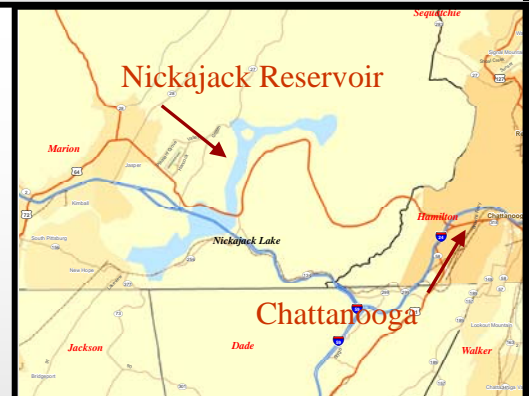




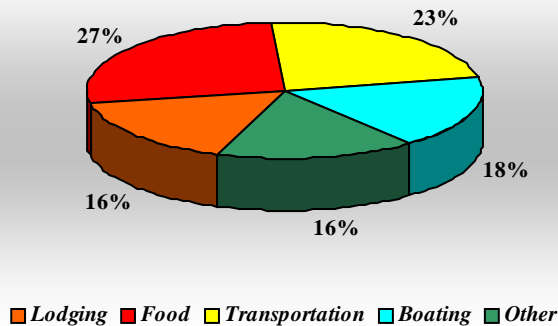
Tennessee Valley Authority's Nickajack Reservoir

Nickajack Reservoir Facts: The reservoir has close to 179 miles of shoreline and about 10,370 acres of water surface. Electrical generating capacity is 104,000 kilowatts. The existing 110– by 600-foot lock is the sixth step in the stairway of TVA reservoirs and locks that carry barges up and down the Tennessee River and can lift as many as nine of today's large barges at a time. Commodities that pass through the lock include grain, pulpwood, wood chips, soybean oil, salt, petroleum, steel products, and coal.

Approximately 224 Nickajack Reservoir recreational users were surveyed between May through mid-September in 2008. Results indicate mean expenditures per trip were \$156.80. Of the four main expenditure categories (lodging, food and beverage, transportation, boating, and other expenses), food and beverages had the largest mean expenditure per trip at \$42.36, followed by transportation (\$35.55 per trip), boating (\$27.55 per trip), other expenses (\$25.73 per trip), and lodging (\$25.61 per trip). More specifically, for food and beverages, the largest expenditures were for groceries purchased at a food store. Food and beverages purchased at restaurants were the next largest expenditure for this category. Fuel and oil were the larg-



Mean Expenditures per Trip — Nickajack Reservoir



est expenditures for vehicle transportation and boating. For the other expenses category, the largest expenditures were for fishing supplies, camping supplies, entertainment, and retail goods. Lodging in hotels, motels, bed/ breakfasts, or cabins was the largest expenditure for the lodging category.

This analysis employed an input-output model, IMPLAN, to measure the economic impacts from Nickajack Reservoir recreation users. Numerous communities and/or towns

Total Industry Output represents the estimated annual dollar value of production summed across all industries and is a measure of total economic activity. Employment represents the estimated number of total wage and salary employees (both full– and part-time), as well as self-employed. **Total Value Added** represents the estimated dollar value of wages and salaries including benefits, self-employed income, interests, rents, royalties, dividends, profits, plus excise and sales taxes.

Direct Impacts represent the estimated economic impacts of activities from recreational users on Nickajack Reservoir from the survey conducted. **Total Impacts** are the sum of direct impacts, plus the estimated economic impacts from businesses (i.e., restaurants, lodging, fuel, retail sales, etc.) providing goods and services (**Indirect Impacts**), and increased expenditures of new household income (**Induced Impacts**) as a result of the recreational users' activities.

Table 1. Estimated Economic Impacts from Nickajack Reservoir Recreational Users

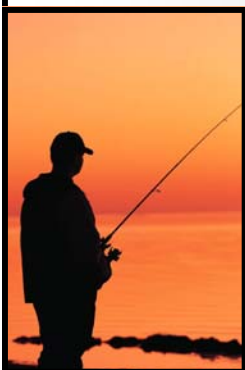
	Total Industry Output ^a		Employment		Total Value Added ^a	
	<i>Direct</i>	<i>Total</i>	<i>Direct</i>	<i>Total</i>	<i>Direct</i>	<i>Total</i>
	(Million \$)		(Number)		(Million \$)	
<i><u>Multi-County^b</u></i>						
May-Sept	\$161.9	\$299.6	2,550	3,834	\$97.9	\$180.1
Annual	\$279.8	\$517.9	4,408	6,627	\$169.2	\$311.4
<i><u>State^c</u></i>						
May-Sept	\$161.9	\$335.6	2,360	3,871	\$100.5	\$201.6
Annual	\$279.8	\$580.2	4,079	6,691	\$173.8	\$348.5

^a2008 dollars; ^bMulti-County region includes Grundy, Hamilton, Marion, and Sequatchie Counties in Tennessee; Jackson County in Alabama; and Dade County in Georgia; ^cState region is for Tennessee.

along the lake are impacted economically. Using survey data, multi-county (counties surrounding the reservoir) and state-wide economic impacts were conducted for Nickajack Reservoir recreational users (Table 1). In addition, economic impacts were estimated for May through September, the actual timeframe of the survey, along with estimated annual projections. For the multi-county analysis, estimated direct and total impacts were \$161.9 million and \$299.6 million, respectively, for total industry output for the May through September timeframe. This impact financed more than 3,800 jobs. Total value added was estimated at \$180.1 million. Likewise, annual impacts for the multi-county model were estimated at \$279.8 million for direct and \$517.9 million for total. Estimated total number of jobs was over 6,600, with total value added estimated at \$311.4 million. For the state model, total impacts were estimated at \$335.6 million and \$580.2 million for total industry output for the May through September timeframe and annually, respectively. Estimated total impacts for value added were \$201.6 million for the May through September analysis period and \$348.5 million annually. Estimated total number of jobs exceeded 3,800 and close to 7,000 for the May through September survey period and the annual projected analyses, respectively.

Multipliers measure the additional total industry output, employment, or total value added for an additional million dollars in economic activity. Total industry output multipliers ranged from 1.85 for the multi-county analysis and 2.07 for the state. For every dollar Nickajack Reservoir users spent on recreational activities, an additional 0.85 cents was generated throughout the multi-county analysis or 1.07 cents throughout the state. Likewise, employment multipliers ranged from 1.50 for the multi-county analysis and 1.64 for the state. Interpreted, for every job created based on Nickajack Reservoir recreational user expenditures, an additional .50 to .64 jobs are created in other industries throughout the state.

For indirect impacts, the top five industries impacted were real estate, management of companies and enterprises, federal electric utilities, wholesale trade, and radio/television broadcasting. Likewise, for induced impacts, owner-occupied dwellings, state and local education, wholesale trade, real estate, and health care professional (doctors, dentists, etc.) were the top five industries impacted.



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