

***The Economic Impact
Of Visitors to the New Hampshire State Park System:
A Preliminary Estimate
November 2009***

This report was prepared by Applied Economic Research as part of the New Hampshire Division of Parks and Recreation's 2009 Strategic Plan and Capital Improvement Program. The purpose of the report is to estimate the economic impact of visitors to the NH State Parks.

Caveats

Estimating the economic impact of any endeavor can be a complicated undertaking requiring detailed information and deploying sophisticated visitor spending surveys/economic modeling techniques. A prerequisite for a definitive analysis is detailed information on park visitation including visitors that pay a fee (overnight or camping) and non-fee visitors. Reliable data on where visitors live, how much they spend during their visit on various items and services, the principal purpose of their visit, etc. is important to a thorough analysis. Data of this type is not available at this time for New Hampshire's park system. Furthermore, a detailed analysis, including visitor surveys, would consume most of the budget allocated for the preparation of the entire Strategic Plan.

Nonetheless, despite these severe data and budget limitations, there is a need for a reasonable, if not precise, estimate of the impact of the state park system on the State's economy and on State revenues. This preliminary analysis addresses that need. It is hoped that in the future it may be possible to prepare a more definitive estimate.

This analysis estimates the economic impact of visitors to the state park system. For some visitors the visit to a state park is the primary reason for their trip—for example visitors to Hampton Beach or the state's ski areas. For others, visitation to a state park is part of their overall vacation/recreation experience. While the distinction between these two categories is important, there is no survey data quantifying this distinction. For the sake of the reader's background information, however, license plate surveys indicate that slightly over half of the fee-paying visitors to NH's parks come from out-of-state.

Methodology

The estimates in this report are based on a direct methodology that draws on the most reliable visitation data available (while recognizing it is less than perfect) and then applies economic multipliers from a prior analysis of the economic impact of proposed Hampton Beach State Park improvements.

The visitation estimates are from the National Association of State Park Directors 2008 Annual Information Exchange (AIX)¹ report that presents data on visitation to New Hampshire's State Parks.

¹ AIX Project Team, 2008 Annual Information Exchange for July 1, 2006-June 30, 2007. Published under the direction of The National Association of State Park Directors.

Data for New Hampshire's parks is submitted by the NH Division of Parks and Recreation and includes overnight visitors (campers) and day visitors that pay a fee to facilities such as Bear Brook State Park. To these visitors AER estimated day visitation to Franconia Notch State Park, Crawford Notch State Park and Hampton Beach and added skier visits to the state's two ski areas—Cannon and Sunapee. These facilities are considered destination facilities that attract visitation with a material impact on the State's economy. *The estimates of economic impact in this report do not include the impact of non-fee, day visitors to other parks—introducing a conservative element to this analysis.*

Once visitation estimates were developed, the next step in the analysis was to estimate the spending, employment and state revenues generated by that visitation. For this element of the study, AER relied on an analysis of the economic impact of the Hampton Beach State Park and the proposed improvements thereto.² We applied the per visitor findings of that study to the visitation estimates for the park system as a whole. The author of that study, Dr. Laurence Goss, has a long history of analyzing the NH visitor market and estimating its impact on the NH economy. AER contacted Dr. Goss while preparing this study and received some additional guidance and adjusted per visit spending (slightly downward) accordingly. While Hampton Beach visitors are not identical to visitors to the park system as a whole, there are some fundamental similarities (Hampton Beach has Park campsites, fee day visitors and non-fee visitors). There are enough similarities to allow that study to serve as a basis for this broader study, considering that this current study is preliminary.

As such, this study relied on the best available visitation data and a sound analysis of visitor impact to the major park in the state's system. ***Nonetheless, this current study is preliminary and its estimates of impact should be viewed as order-of-magnitude, rather than definitive and precise. A 25%+/- margin of error should be considered in reviewing the estimates set forth below.***

² Laurence E. Goss Jr., Ph.D. [The Impact of the Proposed New Facilities at Hampton Beach State Park on the Local Economy, Employment and the State Government Budget.](#) December 10, 2008.

Study Results

We estimate that there are a total of 7.2 million visitors to the NH Park system according to the definition of “visitor” set forth above.

Spending Impact

We estimate the annual total private sector direct spending by visitors to the state’s park system is just over \$500 million, with the lion’s share of the spending in restaurants and general retail stores.

	Per Visitor Day	Total
Restaurants	\$ 25.22	\$ 181,565,000
Accomodations	\$ 11.22	\$ 80,765,000
Recreaton	\$ 5.09	\$ 36,626,000
Retail Trade	\$ 23.26	\$ 167,478,000
State Liquor Stores	\$ 1.00	\$ 7,200,000
Services	\$ 2.83	\$ 20,348,000
Transportation/Information	\$ 3.98	\$ 28,643,000
Total Direct Spending	\$ 72.59	\$ 522,626,000
Indirect and Induced Multiplier		1.56
Total Spending With Multiplier		\$ 1,337,922,560

As that money circulates through the state’s economy, it generates yet more spending, referred to as indirect and induced spending. Including the indirect and induced spending, visitors to the State Park System generate a combined total (direct+indirect spending) of about \$1.3 billion in New Hampshire.

Employment Impact

Based on the employment impacts found in the Goss report, we estimate that visitors to the State Park System support 8,200 direct jobs and 12,500 total jobs, including induced and indirect jobs.

	Employment Per 1,000 Visitor	
	Days	Jobs Supported
Restaurants	0.62	4,500
Accommodations	0.26	1,800
Recreation	0.11	800
Retail Trade	0.10	700
Services	0.04	300
Transportation/Information	0.01	100
Total	1.14	8,200
Induced and Indirect Jobs	0.53	4,300
Total Direct+Indirect	1.67	12,500

Impact on State Revenues

Relying on the Goss findings, we conclude that visitors to the State Park System support just over \$45 million in state revenues annually, exclusive of state and local property taxes.

	Per Visitor Day	Total
Parks Div. Campgrounds Rooms and Meals		\$ 104,000
Rooms and Meals Revenues	\$ 2.98	\$ 21,443,000
Rooms And Meals (food and vehicles)	\$ 0.13	\$ 939,000
State Liquor Store Sales	\$ 1.48	\$ 10,643,000
NH Turnpike Tolls	\$ 0.60	\$ 4,320,000
State Gasoline Tax	\$ 0.24	\$ 1,722,000
Business Profits/Enterprise Tax	\$ 0.36	\$ 2,598,000
Sweepstakes/Lottery Sales	\$ 0.26	\$ 1,878,000
Tobacco Tax	\$ 0.16	\$ 1,127,000
Communications Tax	\$ 0.07	\$ 470,000
Beer Tax	\$ 0.04	\$ 297,000
Greyhound Racing Fee	\$ 0.00	\$ 16,000
Total	\$ 6.31	\$ 45,557,000