ECONOMIC IMPACT OF LOCAL PARKS

AN EXAMINATION OF THE ECONOMIC IMPACTS OF OPERATIONS AND CAPITAL SPENDING BY LOCAL PARK AND RECREATION AGENCIES ON THE UNITED STATES ECONOMY

EXECUTIVE SUMMARY

NRPA National Recreation and Park Association

Because everyone deserves a great park

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ABOUT THE STUDY

SEVEN IN TEN AMERICANS regularly visit their local park and recreation facilities. An even larger number—nine in ten—agrees that their communities benefit from everything their local park and recreation agencies offer. This level of public support is not surprising; parks and recreation promotes healthy, prosperous and connected communities in nearly every city, town and county throughout the United States. Millions of people benefit directly from their local park and recreation agencies in many ways—as gathering places to meet with friends and family, open spaces to exercise and reconnect with nature or as community resources where they can get a nutritious meal.

The National Recreation and Park Association (NRPA) highlights the contributions that park and recreation agencies make through its Three Pillars:

CONSERVATION—Parks help preserve natural resources in a community. Local agencies play a leadership role in protecting open space, connecting children to nature and providing education and programs that help communities engage in conservation practices.

HEALTH AND WELLNESS—Local park and recreation agencies provide crucial health and wellness opportunities for all populations in communities across the country. As many people in the United States continue to face serious health issues—including rising rates of chronic disease, an increased prevalence of sedentary lifestyles and poor nutrition habits—parks and recreation offers an affordable and accessible solution.

SOCIAL EQUITY—Public parks are treasured resources that are available to everyone, regardless of age, race, income or physical or cognitive ability. Local park and recreation agencies ensure that all members of a community have access to open space and recreational opportunities.

The Three Pillars are not, however, the only critical contributions public parks make to society. Park and recreation agencies also spark significant economic activity that makes our cities, towns and counties more prosperous.

Just how large of a contribution do local park and recreation agencies make to the U.S. economy?
In 2015, NRPA joined forces with the Center for Regional Analysis at George Mason University to estimate the impact of spending by local park and recreation agencies on the U.S. economy. Until then, there had been no national study to estimate the economic contribution of the thousands of local park and recreation agencies throughout the nation to the U.S. economy.

NRPA and the Center for Regional Analysis joined forces again in 2018 to update the landmark 2015 study. Both the 2015 and 2018 studies focused exclusively on the direct, indirect and induced effects local park and recreation agencies' spending has on economic activity, with analysis based on data from the U.S. Census Bureau. This report presents a summary of the key results from the updated study.

The full report, interactive charts and individual state level economic impact resources can be found at: *www.nrpa.org/ParkEconReport*

KEY FINDINGS

IN 2015 ALONE,

AMERICA'S LOCAL PUBLIC PARK AND RECREATION AGENCIES

GENERATED MORE THAN

$154 BILLION

IN ECONOMIC ACTIVITY

AND THEIR OPERATIONS AND CAPITAL SPENDING SUPPORTED MORE THAN

1.1 MILLION JOBS

OPERATIONS SPENDING

BY LOCAL PARK AND RECREATION AGENCIES SPAWNED

$90.9 BILLION

IN TOTAL ECONOMIC ACTIVITY AND SUPPORTED

723,000 JOBS

CAPITAL SPENDING

BY LOCAL PARK AND RECREATION AGENCIES LED TO

$63.6 BILLION

IN ECONOMIC ACTIVITY AND NEARLY

378,000 JOBS

Sources: IMPLAN and the Center for Regional Analysis—George Mason University for NRPA

U.S. ECONOMIC IMPACT

THE U.S. CENSUS BUREAU REPORTS that local park and recreation agencies had nearly 371,000 people on their payrolls in 2015. That translates into nearly $31 billion of operations spending by these agencies. That $31 billion ripples through the U.S. economy as park and recreation employees spend their paychecks, and park and recreation agency vendors hire workers and purchase products and services to serve their clients.

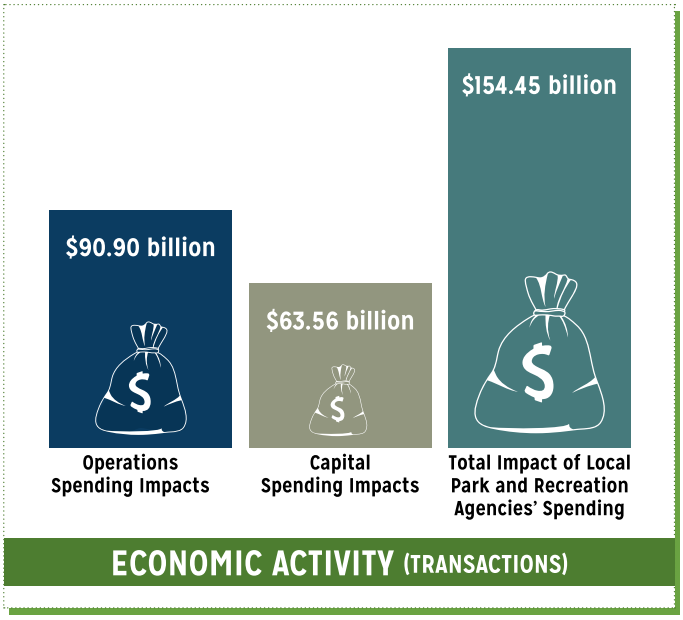
As a result, $31 billion of local park and recreation agency operations spending expanded to nearly $91 billion in total economic activity during 2015. That activity boosted real gross domestic product (GDP) by $48.7 billion and supported more than 732,000 jobs that accounted for nearly $34 billion in salaries, wages and benefits across the nation.

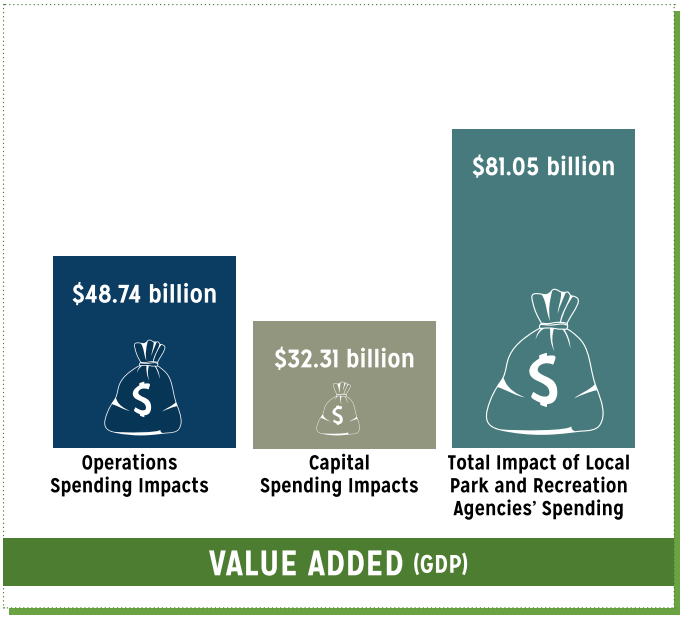
Further, local park and recreation agencies also invested an estimated $23.2 billion on capital programs in 2015. The capital spending led to an additional $63.6 billion in economic activity, a contribution of $32.3 billion to GDP, $21.3 billion in labor-related income and nearly 378,000 jobs.

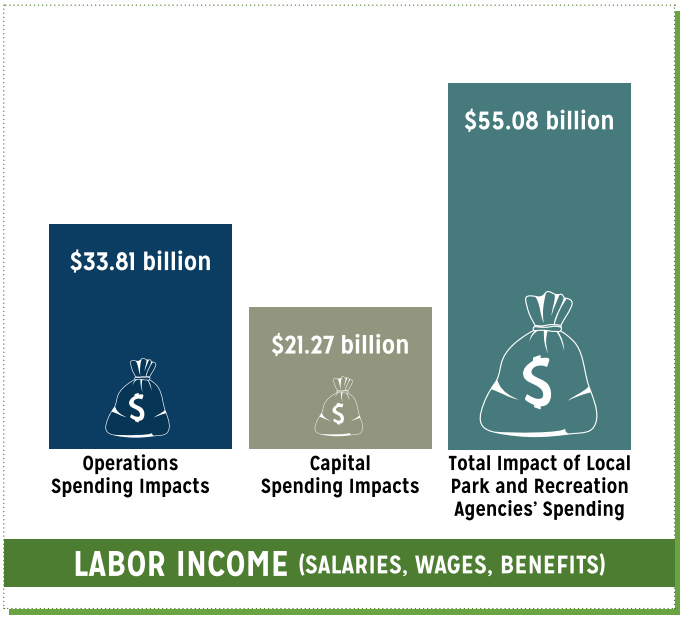
Combining the impact of operations and capital spending finds the nation's local park and recreation agencies generated $154.4 billion in economic activity in 2015, nearly $81.1 billion in value added and more than 1.1 million jobs that boosted labor income by $55.1 billion.

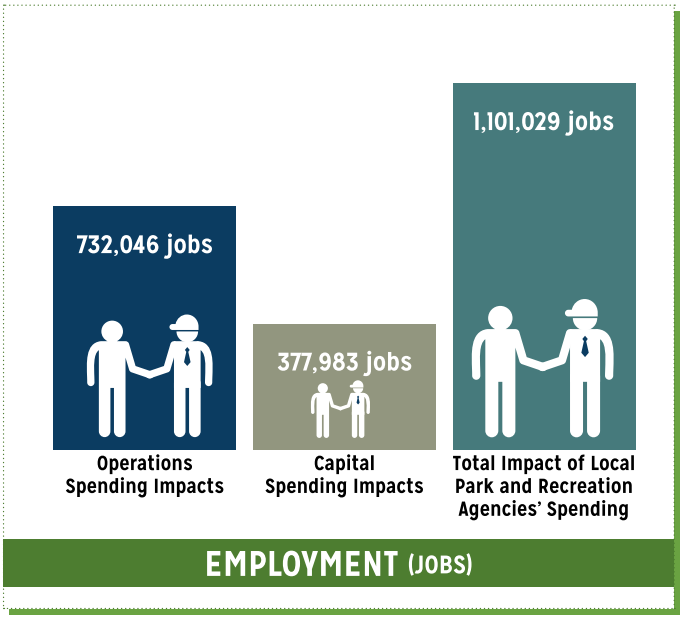
Local park and recreation agencies generated more than $154 billion in economic activity and more than 1.1 million jobs in 2015.

IMPACT OF LOCAL PARK AND RECREATION AGENCY SPENDING ON U.S. ECONOMY—2015









Sources: *IMPLAN, the Center for Regional Analysis—George Mason University for the National Recreation and Park Association*

STATE-LEVEL ANALYSIS

This study also examined the economic impact of local park and recreation agencies' spending in all 50 states and the District of Columbia. The state-level analysis mirrored that of the national study. The estimates of total economic impacts include the direct, indirect and induced effects of operations and capital spending by local park and recreation agencies in each state.

IMPACT OF LOCAL PARK AND RECREATION AGENCY SPENDING ON STATE ECONOMIES—2015

STATE | ECONOMIC ACTIVITY (TRANSACTIONS) | LABOR INCOME | EMPLOYMENT (JOBS)

STATE	ECONOMIC ACTIVITY (TRANSACTIONS)	LABOR INCOME	EMPLOYMENT (JOBS)
AL	$ 945,406,931	$ 331,589,252	9,551
AK	$ 322,248,688	$ 134,577,563	2,406
AZ	$ 1,721,532,429	$ 659,739,908	15,517
AR	$ 523,552,478	$ 175,272,034	4,571
CA	$ 15,953,170,645	$ 6,480,599,554	118,677
CO	$ 4,093,983,222	$ 1,553,579,534	33,582
CT	$ 734,509,489	$ 303,737,860	6,150
D.C.	$ 96,276,516	$ 36,640,851	813
DE	$ 424,230,300	$ 190,491,938	2,878
FL	$ 7,223,289,574	$ 2,487,029,967	60,084
GA	$ 2,392,788,372	$ 859,047,956	20,018
HI	$ 1,065,050,335	$ 379,928,342	10,540
ID	$ 442,088,291	$ 193,686,113	3,706
IL	$ 10,662,175,260	$ 4,212,668,991	83,637
IN	$ 1,234,379,444	$ 436,074,781	10,758
IA	$ 729,781,290	$ 253,841,588	6,852
KS	$ 812,651,148	$ 267,953,433	7,870
KY	$ 694,067,216	$ 249,594,101	6,138
LA	$ 1,673,365,158	$ 625,554,704	13,789
ME	$ 415,556,030	$ 143,676,834	3,725
MD	$ 1,793,329,251	$ 707,964,426	16,354
MA	$ 1,092,808,420	$ 464,179,319	8,539
MI	$ 2,417,155,826	$ 848,382,355	19,811
MN	$ 2,520,078,194	$ 963,778,166	20,338

Sources: *IMPLAN, the Center for Regional Analysis—George Mason University for the National Recreation and Park Association*

MS	$ 385,515,710	$ 123,750,271	3,682
MO	$ 1,939,071,772	$ 719,028,082	16,638
MT	$ 165,592,438	$ 56,546,136	1,610
NE	$ 456,928,588	$ 163,700,472	4,121
NV	$ 1,395,219,091	$ 484,296,242	11,005
NH	$ 155,240,141	$ 56,719,483	1,529
NJ	$ 2,377,483,594	$ 940,967,698	18,846
NM	$ 649,507,410	$ 219,503,679	5,807
NY	$ 5,238,672,197	$ 2,320,343,733	37,838
NC	$ 2,768,897,361	$ 973,080,935	24,303
ND	$ 790,913,186	$ 287,559,254	6,271
OH	$ 3,456,029,725	$ 1,266,492,579	30,005
OK	$ 1,222,829,260	$ 441,115,253	9,478
OR	$ 1,913,297,026	$ 716,303,856	17,015
PA	$ 1,576,228,143	$ 613,539,291	12,508
RI	$ 118,431,709	$ 45,245,769	1,049
SC	$ 1,283,952,787	$ 433,889,428	12,197
SD	$ 677,708,959	$ 234,350,063	5,763
TN	$ 1,499,373,334	$ 580,289,967	13,432
TX	$ 7,715,962,668	$ 2,947,439,905	60,176
UT	$ 1,756,688,784	$ 593,429,052	16,266
VT	$ 98,556,828	$ 36,291,188	914
VA	$ 3,267,539,215	$ 1,219,583,987	28,251
WA	$ 2,655,316,657	$ 1,028,824,417	20,594
WV	$ 208,933,657	$ 76,320,565	2,185
WI	$ 1,564,034,216	$ 557,893,058	13,268
WY	$ 465,612,022	$ 164,769,727	3,944

One caution: *The sum of the state level impacts presented in the preceding table does not equal the national level economic impact estimates presented in the previous section (see page 7). The difference reflects how the full economic impact of local park and recreation agency spending is not confined within state borders. For example, if the fertilizer used on sports fields in an Oklahoma City park was produced by a manufacturer in Arkansas, the value of that product production would not count as an impact on the Oklahoma economy, nor does the study include such an impact in the estimates for Arkansas.*

WHAT THE RESULTS MEAN

THESE ESTIMATES OF THE ECONOMIC IMPACT generated from park and recreation agency spending come from an input-output model that estimates direct, indirect and induced effects of those expenditures.

- **DIRECT EFFECTS** are the spending by local park and recreation agencies, whether for operations or capital programs, and include spending for equipment, utilities, goods, services and personnel.
- **INDIRECT EFFECTS** capture the spending associated with local park and recreation agencies' vendors. An example is an agency contracting with a local company to spray for mosquitoes. The pest control company will need to hire employees, purchase pesticides and contract with a bookkeeping service. The bookkeeping service rents office space, hires workers, and purchases office supplies, etc.
- **INDUCED EFFECTS** reflect the impact of consumer spending (from wages) by park and recreation agency employees and employees working for an agency's vendors.

The model estimates the total effects on output, labor income, value added and employment. Output is essentially a measure of the value of transactions. Labor income includes salaries, wages and benefits. Value added is the measure most equivalent to GDP and includes property income, dividends, corporate profits and other measures. Employment is the number of headcount jobs. The databases used to build the economic input-output model account for full-time versus part-time employment in the relevant sectors of the economy.

ADDITIONAL ECONOMIC BENEFITS

YOUR LOCAL PARK AND RECREATION AGENCY generates additional economic benefits. While the figures presented in this report are significant, they represent only one aspect of the economic benefits of public parks, and consequently are conservative estimates of the full economic benefits of local parks and recreation.

Beyond the impact of local park and recreation agency spending, other critical economic contributions from public parks include:

- **ECONOMIC DEVELOPMENT:** Parks and recreation improves the quality of life in communities and benefits the local economic development of a region. A recent survey in *Area Development* notes that three-quarters of corporate executives rate quality-of-life features as important factors when choosing a location for a headquarters, factory or other company facility.
- **VISITOR SPENDING:** Many local park and recreation agency amenities spur tourism to their respective locales, generating significant economic activity, including (but not limited to) increased sales at local restaurants/bars and hotels. The August 2017 *NRPA Park Pulse poll* found that park and recreation amenities—such as beaches, parks, trails and secluded and relaxing places—are important to people when choosing a vacation destination.
- **HEALTH AND WELLNESS:** Parks and recreation promotes improved physical and mental health. This not only helps people feel better, but can also help lower medical and insurance costs for those people taking advantage of those facilities and activities. Three in five respondents to the November 2017 *NRPA Park Pulse poll* indicate they would take up walking or jogging in local parks, trails or around their neighborhoods if advised by their doctors to be more physically active.
- **CONSERVATION AND RESILIENCY:** Park and recreation agencies' protection of land, water, trees, open spaces and wildlife improves air and water quality in communities. Through effective land management methods and green infrastructure investments, parks and recreation makes communities more resilient to natural disasters, reducing disaster recovery and insurance costs, Eighty-seven percent of respondents to the *2017 NRPA Americans' Engagement with Parks Survey* agree that their local government and local park and recreation agency should make the needed investments to ensure their communities are more resilient to natural disasters.
- **PROPERTY VALUES:** Economic research has demonstrated consistently that homes and properties located near parklands have higher values than those farther away. Higher home values not only benefit the owners of these properties but also add to the tax base of local governments. Eighty-five percent of respondents to the *2017 NRPA Americans' Engagement with Parks Survey* seek high-quality park and recreation amenities when they are choosing a place to live.

KEY CONCLUSIONS

LOCAL PARK AND RECREATION AGENCIES advance our nation's communities in many different ways. Not only are parks leading the way in terms of conservation, health and wellness and social equity, they are also engines of significant economic activity.

Local park and recreation agencies generated more than $154 billion in U.S. economic activity and supported 1.1 million jobs from their operations and capital spending in 2015. These results, combined with results from studies on the state and national park systems, reveal that public parks account for more than $200 billion in economic activity each year.

Beyond the impact of their expenditures, park and recreation agencies generate even more economic value through their promotion of health and wellness, as well as conservation and resiliency that foster higher property values and increase tourism. Most critically, park and recreation amenities are the cornerstones to improving a region's quality of life, a major factor in enticing employers and workers to an area.

The powerful impact parks and recreation has on economic activity, when combined with the ability to deliver healthier and happier communities, highlights the fact that these offerings are not merely a "nice-to-have," luxury government service. Rather, parks and recreation is a critical aspect of what makes a city, town or county a vibrant and prosperous community.

Policymakers and elected officials at all levels of government should take notice and support greater and more stable taxpayer funding of parks and recreation. Local park and recreation agencies not only help raise the standard of living in our neighborhoods, towns and cities, they also spark economic activity that can have ripple effects well beyond any initial expenditure in creating jobs and prosperity throughout our nation.

To download the full report and access interactive charts and individual state level economic impact resources, please visit *www.nrpa.org/ParkEconReport*

METHODOLOGY

RESEARCHERS AT THE CENTER FOR REGIONAL ANALYSIS at George Mason University derived the operations spending estimates using the IMPLAN economic input-output model with data from the U.S. Census Bureau's 2015 Annual Survey of Public Employment & Payroll. The survey provides an estimate of the number of employees (headcount) employed by local governments' parks and recreation agencies. Using the number of employees, the IMPLAN model provides an estimate of total direct output, which is treated as operations spending for the park systems. The relationship between total spending and employment is based on national averages for entities operating in the park and recreation industry and closely related activities.

The researchers derived the estimates of local park and recreation agencies' capital spending from data provided by NRPA and from other publicly available sources. This allowed for an estimate of the average ratio of capital spending to operating spending for local agencies. Applying this ratio to the nationwide estimates of operations spending, the researchers calculated an estimated total for capital spending for all local park and recreation agencies in the United States.

This study builds on the previous research conducted by the Center for Regional Analysis (published in 2015) with one notable exception. The researchers switched economic models from the Regional Impact Modeling System (RIMS II) to IMPLAN's modeling developed by MIG, Inc. Many academics and practitioners view MIG's model to be more accurate, especially in terms of the portion of industry spending that stays within a specific geography. As a result, the findings of the 2015 report and this study are not directly comparable.

ABOUT NRPA

The National Recreation and Park Association (NRPA) is a national not-for-profit organization dedicated to advancing parks, recreation and conservation efforts that enhance quality of life for all people. Through its network of 60,000 recreation and park professionals and advocates, NRPA encourages the promotion of healthy and active lifestyles, conservation initiatives and equitable access to parks and public space.

NRPA brings strength to our message by partnering with like-minded organizations including those in the federal government, nonprofits and commercial enterprises. Funded through dues, grants, registrations and charitable contributions, NRPA produces research, education and policy initiatives for our members that ultimately enrich the communities they serve.

NRPA places immense importance on research and data to raise the status of parks and recreation and conducts research with two goals. First, NRPA creates data to help park and recreation agencies make optimal decisions on operations, programming and spending. Second, NRPA generates data and insights that support park and recreation professionals making the case for greater and more stable funding to policymakers, key stakeholders, the media and the general public. The NRPA research team works closely with internal subject matter experts, respected industry consultants and the academic community to develop its reports and data resources. Learn more at *www.nrpa.org/Research*

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