The Economic Impact of Local Parks

An Examination of the Economic Impacts of Operations and Capital Spending on the United States Economy

Executive Summary

National Recreation and Park Association

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KEY FINDINGS

America's local and regional public park agencies generated nearly

$140 BILLION IN ECONOMIC ACTIVITY

and supported almost

1 MILLION JOBS

from their operations and capital spending alone in 2013.

Local and regional park agencies' ***operations spending*** created nearly

$80 BILLION

in total economic activity and supported nearly

660,000 JOBS.

Local and regional park systems' ***capital spending*** led to about

$59.7 BILLION

in economic activity income and more than

340,000 JOBS.

ABOUT THE STUDY

We already know parks are important contributors to their towns, cities and regions. Thousands of local park and recreation facilities throughout the United States promote healthy, prosperous and connected communities every day. Millions of people personally benefit from their local and regional park agencies in many ways — gathering places to meet with friends and family, open spaces to exercise and reap the benefits of clean air and water, and community resources where one can connect to others and nature.

The benefits that local and regional parks bring to their communities are well demonstrated with the National Recreation and Park Association's (NRPA) Three Pillars:

CONSERVATION

Parks are dedicated to preserving natural resources in the community. Local and regional parks play a leadership role in protecting open space, connecting children to nature and providing education and programming that help communities engage in conservation practices.

HEALTH & WELLNESS

Local and regional parks are on the forefront of improving the health and wellness of their community's citizens. Beyond promoting physical activity with their vast networks of open space, athletic facilities and trail systems, local and regional parks combat poor nutrition, hunger, obesity and physical inactivity.

SOCIAL EQUITY

Local and regional parks are treasured resources that are available to everyone, regardless of age, race and income. Local and regional park agencies ensure that all members of the community have access to open space and recreational opportunities.

But, beyond these critical contributions to society, local and regional parks are also a source of significant economic activity. So, just how much of an economic contribution do local and regional parks make to the economy?

A number of local and regional park agencies have estimated the value of the economic activity their system has had on their local community, focusing on spending, tourism and property values. Until now, however, there has been no national study to estimate the economic contribution of the spending of the thousands of local and regional park agencies throughout the nation make on the U.S. economy.

In 2015, NRPA joined forces with the Center for Regional Analysis at George Mason University to estimate the impact of spending by local and regional park agencies on the U.S. economy. The study focused exclusively on the direct, indirect and induced effects local and regional park agencies' spending have on economic activity, with analysis based on data compiled from both the U.S. Census Bureau and NRPA.

This is a summary of the key results from the study. Read the full report, which includes estimates of the economic impact of different types of park facilities, at www.NRPA.com/parkeconreport.

U.S. ECONOMIC IMPACT

Combining Census Bureau survey data with information in PRORAGIS, local and regional park agencies had an estimated $32.3 billion in operations spending and provided more than 356,000 direct jobs in 2013. This spending and labor income ripples throughout the economy, taking the form of park and recreation employees spending their paychecks and park and recreation agency vendors hiring workers and buying products and services to serve their clients.

As a result, the operations spending expands into almost $80 billion in total economic activity, which boosted gross domestic product (GDP) by $38.8 billion and supported almost 660,000 jobs that paid in excess of $24 billion in salaries, wages and benefits across the nation.

Further, local and regional park agencies also spent an estimated $22.4 billion on capital programs in 2013. This spending led to an additional $59.7 billion in economic activity, a contribution of $29 billion to gross domestic product, $19.6 billion in labor income and more than 340,000 jobs.

All together, the operations and capital spending of the nation's local and regional public park systems created $139.6 billion in economic activity, added $68 billion in GDP and nearly 1 million jobs with payrolls totaling $43.8 billion.

Local and regional park agencies' $32.3 billion in operations spending and $22.4 billion in capital spending led to nearly

$140 billion
in economic activity and almost
1 million jobs in 2013

Economic Impacts of Local and Regional Public Parks on the United States Economy — 2013

	Operating Impacts	Capital Spending Impacts	Total Impact of Local and Regional Parks' Spending
Economic Activity (transactions)	$79.97 billion	$59.66 billion	**$139.63 billion**
Value Added (GDP)	$38.78 billion	$29.17 billion	**$67.95 billion**
Labor Income (salaries, wages, benefits)	$24.18 billion	$19.61 billion	**$43.79 billion**
Employment (jobs)	658,478 jobs	340,604 jobs	**999,082 jobs**

Source: Center for Regional Analysis at George Mason University for the National Recreation and Park Association

STATE-LEVEL ANALYSIS

Beyond measuring the economic impact local and regional parks have on the U.S. economy, the study examined the economic impacts of local and regional parks spending in all 50 states and the District of Columbia. The state-level analysis followed that of the national study and considers the economic impact of local and regional park agency operations and capital spending. The estimates of total economic impacts include the direct, indirect and induced effects of agency spending to the state economy.

Economic Impacts of Local and Regional Public Parks on State Economies—2013

State	Economic Activity (Transactions)	Labor Income	Employment (Jobs)
Alabama	$1,231,368,975	$417,528,606	11,470
Alaska	$265,134,937	$108,872,161	2,092
Arizona	$2,149,280,345	$787,288,139	17,696
Arkansas	$428,924,501	$151,675,101	3,898
California	$17,612,301,914	$7,269,695,775	126,775
Colorado	$4,626,619,238	$1,723,877,013	36,247
Connecticut	$1,107,632,241	$417,751,961	8,439
District of Columbia	$120,024,356	$57,078,384	896
Delaware	$89,921,606	$33,946,700	724
Florida	$7,485,741,762	$2,705,649,730	60,801
Georgia	$2,250,326,290	$821,402,880	18,918
Hawaii	$691,858,315	$238,927,777	6,050
Idaho	$454,217,509	$191,932,807	3,677
Illinois	$12,976,606,775	$5,053,654,955	96,317
Indiana	$1,389,670,498	$475,290,562	11,322
Iowa	$964,052,949	$310,393,234	8,497
Kansas	$963,563,756	$306,534,784	9,123
Kentucky	$639,712,355	$235,487,123	5,729
Louisiana	$1,494,830,925	$528,867,125	12,045
Maine	$371,882,669	$134,109,078	3,224
Maryland	$2,733,136,376	$1,015,962,730	22,167
Massachusetts	$1,096,322,748	$447,553,157	8,149
Michigan	$1,837,080,712	$621,526,087	15,831
Minnesota	$2,834,173,626	$1,064,812,177	22,411
Mississippi	$427,893,980	$141,266,189	4,037
Missouri	$2,241,684,781	$797,733,784	18,199
Montana	$206,687,842	$66,401,994	1,952
Nebraska	$461,242,866	$158,995,140	4,150

State	Economic Activity (Transactions)	Labor Income	Employment (Jobs)
Nevada	$1,811,550,556	$601,196,410	14,491
New Hampshire	$212,896,528	$71,496,917	1,930
New Jersey	$2,221,874,679	$815,319,633	17,638
New Mexico	$621,205,459	$211,468,552	5,468
New York	$6,289,207,072	$2,816,457,874	43,090
North Carolina	$3,023,768,668	$1,071,753,103	26,278
North Dakota	$504,269,473	$156,685,464	4,737
Ohio	$4,220,208,229	$1,532,261,515	34,718
Oklahoma	$587,643,531	$215,268,484	4,928
Oregon	$1,936,083,772	$700,445,644	16,701
Pennsylvania	$1,628,999,305	$599,192,057	12,480
Rhode Island	$181,624,393	$67,479,124	1,499
South Carolina	$1,194,136,298	$398,101,667	11,124
South Dakota	$357,992,328	$121,493,158	3,278
Tennessee	$1,690,819,194	$620,702,417	14,577
Texas	$6,323,030,540	$2,350,569,439	51,190
Utah	$2,049,226,575	$676,403,185	18,163
Vermont	$81,951,201	$29,716,828	714
Virginia	$3,742,039,883	$1,380,790,852	30,737
Washington	$2,376,885,949	$898,978,144	18,021
West Virginia	$319,531,238	$106,401,450	2,859
Wisconsin	$1,429,374,002	$492,351,757	12,279
Wyoming	$387,698,334	$132,829,457	3,385

Source: Center for Regional Analysis at George Mason University for the National Recreation and Park Association

One caution: The sum of the state-level impacts presented in the following table does not equal the national-level economic impact estimates presented in the previous section. This is not an error but reflects how the economic activity is not contained within state borders. When an agency purchases goods and service from out-of-state vendors, the economic benefit from those purchases accrue to the state where the vendor is based and not to the state where the agency is based. The state-level information above does not capture the economic activity of these "leakages." This out-of-state activity is included as a part of the national estimate of economic activity ($139.63 billion) and employment (999,082 jobs).

METHODOLOGY

Researchers at the Center for Regional Analysis at George Mason University derived the operations spending estimates using the IMPLAN economic input-output model with data from the U.S. Census Bureau's 2013 Annual Survey of Public Employment & Payroll. The survey provides an estimate of the number of individuals (head count) employed by local governments' parks and recreation departments. Using the number of employees, the IMPLAN model provides an estimate of total direct output, which is treated as operations spending for the park systems. The relationship between total spending and employment is based on national averages for entities operating in the park and recreation industry and closely related activities.

The researchers derived the estimates of local and regional park agencies' capital spending from data provided by NRPA and from other publicly available resources. This provided an estimate of the average ratio of capital spending to operating spending for local and regional park agencies. Applying this ratio to the nationwide estimates of operating spending, the researchers were able to determine an estimated total for capital spending for all local and regional public park systems in the United States.

The model estimates the total effects on output, labor income, value added and employment. Output is essentially a measure of the value of transactions. Labor income includes salaries, wages and benefits. Value added is the measure most closely equivalent to gross domestic product (GDP) and includes property income, dividends, corporate profits and other measures. Employment is the number of headcount jobs. The databases used to build the economic input-output model account for full- versus part-time employment in the relevant sectors of the economy.

Input-output models provide estimates of direct, indirect and induced effects of local and regional park agency spending on the economy.

- **DIRECT** effects are the spending by local and regional park systems, whether for operations or capital spending programs and include spending for equipment, utilities, goods, services and personnel costs.
- **INDIRECT** effects capture the spending associated with the park systems' vendors. For example, a park system contracts with a local company to spray for mosquitoes. The pest control company, in turn, hires employees, purchases pesticides and contracts with a bookkeeping service. The bookkeeping service rents office space, hires workers and purchases office supplies, and so on.
- **INDUCED** effects track the employees of both the park and recreation agencies and their vendors spending their wages in the economy.

Note that as powerful as the figures presented in this report are, they are *conservative* measures of the economic impact of local and regional parks. The reason is this study exclusively focused on the economic impact of local and regional park agency *spending*. As a result, the analysis does not include the impact of:

- Visitor spending: Since this is a national study, the vast majority of local and regional park visitors are from domestic origins and therefore have a net sum zero economic impact on a national basis (although the local impacts can be significant). Example: Most of the non-local visitors to a park in one town likely came from other nearby localities or at least somewhere else in the United States.
- Other economic benefits: The research does not measure benefits that park systems generate for the environment, health/wellness and property values.
- Spending on depreciable capital spending: Estimates of capital spending in this study do not include usual spending appearing in annual budgets for depreciable assets. As a result, these estimates likely understate the total value of park system spending and their economic consequences.

KEY CONCLUSIONS

Local and regional park agencies are important assets connecting communities throughout the United States. Not only are public parks leaders in conservation, health and wellness, and social equity, they are also engines of significant economic activity and job creation in the United States.

In 2013, local and regional public park agencies generated nearly $140 billion in economic activity and support almost 1 million jobs. Combined with studies on the state and national park systems, public parks are responsible for roughly $200 billion in economic activity each year, touching all 50 states and the District of Columbia.

But the power of local and regional parks expands beyond the direct, indirect and induced economic impacts of their spending. Local towns, cities and counties with strong, vibrant public park systems benefit from improved health, a closer connection to nature and a greater sense of community. This leads to lower health care costs, higher property values and an overall boost in the standard of living that benefits all. Studies conducted by NRPA and other researchers find Americans across all ages, social strata and political affiliations support investments made for public parks, seeing their local parks as a valuable and essential features of their community.

Policymakers and elected officials at all levels of government need to take notice. From local officials ensuring dedicated public park funding to Congress and the White House securing the permanent authorization and funding for the Land Water Conservation Fund (LWCF), the message is clear: Investments in public parks are investments for a better tomorrow. Local and regional park spending not only turns our neighborhoods, towns and cities into vibrant, connected and healthier communities, but they also spark economic activity that ripples well beyond the initial spending to create jobs and prosperity throughout our nation.

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