

The Economic Impact of Pennsylvania State Parks: An Updated Analysis

Even in times of economic hardship, Pennsylvania State Parks attract millions of visitors who contribute to the economic vitality of the Commonwealth. In 2011, the Department of Recreation, Park and Tourism Management at Penn State conducted their second economic impact analysis of Pennsylvania State Park visitor spending using 2010 visitation statistics and multipliers. This updated analysis estimated visitor spending/ impacts using the Money Generation Model (MGM2), which is also used by the National Park Service and several other state park systems. This updated analysis also included surveys at Hickory Run and Lehigh Gorge State Parks in order to gather actual spending and user segment statistics from visitors at high expenditure parks (the prior study relied solely on average spending estimates from other state park systems).

Pennsylvania State Park visitation statistics, state/local multipliers, and estimated visitor expenditures were used to generate economic impact data based on visitor spending at a state, region, and park level. In 2010, Pennsylvania State Parks hosted 37.9 million visitors who spent \$859 million (\$648 million for resident and \$201 million for out-of-state, and \$9.5 million in extra spending). These figures represent increased spending and economic impact when compared to earlier 2008 study. This increase can be attributed to increased visitation levels experienced in 2010, as well as multiplier adjustments and more accurate rafting/concessionaire revenue statistics.

The direct contribution of State Park visitor spending to the Pennsylvania economy was:

- \$628.7 million in sales - (sales of businesses)
- 9,435 jobs - (both part-time and full-time)
- \$227.2 million in labor income - (wages, salaries, payroll benefits)
- \$360.6 million in value added effects

When these direct contributions are combined with secondary or indirect effects, the total contribution of State Park visitor spending to the Pennsylvania economy was:

- \$1.145 billion in sales
- 12,630 jobs
- \$397.8 million in labor income
- \$649.0 million in value added effects

As in 2008, these economic impacts were not just generated by Pennsylvanians. For example, the statewide sales impact of out-of-state visitors in 2010 was \$274.2 million. Out-of-state visitor spending contributed to 2,976 jobs, \$94.6 million in labor income, and \$154.5 million in value added effects.

Comparing the income return (value added) from 2010 visitor spending of \$649 million with reported General Fund expenditures of \$52,276,000* revealed a favorable return on investment (Table 1). For every dollar invested in Pennsylvania State Parks, \$12.41 of income (value added) is returned to Pennsylvania. This return on investment is higher than earlier reported estimates (\$1 to \$7.62 in 2008 and \$1 to \$9.63 in 2009).

Visitor expenditures by State Park Region depend on visitation levels and spending opportunities near parks within each region. Combined, Regions 2 and 4 accounted for 73% of the total visitor spending. Visitor expenditures were approximately \$345 million for Region 2, \$286 million for Region 4, \$166 million for Region 3, and \$72 million for Region 1. Likewise, the total economic significance of visitor trip expenditures (including both direct and secondary effects) varied across the four State Park Regions:

- Region 1 - \$64.2 million in sales, 1,012 jobs created, and \$36.8 million value added
- Region 2 - \$389.3 million in sales, 5,029 jobs created, and \$219.4 million value added
- Region 3 - \$165 million in sales, 2,372 jobs created, and \$96.2 million value added
- Region 4 - \$353.2 million in sales, 3,960 jobs created, and \$203.4 million value added

* 2010 general fund budget includes augmentations from gas operations funds

Table 1: Pennsylvania State Parks Economic Significance Data Comparisons 2008, 2009 (estimated), and 2010*

Input Data	2008	2009**	2010
Official Park Attendance	34,112,309	38,687,616	38,364,432
Calendar Year General Funds	\$60,950	\$54,756	\$52,276****
Total Statewide Economic Significance***			
Sales	\$818,309	\$928,072	\$1,145,721
Jobs	10,551	11,966	12,630
Labor Income (in \$000's)	\$291,440	\$330,532	\$397,763
Value Added	\$464,730	\$527,062	\$648,991
Cost to Benefit Ratio	\$1 to \$7.62	\$1 to \$9.63	\$1 to \$12.41

* Monetary figures are in millions (000) except for the cost benefit ratio

** 2009 projections/estimates based on the same ratios from 2008 data, but using the increased visitation numbers from 2009

*** Figures based on total economic significance (all State Park visitors with indirect/multiplier effects included)

**** 2010 general fund budget includes augmentations from gas operations funds