

## ***Quantifying the Economic Impacts of Scenic Byway Designation***

*Fact: Studies show that scenic byways can have a significant economic impact on a community, generating jobs and business sales that can be in the millions of dollars. These impacts take several forms and arise primarily from the byway's direct effect on visitor attraction and visitors' spending. A scenic byway may also serve as a catalyst for new business activity and economic development. The magnitude of any one scenic byway's economic impact on its adjacent communities, can, however, vary widely -- depending on the location, length, tourism market area, traffic mix, opportunities to capture visitor spending, quality of the experience and the researcher's methods!*

**The National Scenic Byway Resource Center (NSBRC)** has identified the need to establish a new, economic impact study protocol that aims to improve the state of the art, and also standardize study methods so that future economic impact studies are comparable and consistent in their methods. As a first step in this project, *Economic Development Research Group* performed an extensive literature review concerning the economic impacts of scenic byway designation. This review examined 21 studies of the economic impacts of scenic byways plus other related economic impact studies concerning tourism, national parks, and highways.

### **What the Review Revealed**

Most of the studies begin with an initial statement regarding the value and importance to the local community and decision-makers of measuring the economic impacts associated with having a designated scenic byway. The majority of studies focus on existing scenic byways, while a minority focuses on proposed new scenic byways.

Whether of existing or proposed scenic byways, some of the studies focus on measuring the road's total *economic significance* while others focus on its incremental *economic impact*. In the context of scenic byways, *economic significance* is the total portion of the existing local economy that directly or indirectly receives money as a result of all scenic byway travelers. This is in contrast to studies of the *economic impact* of designating a new scenic byway, in which case the analysis focuses on the incremental increase in visitors and their associated increase in economic activity over and above that occurring before the scenic route is officially designated.

### **A Litany of Study Outcomes**

What you can expect, if you haven't already read some of this scenic byway literature, is a diverse and widely inconsistent assortment of a.) methodologies to estimate the *per-trip* spending for a scenic byway (*active survey* or *other data*) and road activity (*total trips* vs. *new trips* vs. *net, new trips*) and b.) impact measures. A good rule of thumb is to not apply any of these estimates unknowingly to your byway/route assessment.

- 19 – 33 jobs per \$1 million of visitor spending
- \$74,000 - \$1,450 million in “total” business sales due to scenic byway
- \$0.045-\$0.08 State & Local tax receipts per \$1 visitor spending
- 3.4% - 20% increase in annual traffic
- \$65,000 extra visitor spending with 1% increase in vehicle miles traveled
- \$104 Visitor group spending per trip
- \$50 - \$188 Visitor group spending per day

- \$32,500 annual, visitor spending per mile.