

SECTION 4

ECONOMIC ACTIVITY ATTRIBUTED TO OUTDOOR RECREATION



This section overviews economic activity generated by outdoor recreation nationally and in Colorado.¹ Quantifying statewide economic contributions of outdoor recreation to Colorado’s economy was identified by the SCORP Steering Committee as an important need, and is recommended as a suggested action in the 2008 SCORP Strategic Plan (Section 7.0). Unfortunately, determining a comprehensive and precise dollar value for outdoor recreation’s contribution to the statewide economy is not feasible based on the studies that have been conducted to date. A wide variety of research has been conducted for specific elements of the outdoor recreation market, however, these studies often use different measures for quantifying effects. Second, some studies may present overlapping results. Despite these issues, examining this research is beneficial because it highlights the economic significance of outdoor recreation. It also emphasizes the need to perform a more comprehensive economic analysis to more accurately quantify economic contributions of outdoor recreation to Colorado’s economy.

4.1 Economic Activity Attributed to Outdoor Recreation in the U.S

While it is known that outdoor recreation is a significant contributor to the U.S. financial market, no attempts have been made to summarize total economic activity for all outdoor pursuits. Activities (or industries) that have conducted economic impact studies are outlined in the following section. While this summary is not comprehensive, it illustrates the significance of outdoor recreation to the national economy.

4.1.1 Active Outdoor Recreation

According to the Outdoor Industry Foundation (OIF) “active” outdoor recreation (which includes bicycling, camping, fishing, hunting, paddling sports, snow sports, wildlife viewing, trail-running, hiking, and climbing) contributes \$730 billion annually to the U.S. economy. In addition, this subset of outdoor recreation:

- Supports nearly 6.5 million jobs across the U.S.
- Generates \$88 billion in annual state and national tax revenue
- Provides sustainable growth in rural communities
- Generates \$289 billion annually in retail sales and services across the U.S.
- Includes over 8% of America’s personal consumption expenditures.²



4.1.2 Boating

According to National Marine Manufacturers Association (NNMA) national boating sales have been decreasing since 2005, mainly due to a strained economy, reduced discretionary income, and high fuel prices. However, the economic activity related to boat purchases is still significant.

- NNMA data shows that boat sales totaled \$37.5 billion in 2007 across the country, however sales decreased sharply (-5%) from 2006, the steepest decline in a decade.³



¹Economic activity generally refers to the buying and selling of outdoor recreation goods and services over a period of time.
²Active Outdoor Recreation Economy Report. Prepared by Southwick Associates for the Outdoor Industry Foundation. 2006.
³Beckett, G. “Buying a Boat.” *Mad Mariner LLC*. 3 July 2008. 8 July 2008



4.1.3 Golf

In 2002 and again in 2007 (using 2005 figures), GOLF 20/20, a collaborative, non-profit organization, commissioned an economic impact report regarding economic activity related to golf in the U.S. The organization is currently conducting a state-by-state analysis and will publish their conclusions online at: www.golf2020.com.

The 2007 report found that:

- Golf generated \$76 billion in goods and services in 2005 throughout the U.S.
- Golf generated a total economic impact of \$195 billion in 2005 (using a multiplier effect)
- Golfing led to approximately two million jobs with wages totaling \$61 billion⁴

4.1.4 Horseback Riding

The American Horse Council Foundation (AHCf) commissioned a study in 2005 to determine the economic impact of the horse industry. This research showed that:

- Americans own over nine million horses.
- Equestrian activities and ownership contributed \$39 billion in direct economic benefit to the U.S. economy and supported 1.4 million full-time jobs.
- When indirect and induced spending was included, the report shows the industry's economic impact reaching as high as \$102 billion.
- Of these totals, approximately \$32 billion was generated from the recreational activities and \$29 billion from showing horses.⁵

4.1.5 Off-highway Vehicle Recreation

Off-highway Vehicle (OHV) recreation encompasses several different classes of land-based motorized activities such as dirt bikes, 4-wheelers, ATVs, snowmobiles. Due to the diversity of motorized recreation, one overall, national figure was not found; however in order to provide a summary of the economic activity related to some motorized recreation across the nation, some individual cases are highlighted below:

- The American Recreation Coalition quotes International Snowmobile Manufacturers Association figures stating that in 2006 there were 1.7 million registered snowmobiles in the U.S. with snowmobiling generating \$27-\$28 billion in economic activity and over 85,000 full-time jobs.^{6,7} Excluding the cost of the vehicle and trailer, the average snowmobiler spent \$3,000 per year on snowmobiling.
- A more conservative estimate from The American Council of Snowmobile Associations contends that snowmobilers spend about \$9 billion per year in Canada and the U.S., including expenditures on equipment, clothing, accessories, snowmobiling vacations, etc.⁸

<http://madmariner.com/vessels/buying/story/BUYING_A_BOAT_070308_VB>.

The 2005 Golf Economy Report. GOLF 20/20. SRI International. 1. 2 July 2008 <<http://www.golf2020.com/reports/2005GolfEconomy%20Report.pdf>>.

"Most Comprehensive Horse Study Ever Reveals A Nearly \$40 Billion Impact On The U.S. Economy." American Horse Council Foundation. 29 June 2005. Deloitte Consulting, LLC. 2 July 2008 <<http://www.horsecouncil.org/2005%20June%20Economic%20Study%20Press%20Release.htm>>.

"RECFACTS." American Recreation Coalition. International Snowmobile Manufacturers Association. 3 July 2008 <<http://www.funoutdoors.com/node/view/1201>>.

⁸"Economic Impact." American Council of Snowmobile Associations. 3 July 2008 <<http://www.coloradosledcity.com/merchant.ihtml?id=234&step=2>>.



4.2 Economic Activity Attributed to Outdoor Recreation in Colorado

Outdoor recreation contributes substantially to Colorado's economy, benefitting both state and local coffers. The OIF's report for Colorado indicates that economic activity associated solely with "active outdoor recreation" amounts to over \$10 billion annually (including both resident and non-resident expenditures).^{9,10,11}

Some of outdoor recreation's contributions to the state economy are highlighted in a recent study commissioned by the Colorado Tourism Office (CTO). According to the CTO, a record 28 million people visited Colorado in 2007, contributing \$9.8 billion to the state's revenues, or 10% of the total economy.¹² While many factors drew these out-of-state travelers to Colorado, undoubtedly abundant public lands and recreation opportunities are a significant attractant for tourists. In 2006, outdoors trips, skiing, and touring trips contributed to a significant portion of total tourism revenues (about \$4 billion in travel expenditures). Whether skiing, bicycling, golfing, horseback riding, climbing a fourteener, or touring a scenic byway, Colorado's outdoor recreation opportunities inspire both residents and visitors to experience the diverse outdoor pursuits available throughout the state.



Colorado's natural resources are a major attraction for visitors from other states and across the world. Leisure travelers reported they are primarily interested in experiencing Colorado's "beautiful mountain scenery, wilderness and rural areas," as well as "the natural environment," and come to "participate in outdoor activities such as hiking, fishing, mountain climbing, and off-road biking."

--Colorado Travel Year 2006, Longwoods International. (A study commissioned by the CTO)

⁹Active Outdoor Recreation Economy Report. Prepared by Southwick Associates for the Outdoor Industry Foundation. 2006.

¹⁰Total economic impacts are determined using widely-accepted economic modeling practices and modeling software (e.g., IMPLAN). Economic impacts account for indirect, direct, and induced effects, as well as "leakages." Detailed methodology, including specific definitions of the aforementioned terms, is available in the technical report on OIF's website (www.outdoorindustryfoundation.org).

¹¹Active outdoor recreation activities include: bicycling; camping; fishing; hunting; paddling; snow sports; wildlife viewing; trail-running, hiking, and climbing.

¹²Longwoods Intl. Colorado Travel Year 2007. Colorado Tourism Office, Office of Economic Development and International Trade. 2008. <http://www.colorado.com/static.php?file=industry_partners>.



Similar to national figures for outdoor recreation economic impacts, determining an exact total dollar value for outdoor recreation's contribution to Colorado's economy is not feasible given the various methodologies of each study and the lack of analysis for all outdoor pursuits. To date, no comprehensive study has been conducted to investigate the total economic activity generated by outdoor recreation in Colorado. Numerous reports have been published for particular subsets of outdoor recreation and tourism, many of which likely include duplicative figures and are based on different methodologies and inclusions. In particular, statewide tourism revenues likely overlap with studies conducted by various industries such as skiing, whitewater rafting, and camping. The result is a long list of various groups touting the economic contributions of numerous outdoor recreation pursuits without summarizing total economic activity. Despite different methodologies and confidence levels, all of these studies clearly convey that outdoor recreation in Colorado provides significant economic contributions through trip-related expenditures, employment, equipment and retail sales, passes and permits, and local and state taxes.

While total economic activity for outdoor recreation has not been analyzed, it is possible to summarize the many statewide studies that have been developed to date. Table 27 provides a summary of the known industry- and activity-specific economic studies for outdoor recreation in Colorado. Because each of the figures depicted in Table 27 may not quantify economic impacts in the same way, no attempt has been made to summarize these figures.

Given this information, a conservative estimate of annual economic activity directly related to outdoor recreation in Colorado is likely between \$10 to \$15 billion, using the OIF and CTO figures as a foundation and assessing the economic contributions from other activities statewide. Additionally, this range does not include the activities that have not estimated their economic contribution to the state economy. Some of these activities include:

- Team sports and tournaments (basketball, volleyball, soccer, softball, baseball, ultimate Frisbee, etc.)
- Competitive events and adventure races (marathons, triathlons, charity walks, and adventure and endurance races)
- Golfing
- Picnicking
- Parasailing, hang-gliding, powered paragliding
- Boating

Accounting for other outdoor recreation activities like those highlighted above would further bolster the total statewide economic activity generated by outdoor recreation.

¹³This "conservative" range of economic impacts was established based on discussions between a five-member working group of the SCORP Steering Committee comprised of recreation professionals from varied professional backgrounds [e.g., federal and state government agencies, private consulting, and academic institutions].

Annual economic activity generated by outdoor recreation in Colorado is likely \$10 - \$15 billion dollars based on the results of nine known economic studies related to outdoor recreation activities (albeit with different methodologies and possible overlap in user groups), plus a number of popular activities that likely contribute economic benefits to the state, but have not yet been quantified.

Table 27: Economic Activity Attributed to Outdoor Recreation in Colorado

Estimated Economic Activity Attributed to Outdoor Recreation in Colorado				Year Study Conducted
Industry or Activity	Source	Annual Economic Activity Details	Inclusions	
COMPREHENSIVE STUDIES				
Recreation-related Tourism	Colorado Tourism Office (Longwoods International)	\$3,500,000,000	Skiiing trips, touring trips, and outdoors trips. Includes trip-related expenditures, equipment, and passes.	2006
Active Outdoor Recreation Activities	Outdoor Industry Foundation (Southwick Associates, Inc.)	\$10,000,000,000	State tax revenue, retail sales, services, and jobs for the following activities: bicycling, camping, fishing, hunting, paddling, snow sports, wildlife viewing, and trail-running, hiking, and climbing.	2006
ACTIVITY SPECIFIC STUDIES				
Bicycling	Colorado Department of Transportation (contracted with the Center for Research in Economic and Social Policy (CRESP) at the University of Colorado)	\$1,000,000,000	All related-expenditures and equipment, production, employment, income and tax revenues	1999
Climbing Fourteeners	Western Agricultural Economics Assoc. & Colorado State University, Dept. of Ag. and Resource Economics	Peak baggers spend over \$100/day during ascents, more than any other mountain-related adventure activity and while visitation is not tracked at all fourteeners an estimated 500,000 people ascend these peaks each year.	Trip-related expenditures and equipment for ascents.	2007
Equestrian Activities	American Horse Council Foundation	\$956,000,000	Direct expenditures related to goods and services including equipment, products, feed, guide services, boarding, etc.	2005
Fishing and Hunting	U.S. Fish and Wildlife Service (2006 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation)	\$1,600,000,000	Trip-related expenditures including food, lodging, and transportation, equipment and other expenditures: magazines, membership dues, contributions, land leasing and ownership, and licenses, stamps, tags, and permits.	2006
Off-Highway Vehicle Use	Colorado Off-Highway Vehicle Coalition (Hazzen and Sawyer)	\$231,000,000	Equipment manufacturing, jobs, rentals, etc.	2001
Whitewater Rafting	Colorado River Outfitters Association	\$153,000,000	Direct expenditures for rafting, and related trip expenditures including food, lodging, and souvenirs. (Avg. expenditures are multiplied by User days and amplified by the Econ. Multiplier)	2007
Wildlife Watching	U.S. Fish and Wildlife Service (2006 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation)	\$1,400,000,000	Food, lodging, and transportation, and other trip-related expenditures and equipment, magazines, membership dues, and contributions made to conservation or wildlife-related organizations, plantings, and land leasing and ownership for the purpose of wildlife watching.	2006

