Forests and Tourism

Outline:
1. Importance of Recreation and Amenity-based Values
2. Alternative Economic Values for Forestry
3. Regional Transitions in Resource Dependency

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The economic importance of forests

- Natural resources have long been relied on as a basis for economic activity.
- They play a large part in defining regional quality-of-life throughout the Lake States.
- Natural resources exist within a set of widely divergent social, economic, and environmental values.
- Increasingly, the natural resource base provides the foundation of recreation with impacts on local tourism businesses.
- The “amenity” aspects of natural resources are difficult to address because they typically serve as latent (hidden) inputs.
Part of a Multiple Use Strategy

- Complementary to production and conservation

- Compatibility with commercial forestry
  - Developing a shared focus on sustainability: to maintain forest resources for stability of forest communities

- Variety of benefits to local communities:
  - Diversifying local economies
  - Developing local “amenity base” and comparative advantages
  - Balancing cyclical employment patterns
  - Responding to changing population and lifestyle patterns
Forest sustainability – local population trends

**Total County Population Change**

- **U.S. Census Year**
  - 1970
  - 1980
  - 1990
  - 2000
  - 2010

**County Population 65+**

- **U.S. Census Year**
  - 1970
  - 1980
  - 1990
  - 2000
  - 2010

- **Lines**:
  - Wisconsin (state)
  - Florence Co.
  - Forest Co.
  - Marinette Co.
Forest sustainability – local population trends

**Median Population Age**

- U.S. Census Year

**Seasonal Housing Percentage**

- U.S. Census Year

- Line colors:
  - Black: Wisconsin (state)
  - Red: Florence Co.
  - Green: Forest Co.
  - Blue: Marinette Co.
Forest-based tourism in a changing society

- Adapting to broad changes in American society:
  - Location preferences
    - retirement
    - vacations
    - weekend travel
  - Increases in leisure time
  - Popularity of outdoor recreation
  - Improvements in health
  - Increasing mobility
Tourism outreach and planning
Tourism outreach and planning

- Accessibility, infrastructure provision and maintenance
- Comparative features:
  - Cost-per-visit: dollars, time, & miles
  - “Place-making”
- Seasonality and time-peak demand
- Adaptive re-use
- Buffering of adjacent uses
- Quality of the “recreation experience” and quality of life for full-time residents
Economic values of forest recreation

- Forests are a central component of leisure travel demand
- Visitors spend money and contribute to local business activity
- Extent of economic impact determined by type of visitor

Percent of National Forest Visits* by Distance Traveled

<table>
<thead>
<tr>
<th>Miles from Survey Respondent's Home to Interview Location†</th>
<th>National Forest Visits (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 25 miles</td>
<td>29.2</td>
</tr>
<tr>
<td>26 - 50 miles</td>
<td>7.3</td>
</tr>
<tr>
<td>51 - 75 miles</td>
<td>6.6</td>
</tr>
<tr>
<td>76 - 100 miles</td>
<td>9.5</td>
</tr>
<tr>
<td>101 - 200 miles</td>
<td>23.6</td>
</tr>
<tr>
<td>201 - 500 miles</td>
<td>21.3</td>
</tr>
<tr>
<td>Over 500 miles</td>
<td>2.4</td>
</tr>
<tr>
<td>Total</td>
<td>99.9</td>
</tr>
</tbody>
</table>

**Economic values of forest-based recreation**

### Trip Spending and Lodging Usage

<table>
<thead>
<tr>
<th>Trip Spending</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Total Trip Spending per Party</td>
<td>$287</td>
</tr>
<tr>
<td>Median Total Trip Spending per Party</td>
<td>$170</td>
</tr>
<tr>
<td>% NF Visits made on trip with overnight stay away from home</td>
<td>57.9%</td>
</tr>
<tr>
<td>% NF Visits with overnight stay within 50 miles of NF</td>
<td>55.5%</td>
</tr>
<tr>
<td>Mean nights/visit within 50 miles of NF</td>
<td>3.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Area Lodging Use</th>
<th>% Visits with Nights Near Forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFS Campground on this NF</td>
<td>16.1%</td>
</tr>
<tr>
<td>Undeveloped Camping in this NF</td>
<td>1.8%</td>
</tr>
<tr>
<td>NFS Cabin</td>
<td>1.5%</td>
</tr>
<tr>
<td>Other Public Campground</td>
<td>2.7%</td>
</tr>
<tr>
<td>Private Campground</td>
<td>4.9%</td>
</tr>
<tr>
<td>Rented Private Home</td>
<td>24.0%</td>
</tr>
<tr>
<td>Home of Friends/Family</td>
<td>13.5%</td>
</tr>
<tr>
<td>Own Home</td>
<td>36.5%</td>
</tr>
<tr>
<td>Other Lodging</td>
<td>0.3%</td>
</tr>
</tbody>
</table>


- **New** money to gateway communities serve as an “export”. 
Current research on the economic impacts of the Wisconsin State Parks & Trails System

- Interest in the role of state parks and trails on local “gateway” communities
- Delphi study and meta-analysis of expenditures
- Overall, visitors to the Wisconsin State Parks and Trails System spend $1.37 billion annually
  - $665 million by non-locals
  - $705 million by locals
- Northwoods ...
Non-local visitors to three properties (Bearskin and Tuscobia State Trails and Council Grounds State Park) had the following annual expenditures:

<table>
<thead>
<tr>
<th>Expenditure Type</th>
<th>Expanded Spending (2013 $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging, including camping</td>
<td>$2,597,400</td>
</tr>
<tr>
<td>Restaurants and bars</td>
<td>$1,321,400</td>
</tr>
<tr>
<td>Gasoline and automobile service</td>
<td>$1,432,900</td>
</tr>
<tr>
<td>Groceries and liquor</td>
<td>$881,100</td>
</tr>
<tr>
<td>Entertainment</td>
<td>$167,700</td>
</tr>
<tr>
<td>Other retail purchases, including souvenirs</td>
<td>$391,200</td>
</tr>
<tr>
<td>Admissions/fees /licenses</td>
<td>$718,500</td>
</tr>
<tr>
<td>Equipment rental &amp; repair</td>
<td>$560,500</td>
</tr>
<tr>
<td>Equipment purchase</td>
<td>$2,485,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,555,800</strong></td>
</tr>
</tbody>
</table>
Economic values of forest-based recreation

- Important to understand forest recreationists
- Overnight visitors to CNNF either camp, stay in local resort, or own a second home (latter is most important).

Seasonal, Recreational, Occasional Use Housing Units
2010, Total three states = 586,588 units (12.5% of US)
The hedonic values of real estate

Value of real estate with amenity

Capitalized value of natural resource into land rent

Distance from Lake

Value of real estate without amenity

LAKE

Water’s Edge

Distance from Lake
Other forms of forest value: ecosystem function

- What value do we place on non-use:
  - intact ecosystems and biodiversity?
  - water quality and soil stability?
  - wildlife and habitat restoration?
  - carbon sequestration and storage?
  - bequest of productive landscapes?
  - options and existence?
- Economists have developed approaches to value non-use ecosystem functions.
- How do we capture these values in our management decisions?
The future of resource-based communities

- Amenities will play in increasingly important role in determining dominant forest uses.
- Impacts on rural communities of amenity migration will be transforming ... not just for leisure but increasingly for where we work and where we live.
- Forest use is undergoing a dramatic and permanent transition.
- How effective are we in balancing forest management as our uses transition?
Management strategies for balance

• Actively pursue, adopt, and promote forest uses that are complementary and supplemental.
• Use public participation processes, stakeholder assistance, and regulation to help balance through ranges of competitive use.
• Actively segregate and strongly regulate antagonistic uses.
• Develop public policy with an awareness and acceptance of alternative compatibilities.
• Work closely with stakeholders who share your production process … encourage understanding of joint-ness
• Impress the importance of your product to those who benefit.
• Act to share the costs and conflicts of forest management.
Figure III. Co-production of tourism that explicitly incorporates experience-based, public, and jointly produced inputs and related services.
Ongoing initiatives: Balancing among multiple forest uses

- How can regional forest amenities be defined, measured, and categorized?
- To what extent are amenities important in explaining regional economic characteristics?
- What tradeoffs are needed to account for alternative compatibilities?
- How can forest managers improve “balance” among multiple uses as the transitions continue?
- How can we improve public policy to better maximize benefits and ameliorate conflicts?
Parting shots …

- Natural amenities and forest recreation are an increasingly essential part of life in the Lake States …
- Multiple use management entails balance, which is NOT easy and which is getting increasingly important …
- Weighing amenity use with traditional forest uses opens a complex can-of-worms that MUST be dealt with …
- Attainment of multiple objectives entails maximizing complex benefits while minimizing and ameliorating incompatible uses …
- The presence and use of amenity resources is transforming rural communities throughout the Lake States …
- … how should/will contemporary forest management respond?
For further discussion of these topics:

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Thanks!