

# ECONOMICS OF RAPID CITY, PENNINGTON COUNTY, OUTDOOR RECREATION, AND GOLD MINING

## OUTDOOR RECREATION

- The Outdoor Industry Association calculated that outdoor recreation by out-of-state visitors brought \$2.27 billion and 48,000 jobs to South Dakota in 2017. A survey that year also found that 69% of South Dakotans participate in outdoor recreation.
- Direct spending on hunting in the Black Hills is approximately \$89 million a year.
- According to the South Dakota Dashboard, the total gross sales revenue for Pennington County in 2016 was \$6.6 billion. The highest grossing sectors were retail trade and services – both related to tourism.
- According to Tourism Economics, Pennington County received 19.8% of all visitor spending in South Dakota in 2018.
- 2018 research by Harvard economists found that the economic benefits of proposed mining in a Minnesota national forest would be outweighed by negative impacts on outdoor recreation and in-migration. Over 20 years, preserving the national forest would mean 4,500 more jobs and up to \$900 million more in personal income than would mining.

## WATER AND MINING

- The retail value of water produced by Rapid City is 72 cents per gallon, per Dr. Jerry Wright, School of Mines graduate. This means the City's water is worth \$2.9 billion per year.
- This is almost 57 times more than the total amount spent in South Dakota by the Wharf mine near Terry Peak—the only operating large-scale gold mine in the state—in 2017 (\$50.9 million for salaries, taxes, purchasing, community, per the company's figures).
- Rapid City's water would become worthless if contaminated by mining in the upper Rapid Creek watershed. The current water treatment process is not designed to remove mining contaminants, and upgrading it to that level would cost millions of dollars.
- Mining uses a lot of water. How much growth can Rapid City support with mining going on upstream?
- The *U.S. News and World Report* survey of "Best States" in 2019 ranked South Dakota second for its natural environment and third for low pollution. Let's keep it that way!

## MINING

- Mining always ends, because the mineral runs out. It is a temporary industry with permanent negative impacts. Outdoor recreation is a sustainable industry.
- The last major gold mine to close in the Black Hills – the Gilt Edge Mine — went bankrupt, and taxpayers are paying for cleanup. The estimated cost is \$200 million, and the government is not sure if that will solve the problem. According to the Environmental Protection Agency, the former mine is now a Superfund site, one of the nation's most polluted sites.
- In 2019, the South Dakota School of Mines and Technology had only 7 graduates with mining degrees. Mining is not the main driver at the university.
- In 2017, mining, quarrying, and oil/gas extraction together represented only 1% of employment in Pennington County, according to the Census Bureau. Mining is a very minor part of our county's economy.
- The upper Rapid Creek watershed supplies drinking water to Rapid City, Ellsworth Air Force Base, Rapid Valley, Box Elder, and other smaller communities. As of mid-2020, about 24% of the land in the watershed has active mining claims on it, per Dr. Liliias Jarding.



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