

Estimated Economic Impacts of Off-Highway Vehicle Special Events



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Economists often use computerized input-output models to derive multipliers. These models are very helpful for understanding the inter-relationships in a local economy. An input-output model which can be used to estimate the impacts of outdoor recreation is IMPLAN developed initially by the USDA’s Forest Service and currently developed by Minnesota IMPLAN Group (MIG). This model is used in this analysis. IMPLAN contains the relationships between industries in a particular local economy through a transactions table. This dollar flow table lists all the sales and purchases made by the different sectors of the economy over a period of time. Once the dollar flow table is constructed, another table is then constructed to derive multipliers. This final table shows the total dollar amount change in each economic sector caused by a \$1 change in output in any particular sector. When multipliers are used, they can clearly show how attracting new visitor dollars into a region can stimulate considerable economic growth.

An analysis was conducted for Off-Highway Vehicle special events — VSTA, Appalachian Jamboree, Dixie Run, and Gateway Jamboree. For each event held in North Carolina and Tennessee, a state-wide economic impact analysis was conducted (Table 1). In addition, for the VSTA event a region consisting of the county the event was held in and adjacent counties was constructed and economic impacts for that region were estimated.

Estimated per adult expenditures within 25 miles of the VSTA event were \$100 in 2001 dollars. Approximately 447 adults attended the VSTA event. Total expenditures in 1998 dollars were \$41,177 in the seven county region. These expenditures resulted in an total economic impact of nearly \$63,000. If total expenditures for the VSTA event are used for the state region, then \$186,000 was spent by the participants. This expenditure resulted in an estimated total impact of \$369,000 and additional seven jobs.

The average per adult expenditures were greater for the other three events; however, fewer adults participated in these events. Lodging expenses were reported to be five times greater per adult when comparing the Appalachian Jamboree event to VSTA event. Per adult total expenditures were also two times greater. However, total impact on the state is only 1/3 of VSTA’s because the number of participants in the Appalachian Jamboree were fewer than the VSTA event.

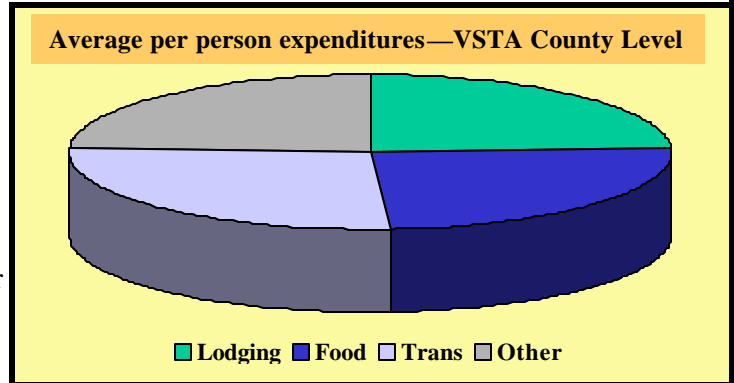


Table 1. Estimated Economic Impacts from Off-Highway Vehicle Special Events.

Event	Total Industry Output*		Jobs		Total Value Added*	
	Direct	Total	Direct	Total	Direct	Total
State Level						
Appalachian Jamboree (NC)	\$65,420	\$127,982	2	3	\$44,686	\$83,789
Dixie Run (NC)	\$225,470	\$432,644	6	9	\$175,648	305,207
VSTA (TN)	\$185,890	\$369,413	5	7	\$144,451	\$258,344
County Level						
VSTA (TN)	\$41,177	\$62,987	1	2	\$28,827	\$42,147

*1998 Prices

Total Industry Output represents the estimated annual dollar value of production summed across all industries and is a measure of total economic activity. **Jobs** represent 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, interest, rents, royalties, dividends, profits, plus excise and sales taxes.

Direct Impacts represent the estimated economic impacts of off-highway vehicle recreational activities from the surveys conducted at each event site. **Total Impacts** is the sum of the direct impacts, plus the estimated economic impacts from businesses (i.e., restaurants, retail stores, lodging, gasoline, etc.) providing goods and services (indirect impacts), and increased expenditures of new household income (induced impacts) as a result of the events taking place.

TENNESSEE'S VSTA EVENT

- Total lodging expenditures were the greatest for the VSTA event followed by the Appalachian Jeep Jamboree, the Gateway Jeep Jamboree, and the Dixie Run events.
- The VSTA event had the largest total expenditures for food and beverages followed by the Dixie Run, the Gateway Jeep Jamboree and the Appalachian Jeep Jamboree events.
- The top ten sectors impacted in Humphreys and surrounding counties from the VSTA region analysis were *Hotels & Lodging, Eating & Drinking, Miscellaneous Retail, Vehicle Dealers & Service Stations, Membership Sports and Recreation Clubs, Vehicle Parking, Food Stores, Vehicle Repair & Services, Real Estate, and Owner-Occupied Dwellings*.

STATE LEVEL ANALYSIS

- For the state of Tennessee, the top ten sectors impacted as a result from holding the VSTA event were *Miscellaneous Retail, Vehicle Dealers & Service Stations, Vehicle Repair & Services, Eating & Drinking, Hotels & Lodging Places, Food Stores, Wholesale Trade, Real Estate, Owner-Occupied Dwellings, and Membership Sports and Recreation Clubs*.
- The Appalachian Jamboree contributed \$128,000 to North Carolina's economy. The top ten sectors impacted include *Miscellaneous Retail, Membership Sports and Recreation Clubs, Hotels & Lodging Places, Eating & Drinking, Vehicle Dealers & Service Stations, Real Estate, Vehicle Repair & Services, Wholesale Trade, Owner-Occupied Dwellings, and State and Local Government, Non-education*.
- The Dixie Run event contributed \$433,000 to North Carolina's economy. The top ten sectors impacted include *Miscellaneous Retail, Transportation Services, Vehicle Repair & Services, Vehicle Dealers & Service Stations, Food Stores, Hotels & Lodging Places, Eating & Drinking, Real Estate, Wholesale Trade, and Owner-Occupied Dwellings*.

Findings:

- **Many of the expenditures do not occur onsite, but rather in preparing for and transporting to and from the event.**
- **The expenditures that take place in preparing for, participating in and recovering from OHV events appear to have a multiplier of between 1.91 and 1.98. Each expenditure doubles in value when examining economic activity.**
- **At the VSTA site, expenditures are split equally between lodging, eating and drinking, automotive, and other.**