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The Economic Impact of Bear River Heritage Area Tourism

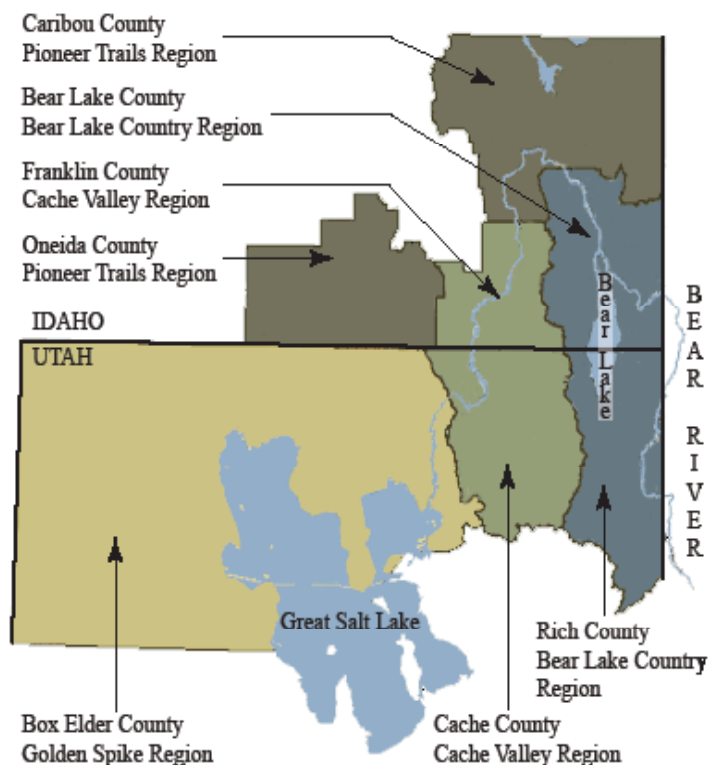
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Background

Covering seven counties in northern Utah and southeastern Idaho in the United States, the Bear River Heritage Area (BRHA) is recognized as a State Heritage Area by both states, and consists of a consortium of heritage sites, attractions, and businesses with historic ties to the region. Largely a rural area, the region is blessed with abundant natural, agricultural, and other amenity resources, with its beautiful well-watered valleys and mountain ranges. The BRHA is managed by an Executive Council comprised of representatives from the Bear River Association of Governments, directors of county Destination Marketing Organizations (DMOs), owners of local heritage businesses and attractions, and representatives from other non-governmental organizations and from Utah State University Extension. The results of this study address the main research question: What is the regional economic impact of spending by BRHA visitors as tourists?

Data Collection

Overall data collection consisted of two related survey efforts conducted during the 2012 visitation season as part of the BRHA Visitor Survey: an initial intercept survey administered at 21 different sites throughout the BRHA, and a follow-up mail survey of those visitors willing to participate. The initial intercept survey mainly dealt with the demographics of the visitors to the



The counties and regions of the Bear River Heritage Area in Utah and Idaho

region, while the mail survey collected more in-depth information consisting of six question categories, one of which focused on visitor expenditures. A total of 728 intercept surveys were completed with 305 (42%) respondents indicated a willingness to complete a mail



Tourists at Bear Lake, Utah/Idaho

survey. Mail surveys were sent to all 305 respondents, four (1.3%) were returned as undeliverable, and of the remaining 301, 187 surveys were returned for a mail survey response rate of 62.1 percent.

Respondents were encouraged to restrict reported expenditures only to those made within the seven-county BRHA during their current tourism trip. Visitors reported their expenditures in eight categories corresponding to economic sectors identified by the North American Industrial Classification System (NAICS). The economic impact analysis in this study identifies three different types of economic effects produced by visitor expenditures: direct effects, indirect effects, and induced effects (also known as multiplier or “ripple” effects). The analysis for the study uses RIMS II multipliers supplied by the U.S. Bureau of Economic Analysis (BEA), and output, income, employment, and value-added multipliers are designed for the seven-county BRHA region.

Results

Economic impact analysis focuses on “new money” that is attracted to an area, so this analysis focuses on the expenditures made by visitors residing outside of the seven-county BRHA region.

The mean total expenditure per person was estimated to be \$68.30 with a median of \$37.50. Expenditures for accommodations and at gasoline station/convenience stores accounted for over 57% of total

expenditures, with restaurants (18%), and groceries expenditures (11%) following. Souvenirs, rental, and other expenditures comprise the remaining 13% of expenditures. Estimating the BRHA attracted just over 1.1 million visitors from outside the region in 2012, total aggregate expenditures within the region are estimated to range from \$41.5 million (median) to \$75.5 million (mean). After “marginizing” sales accruing to retail trade, aggregate expenditures is reduced to between \$27.4 million (median) and \$49.9 million (mean).

The total value of economic output associated with expenditures by visitors from outside the BRHA region is between \$39 million and \$72 million, translating to an effective multiplier of 1.45, reasonable for a relatively small economic region. It is estimated that out-of-region visitor expenditures generate between \$11.5 million and \$21 million in income accruing to businesses located within the BHRA, and provide support for somewhere between 500 and 900 full- and part-time employees. Total value-added is estimated to range between \$22.8 million and \$41.6 million.

Implications for Local and Regional Development

The economic analysis and study results demonstrate that visitors from outside the region spend a sizeable amount of money in the Bear River area, and that the importance of Bear River Heritage Area visitors’ spending and the local/regional economic impact cannot be understated. It is clear that such spending, if curtailed, would significantly impact the local economy.

The economic analysis and study results have significant implications for economic and community development in the seven county BRHA region related to the promotion and marketing of heritage arts and culture, along with outdoor recreation.

It was found that many visitors to the BRHA come from the urbanized Wasatch Front in Utah, a short trip away, where three-fourths of the state’s population resides. With respect to heritage and other amenity-based resources, visitors often seek to experience a different way of life, learn about the past, and recreate in beautiful natural environments. Such experiences demonstrate an important urban-rural interrelationship, especially as the economic benefits of heritage tourism



Cache Valley Visitor's Bureau director Julie Hollist discusses the economic impact of tourism to Cache Valley, Utah

often become strong motivators for rural communities to preserve local landscapes and for small local businesses to take advantage of opportunities to provide visitors with services.

Results of this study will hopefully enable the BRHA Executive Council, as the managing and coordinating body for the BRHA, to continue to demonstrate the importance of heritage tourism in the seven-county region and gain further support for preservation, promotion, and marketing efforts in the BRHA.

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References

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Related Publications

Baird, T.A., & Burr, S.W. (2013). Bear River Heritage Area Visitor Study-General Results. Utah Recreation & Tourism Matters (Fact Sheet No. IORT/032). Logan, UT: Institute for Outdoor Recreation and Tourism, Utah State University.

Bennett, K.W., & Burr, S.W. (2013). A Study of the Heritage Business Owners and Artisans of the Bear River Heritage Area. Utah Recreation & Tourism Matters (Fact Sheet No. IORT/033). Logan, UT: Institute for Outdoor Recreation and Tourism, Utah State University.



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