# California State Parks; Economic Impacts

By: Patrick Tierney, Ph.D.
Department of Recreation, Parks and Tourism
San Francisco State University
ptierney@sfsu.edu

# Importance of CA State Parks

1. Provides Healthy Recreation
   - 5,100 miles of trails, 14,500 campsites
2. Protects Natural Resources
   - 300 mi of coastline, 50% of all rare habitat types
3. Preserves Historical Riches
   - 51 historic parks, 1,000's Native American sites, 24 Nat'l Historic Landmarks
4. Showcases Our Cultural Diversity
   - Tells the California story, our legacy

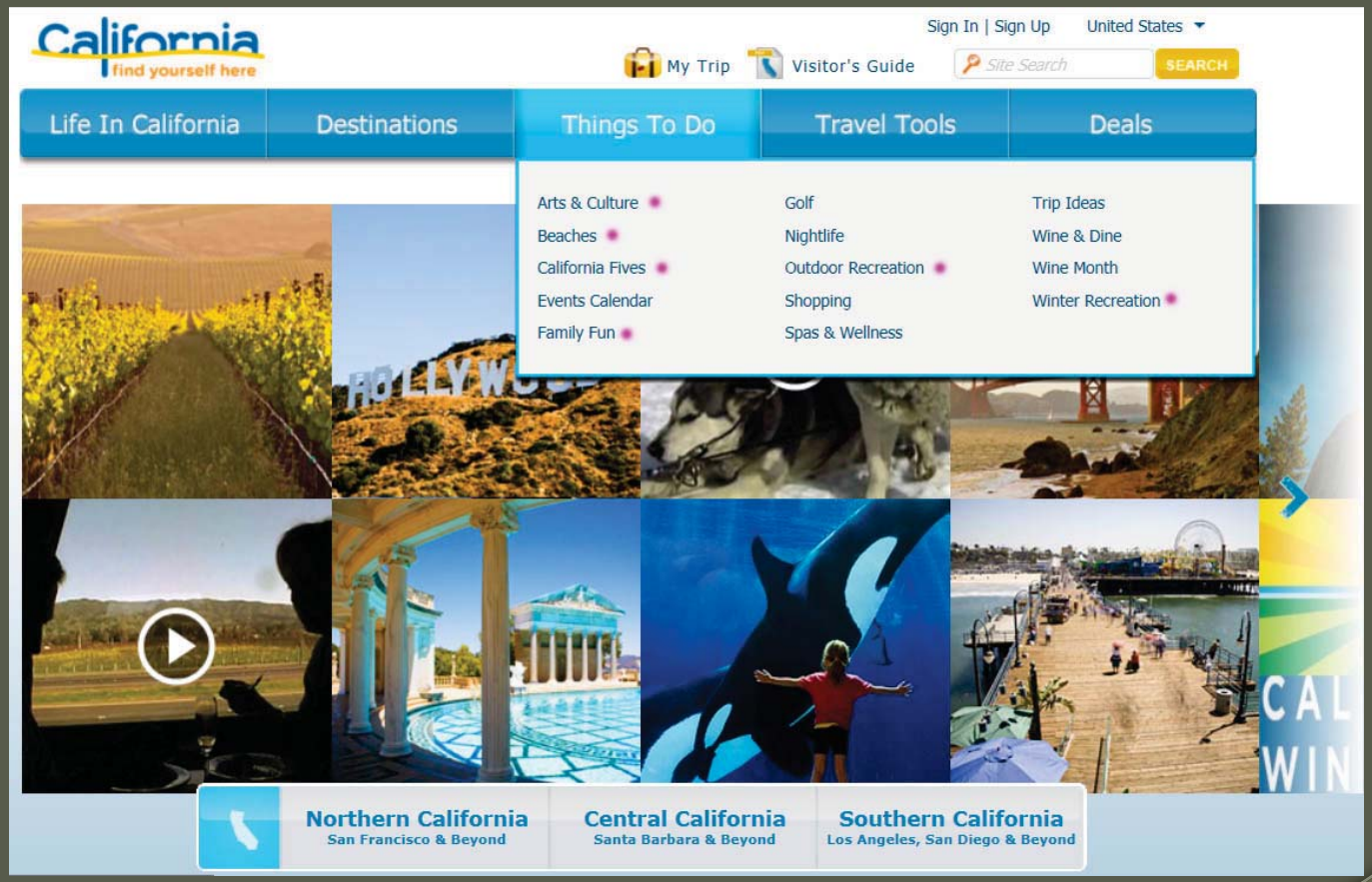
5. Generates Significant Economic Impact
   - More on this

# California State Park Visitation

- Total CSP visitor attendance FY 2009/10 : 65,500,000
- This level of total visitation is:
  - More than Disneyland
  - Equivalent to ¼ of all National Park Visits in US
- A 2002 survey* of over 9,000 CSP visitors found 12% came from outside CA

# CA State Parks Partners In State Tourism Promotion

- State Park vacation trip types are featured prominently on CTTC homepage, *Things To Do*



# State Parks Impact As Much As 67% Of CTTC's Targeted US Audience

| | US | CA | CA Index |
|---|---|---|---|
| Family Trips | 18.9% | 24.4% | 129 |
| Adult Entertainment | 19.2% | 21.3% | 111 |
| Passive Outdoors | 18.1% | 15.5% | 86 |
| Adult Indulgence | 13.0% | 14.0% | 108 |
| Cultural Travelers | 16.5% | 13.9% | 84 |
| Outdoor Adventure | 14.3% | 10.9% | 77 |

- A primary slogan for the CTTC is "California has something for everyone."
- CA State Parks reflect that better than do National Parks in CA
  - Especially historic and cultural state parks

# State Park Visitors Spend On More Than Just Entrance Fees

- Visitors to CSPs spend money for a wide range of items and in a variety of locations
  - 42% of total spending is in the park and local community
  - 58% outside the local area
- Average 2009 CA State Park visitor groups spent…

# Average 2009 CSP Trip Spending Per Group By Type

| Expenditure Type | In Park and Nearby Community | Outside Park and Nearby Community | Average Spending Per Group/Trip |
|---|---|---|---|
| Lodging, Camping | 24.01 | 18.28 | 42.29 |
| Food and Beverages | 18.61 | 13.76 | 32.38 |
| Supplies, Groceries | 21.72 | 32.30 | 54.02 |
| Transportation, Gas | 18.65 | 48.29 | 66.93 |
| Recreation & Other Purchases | 6.77 | 9.07 | 15.84 |
| Total Avg. Spending | 89.76 | 121.69 | 211.46 |

Source: Rolloff et al, 2009. Per day spending extended by 3.7 group size.

# Spending Varies By State Park Visitor Residence

- One study found - CSP non-resident groups spent on average $684.17 per trip, versus $211.05 by residents*
- 2011 study determined average trip spending for groups who visited any park was double ($1,095 vs. $594 per party), compared to all visitors to California**

* Rolloff et al, 2009
** Mishell, 2011

# Total State Park Visitor Economic Impact

- CSP visitor spending <u>in park and local communities</u>
  - $ 2.6 billion (King 2002)
  - $1.8 billion (Rolloff et al 2009)
- Total spending by non-resident CSP visitors <u>in CA</u>
  - $1.7 billion (Rolloff et al 2009)
- Additional sales & output <u>in local communities</u> in CA
  - $6.6 billion (King 2002) ($1.9 billion in NY state study)
- An estimated 100,000 jobs are supported (King 2002)

# Return On Investment For State

- 14.6% of CA State Parks 2009/10 budget ($123mil) came from the state General Fund
- State tax revenue is generated from CSP visitor spending
- Estimated total return on investment to CA from state park visitor spending
  - $2.35:1 (King 2002)
  - $2.46:1 (Rolloff et al 2009)
- Summary: The general fund investment is more than covered by additional tax revenues

# The Flawed Entrance Fee Argument

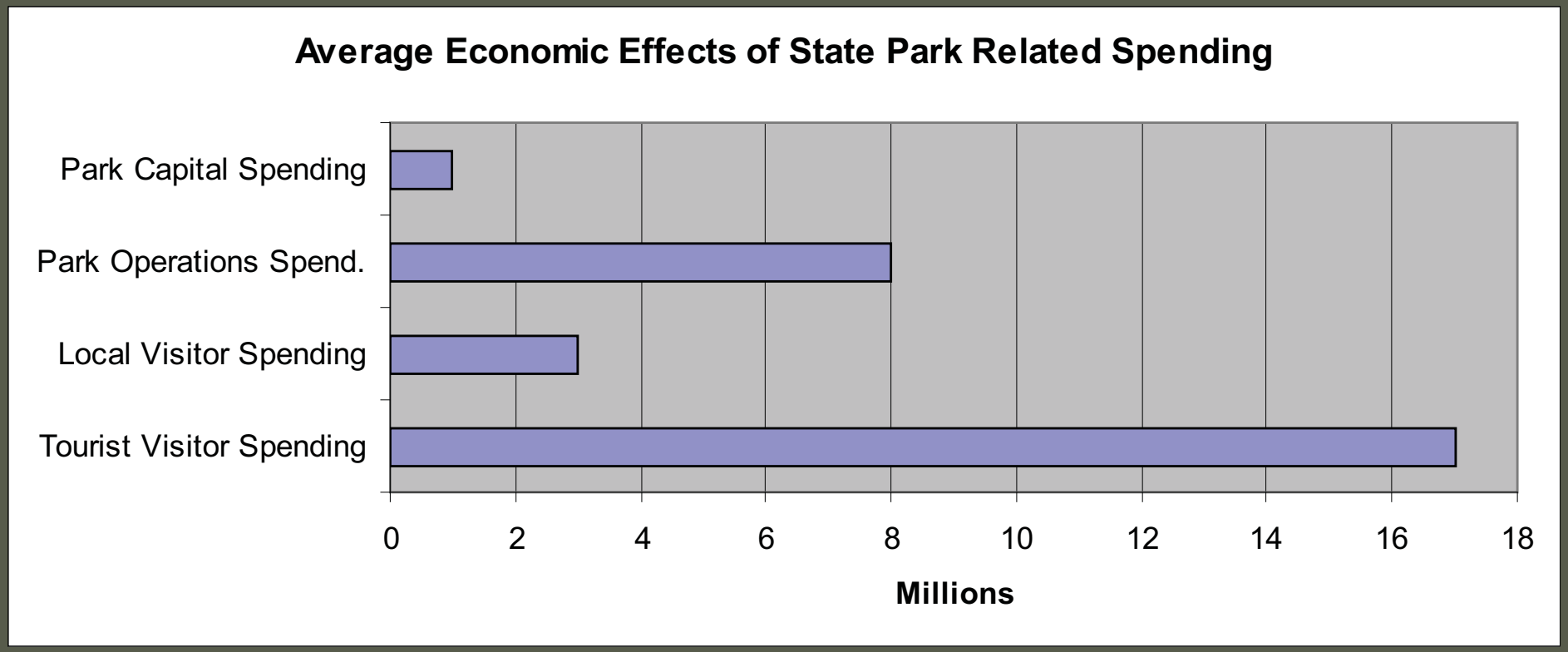
- Some have argued that entrance fees must cover all CSP operating costs.
- But this is as flawed as saying entrance ticket sales at Disneyland must cover all their operating expenses

  - No theme park can survive on entrance ticket sales alone
- CSP visitors spend on much more than entrance fees and this enriches local communities and the state treasury

# An Extraordinary Larege Economic Impact on Rural Areas of California

- CSP operation and capital spending can have a significant impact on smaller rural communities
- CSP generated tourism is by far largest CSP $ impact
  - Tourism is first or second largest employer in many counties
  - State Parks are often top tourist attractions in these rural areas
- Closing a popular state park in rural area could have an extraordinarily large negative impact on that area
- Here is why
- Typical economic impact of a state park…..

# State Park Related Economic Impacts To Local Community Come From Several Sources




Source: Minnesota State Parks, 2005

# Examples of Economic Impact of State Parks on Rural Communities

- City of Moro Bay (Hendricks et al 2002)
  - Morro Bay State Park - 230,000 campers over 2 years contributed $12 mil to the city
- Lake County (Rolloff et al 2009)
  - Anderson Marsh and Clear Lake State Park – Over 143,000 visitors and $8.2 mil to local economy
- San Luis Obispo County (Hendricks et al, 2008)
  - Oceano Dunes SVRA- $70.1 mil impact on surrounding cities
- Del Norte County (King 2002)
  - Del Norte Coast Redwoods State Park- 60,439, with $1.7 mil. economic impact on county

# Funding Alternatives For Preventing State Park Closures

There are alternatives for funding CSPs

1. Restore state funding, find savings elsewhere
   - CSP have one of the best returns on investment
2. Reduce CSP operating costs - partnerships
   - Nonprofit "friends of" organizations (common)
   - Commercial concessionaires (done now for maintenance and ops.)
   - Cities, counties, districts and nat'l parks (share responsibilities)
3. Bring in more revenue
   - Private sector funds and builds more profit making facilities in CSPs (conf. centers, inns – Asilomar)
   - Model funding after Cal Travel, private industry partnerships
   - CSP license plates for capital improvements
   - State Parks capital improvements bond
   - Surcharge on outdoor recreation equipment & sporting goods sales

- Thank you

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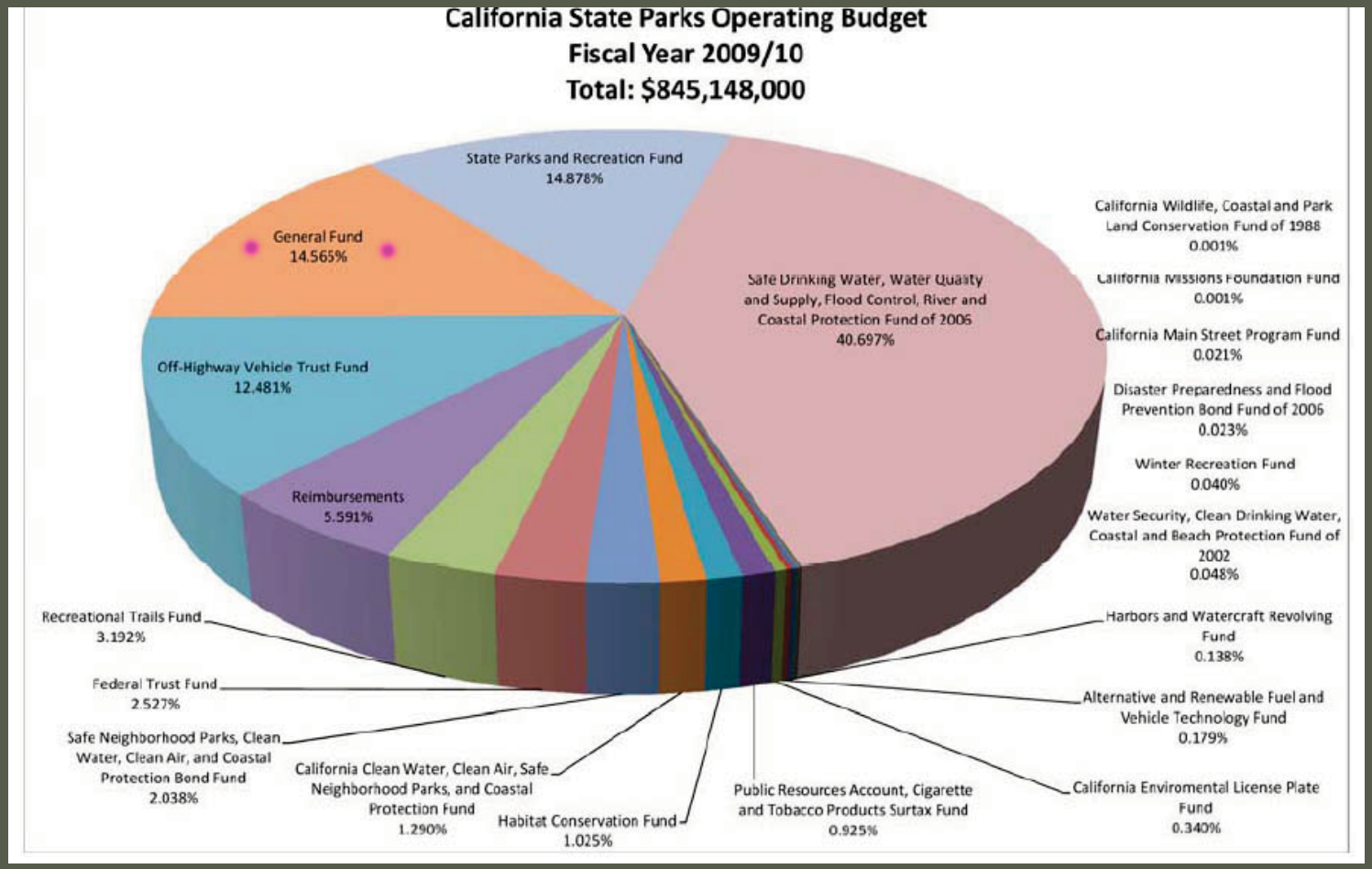
# Number and Locations of CA State Parks,

- 278 California State Park Units (CSP)
- Covering 1.5 million acres
- One of largest state parks systems in US
- Large variety of units
  - Ano Nuevo State Reserve
  - Hearst San Simeon State Historic Monument
  - Bolsa Chica St. Beach
  - Marshal Gold Discovery St. Historic Park

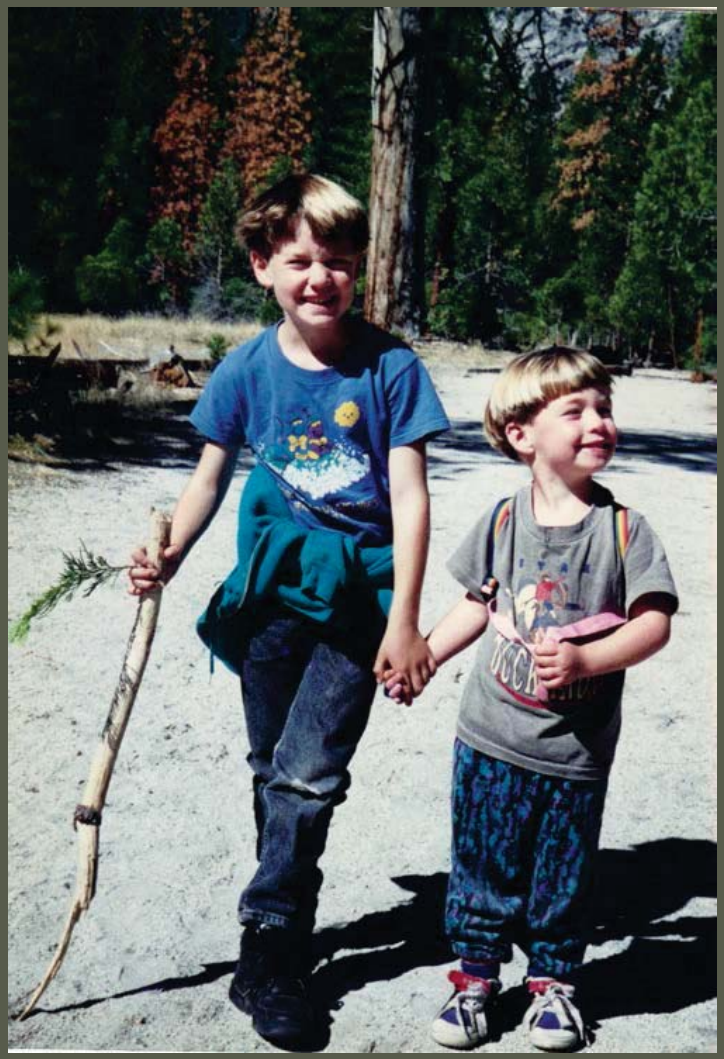
# CA State Parks 2009/10 Budget and the State General Fund

- Only14.6% of CA State Parks 2009/10 budget ($123mil) came from the state General Fund



# 70 California State Park Units Are Slated For Closure In 2011

Who Will Suffer From State Park Cuts and Closures?

- This will adversely impact our citizens, cities, businesses, natural and cultural resources and the economy
- But three groups will disproportionately suffer the most from CSP budget cuts
  - The CSP employees/families who'll lose jobs
  - Rural areas where CSPs are the major attraction
  - And…..

# Our Children