Economic Impact Pilot Study

Jerry Norquist
Board Member NBTDA
Cycle Oregon
Economic Impact Pilot Study

Sanctioned by the National Bicycle Tour Directors Association

Analysis provided by Gluskin Townley Group
Overview

- Background
- Who is the consumer?
- Ride participation
- Travel
- Economic Impact
- Why is this importance?
- What comes next?
- Q&A
Survey Design

Collaborative Effort

• 11 ride directors
• Same survey for all rides
• July - October 2013
• 11 rides
• 3,039 responses
Rider Demographics

- 63% Male
- 37% Female
- 70% Age 45-64 (Avg. Age 53.7)
- 75% HHI $100,000+ (Avg. HHI $129,015)
- 33% Have Children In Household

Spend, on average 11.4% of their discretionary income on bicycling.
US Average – 27.4%
Japanese Average – 3.9%
Bicycling Profile

• 91% Ride 2+ times/week
• 86% Own 2+ bicycles
  – 2.8 personal bicycles (avg.)
• Reasons for riding
  – 95% Fitness
  – 93% Fun
  – 76% Organized cycling events
  – 70% Social activity
Motivations for spending more time riding your bicycle

• Safer roads (67%)
• Wider/better maintained shoulders (64%)
• More bike lanes (59%)
• More free time (56%)
• More designated bike routes (46%)
• More considerate drivers (44%)
• More bike trails (44%)
• More places to ride (39%)
Overall median spending on event or ride specific purchases is 11% higher than normal!
80% Participated as part of a larger group
Economic Impact

Direct Impact

Indirect Impact plus “Ripple” effect
Direct Impact

Additional Ride Spending

- Cycling-related purchases
- Bicycle shipping expenses
- Travel expenses
- Personal expenditures at ride
- Group support expenditures at ride
## Economic Impact*

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event-related purchases</td>
<td>14,582,547.36</td>
</tr>
<tr>
<td>Bicycle shipping expenses</td>
<td>510,064.10</td>
</tr>
<tr>
<td>Travel to/from event</td>
<td>9,321,762.22</td>
</tr>
<tr>
<td>Personal spending at event</td>
<td>6,110,698.67</td>
</tr>
<tr>
<td>Support spending at event</td>
<td>2,070,526.35</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$32,595,598.70</strong></td>
</tr>
</tbody>
</table>

Direct financial impact from the 11 rides surveyed!
Why Is This Important?

Accurate Economic data not previously available from NBTDA members

Data helps influence good public policy.

Magnitude of impact much larger than previously believed.
Bicycling is Big Business!
Next Steps

**NBTDA goal**
50% or higher participation rate among members

Work with
League of American Bicyclists
to conduct future surveys
The Outdoor Recreation Economy
Economic Benefits

- 6.1 million American jobs
- $646 billion outdoor recreation spending
- $39.9 billion federal tax revenue
- $39.7 billion state & local tax revenue
Overlooked Economic Giant

Annual Consumer Spending in Billions

<table>
<thead>
<tr>
<th>Category</th>
<th>Spending (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>$331</td>
</tr>
<tr>
<td>Motor Vehicles &amp; Parts</td>
<td>$340</td>
</tr>
<tr>
<td>Outdoor Recreation</td>
<td>$646</td>
</tr>
<tr>
<td>Financial Services &amp; Insurance</td>
<td>$780</td>
</tr>
<tr>
<td>Outpatient Healthcare</td>
<td>$767</td>
</tr>
<tr>
<td>Gasoline &amp; Other Fuels</td>
<td>$354</td>
</tr>
<tr>
<td>Household Utilities</td>
<td>$309</td>
</tr>
</tbody>
</table>

Bureau of Economic Analysis, Personal Consumption Expenditures by type of product, based on available 2010 data.
Outdoor Recreation Employs America

Jobs Comparison By Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate, Rentals, Leasing</td>
<td>2.0M</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>2.1M</td>
</tr>
<tr>
<td>Information</td>
<td>2.5M</td>
</tr>
<tr>
<td>Education</td>
<td>3.5M</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>4.3M</td>
</tr>
<tr>
<td>Construction</td>
<td>5.5M</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>5.8M</td>
</tr>
<tr>
<td><strong>Outdoor Recreation</strong></td>
<td><strong>6.1M</strong></td>
</tr>
</tbody>
</table>
The outdoor recreation economy grew approximately 5 percent annually between 2005 and 2011 – this during an economic recession when many sectors contracted.
Outdoor Recreation Strengthens Local Communities

The outdoor recreation economy generates $80 billion in National, State and local tax revenues each year.
### Outdoor Recreation Economy

Direct & Total Impact by Activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Gear, Accessories &amp; Vehicles</th>
<th>Trip Related Sales</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bicycling</td>
<td>$10,538,970,178</td>
<td>$70,781,975,693</td>
<td><strong>$81,320,945,871</strong></td>
</tr>
<tr>
<td>Canoeing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hunting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorcycling</td>
<td>$10,024,945,513</td>
<td>$32,501,773,446</td>
<td><strong>$42,526,718,959</strong></td>
</tr>
<tr>
<td>Off-Roading</td>
<td>$13,160,580,559</td>
<td>$53,334,247,815</td>
<td><strong>$66,494,828,375</strong></td>
</tr>
<tr>
<td>Snow Sports</td>
<td>$7,718,490,380</td>
<td>$45,328,719,522</td>
<td><strong>$53,047,209,901</strong></td>
</tr>
<tr>
<td>Trail Sports</td>
<td>$12,251,578,246</td>
<td>$68,376,967,617</td>
<td><strong>$80,628,545,863</strong></td>
</tr>
<tr>
<td>Water Sports</td>
<td>$19,420,893,225</td>
<td>$66,776,605,002</td>
<td><strong>$86,197,498,227</strong></td>
</tr>
<tr>
<td>Wildlife Viewing</td>
<td>$10,736,692,517</td>
<td>$22,585,482,854</td>
<td><strong>$33,322,175,371</strong></td>
</tr>
<tr>
<td>All Activities</td>
<td>$120,733,959,053</td>
<td>$524,818,153,015</td>
<td><strong>$645,552,112,068</strong></td>
</tr>
</tbody>
</table>
Thank You

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