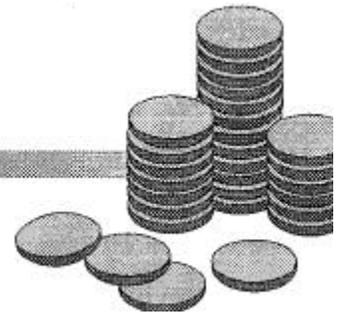


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Economic Importance of the Winter Season to Park County, Wyoming



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INTRODUCTION

The winter season is an important time of year for the Park County economy. While the visitor volume and total visitor expenditures are lower than in the summer months, winter visitors are important because their expenditures help sustain the local economy between summer seasons. The winter season is also important because it provides recreation opportunities for county residents. Much of the winter recreation enjoyed by both residents and nonresidents in Park County is associated with activities within Yellowstone National Park. Activities such as back-country skiing, ski mountaineering, snowshoeing, cross-country skiing, dog sledding, snowmobiling, wildlife watching, ice climbing, and sightseeing draw both visiting tourists and local residents to Yellowstone National Park (YNP).

Tourism is an important part of the Park County economy. Based on lodging tax collections it is estimated that visitor expenditures in Park County totaled \$103 million in 1998. State data indicates that lodging tax collections in Park County increased by 40 percent between FY92 and FY98. Lodging tax collections in Park County increased by 18 percent between the 1993-94 and 1997-98 winter seasons. While total employment decreased slightly between 1995 and 1997, service sector employment in Park County during the winter months increased by 6 percent.

This report is not intended to provide a comprehensive evaluation of the importance of the winter visitors in the Park County economy. Rather it is intended to provide information on what is currently known. More in-depth information about winter visitors to the area will no doubt improve the analysis when it becomes available.

PROCEDURES

Information for this report was gathered from a variety of secondary data sources including Wyoming State government agencies and reports, University of Wyoming studies, consultant reports, and Federal agency reports. Information was also obtained from the business community in Park County and the Cody Country Chamber of Commerce.

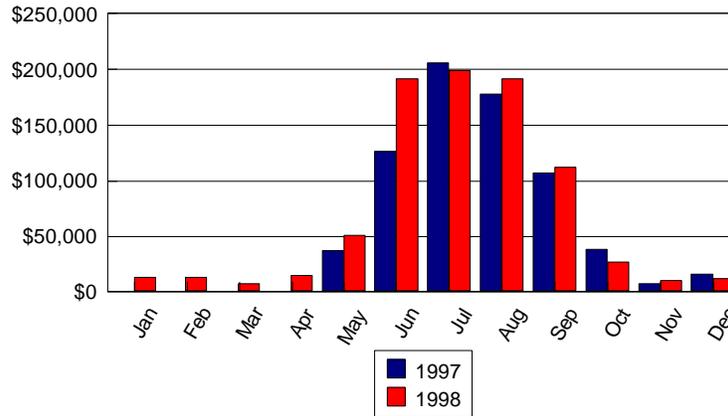
EXECUTIVE SUMMARY

- In 1998, about 70 percent of total lodging taxes in Park County were collected during the summer season. Although lower than during the summer season, lodging tax collections during peak winter recreation months averaged 60 percent higher than during non-peak winter recreation months.
- Peak total employment for Park County in July averaged 35 percent higher than the low point in January. Peak employment for the service sector in July averaged 86 percent higher than the low point in January. A reduction in winter visitors, would reduce winter employment in Park County even more.

- Thirty percent of the Park County businesses responding to a survey indicated that they had direct sales to winter visitors to Yellowstone National Park. These businesses indicated that sales to YNP winter visitors represented nearly 80 percent of their total winter sales.
- Average daily expenditures by nonresident snowmobilers in Wyoming were \$142 per person. By comparison, average daily expenditures by general winter visitors were \$73 per person and average daily expenditures by general summer visitors were \$63 per person. Due to their higher expenditures, snowmobile visitors have a greater economic impact per visitor day than many other types of visitors to the state.
- The 1993-95 Wyoming Snowmobile Assessment estimated that nonresident snowmobilers spend \$109 million annually in Wyoming. These expenditures resulted in \$40 million in personal income and supported the equivalent of 3,063 full-time jobs for state residence. Nonresident snowmobilers expenditures also generated \$5 million in tax revenue for state and local governments in Wyoming.
- It is estimated that YNP winter visitors spent \$5.1 million in Park County in 1998. These expenditures resulted in \$1.8 million in personal income and supported the equivalent of 467 jobs during the winter season for Park County residents. YNP winter visitor expenditures also generated \$306,800 in tax revenue for state and local governments in Wyoming. YNP winter visitor expenditures represent about 90 percent of total winter visitor expenditures in Park County. Elimination of winter access to YNP could represent a loss of employment equivalent to over 20 percent of winter service sector employment in Park County.
- Participating in winter recreation activities is important to Park County residents. The net economic value of participating in selected winter recreation activities for Park County residents was \$3.8 million in 1998. Snowmobiling represented 72 percent of this total.

PARK COUNTY MONTHLY LODGING TAX COLLECTIONS

Figure 1.
Park County Monthly Lodging Tax, 1997 & 1998



Monthly lodging tax data for Park County was obtained from the Wyoming Division of Economic Analysis. The data was lagged two months to reflect delays in reporting. Only monthly collections for 1998 and part of 1997 were considered. In FY97 the Wyoming Department of Revenue changed computer systems making monthly comparisons with previous years unreliable. Table 1 summarizes monthly lodging tax collections for Park County.

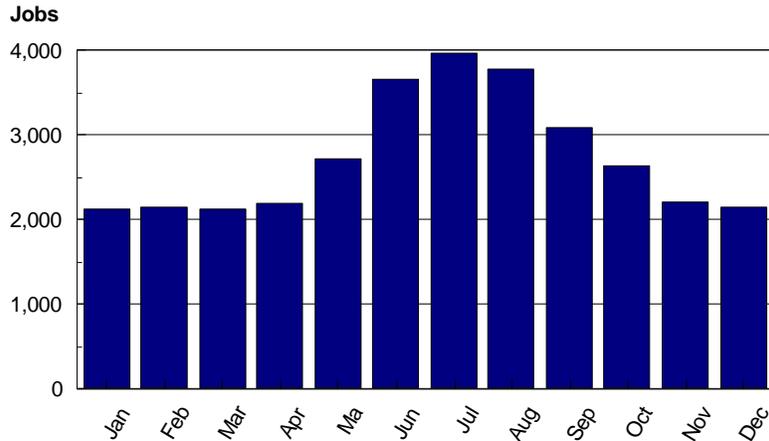
The lodging tax data indicates that the tourism industry in Park County is highly seasonal. In 1998, about 70 percent of total lodging tax collections occurred during June, July and August. Although lodging tax collections were lower in the winter, expenditures by winter visitors are important to tourism businesses in Park County because they help sustain these firms financially between summer seasons. Monthly lodging tax collections for Park County in the peak winter season months of December, January, and February were about 60 percent higher than in November and March.

Effective January 1, 1997, Park County changed from a two percent lodging tax to a four percent lodging tax. After adjusting for the change in tax rates, state data indicates that lodging tax collections in Park County increased by 40 percent between FY92 and FY98. Adjusted lodging tax collections in Park County increased by 18 percent between the 1993-94 and 1997-98 winter seasons.

Park County also collects lodging taxes from sites in the northern part of Yellowstone National Park, including Mammoth, Canyon, Fishing Bridge, and Roosevelt Lodge. In 1998, these collections represented nearly one-third of the total for Park County. During the winter season only the lodging facilities at Mammoth are open.

PARK COUNTY MONTHLY EMPLOYMENT

Figure 2.
Average Park County Service Sector
Monthly Employment, 1995-97



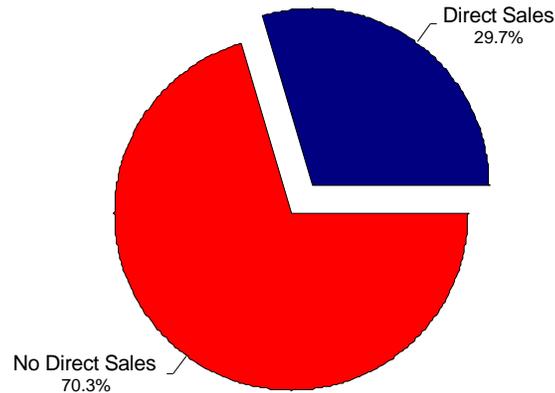
Monthly employment data for Park County was obtained from the Wyoming Department of Employment. These data represents employment covered by unemployment insurance. Self-employed jobs are not included. Table 2 summarizes monthly employment for Park County for the past three years.

The employment data indicates that employment in Park County is also seasonal in nature, peaking during the summer tourism season and then declining during the off-season. On average, peak employment in July has been 35 percent higher than during the low point in January. This trend is especially apparent in the service sector where peak employment in July has averaged 86 percent higher than during the low point in January (Figure 2).

The seasonal nature of employment in Park County makes expenditures by winter visitors important to the local economy. Since these expenditures occur during a slow time of the year they help sustain the local economy between the peak seasons. Without winter visitors, employment in Park County would probably be even lower during the winter months. Also, while total covered employment for Park County decreased slightly between 1995 and 1997, service sector employment during the winter season increased by 6 percent.

PARK COUNTY BUSINESS SURVEY

Figure 3.
Businesses with Direct Sales to YNP Winter Visitors



In March of 1999 the Cody Country Chamber of Commerce conducted a survey of Park County business to collect data on sales to Yellowstone National Park (YNP) winter visitors. The survey results were compiled at the University of Wyoming by the Wyoming Cooperative Extension Service.

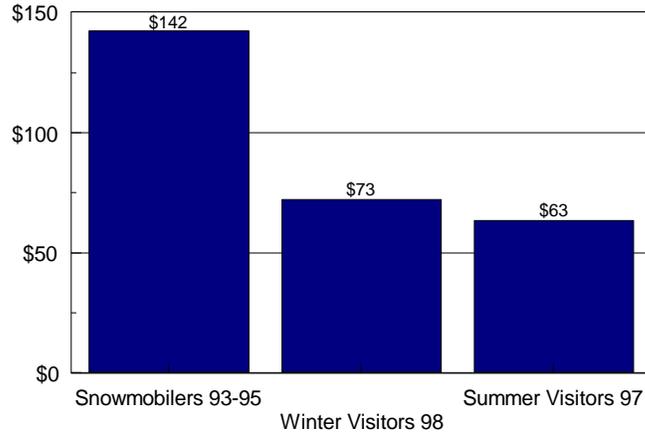
About 30 percent of the businesses responding to the survey indicated that they had direct sales to YNP winter visitors. For businesses with direct sales, YNP winter visitor expenditures represented nearly 80 percent of their total winter sales.

About 60 percent of the businesses with direct sales indicated that they would have to layoff employees if YNP prohibited winter visitation. Fifty percent of these businesses indicated that they would attempt to seek alternative sources of revenue. Thirty percent of these businesses indicated that they would close the business in the winter. Twenty-five percent of these businesses indicated that they would reduce non-pay-roll expenses. Ten percent indicated that prohibiting winter visitors would have other effects on their business.

The survey results did not consider the indirect sales associated with YNP winter visitors in Park County.

COMPARISON OF VISITOR EXPENDITURES

Figure 4.
Average Daily Expenditures Per Person for Wyoming



The University of Wyoming conducted an assessment of the economic importance of snowmobiling in Wyoming for the Wyoming Division of State Parks and Historical Sites based on data from the 1993-94 and 1994-95 winter seasons. This study focused on snowmobilers utilizing state maintained trails. Annually, Morey & Associates, Inc. conducts winter and summer visitor surveys for the State of Wyoming. Figure 4 compares the average daily per person visitor expenditure estimates derived from these studies. Unfortunately, none of the studies contains information specific to Park County or winter visitation to YNP.

Average visitor expenditures for nonresident snowmobilers were nearly twice that for general winter visitors and more than twice that for general summer visitors. This indicates that nonresident snowmobilers are part of the upper end of visitors to Wyoming in terms of expenditures. Their higher expenditure level means that snowmobile visitors have a relatively greater economic impact per visitor day on the Wyoming economy than other general types of visitors to the state.

ECONOMIC IMPACT OF SNOWMOBILING TO WYOMING

Figure 5.
Economic Impact of Snowmobiling to Wyoming

Direct Expenditures	\$109 Million
Total Economic Activity	\$189 Million
Personal Income	\$40 Million
Employment	3,063 Jobs
Tax Revenue	\$5 Million

The University of Wyoming's 1993-1995 Wyoming Snowmobile Assessment estimated the total economic impact of snowmobiling on the state's economy. The study focused on snowmobilers utilizing state maintained trails and did not include snowmobiling in YNP. The study also did not contain any information specific to Park County. Figure 5 summarizes the results of this study.

The study estimated that nonresident snowmobilers spent \$109 million annually in Wyoming. Considering the "multiplier effect", this spending generated \$189 million in total economic activity in the state. This economic activity resulted in \$40 million in personal income and supported the equivalent of 3,063 full-time jobs for residents. This economic activity also generated \$5 million in tax revenue for state and local governments in the form of gas tax, registration fees, and sale tax collections.

It is estimated that nonresident visitors represented about one-half of total snowmobile user days in Wyoming in 1994.

ECONOMIC IMPACT OF YNP WINTER VISITORS ON PARK COUNTY

Figure 6.
Economic Impact of YNP Winter Visitors on Park County

Direct Expenditures	\$5.1 Million
Total Economic Activity	\$8.7 Million
Personal Income	\$1.8 Million
Employment	467 Jobs
Tax Revenue	\$306.8 Thousand

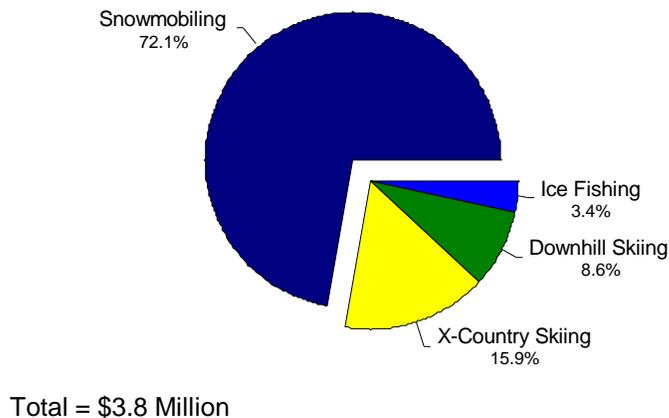
Total winter visitor expenditures in Park County were estimated using total lodging tax collections for December 1997- March 1998 (see Table 3). YNP winter visitor expenditures in Park County were estimated from an analysis by the Cody Country Chamber of Commerce for 1993-96. The Chamber analysis was based on the YNP Winter Travel Data Report and the YNP/University of Idaho Visitor Services Project Report 75. The Chamber estimates were updated to 1998 based on changes in average daily room rates for Wyoming between 1993 and 1998 (Table 3). The economic impact of YNP winter visitor expenditures was estimated using an input-output model developed for Park County by the Wyoming Cooperative Extension Service at the University of Wyoming.

Based on the above methodology it is estimated that winter visitors spent a total of \$5.7 million in the Park County economy during the 1997-98 winter season. YNP winter visitor expenditures represented \$5.1 million or 90 percent of the total. Considering the “multiplier effect”, the \$5.1 million in YNP winter visitor expenditures generated \$8.7 million in total economic activity in the county. This economic activity resulted in \$1.8 million in personal income for residents and supported 467 jobs during the winter season. The economic activity associated with YNP winter visitors also generated \$306,800 in tax revenue for state and local governments in Wyoming in the form of sales, gas, and lodging taxes.

Because winter visitation is important part to Park County, the loss of winter access to YNP would have a serious effect on the local economy. Elimination of winter access to YNP could represent a loss of employment equivalent to over 20 percent of winter service sector employment in Park County.

VALUE OF WINTER RECREATION PARTICIPATION TO PARK COUNTY RESIDENTS

Figure 7.
**Net Economic Value of Winter Recreation
to Park County Residents, 1998**



Winter recreation is important to Park County not only because it attracts visitor expenditures but also because it provides recreation opportunities for county residents. As such it is part of the quality of life associated with living in Park County. Winter recreation has an economic value to Park County residents through the enjoyment of recreation activities that they participate in during the winter season. The 1990 Wyoming State Comprehensive Outdoor Recreation Plan (SCORP) provides information on the participation rates and average number of trips by Park County residents for selected winter recreation activities. This data was applied to the 1998 population figures for Park County to estimate the current number of participants and their total trips. Information from a U.S. Forest Service sponsored project on net economic values for recreation was then used to estimate the total net economic value of participation for selected winter recreation activities to Park County residents (see Table 4).

Figure 7 summarizes the net economic value of winter recreation participation for Park County residents. The SCORP data indicates that about 10 percent of Park County residents snowmobile. This compares to 14 percent who cross-country ski, 12 percent who downhill ski, and 4 percent who ice fish. The average number of trips per participant for snowmobiling (15.2 trips) was significantly higher than for other winter recreation activities. This compares to 6.7 trips for cross-country skiing, 4.5 trips for downhill skiing, and 3.8 trips for ice fishing. Park County residents were estimated to have made a total of over 80,000 winter recreation trips in 1998. Of this total nearly one-half were associated with snowmobiling. The net economic value of snowmobiling was also significantly higher than for other winter recreation activities. The total net economic value of winter recreation to Park County residents was estimated to have been \$3.8 million in 1998. Snowmobiling represented 72 percent of this total.

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TABLES