

ECONOMIC CONTRIBUTION OF VISITORS TO SELECTED NORTH CAROLINA STATE PARKS



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Executive Summary

The North Carolina State Parks System provides important benefits to both visitors and local residents in the form of outdoor recreation activities, environmental benefits, and educational opportunities. In addition to these benefits, park facilities, services and amenities can contribute economically to local communities and the state by attracting tourist or non-local visitors to an area for the primary purpose of visiting the state park, recreation area, or natural area. For this study, tourist is defined as a primary purpose, non-local visitor.

The purpose of this study was to document the economic impact of primary purpose, non-local visitors to North Carolina state parks. From July 2005 through June 2006, researchers interviewed 2,164 visitors in 15 state parks of which 852 were primary purpose, non-local visitors. They asked those visitors to report their own expenditures as well as the expenditures made by other members of their party; expenditures from a total of 7,430 park visitors were gathered. Data from Weymouth Woods was omitted from the final analysis due to a small sample size of sixteen (16) visitor groups. For this study, the expenditures from 2,164 primary purpose, non-local park visitors to 14 state parks were analyzed. These visitor expenditures, labeled Direct Expenditures, were analyzed using generally accepted economic impact methodology.

Visitor expenditures were grouped into six categories: groceries, dining out, recreational equipment and supplies, retail shopping, lodging, and auto expenses. Expenditures were also grouped by three visitor types: (1) primary purpose, non-local visitors; (2) casual use, non-local visitors; and (3) local visitors. Only the economic impact of expenditures from primary purpose, non-local visitors is reported here. Measuring the economic impact of casual use, non-local visitors and local visitors to state parks will be incorporated into future studies.

Direct expenditures made by primary purpose, non-local park visitors' ripple through local economies in subsequent rounds of spending. For example, when park visitors dine out, part of the bill paid goes to the restaurant owner, part to the restaurant staff, part to the farmer or others for supplies, etc. The money is then circulated again as those people spend their wages. Using economic impact modeling software, IMPLAN, this study measures not only the economic impact on sales, household income, and jobs; but also measures the impacts that park operating budgets have on local economies. The operation budgets for the state park system signify an investment by the state. One measure of the return on this investment is the economic impact created when primary purpose, non-local visitors choose to visit the parks for their recreation. A measure of that return is in the leverage ratio, or the number of dollars generated for local residents for every dollar invested in the annual operation budgets by the state. The impact of park capital improvement expenditures on local economies is not reflected in this study.

Analysis of data collected from the study parks reveals that the parks made a considerable economic contribution to North Carolina's economy. Every park surveyed contributed a number of jobs and had considerable impact on the personal income of local residents. The

results of the study are highlighted below. A summary of each park is contained within this report.

- Each primary purpose, non-local visitor spent an average of \$23.56 per day. The average group size was 3.14 and the average length of visit in the area was 1.73 days. Thus, average group spending per park visit was \$127.98.
- Overall economic impact of primary purpose, non-local visitor expenditures for all 14 study parks was:
 1. \$124 million in sales
 2. \$46 million in household income
 3. 2119.9 full-time equivalent jobs
- The overall impact of the net operating cost of the 14 parks was \$15 million in sales, \$10 million in personal income, and 256.9 full-time equivalent jobs.
- The park leverage ratios ranged from 1:1.8 for Eno River State Park to 1:25.1 for Fort Fisher State Recreation Area.

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