Economics of Outdoor Recreation

Presented by Janit Llewellyn Allen
Presentation Focus
Assessing economic influences in Virginia
Economics related to

- Land near parks
- Scenic resources
- Natural areas
- Land conservation
- Trails
- Water trails
- Beaches
- Boating
Presentation Conclusion
Steps to Conduct a State Outdoor Recreation Assessment

Photo by Stuart Connock
An Overlooked Economic Giant

Annual Consumer Spending, in Billions

<table>
<thead>
<tr>
<th>Category</th>
<th>Spending (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>$331</td>
</tr>
<tr>
<td>Motor Vehicles and Parts</td>
<td>$340</td>
</tr>
<tr>
<td><strong>Outdoor Recreation</strong></td>
<td><strong>$646</strong></td>
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<tr>
<td>Financial Services and Insurance</td>
<td>$780</td>
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<tr>
<td>Outpatient Health Care</td>
<td>$767</td>
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<tr>
<td>Gasoline and Other Fuels</td>
<td>$354</td>
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<tr>
<td>Household Utilities</td>
<td>$309</td>
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</tbody>
</table>

Benefits of Outdoor Recreation and Parks

- Reduced health care costs
- Ecosystem services
Economic Impact on Land Near Parks, Scenic Resources, Natural Areas, Land Conservation, Trails, Water Trails, Beaches, Boating
Participation in Outdoor Recreation

- State of economy
- Employment status
- Type employment
- Higher wages
- Home ownership
- Retirees
Nationwide Economics of Outdoor Recreation, Natural Resources Conservation & Historic Preservation

- 9.4 million jobs
- $107 billion in federal, state and local tax revenues
- 1.06 trillion in economic activity

(Southwick Associates for the USFWS, 2011)
Hunting, Fishing, Wildlife viewing, Hiking, Camping, Skiing, Paddle sports and Bicycling

- $821 billion a year
- 6,435,000 jobs

(Southwick Associates for the USFWS, 2011)
Contribution of National Parks to Local Economies

-NPS properties receive 281 million visits annually
-Visitor spend $12 billion
Impacts of the Sequester

• Closure of some National Parks, park campgrounds and visitor centers, impacting the $31 billion in spending and 258,000 private-sector jobs supported by visitor spending each year;

• Areas impacted by cuts to the National Forest System, lead to job losses in rural communities, impact wildfire management, and harm trail and campground maintenance.

Virginia Tourism & Recreation Grown Steadily Since 1980s
Expenditures by Virginia Tourists and Residents

For every $11 spent – $1 is spent on state outdoor recreation

Source: Virginia State Parks – Chuck Wyatt, 2013)
Virginia’s Economy Benefits from Outdoor Recreation

USA - $730 billion annually – one in 20 jobs
Virginia - $18 billion annually

Source: Outdoor Industry Association
Natural Services in Virginia

Virginia Department of Forestry - Valuing ecosystem services
Figure III-13: Most needed outdoor recreation opportunities [A10]

- Hiking and walking trails: 67.6%
- Fishing, swimming, beach: 59.6%
- Natural areas: 55.1%
- Bicycling trails: 54.2%
- Historic areas: 50.8%

2011 Virginia Outdoors Survey
Virginia State Parks
Economic Summary

$136 million annual sales
$69 million income
2,000 jobs

Source: Visitation Model – Chuck Wyatt, 2013)
Virginia State Parks Revenue

$187 million Economic Impact
Scenic Resources & Travel

Conserving land with views to retain property value

-The Homestead
-Wintergreen
-Albemarle County

Private sector capitalizes on scenic beauty and conservation
Trails Generate Revenue

- Bicycle - 11 jobs created in tourism supported businesses for every $1 million spent on bicycle infrastructure
- Walking – 10 jobs created for every $1 million spent
  (Garrett-Peltier, June 2011)
Trails in Virginia

New River Trail

Town of Galax population 7,000
Tax revenue $238,000 or 2 percent of town’s 2010 tax revenue
Average expenditures for each group
$133 lodging
$44 restaurant
$32 food
$43 gasoline
$3 parking fees

(Economic Development Studio at Virginia Tech, December 2011)
Trails in Virginia

Virginia Creeper Trail

Damascus population under 1,000
4 trails
- Appalachian Trail
- Bike Route 76
- Iron Mountain Trail
- Virginia Creeper Trail

Attracts 20,000 hikers a year
30 trail related businesses

(Wampler, e-mail May 8, 2014)
Virginia’s Horse Industry
Horse owners spend $873 million per year on equestrian related costs and activities

- $1.2 billion annual economic impact
- 16,091 jobs
- $65 million state and local 2010 taxes

(UVA, Weldon Cooper Center for Public Service, 2010)
Virginia needs a local community impact study for water trails.
Resources about Beaches

-Surfrider Foundation
-National Ocean Economics Program’s Center for Blue Economy
Wildlife Watching, Fishing, Hunting & Boating

- **Wildlife Watching**: $958,607
- **Fishing**: $1,142,098
- **Hunting**: $871,501
## Figure 2.2 2011 Boating industry employment impact

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
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<tbody>
<tr>
<td>Direct effects</td>
<td>5,476</td>
</tr>
<tr>
<td>Indirect effects</td>
<td>1,602</td>
</tr>
<tr>
<td>Induced effects</td>
<td>1,655</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,732</strong></td>
</tr>
</tbody>
</table>

(Murray, 2012)
Boating

2011 Expenditures by Power Boaters & Sail Boaters

Over $1 billion - $1,110,658,023

Number of Power Boat & Sail Boats

251,028

(Murray, 2012)
Steps to Conduct a Statewide Outdoor Recreation Economic Assessment

• Assessment should address
  ➢ need for high quality recreation experiences
  ➢ economic profits from outdoor recreation
Outdoor Recreation Economic Assessment Includes

1-Survey and track outdoor recreation activities and trends
Outdoor Recreation Economic Assessment Includes

2-Assess resource status & identify management strategies.
Outdoor Recreation Economic Assessment Includes

3-Promote win-win partnerships
Outdoor Recreation Economic Assessment Includes

4-Link outdoor recreation providers to tourism.
Steps to Conduct a Statewide Outdoor Recreation Economic Assessment

1- Evaluate national data

2- Define need for statewide or local economic assessment

3- Secure funding then research and assemble team to conduct assessment.
Steps to Conduct a Statewide Outdoor Recreation Economic Assessment

4-Engage partners

5-Identify target group

6-Package the economic assessment data
Visit Virginia’s 10th SCORP Online
Thanks for sticking with me!

Janit Llewellyn Allen

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Thanks to my colleagues
-Danette Poole for support and encouragement
-Lynn Crump for research on scenic resources
-Jennifer Wampler for research on trails
-Julie Buchanan for compiling VOP photos
-Betty Saxman for chart graphics

If not noted - Photos credited in the 2013 Virginia Outdoors Plan