

Outdoor Recreation: A Top Driver of Wisconsin's Economy



WISCONSIN
— OFFICE OF OUTDOOR RECREATION —

**HEADWATERS
ECONOMICS**
Independent Nonpartisan Research

WISCONSIN
— DEPARTMENT OF TOURISM —

Fall 2020



More than just a bike ride:

Outdoor adventure drives significant economic activity across diverse economic sectors.

A note from the Director

Outdoor recreation runs deep in the Wisconsin story—from the early development of the Northwoods as an outdoor vacation destination to the hatching of one of the world’s leading bicycle manufacturers. Wisconsinites have long known the state has something special outside that adds to our quality of life. But it is much more.

It is with anticipation we present this report analyzing the critical contributions of outdoor recreation to Wisconsin’s economy. Prepared by Headwaters Economics, a leading independent, nonpartisan, nonprofit research group, this report illustrates how outdoor recreation is more than just a fun thing to do. In the following pages, you will learn how outdoor recreation is a major economic driver – from tourism to manufacturing to retailers and outfitters – and supports tens of thousands of jobs. Outdoor recreation, built from the foundation of our beautiful natural assets and their responsible management, truly means business in Wisconsin.

The Wisconsin Office of Outdoor Recreation was founded with bipartisan support in recognition of this economic

significance. It is the vision of the Office to see Wisconsin claim its identity as a top outdoor recreation state for residents, visitors, and businesses. To accomplish this, we will uplift the industry and align partners around four key tenets, as defined below, to realize the full potential of the outdoor recreation economy.

Now, presented with the challenges and uncertainties resulting from the COVID-19 pandemic, this work has never been more important. The outdoor industry has a critical role to play in our economic recovery. As you read the report, you may be surprised by the strength of the outdoor recreation economy, and I hope the opportunities for the future leave you eager to join us in our work to support and grow the outdoor recreation sector for a thriving Wisconsin.

Mary Monroe Brown, Director
Office of Outdoor Recreation
Wisconsin Department of Tourism

Gear manufacturer designed and built the equipment.

Graphic artists created tourism ad that inspired the family outing.

Local restaurant provided sustenance and an ice cream cone on the way home.

Main street retailer fitted and sold the equipment.



Software engineers developed a mapping app to guide the family’s adventure.

Trail organization designed, built, and maintains the recreation area.

Local farmer and grocery store supplied snacks to fuel the outing.

Invite

Invite residents, visitors, businesses and workforce talent to live, work and play in Wisconsin.

Connect

Connect people to the state’s natural places and outdoor recreation opportunities through access and education with a focus on inclusion.

Thrive

Thrive when active lifestyles and outdoor recreation are promoted to create healthy individuals and communities.

Sustain

Sustain Wisconsin’s invaluable natural assets by encouraging outdoor recreation, the connection to place and the preservation of healthy lands and waters.

BROADER ECONOMIC BENEFITS

Public health. Research shows that when people live close to trails and greenspace, they tend to be more physically active. This can reduce incidence of cardiovascular disease, cancer, mortality, and childhood obesity—saving lives as well as public health costs.¹

Community cohesion. Participation in nature-based activities is often social, bringing together diverse members of the community and enhancing a sense of place. Research shows a connection between time spent in nature and reduction in crime, saving public safety costs.²

Ecosystem services. Areas open for public recreation are often ecologically important. In addition to supporting diverse plants and animals, these places provide flood control, water and air filtration, and carbon sequestration, providing millions of dollars in value to Wisconsin.³





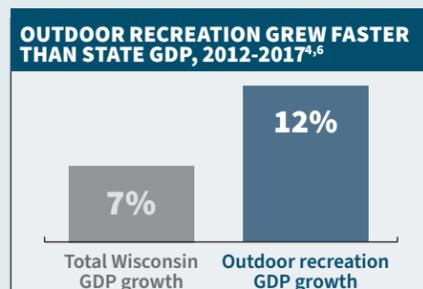
Photo: St. Croix Rods



Photo: Arterra Media

Wisconsin's outdoor recreation economy contributes \$7.8 billion to GDP.

The outdoor recreation economy contributes \$7.8 billion, or 2.4%, to Wisconsin's GDP.⁴ For perspective, the outdoor recreation economy's contribution to GDP is larger than the size of the GDP contribution from mining and farming combined.^{4,5}



The outdoor recreation economy is growing faster than the overall state economy: between 2012 and 2017, GDP from outdoor recreation grew by 12%⁴ while overall state GDP grew by 7%.⁶

MANY ACTIVITIES CONTRIBUTE TO WISCONSIN'S OUTDOOR ECONOMY.

The largest contribution to state GDP is from nature-based activities, led by motorcycling and ATVing, boating/fishing, RV-ing, and bicycling.⁴

Beyond nature-based outdoor recreation activities, other outdoor recreation activities that contribute to state GDP include field sports, game areas (includes golf and tennis), guided outfitting and tours, and festivals and sporting events.

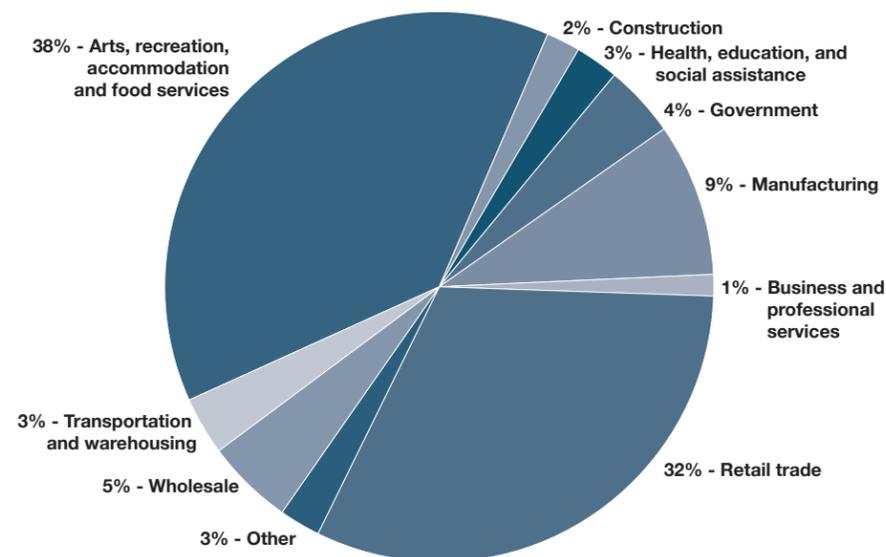
WISCONSIN GROSS OUTPUT (SALES AND RECEIPTS) BY ACTIVITY:⁴



Outdoor recreation helps attract and retain professionals, directly supporting jobs across diverse economic sectors.

The outdoor recreation economy in Wisconsin is diverse, employing people in a variety of sectors in both rural and urban areas. These jobs would not exist were it not for the outdoor recreation industry.

OF THE 93,000 PEOPLE EMPLOYED IN OUTDOOR RECREATION IN THE STATE:⁴



"We recruit new employees from all over the world and often the ones who choose to relocate and work for Organic Valley care about people, animals, and the environment. Our rural setting exemplifies this and enables our employees to pursue their personal and professional passions of a more sustainable world."

Eric Hartwig,
Director of Workplace Services,
Organic Valley, La Farge, WI

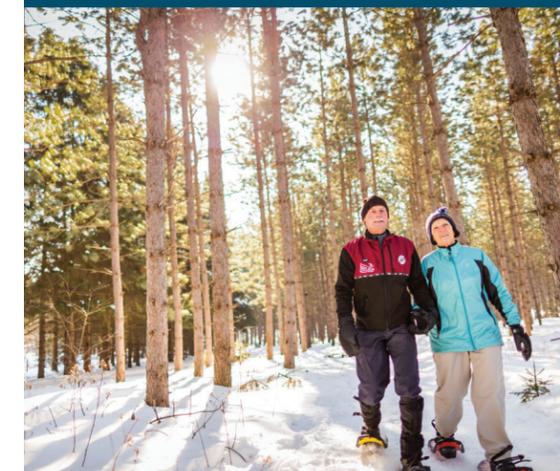


Photo: Joe Vadeboncoeur

"As we continue to grow our healthcare community in northern Wisconsin, attracting excellent clinicians has been critical to our success. The access to trails right on the property is something that very few organizations can offer their employees. It is difficult to imagine a better scenario for those who love outdoor recreation."

Luke Beirl, CEO Hayward Area Memorial Hospital, Hayward, WI



Photo: St. Croix Rods

Wisconsin is a national powerhouse in outdoor recreation manufacturing.

Manufacturing is an essential part of the outdoor recreation economy in Wisconsin, providing 9 out of every 100 jobs related to outdoor recreation in the state.⁴ Many prominent outdoor companies are based in Wisconsin, including Johnson Outdoors, Trek Bicycles, Harley-Davidson Motorcycles, and numerous others.

Manufacturing jobs are particularly valuable because, on average, they pay 19% higher wages than the rest of the economy.⁷ In 2017 the Bureau of Economic Analysis of the U.S. Department of Commerce estimated that 8,378 people working in manufacturing in Wisconsin were part of the outdoor economy.⁴ Collectively the compensation (salaries plus benefits) for these workers totaled just under \$887 million dollars, which translates to \$105,853 per employee.⁷

OUTDOOR RECREATION PROMOTES RURAL ECONOMIC DEVELOPMENTS.

Wisconsin's outdoor recreation opportunities are a competitive economic advantage for the state. Studies have shown that access to outdoor recreation and an outdoor lifestyle attract and retain local citizens; draw entrepreneurs who locate their business for quality-of-life considerations; and serve as an advantage for business owners to attract talented employees.⁸ These competitive advantages benefit both rural and urban areas—in Wisconsin many outdoor recreation manufacturing businesses are located in rural communities.

WISCONSIN RANKS 5TH
among U.S. states for the share of all jobs that are in outdoor recreation-related manufacturing.⁴



Photo: Vortex Optics



17% of Wisconsin's outdoor recreation-related GDP comes from bicycling, motorcycling, and ATV-ing, more than twice the share in any other state.⁴ This is due in large part to manufacturers like Harley-Davidson and Trek.



Photo: Trek Bicycles



Photo: Trek Bicycles

"Basing our global headquarters in Wisconsin provides Trek the opportunity to recruit world-class talent and employees with a strong work ethic, as well as access to excellent road and mountain biking right out the back door."

Bob Burns,
Vice President, Trek Bicycles,
Waterloo, WI



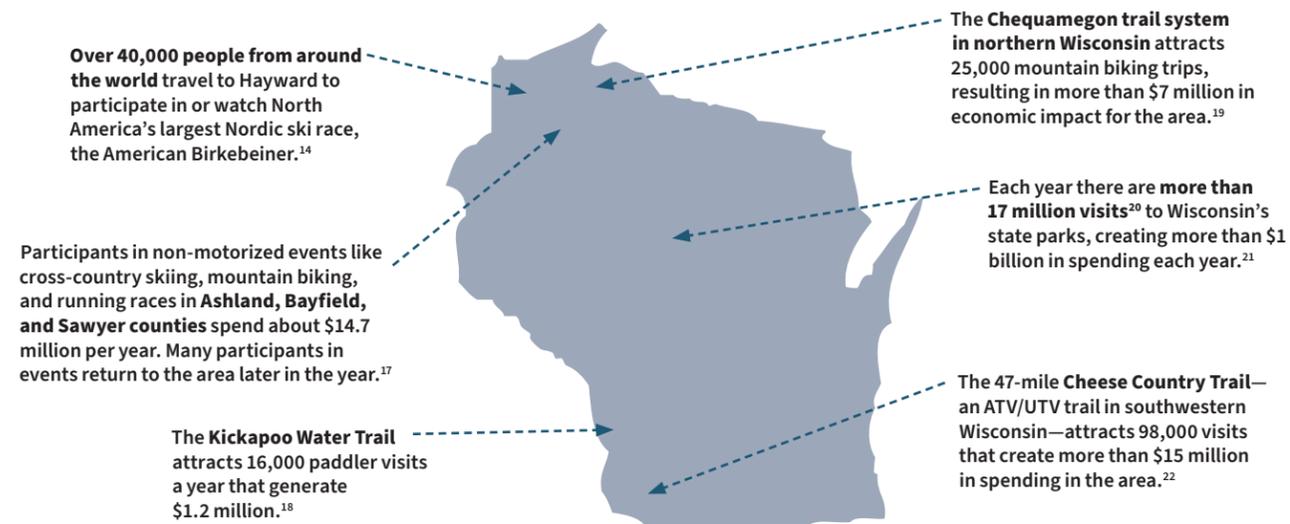


Photo: ©2020 American Birkebeiner Ski Foundation

Diverse outdoor recreation activities bring in billions of dollars year-round.

 <p>SUMMER</p>  <p>Anglers spend \$1.5 billion fishing in Wisconsin annually.¹⁰</p>  <p>61% of Wisconsinites have boated in the past year.³</p>	 <p>FALL</p>  <p>Waterfowl hunters spend \$19 million on trips and equipment annually.¹¹</p>  <p>ATV riders spend \$295 million on trips annually.¹²</p>	 <p>WINTER</p>  <p>Snowmobilers spend \$250 million on trips annually.¹³</p>  <p>The world's largest on-snow fat bike race is hosted in Wisconsin's Northwoods.¹⁴</p>	 <p>SPRING</p>  <p>Bicyclists in Wisconsin spend an estimated \$534 million annually on trips in the state.¹⁵</p>  <p>Wildlife watchers spend a total of \$1.5 billion annually.¹⁶</p>
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OUTDOOR RECREATION IS A TOP REASON PEOPLE VISIT WISCONSIN.⁹



Wisconsin's outdoor offerings make it a world-class recreation destination.

- Wisconsin has endless water recreation opportunities:** over 15,000 inland lakes, 43,000 miles of river shoreline, and 650 miles of Great Lakes shoreline.²³
- Wisconsin is home to 2 of the 11 National Scenic Trails in the U.S.:** the 1,200-mile Ice Age Trail and the 4,600-mile North Country Trail, 200 miles of which cross northern Wisconsin.²⁴
- County forests comprise 2.4 million acres, making them the largest public land holding in the state.³**
- More than 20% of the state—7.5 million acres—is open to public access, with abundant four-season recreation opportunities.³**

Now more than ever, the outdoors is essential for Wisconsin.

While the COVID-19 pandemic's long-term impacts to Wisconsin are unknown, two things are clear: the outdoors is critical to health and well-being, and the recreation industry is poised to help lead economic recovery.

Getting outside has never been more important. Wisconsin's outdoors provide wide-open spaces where people can responsibly distance while enhancing physical, mental, and social well-being. Since the onset of the COVID-19 pandemic, people are seeking outdoor experiences in unprecedented numbers.

Even though Wisconsin's economy was hit hard by the COVID-19 pandemic, the state's outdoor recreation industry is seeing the economic impact of this amplified interest. Many businesses were greatly limited by changing recommendations, but those able to respond report increased demand for products, gear, and services.

BY SPRING 2020:

- 371% increase in searches** for hikes and trails on TravelWisconsin.com²⁵
- 24% increase in sales** of Wisconsin ATV trail passes²⁶
- 100% increase in first-time buyers** of Wisconsin fishing licenses²⁶
- 18% more weekend visitations** to Wisconsin state parks²⁶
- 70% increase in national boat sales**²⁷
- 121% increase in national sales** of leisure bikes²⁸
- 10.8% increase in national RV sales**²⁹

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FEATURED TRAVEL WISCONSIN DESTINATIONS

Cover: American Birkebeiner (Hayward), Apostle Islands National Lakeshore (Bayfield), Camrock County Park (Cambridge), St. Germain Lake (St. Germain).

Pages 2 and 3: Peninsula State Park (Fish Creek), Snowmobile Trails (Eagle River), Hunt Hill Audubon Sanctuary (Sarona), Wyalusing State Park (Bagley).

Pages 4 and 5: Whistling Straits (Sheboygan), Chequamegon Fat Tire Festival (Cable), Nine Mile Forest (Wausau).

Page 6: Great River Road (Mississippi River).

Pages 8 and 9: Fat Bike Birkie (Cable), Mill Creek Fishery (Warrens).

Back Cover: Chequamegon-Nicolet National Forest (Marengo).

All images courtesy of Travel Wisconsin unless otherwise noted. Special thanks to the American Birkebeiner Ski Foundation, Darren Bush, Joe Vadeboncoeur, St. Croix Rods, Trek Bicycles, and Vortex Optics for supplying additional images.



“Wisconsin has the most varied and accessible natural resources of any state. Nowhere else can you find paddling, fishing, biking, hiking, birding, and camping in such proximity to each other. This natural wealth is key to Wisconsin’s economic recovery, but we need to be leaders in creating infrastructure like water trails, bike paths, and other touch points for visitors to keep them returning.”

Darren Bush
Owner and Chief Paddling Evangelist
Rutabaga Paddlesports LLC
Member, Wisconsin Governors Council on Tourism
Member, Outdoor Recreation Committee

**WISCONSIN IS A LEADER IN
OUTDOOR RECREATION.**



Wisconsin was the 14th state—and one of the first in the Midwest—to create an Office of Outdoor Recreation.³⁰

As more states add offices, competition to capture the economic potential of outdoor recreation is growing. The office is connecting industry, government, and community partners to collaborate, share resources, and identify funding sources. We are raising

Wisconsin's profile as an outdoor recreation destination to help the state reach its economic potential.



\$7.8 billion is contributed to Wisconsin's GDP by the outdoor recreation industry, and it is growing faster than the overall economy.⁴



Wisconsin ranks 5th in the U.S. for the share of all jobs in outdoor recreation-related manufacturing.⁴



93,000 jobs are supported by outdoor recreation in Wisconsin, contributing \$3.9 billion in worker compensation.⁴



95% of Wisconsin residents participate in outdoor recreation, and it is a primary driver behind visitation to the state.^{3,9}

In recognition of the strength and significance of the outdoor recreation economy to Wisconsin, the Office of Outdoor Recreation was created within the Department of Tourism to uplift the sector and its partners for continued growth. As we publish this report, the COVID-19 pandemic is ongoing and the full impacts will not be known for some time. But even as we wait for that picture to crystalize, this report solidifies the strong economic foundation and the growing interest in outdoor recreation that have positioned the industry to be a leader in driving Wisconsin's economic recovery. For more information, contact:



**Wisconsin Office of Outdoor Recreation
Department of Tourism**

<http://industry.travelwisconsin.com/outdoorrecreation>

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This report was produced by Headwaters Economics, an independent, nonpartisan, nonprofit research group.
<https://headwaterseconomics.org>