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# MONTANA TRAVEL RESEARCH

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## ITRR NEWSLETTER

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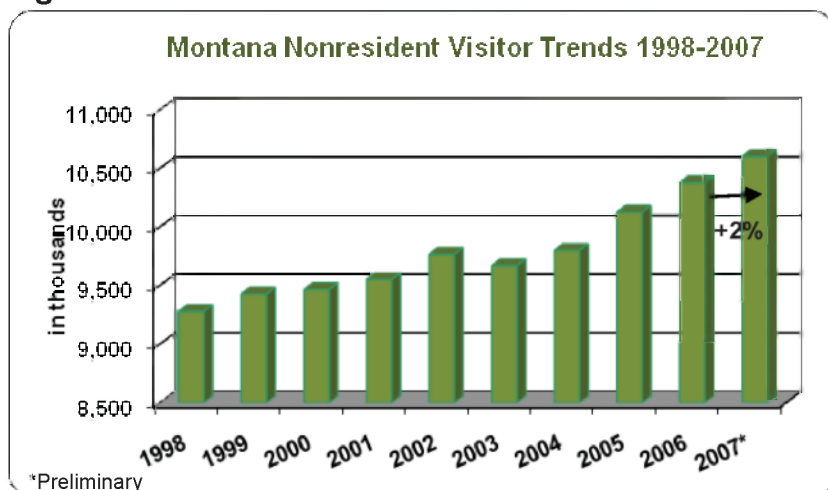
## Outlook and Trends 2008: Montana Travel and Recreation

By Norma P. Nickerson & Melissa Bruns-Dubois

### Trends in Review

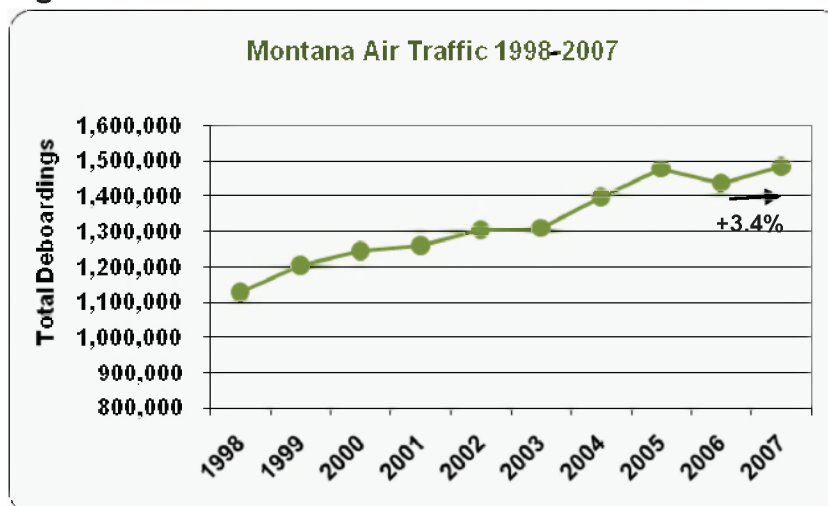
Montana's nonresident visitor numbers continue to grow at a steady rate (Figure 1). With few exceptions, the ten-year visitation trend has been growing about two percent per year – with

Figure 1:



Source: Institute for Tourism and Recreation Research

Figure 2:



Source: Montana Aeronautics Division

2007 showing a preliminary two percent increase as well. Even when crude oil prices closed in on the \$100/barrel mark in 2007, Americans were still traveling. Montana airports experienced a 3.4 percent increase in 2007, recovering from the changes in plane capacity by bringing in more planes and more direct flights from additional airports (e.g. Detroit, Chicago, Las Vegas, San Francisco, Portland). In 2007, the Billings and Bozeman airports had the highest increase in the number of deboardings (6.3% and 6.2% respectively) (Figure 2; Table 1).

Table 1:

### Airport Deboardings by City

	% change from 2006 to 2007
Statewide	3.4%
Billings	6.3%
Bozeman	6.2%
Butte	-2.0%
Great Falls	2.0%
Helena	-4.3%
Kalispell	-0.7%
Missoula	2.4%
West Yellowstone	0.3%

Source: Montana Aeronautics Division

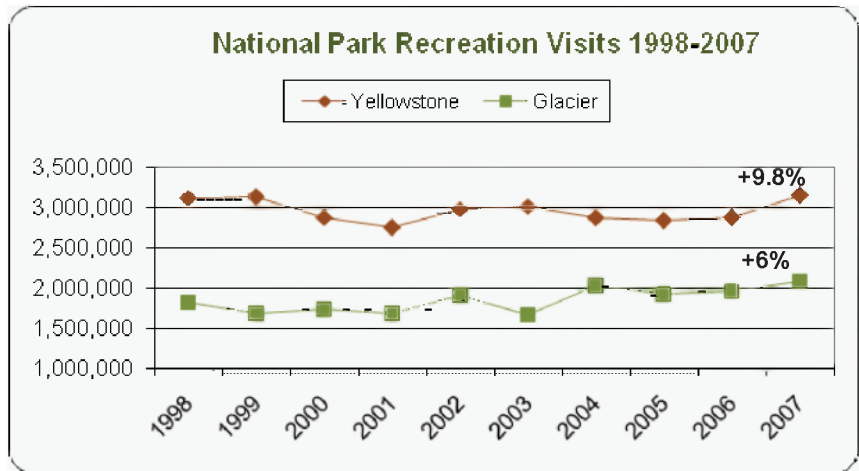
It is not just Americans who are traveling. According to the Office of Travel and Tourism, U.S. Department of Commerce (Cook, 2007), preliminary estimates show a four percent increase of Canadians to the United States and a seven percent increase from overseas. The increased value of the Euro and Canadian dollar to the U.S. dollar has contributed to this influx of international travel to the United States. Montana's Canadian border bodes well for shoppers and recreationists from the north visiting our state.

Visitation to Yellowstone and Glacier National Parks indicate banner years for both parks (Figure 3). Glacier National Park's visitation exceeded 2.083 million visits in 2007, the highest in 13 years. Yellowstone National Park visitation increased nearly 10 percent in 2007 to 3.151 million visitors - surpassing the previous record set in 1992. Along with the large increase in park visitation, the number of rooms sold in Montana's motel industry increased 4.2 percent from 2006, an even higher increase than the mountain states which only showed a one percent increase (Figure 4). On the down side, Montana's ski area visits decreased nine percent in the 2006-07 ski season, but that was following a banner year in 2005-06 where more skier visits were recorded than any other year (Figure 5).

### Trends to Watch

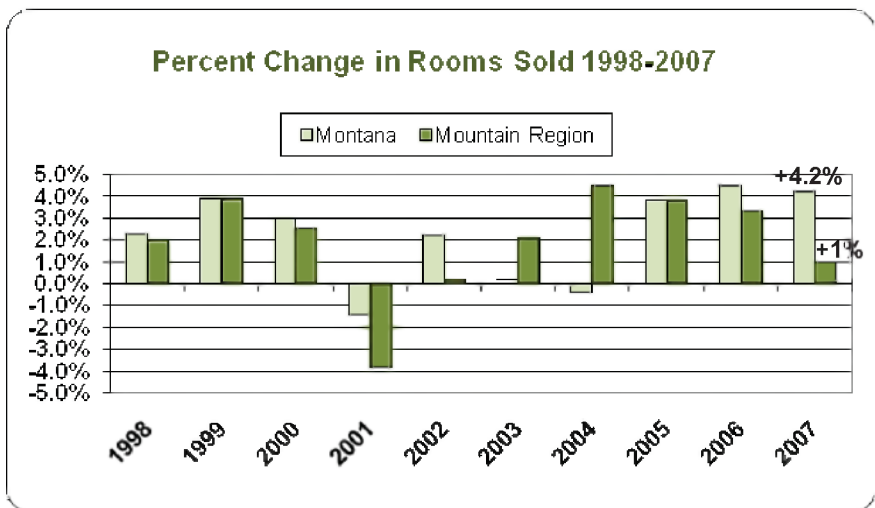
Economically, the travel industry is a difficult one to track. The North American Industrial Classification System (NAICs) has two categories to help identify the travel industry and yet those include contributions by locals as

Figure 3:



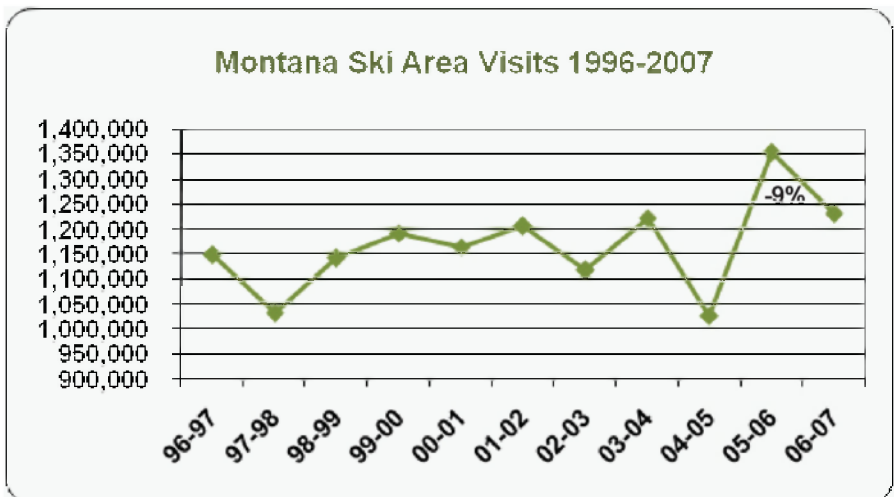
Source: National Park Service Statistics

Figure 4:



Source: Smith Travel Research

Figure 5:



Source: USDA Forest Service, Big Sky Resort, Moonlight Basin, Great Divide Ski Area

well as travelers. The categories include: accommodations and food service; arts, entertainment and recreation. Due to the lack of specific travel related information, the Institute for Tourism and Recreation (ITRR) completes research projects to further understand portions of the travel industry. Outfitters, agritourism, and arts and culture are three economic contributors highlighted here. All three of these sub-industries to Montana's tourism industry employ and support Montanan's who chose to live and work in the state.

Until now, the number of outfitters in Montana was unknown. ITRR research found that in 2005 there were 998 outfitters in Montana who employed 6,100 guides and other staff. The direct impact of Montana's outfitting industry was \$110 million in 2006 with a total economic impact of over a \$167 million to the state (Table 2) (Nickerson, Oschell, Rademaker & Dvorak, 2007).

Agritourism, another growth industry in Montana, allows farmers and ranchers a way to supplement their income. In ten years, (1996-2006) Montana has seen a 119% increase in the number of farms and ranches offering recreation or tourism. In 1996 there were 1,100 farmers and ranchers (4% of total farms/ranches) receiving some income from recreation on their land (Black & Nickerson, 1997). By 2006, nine percent of all farms and ranches (2,418) had some recreation income (Rademaker, Nickerson, & Grau 2007). Most of the increase came from the inclusion of more participation in Montana's block management program managed by Fish, Wildlife and Parks. Increases were also seen in fee hunting and fishing, cabin rentals, farm tours, dude and working ranches, and trail rides (Table 3).

**Table 2:  
Economic Impact of Montana's Outfitting Industry**

<u>Impacts</u>	<u>Direct</u>	<u>Combined</u>
<b><u>All Guided Trips</u></b>		
Industry Output	\$110,438,000	\$167,633,000
Employment (# jobs)	1,956	2,590
Employee Income	\$37,435,000	\$51,435,000
Proprietors' Income	\$4,035,000	\$7,417,000
State & Local taxes	\$8,471,000	\$11,635,000
<b><u>Industry output subsets of above</u></b>		
Guided Hunting Trips	\$43,694,000	\$66,745,000
Guiding Fishing Trips	\$34,221,000	\$51,649,000
All other Guided Trips	\$32,298,000	\$48,907,000

**Economic Impact based on visitors ONLY in MT because of their guided trip (28% of all trips but 50% of total impact)**

Industry Output	\$54,638,000	\$83,153,000
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Source: Institute for Tourism and Recreation Research

**Table 3:  
Farm and Ranch Recreation Comparisons**

	<u>Number of Farms &amp; Ranches</u>		
	<u>1996</u>	<u>2006</u>	<u>% change</u>
Working farm & ranch vacations	55	98	78%
Bed & Breakfast	44	38	-14%
Farm & ranch tours	11	38	245%
Fee for hunting & fishing	418	748	79%
Guiding & outfitting	231	470	103%
Block mgmt (FWP), horse rental & rides, lodging*	209	1309	526%

\*Note: 2006 block management showed a 983 participating ranches and farms; lodging 227; horse rental & rides 99

Source: Institute for Tourism and Recreation Research

Finally, arts and culture are an important segment of Montana's nonresident travel industry. In a research study conducted in Bozeman and Livingston, it was found that 37 percent of visitors to the area chose arts and culture as one reason for visiting. Of these cultural visitors, 66 percent plan some of their cultural activities before leaving home. Cultural art visitors typically spend more money on arts, crafts, and Montana made products than other visitors to the area (Table 4) (Nickerson, Snepenger, & Snepenger 2007).

**Table 4:****Percent Spending by Cultural Visitors and Other Visitors****Cultural/art visitors (N=223)**

71% Handmade or fine craft  
 64% Special event/festival  
 62% Museum  
 54% Traditional art or craft  
 45% Book by MT author or about MT  
 48% Outdoor recreation goods/clothing  
 35% Native American art/craft

**All other visitors (N=393)**

63% Outdoor recreation goods/clothing  
 61% Handmade or fine craft  
 44% Guided trip  
 42% Museum  
 40% Special event/festival  
 37% Book by MT author or about MT

Source: Institute for Tourism and Recreation Research

**Upcoming Trends: Tourism and Climate Change Attitudes**

At the personal business level, climate change will increasingly wreak havoc with ski areas as snow elevations climb upward and snow amounts become even more unpredictable. River and lake levels will decrease earlier in the season reducing fishing and boating opportunities. Hunting seasons may have to change (as evident by the 2-week extension in 2007) because animals are still too high in the backcountry. When skiing, hunting, fishing and water sports change, the ripple affect to lodging, food and beverage, retail and other typical tourist expenditures will be noticed.

In a November ITRR survey, 153 tourism business owners responded to the outlook survey which included questions regarding climate change (Table 5). Sixty-seven percent of the respondents indicated they were somewhat or very concerned about the effects of climate change. When asked what their business will do over the next 12 months in response to climate change, Montana tourism business owners are most likely to use energy efficient light bulbs but least likely to encourage employees to take alternative transportation to work.

**Table 5:****Tourism Business Response to Climate Change****What are your feelings regarding the effects of Climate Change? (N=153)**

Very concerned	Somewhat concerned	Neither concerned or unconcerned	Somewhat unconcerned	Very unconcerned	Mean*
32%	36%	18%	5%	10%	2.25

**In the next 12 months, how often will your business or organization do the following:**

	Never	Some- times	50% of the time	Most of the time	Always	Mean**
Use energy efficient light bulbs	4%	22%	15%	41%	18%	3.47
Recycle aluminum, cardboard, glass, plastic	14%	25%	10%	29%	23%	3.21
Purchase locally made or grown supplies	6%	33%	18%	36%	7%	3.05
Reduce water consumption	11%	32%	16%	26%	14%	3.01
Reduce # of business trips	12%	41%	9%	22%	16%	2.91
Seek eco-friendly suppliers	17%	33%	11%	26%	13%	2.85
Encourage employees to carpool, bus, walk	40%	17%	6%	21%	17%	2.58

\*Scale: 1=Very concerned to 5=Very unconcerned

\*\*Scale: 1=Never to 5=Always

Source: Institute for Tourism and Recreation Research

## Outlook for 2008

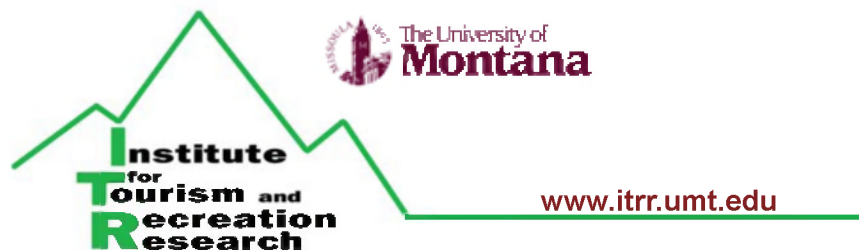
According to the Travel Industry of America (Cook, 2007), the United States should expect only a 0.4 percent increase in domestic leisure person-trips in 2008 with a slightly higher increase in domestic business person-trips of two percent. International visitors to the U.S. are expected to increase nearly four percent in 2008.

In response to the ITRR outlook survey, 55 percent of the tourism business owners expect an increase in 2008, 34 percent expect things to remain the same and 10 percent expect a decrease. Based on current snow conditions, the strength of the Canadian dollar, and the likelihood for Americans to travel in the United States where their dollar is not deflated, it is projected that Montana will experience a 2-3 percent increase in nonresident travel in 2008.



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