

Analysis of the Outdoor Recreation Industry Economic Study February 2011



When announcing the Wild Lands policy on December 23, 2010, Interior Secretary Ken Salazar was flanked by Peter Metcalf of Black Diamond Equipment, who claimed that the outdoor recreation industry provides \$730 billion in economic impact and 6.5 million jobs across the country. The implication was that wilderness areas have important job and economic impacts.

However, the study that produced those numbers, which is summarized below, defines the outdoor recreation industry very broadly. The study includes everyone who buys outdoor apparel that could be classified as “active” and recreational activities such as biking, downhill skiing and RV camping which are not even allowed in wilderness areas.

Western Energy Alliance believes all jobs are important, especially during these times of high unemployment. However, not all jobs will be equally affected by Interior’s new wild lands policy. With 110 million acres already designated as wilderness in the United States, not to mention the hundreds of millions of acres in non-wilderness national and state parks, national forests, BLM, and other public lands that are available for outdoor recreation, the impact of the wild lands policy is probably very slight on the outdoor industry.

On the other hand, the Bureau of Land Management’s (BLM) intention of reviewing 240 million acres for potential wild lands designation is significant to ranching, mining, energy, logging, and other industries across the West that are productive users of the vast non-park, non-wilderness federal lands that make up over 60% of the West. The oil and natural gas industry has already seen significant development delays for years in de facto wilderness areas, which are the precursors to the new wild lands areas. Western Energy Alliance has identified \$3.9 billion of investment and 16,200 jobs prevented in the West because of de facto wilderness and other policies from Interior.

The Outdoor Industry Association study claims that the Recreation Economy:¹

- Contributes \$730 billion annually to the U.S. economy
- Supports nearly 6.5 million jobs across the U.S.
- Generates \$88 billion in annual state and national tax revenue
- Provides sustainable growth in rural communities
- Generates \$289 billion annually in retail sales and services across the U.S.
- Touches over 8 percent of America’s personal consumption expenditures

Whatever the merits of the economic analysis that arrived at those numbers, it is clear that the study covers a much broader array of economic activity than those that are dependent on federal public lands, much less just wilderness lands. Similar statistics can be claimed by just one of many multiple lands users, oil and natural gas, albeit with a much greater economic impact:

¹ Outdoor Industry Foundation, *Active Outdoor Recreation Economy Report*, Fall 2006.
http://www.outdoorindustry.org/national-economic-impact-reports.php?action=detail&research_id=26

The U.S. oil and gas industry:²

- Contributes more than \$1 trillion annually to the U.S. economy
- Supports 9.2 million jobs
- Generates \$125 billion in annual federal income taxes and fees alone, not counting state income, severance, property and local taxes³
- Provides sustainable growth in rural communities
- Supports 7.5% of total US GDP
- Tapping oil and natural gas in non-park, non-wilderness federal lands could generate more than \$1.7 trillion in government revenue

As with the outdoor recreation industry study, these numbers apply to all oil and gas activity, not just those on public lands. We hope this information helps to put the outdoor recreation industry numbers in perspective. Policymakers should also consider similar numbers from other public lands users such as ranching, mining, timber, and motorized recreation to have a more complete picture.

Details from the Outdoor Recreation Study:

What Does Active Outdoor Recreation Include?

- BICYCLING: Paved-road bicycling- Off-road bicycling
- CAMPING: RV camping at a campsite- Tent camping at a campsite- Rustic lodging
- FISHING: Recreational fly- Recreational non-fly
- HUNTING: Shotgun- Rifle – Bow
- PADDLING: Kayaking (recreational, sea, whitewater)- Rafting- Canoeing
- SNOW SPORTS: Downhill skiing, including telemark- Snowboarding- Cross-country or Nordic skiing- Snowshoeing
- TRAIL: Trail running on an unpaved trail- Day hiking on an unpaved trail- Backpacking- Rock climbing (natural rock or ice)
- WILDLIFE VIEWING: Bird watching- Other wildlife watching

\$730B defined by:

- \$289B retail (\$243B in trips: food, drink, transportation, E&A, lodging, and souvenirs, and \$46B in gear), 84% of which are “Recreation Trips”
- \$441B in “ripple effects,” or 60% of the total \$730 billion figure
- Ripple Effect explanation: “Think of a kayak slicing through the water. The kayak creates ripples in the water that move further away as they dissipate. Likewise, when a patron goes to an outdoor store and buys a kayak, the economic contribution is not limited to the money the consumer gives to the retail store. The purchase creates ripples that affect the suppliers of materials for the boat, the boat manufacturer, and the shipping company that transported the kayak.”

² American Petroleum Institute, *America's oil and natural gas industry supports over 9 million jobs*, October 4, 2010 http://api.org/policy/americaatwork/upload/JOBS_AMERICA_100410.pdf

³ API, *America's Oil and Gas Industry: Paying Their Share*, October 2010, http://api.org/policy/tax/upload/10_25_2010_Total_Industry_Taxes.pdf