

Valuing the Economic Impact of Recreation Assets on Rural Communities in the Northern Forest



Introduction

In the past, the Northern Forest economy has been dominated by primary industries, especially logging. With the decline of the logging industry and less demand for lumber from the Northern Forest, recreation and tourism offer an alternative market to diversify the region's economy and bring in money, job, and young people.

In addition, recreation assets make a region more appealing as many Northern Forest communities struggle with declining populations of college-aged youth. By valuing the economic impact of rural recreation assets, I hope to offer Northern Forest communities a methodology that will produce a value to be included in grant proposals and to assist communities in determining where to focus time and energy on future revitalization projects.

Project Goals

The goal of this project is to create a methodology for rural communities to use to value their recreation without needing the assistance of an expensive partner. Ideally this project can be recreated by other small towns with basic assistance and guidance from the Northern Forest Center.

This project looks at Gorham, New Hampshire as a case study and measures the impact of recreation on the community. The goal for Gorham is to determine how much income and how many jobs are being brought into the economy. I hope to demonstrate that recreation is an essential component of the Gorham economy and that grant money put towards recreation assets would help bolster the long-term community vitality.

Methodology

1. Create the survey with help from stakeholders in the town of Gorham. Derive average daily spending and average length of visit from survey data.
2. Distribute the survey via social media and in-person. Employ a wide variety of methods to capture a larger target audience.
3. Get RIMS II Economic Multiplier data from the Bureau of Economic Analysis. For Gorham, we retrieved the Coos County RIMS II multiplier data at the detailed industries level.
4. Determine recreation usage. In this case, the Gorham Information Booth was collecting visitor data that I was able to obtain and use as the number of visitors.
5. Analyze survey data and produce report that values the recreation in Gorham, NH and provides an outline for other rural communities looking to tackle a similar project.

TAKE THIS SURVEY TO HELP GORHAM VALUE ITS RECREATION

Please consider taking this survey to determine the usage, value, and economic impacts of recreation in Gorham. Your data will help Gorham improve its recreation offerings by helping us quantify the economic benefits of recreation.

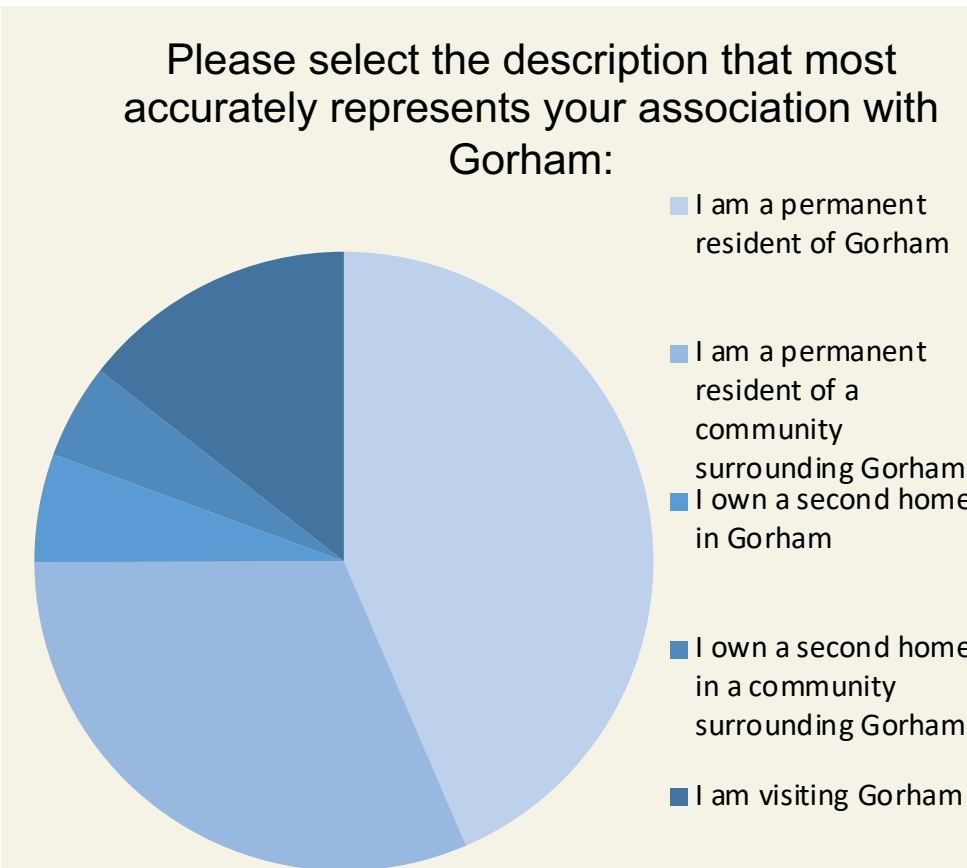
<https://www.surveymonkey.com/r/GorhamRec>

Complete this survey for a chance to win a \$200 gift card to REI!

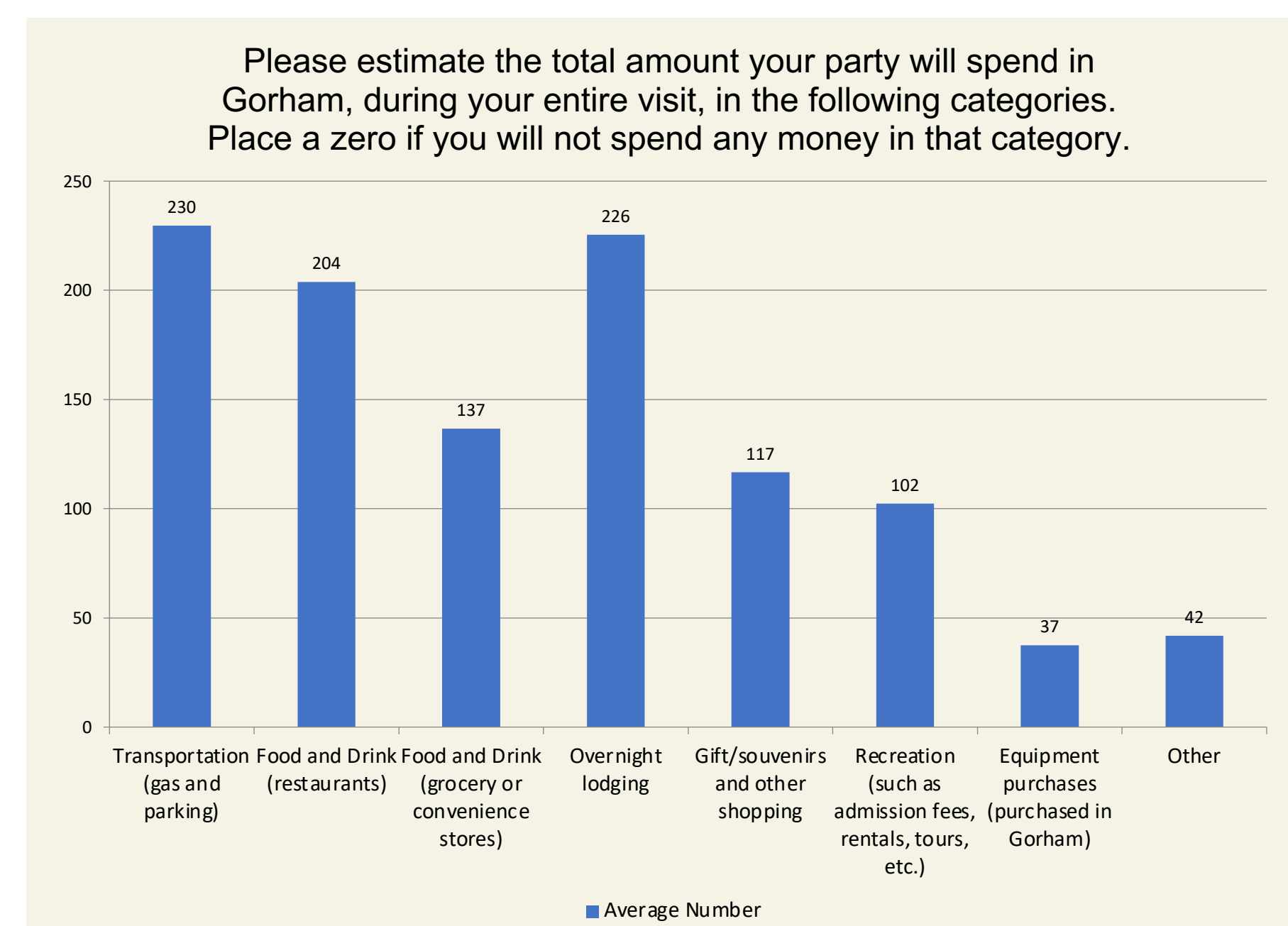


Findings

The pie chart to the right represents the distribution of survey respondents into categories that describe their association with Gorham. Most surveys, 742 responses were taken by permanent homeowners in Gorham or a surrounding community. 105 responses collected were from second homeowners in Gorham or a surrounding community. The final category, visitors represented 143 responses. Of the survey respondents, 22 were first-time visitors.



Below is the question used to gather information on visitor spending. This economic data comes only from visitor responses. Visitors were asked to share their spending from their visit. Below are the results.



Of the 143 responses from visitors, 33 were incomplete and removed. The remaining 110 were used in the analysis. The largest spending categories were transportation and overnight lodging.

The estimated total amount spent by the 110 visitor responses is the total amount spent by all visitors in all categories. I used the total amount spent to find the average spending per day.

Economic Impact = number of visitors each year * average spending per day * average length of visit * the RIMS II economic multiplier (income and employment)

I determined the total economic impact from the above equation. Where the number of visitors each year came from data collected by the information booth in Gorham, the average spending per day and average length of visit came from survey responses, and the RIMS II economic multiplier data came from data produced by the Bureau of Economic Analysis.

A comparative analysis is also helpful to offer additional backing to support the need for recreation. For example, I researched economic valuation studies conducted for the Wild Center in the Adirondacks (Douglas, 2012), the Vermont Trails (N'dolo, 2016), and snowmobiling trails in Utah (Smith and Lamborn, 2018) to show the growing importance of recreation assets.



Limitations:

- Difficult to determine total number of visitors
- Respondents likely do not have exact figures on spending
- The smallest region offered by the RIMS II multiplier data is county level which is broader than a single town
- In-person surveying is required to capture visitor data
- Seasonal changes in activities – unable to capture winter activities spending in the summer and vice versa

Above is a list of limitations from my research to highlight the difficulties I came across while conducting this project. Communities should take note of the limitation before embarking on their own valuation and plan accordingly. In many cases, it is difficult to capture the exact number of visitors and how much they are spending. Smaller projects valuing single parks, trails, or businesses are more accurate and more commonly used but are not helpful for the community as a whole.

Discussion

Improving and upkeeping recreation assets in the Northern Forest is one method to strengthen and diversify regional economies. However, while recreation is beneficial in that it brings money into rural economies, it also has negative effects within the community such as rising housing prices and declining environmental health.

There is a recreation premium that adds to housing affordability challenges that causes a 4% rise on wages spent on mortgage and a 6% rise in wages spent on rent, (Lawson, 2020). This makes finding affordable housing more difficult especially when paired with a lack of higher paying careers in the region. The Northern Forest Center recognized this problem, and it is addressed in the Attracting New Residents Strategy: A Strategy for the Adirondack Park and its Communities.

Increasing demands of tourism also results in higher rates of user-related environmental degradation. One very visible example has been erosion and widening of high-use trails. The heavy use needs to be compensated through repairs and outreach via land stewards.

The Northern Forest is battling outmigration, a lack of jobs and careers, a lack of housing, along with other challenges. However, recreation across the Northern Forest is a promising avenue for jobs, community health, and attracting new, and especially young people. By valuing rural recreation assets, communities will have a tool that can be used in grant applications, and in budgeting for future projects. My hope is that this project can offer an explanation and guidance to rural communities seeking to value their recreation without the help of an outside organization.

Work Cited

- Attracting New Residents: A Strategy for the Adirondack Park and its Communities. (2021). Northern Forest Center. https://northernforest.org/images/programs/vitality-community/ANR/Attracting_New_Residents_to_the_Adirondacks.pdf
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- Lawson, M. (2020, May 18). *Housing in recreation-dependent counties is less affordable*. Headwaters Economics. <https://headwaterseconomics.org/equity/housing-affordability-recreation-counties/>
- N'dolo, M., Selsky, R., & DeCarlo, D. (2016). *Economic and Fiscal Impact Analysis of the Vermont Trails and Greenway Council Member Organizations*. Carmoin Associates. <https://www.greenmountainclub.org/wp-content/uploads/2017/12/Economic-and-Fiscal-Impact-Analysis-of-the-Vermont-Trails-and-Greenways-Council-Member-Organizations.pdf>
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