

Preliminary Findings

**Assessment of the
Economic Impact of
Coal Development on
the Crow Reservation,
Big Horn County,
and Montana**

*Report Prepared for
The Crow Nation*

by

Prof. Joseph P. Kalt

The Harvard Project on

American Indian

Economic Development

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**The Economic Impact of Coal Development on the
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The Crow Nation, centered in Big Horn County, Montana, presents a striking mosaic of economic contrasts. Although the region is blessed with abundant natural resources, particularly in the form of huge reserves of commercial quality and accessible coal, economic underdevelopment, family poverty, and social stress make the region one of the most distressed in the United States. Few social conditions are more oppressing than grinding poverty. In its struggle to improve the well-being of its citizens, the Crow Nation now seeks to be self-sufficient and sees expansion of coal development as key to achieving that goal.

This study analyzes the economic stakes at issue for continuing and expanding coal development on the Crow Reservation and in Big Horn County. I present preliminary results for the economies of the Crow Nation, Big Horn County, and the State of Montana. Employing the tools of regional economic modeling, I assess the direct, indirect and induced impacts of the continued development and expansion of Crow coal production on employment, incomes, Crow and other regional governmental revenues and expenditures, and the gross domestic products of the Big Horn County and the State of Montana.

¹ I am the Ford Foundation Professor (Emeritus) of International Political Economy at the John F. Kennedy School of Government at Harvard University. I am also co-director of The Harvard Project on American Indian Economic Development (www.hpaied.org). I gratefully acknowledge the research assistance of Dr. Sam Flaim of Compass Lexecon, who performed the regional modeling employed herein, and Eric Henson, Amy Medford, and Josh Stamm of Compass Lexecon for their gathering of critical statistical information. Their work has been supported by Cloud Peak Energy and Westmoreland Resources. I have received no compensation for my work on this research project.