Rural Arizona...
The Economic Benefits of Recreation

A Summary Analysis of Tourism and Recreation as Factors Influencing State and Local Economies

Arizona State Parks Board
Statewide Planning Section
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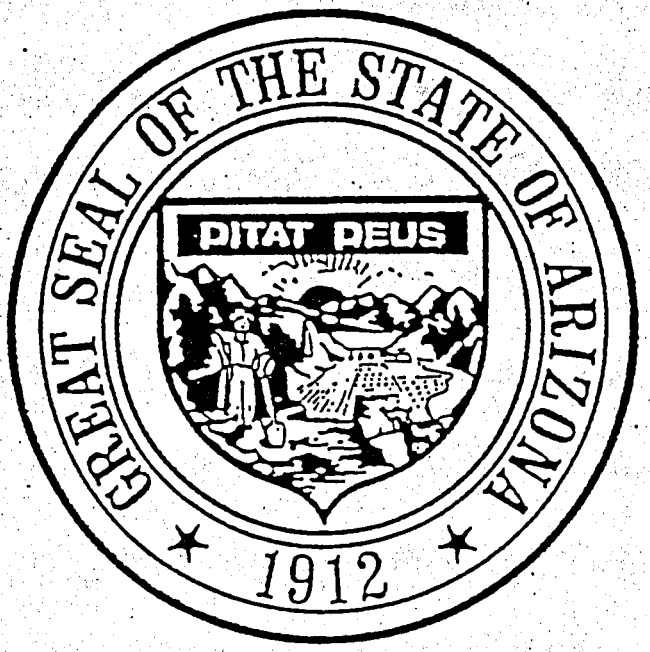

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RURAL ARIZONA...THE ECONOMIC BENEFITS OF RECREATION

SUMMARY

- Arizonans spent $2.6 billion on outdoor recreation in Arizona in 1987.
- Visitors to Arizona state parks spent a total of $94 million within 50 miles of the parks in 1987, benefitting over 30 rural communities.
- Outdoor recreation provides economic benefits to our state in two major ways: participant spending and as an attraction to new businesses.
- 98% of Arizonans participate in outdoor recreation activities.
- Colorado, Utah, and New Mexico enjoy between 3 1/2 and 6 times as many visitors to their state parks, with a corresponding increase in revenues to those states—as Arizona does.
- Only 51 % of Arizona state park visitors are Arizona residents. Three percent are from foreign countries, the remainder are from other states. Almost 60% of those Arizona visitors are from Phoenix and Tucson.
- State and Federal recreation facility demand is booming, while financial commitment is static and supply falls further and further behind demand.
- Arizonans' only current choices for outdoor recreation are overcrowded developed recreation facilities, undeveloped facilities, or travel out-of-state.
- Arizona's rural communities are losing a tremendous potential economic benefit that is leaking to other states due to our lack of investment in outdoor recreation.

Those natural and cultural elements that make a state a special place to live are quietly contributing more to economic growth than is generally understood. Maintaining high standards for quality of life is a critical factor in state economic development strategies.

- Council of State Planning Agencies, 1985

Recreation Attracts Business To Arizona

Tourism brings in substantial economic gain to our state. Total tourism expenditures in 1987 were estimated at over $5 billion by the Office of Tourism. Our ability to attract visitors and tourism spending has propelled us to a ranking of 11th in the nation in spending by tourists on a per capita basis. Arizonans spent almost $2.6 billion to participate in outdoor recreational activities in Arizona in 1987 as determined in the 1988 Participation Survey. (Arizona 1989 CORP) Using a 7% average tax rate, $182 million is generated by taxing Arizonans' recreation spending.

Outdoor recreation plays a significat role in the travel choices made by many Americans. Opportunities to view, experience, or just relax against the backdrop of the scenic West are highly desired, especially among Midwesterners and Eastern urbanites. An estimated 16 million travelers visited Arizona in 1987. The attractions most sought by these tourists were natural attractions: the Grand Canyon, Lake Powell and Canyon de Chelly. (Office of Tourism statistics)

The Tucson visitor industry is critically important to all of us. Much of what we take for granted in Tucson, its' cultural attractions, performing arts, fine restaurants, city services, all the things that make our city an exciting cosmopolitan place to live and work depend directly on the continued vitality of our largest industry, tourism.

—Lew Murphy, former Mayor of Tucson

Outdoor recreation availability is an important lifestyle factor for Arizonans. Ninety-eight percent of our population participate in some type of outdoor recreational activity. (Maricopa County Department of Human Services, 1988) The second largest employer in Pima County, Hughes Aircraft Company, considers the availability of outdoor recreation facilities as one of the most important quality of life factors for its employees.

The tourism dollar has a significant effect on the cost of living in Tucson and in general contributes to the overall lifestyle so attractive to our employees and prospective employees.
— Ed Spaulding, Manager, Community Affairs
Hughes Tucson Plant Site

Rural Benefits

Our urban dwellers are spending money and recreating locally and in our rural areas. Our three most popular tourist attractions are located in rural northern Arizona. The majority of Arizona state parks are located in rural areas of the state.

Visitors to our state parks were asked how much money their group spent during their trip within 50 miles of the state park they were visiting. Results show average expenditures of $203 per visitor group per trip. (1987-1988 Use Study of Arizona State Parks Visitors) When these spending figures are multiplied by park attendance, it was found that over $94 million was spent within 50 miles of a state park by park visitors in 1987.

The $94 million spent by State Park visitors within 50 miles of the parks provides a substantial injection of money into local economies. At least thirty rural communities benefit economically from their proximity to state parks. Lake Havasu City benefits from three state parks, with visitors spending a total of $18,158,866 within 50 miles of those parks. These numbers demonstrate the potential economic benefit that a state park can have on a rural community.

Current Investment

While some recreation needs are met at home, people want and need a diversity of places to recreate. Recreation facilities and opportunities are provided by city, county, state and federal governments throughout the state in response to these demands. Our 25 State Parks alone hosted 1,394,653 visitors in 1987. Federal recreation facilities provided by the National Park

> While Arizona population increased by 70% from 1970 to 1985, Arizona state park acreage increased by less than 43%. (Arizona 1989 SCORP)

Service, Forest Service, and Bureau of Land Management have all experienced explosions in user demand in the last 10 years. (Arizona 1989 SCORP) Managers of many popular remote areas, such as the Grand Canyon, Aravaipa Canyon and Paria Canyon, now have been forced to control user participation through permitting systems.

Investment in our State Park System has been dismal at best. While Arizona population increased by 70% from 1970 to 1985, Arizona state park acreage increased by less than 43%. (Arizona 1989 SCORP) Over the last three years the State has demonstrated a commitment to developing new parks, however, *no* state funds were spent on acquisition of new parks from 1981 to 1985.

We cannot rely on federal agencies to provide recreation services for our residents and visitors. While the Forest Service is trying to respond to recreation demand with a new Recreation Initiative Strategy, it has been unable to increase its recreation budget accordingly. In fact, the proposed Federal Executive Budget for FY 1990 has a 20% decrease in recreation spending including a 67% reduction in facility construction dollars.

Our lack of commitment has resulted in our residents having to choose between overcrowded developed sites, undeveloped sites or traveling out-of-state to enjoy outdoor recreation.

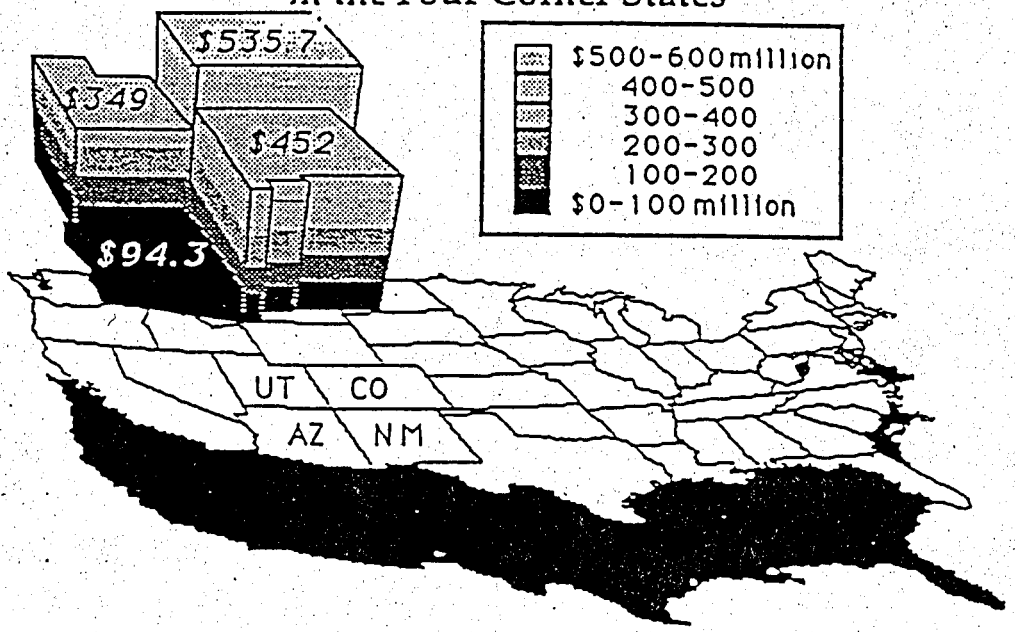
Southwestern States Visitors And Spending

To compare Arizona state park usage to others in the Southwest, the park visitation and resulting visitor expenditures were calculated for Arizona, New Mexico, Colorado and Utah. An average visitor expenditure of $203 was used to estimate visitor expenditures in the four states. Results show spending by visitors to state

parks in three adjacent states is 3 1/2 to almost 6 times higher than spending by their counterparts in Arizona. Colorado enjoys the highest state park visitation and visitor spending of the four states considered with nearly 8 million visitors who spend almost $536 million annually, compared to Arizona's 1.4 million visitors and $94 million annual expenditures.

In the next ten years, New Mexico will receive over $3 *billion* more from its state park visitors than Arizona will. The difference in annual visitor spending between the two states is over $312 million. Taking into account the greater number of parks in New Mexico than Arizona, this tremendous difference points out the huge economic cost of our lack of investment in Arizona's state parks.

Expenditures of State Park Visitors in the Four Corner States



Arizona's Economic Loss

Arizona has a vast and unique land base for our residents and visitors to enjoy. However, substantial opportunities for rural economic benefits are leaking out of the state. It is clear that the unmet demand in Arizona for outdoor recreation activities results in lost economic benefits to state and local economies. Outdoor recreation and accessibility to the natural environment are such strong quality of life values in our society that they are a major consideration in both personal and business location/relocation decisions.

The state parks system needs an immediate revitalization and investment to meet the needs of our residents and visitors. Many residents are forced to go out-of-state to enjoy a reasonable summer climate for recreational activities due to a shortage of facilities in Arizona's mountains. Investment in state recreation lands and facilities has tremendous economic benefits and should be an integral part of our state economic development program.

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NATURE-BASED TOURISM AND THE ECONOMY OF SOUTHEASTERN ARIZONA:

Economic Impacts of Visitation to Ramsey Canyon Preserve and the San Pedro Riparian National Conservation Area

Final Report
October 30, 1992

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Executive Summary

This study documents expenditures in the Sierra Vista area by visitors to the San Pedro Riparian National Conservation Area (RNCA) and by bird watchers at Ramsey Canyon Preserve. Information on visitor expenditures, characteristics and preferences is reported, along with implications for nature-based tourism in southeastern Arizona. This study examined visitation to only two natural areas and so economic impacts reported here represent only a portion of the impacts of visitor spending associated with all nature preserves located in southeastern Arizona. The study indicates that 95% of visitors to Ramsey Canyon and the San Pedro RNCA go to at least one other site in southern Arizona on a typical visit to the area, and make expenditures in communities located near these sites.

Ramsey Canyon Preserve and the San Pedro RNCA attract significant numbers of visitors from outside of the local area. Approximately two-thirds of the visitors to these sites are from outside of Arizona and 5-6% are from outside the U.S. These visitors bring new economic activity not only to southeastern Arizona, but to the state as a whole. The typical non-resident visitor to Ramsey Canyon spends $55 per day in Sierra Vista, while the typical non-resident visitor to the San Pedro RNCA spends $51 per day in Sierra Vista. The economic impact on total industry output in the Sierra Vista area associated with nature-based visitors to Ramsey Canyon and the San Pedro RNCA is nearly 3 million dollars per year.

This report focuses on only one economic aspect of nature-based tourism and is not intended to discuss the range of benefits and costs that communities experience as a result of increased tourism. However, the information provided here is an important component in considering these benefits and costs. The economic impact figures reported are very conservative because great care was taken to include only those portions of Ramsey Canyon and San Pedro visitor expenditures which were directly linked to time spent by visitors at these two study sites. Our study indicates that nearly all visitors coming from outside of the local area visited other sites in southeastern Arizona and purchased goods and services near those sites. Consequently, the numbers reported here are a conservative "lower bound" indication of the importance of nature-based tourism in southeastern Arizona.

Protected natural areas attract relatively high income and well-educated visitors, many of whom are retired or close to retirement. This type of visitor is highly desirable not only because they have discretionary time and income, but also because they may be seeking a location for retirement. The expenditures by nature-based visitors provide significant stimulation for the economy of Sierra Vista and Cochise County. Study results also demonstrate the importance of the study sites to local residents. Fifty-five percent of visitors contacted at the San Pedro RNCA were local residents or non-residents on day trips and most of these visit the RNCA regularly.

Visitation to Ramsey Canyon Preserve is spread fairly evenly through the year with the lowest visitation during the peak winter visitor months of October to February, and the highest visitation during March to August. Roughly 42.5% of all visitation occurred during the February through May season in 1992. Consequently, visitation to Ramsey Canyon is complementary to other types of visitation to Sierra Vista. Nature-based tourists help smooth visitation over the year, rather than making visitation during peak winter visitor months more pronounced. Given the large fluctuations in visitation to other parts of southern Arizona between the winter and summer months, this is an attractive attribute of nature-based tourism. Although visitor records are not available for San Pedro RNCA, results from the visitor survey indicate that 35 percent of visitors to Ramsey Canyon Preserve also visit the San Pedro RNCA. It is likely that seasonal visitation patterns are similar for the two sites.

The expenditure analysis indicates the importance of an overnight stay for communities to experience significant economic benefits from visitors. While overnight visitors spent an average of $51 to $55 per person per day in the Sierra Vista area, day trip visitors spent less than $7 per person per day in Sierra Vista. This makes the availability of accommodations in Sierra Vista a key factor affecting the magnitude of economic inflows from nature-based tourism. Potential opportunities exist not only for additional lodging but also for tour services originating in Cochise County. Nature-based visitors spent more than $654,000 on tour fees in fiscal 1991-1992. Only $16,000 of that amount was spent in the Sierra Vista area.

The potential for increased economic inflows from nature-based tourism is apparent from this study. Visitors spent about $12 million per year on trips that included a visit to Ramsey Canyon or the

San Pedro RNCA, but only a portion of the overall trip expenditures occurred in southeastern Arizona. While southeastern Arizona communities are unlikely to capture a portion of visitors' airfare and rental car expenditures, they could take steps to increase local expenditures by nature-oriented visitors on lodging, restaurants, tour services and miscellaneous retail purchases. Other important strategies for increasing returns from nature-based tourism include preservation of existing natural sites and possible expansion of sites attractive to birders (particularly for hummingbird viewing).