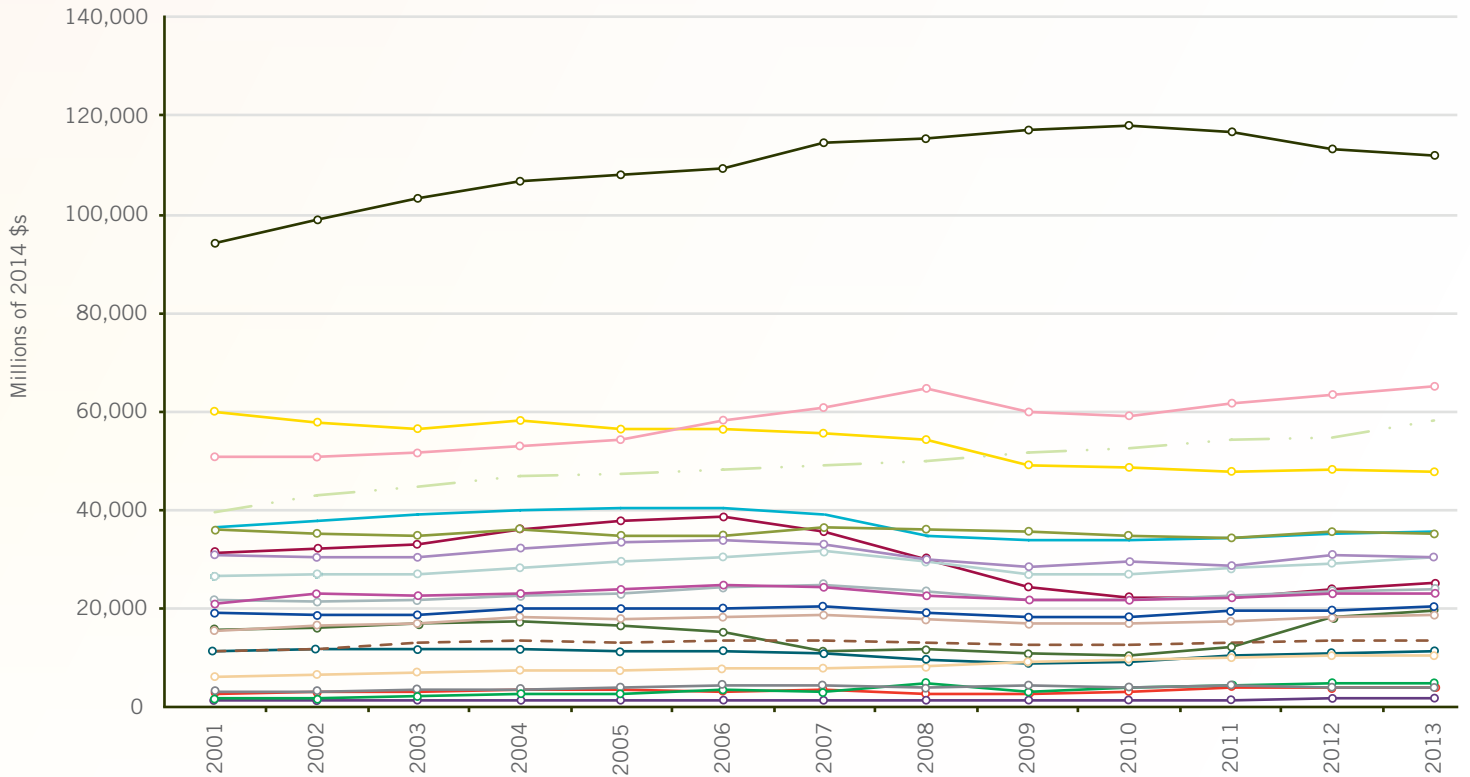


- Manufacturing
  - Government
  - Services
- Retail trade
  - Trans. & public utilities
  - Wholesale trade
- Finance, ins. & real estate
  - Construction
  - Farm
- Mining, Oil & Gas
  - Agricultural services

Source: US Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts.



**Figure 5. Personal Income by Industry, 7 Desert Counties, 2001–2013**



Source: US Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts.

# The California Desert Conservation and Recreation Act and Mining

The California Desert Conservation and Recreation Act of 2015 is proposed legislation that would provide for conservation, recreation, and renewable energy development in the California Desert. Through its extensive conservation designations, the legislation seeks to preserve the region's natural and cultural attractions, which have fueled much of the region's growth and prosperity. Protected public lands such as designated wilderness, national parks, national preserves, and national monuments protect key amenities that serve as the foundation for the region's tourism and recreation businesses, military operations, real estate development, and other economic sectors.

As currently drafted, the legislation recognizes and protects existing mining claims and minimizes impacts on current mining operations. A careful screening of the location of current activities and operations indicates few impacts (see Figure 6). Any effort to address these impacts would need to take into consideration the broad range of resource values in these areas.

The legislation will have minimal impacts on future mining activities in the California Desert due to the existence of extensive mineral potential outside of the proposed boundaries and the Act's preservation of existing valid mineral rights (many coinciding with high mineral potential zones, see Figure 7). Uncertainty regarding additional mineral potential in the legislation juxtaposed with the clearly identified environmental and cultural values of these lands, demonstrates that the tradeoffs between these two sets of values in favor of conservation would be a wise societal choice.







## Conclusion

The study finds that mining plays a small economic role in the 7 desert counties of California and that role has remained relatively constant for the past 4 decades. Conversely, over the same time period, the California Desert has experienced steady growth in population, employment, and personal income. This growth is largely driven by businesses and demographic changes that benefit directly from preserving the desert.

The study concludes that the California Desert Conservation and Recreation Act of 2015 is compatible with ongoing mining activities and allows for future development of critical and competitive mineral resources. Consequently, the protective designations proposed under the legislation likely represent the highest and best economic use of those public lands.

## About the Sonoran Institute

Founded in 1990, the Sonoran Institute's mission is to connect people and communities with the natural resources that nourish and sustain them. We work at the nexus of commerce, community, and conservation to help people in the North American West build the communities they want to live in while preserving the values that brought them here. We envision a West where civil dialogue and collaboration are hallmarks of decision making, where people and wildlife live in harmony, and where clean water, air, and energy are assured.

This summary is part of a study the Sonoran Institute prepared, *The California Desert Conservation and Recreation Act of 2015: Impacts on Mining and the Regional Economy*, which can be found at [www.sonoraninstitute.org](http://www.sonoraninstitute.org).

**CONNECTING PEOPLE**  
**AND COMMUNITIES** WITH THE NATURAL RESOURCES THAT NOURISH AND SUSTAIN THEM



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# Shaping the future of the West

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