

Measuring Trails Benefits: Business Impacts

How do trails affect businesses?

Trails can generate business impacts and create new jobs by attracting visitors, especially overnight visitors. As more communities create distinct destinations that are also attractive places to live and work, a growing body of research shows how trails can contribute to their success.

Destination trails attract visitors from outside the local area who travel specifically to use a trail. The benefits from destination trails are most commonly measured in terms of the local business impacts. This includes business revenue, employment, and employee earnings. In addition to its direct effect on businesses, visitor spending also has a ripple effect in the community as employees and business owners spend their earnings, and local and state governments receive more tax revenue.

The economic impact from trails is highest when a trail is connected to local businesses that cater to trail user needs, including restaurants, grocery stores, camping and hotels, guiding services, and gear stores. This connection can occur directly through trail spurs that link to commercial centers, as well as through signs at trailheads or shuttles between a town and the trailhead. Because lodging often accounts for the biggest proportion of trip expenses, a trail's economic impact is greatly increased when it attracts more overnight users.

Additional details on each of these topics, as well as other relevant research, are available at <http://headwaterseconomics.org/trail>.

Select Research Highlights

- Overnight stays are the biggest contributor to total spending. At a mountain bike race in [North Carolina](#), each additional night adds \$101 to a visitor's total spending.¹ Along the [Great Allegheny Passage](#), overnight users spend seven times more than day users.²
- [Quality of trails](#) and amenities that [support trail users](#) have the largest effect on total number of visitors.^{3,4}
- Communities can capitalize on trails when the trails are [directly linked](#) to towns via [spur trails](#) or [shuttles](#).^{5,6,7}
- Although events are short-lived, [participants often return](#) to the community [after the event](#).^{3,8}
- After visiting an area, some tourists [become residents](#) or second home owners, bringing their businesses, [supporting the local economy](#), and paying taxes.^{9,10}
- In places that have become destinations, like [North Carolina's Outer Banks](#), the economic contribution of visitors far exceeds the original public investment.¹¹



How to use this information:

This summary is of interest to individual business owners, chambers of commerce, and municipal and county governments who are interested in learning how trails can be an economic development strategy.

This summary is one of several handouts describing the state of research related to the benefits of trails. The other summaries address:

- Public health
- Property value
- Quality of life
- General benefits
- Access

This series offers a succinct review of common benefits identified in the 130+ studies in Headwaters Economics' free, online, searchable **Trails Benefits Library**.

Methods

Measuring business impact requires estimating the number of visitors, visitor spending, and analyzing these data using economic models. Business impact studies generally measure the total business revenue, jobs, and income attributable to a trail. Some studies also include estimates of additional state and local tax revenue. Most economic impact studies implicitly analyze a change from a baseline condition, such as the difference in business revenue in a community before and after a trail is constructed or after an event.

When non-locals spend money in a community, they bring new money to the area and generate economic impact. Higher quality economic impact studies distinguish between spending by locals versus non-locals, and they include only non-local visitation that would not have happened without a trail or trail-related event. Careful studies also do not include spending that occurred en-route to the destination.

Economic impacts are most commonly estimated using data regarding trail use and spending profiles of trail users, which are input into regional economic models. The most common models used are IMPLAN and REMI, although there are several others.

Original studies and additional details on methods can be found in the Trails Benefits Library at <http://headwaterseconomics.org/trail>.

Contact

Megan Lawson, Ph.D. megan@headwaterseconomics.org, 406.570.7475.

*Can [these
cycling facilities]
produce economic
benefits for
North Carolina
communities?
The answer is a
resounding “yes.”*

- Lawrie, 2004

Footnotes

- 1 Schiller, A., and J. Whitehead. 2013. Economic Impact of the 2012 ‘6 Hours of Warrior Creek’ Mountain Bike Race. Boone, NC: Center for Economic Research and Policy Analysis at Appalachian State University.
- 2 Campos, Inc. 2009. The Great Allegheny Passage (GAP) Economic Impact Study (2007-08). The Progress Fund.
- 3 Berard, D., S. Chapin, A. Hoogasian, T. Kane, D. Marcouiller, and T. Wojciechowski. 2014. The Economic Impacts of Active Silent Sports Enthusiasts. Madison, WI: University of Wisconsin Department of Urban and Regional Planning, Extension Report 14.1.
- 4 Tourism British Columbia. 2013. Rossland Mountain Bike Visitor Study 2011 Results. Research, Planning & Evaluation, Tourism British Columbia Ministry of Jobs, Tourism, and Skills Training.
- 5 East Central Florida Regional Planning Council. 2011. Economic Impact Analysis of Orange County Trails.
- 6 Kazmierski, B., M. Kormmann, D. Marcouiller, and J. Prey. 2009. Trails and their gateway communities: A case study of recreational use compatibility and economic impacts. Madison, WI: University of Wisconsin Division of Cooperative Extension Publication #G3880.
- 7 Farber, S., J. Argueta, S. Hughes. 2003. 2002 User Survey for the Pennsylvania Allegheny Trail Alliance. University of Pittsburgh University Center for Social and Urban Research.
- 8 Western Canada Mountain Bike Tourism Association. 2007. Sea to Sky Mountain Biking Economic Impact Study.
- 9 Meltzer, N. 2014. “Adapting To The New Economy: The Impacts of Mountain Bike Tourism in Oakridge, Oregon” [Master’s Thesis]. Eugene, OR: University of Oregon Department of Planning, Public Policy and Management.
- 10 Resource Dimensions. 2005. Economic Impacts of MVSTA Trails and Land Resources in the Methow Valley. Methow Valley Sport Trails Association.
- 11 Lawrie, J. 2004. Pathways to Prosperity; Economic Impacts of Investment in Bicycle Facilities: A Case Study of North Carolina Northern Outer Banks. North Carolina Department of Transportation.