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Economic Impact of Outdoor Activities Managed by South Dakota Department of Game, Fish and Parks

Produced for:

South Dakota Game, Fish, and Parks



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Top-line Summary

The economic benefits associated with outdoor recreation can be a powerful engine for rural communities across the nation, generating additional spending, supporting and creating jobs, and building future investments in open spaces and recreational areas.

South Dakota's Game, Fish, and Parks (GFP) commissioned a study of fishing, hunting, trapping, wildlife viewing, boating, and state park visitation to estimate the level of activity and economic contributions they make to the state's economy. Drawing from license sales records and survey-based data sources, this report presents economic contributions based on retail spending in South Dakota attributable to these activities

Altogether, the lands, waters and wildlife resources managed by GFP directly served at least 7.5 million people in 2016 who fished, hunted, trapped, boated, viewed the state's wildlife or visited state parks a combined 18.6 million days. In the course of all that activity, participants spent over \$1.33 billion in South Dakota.

Table E-1. Annual participation and direct spending by residents and nonresidents in South Dakota

Activity	Participants	Days	Direct spending
Fishing	215,173	3,258,635	\$271,313,012
Hunting	215,793	2,471,499	\$682,765,532
Trapping	3,233	61,427	\$1,638,368
Wildlife watching	173,825	2,596,817	\$51,727,124
Boating	58,972	476,154	\$85,961,195
State Park visitation	7,525,249	9,775,136	\$213,889,224*
Snowmobiling**	13,562	not available	\$25,297,587
Total	na	18,639,668	\$1,332,592,042

*Direct spending estimates for state park visitors includes trip spending, only. All others include trip and equipment.

**The source for the economic activity associated with snowmobiling is the following report: Allgrunn, M. (2012). "The Economic Impact of the South Dakota Snowmobiling Industry." Prepared for the South Dakota Game, Fish, and Parks.

When the multiplier, or ripple effect, of that spending is taken into account, the resources managed by GFP affect a large part of the state's economy. The \$1.33 billion spent by people who enjoy the state's outdoor resources directly and indirectly generates \$1.93 billion of economic activity (output) across the state economy. The economic activity supports an estimated 18,387 jobs that provide \$534.2 million of income to state residents and contributes \$990.4 million to the value of the state's economy. Finally, enjoyment of GFP managed resources returns \$85.5 million of tax revenue to the state and local governments.

Table E-2. Direct, multiplier, and total contributions from outdoor recreation in South Dakota

	Jobs	Labor Income	State GDP (Value Added)	Output	Tax Revenues	
					State & local	Federal
Direct Effect	12,105	\$333,068,694	\$499,847,169	\$1,073,316,939	\$58,262,340	\$74,430,652
Multiplier Effect	4,833	\$201,091,794	\$358,971,697	\$680,809,676	\$27,223,459	\$49,994,955
Total Effect*	18,387	\$534,160,487	\$990,389,365	\$1,934,455,515	\$85,485,799	\$124,425,607

Note: Definitions of the effect types are provided on the following page.

*Total effects include employment (FTE), GDP, and Output reported in M. Allgrunn's study of the economic impact of snowmobiling in South Dakota. The specific values are shown in Table E-3. Allgrunn's report does not provide data on labor income or tax revenues.

Table E-3. Total contributions from outdoor recreation in South Dakota by activity

	Jobs	Labor Income	State GDP (Value Added)	Output	Tax Revenues	
					State & Local	Federal
Fishing	3,032	\$97,843,140	\$158,450,207	\$320,935,874	\$17,013,931	\$22,999,033
Hunting	9,012	\$283,386,680	\$463,570,801	\$955,400,202	\$43,730,735	\$66,771,005
<i>Big game</i>	2,659	\$86,931,549	\$144,381,709	\$297,068,672	\$13,261,778	\$20,679,267
<i>Small game</i>	1,164	\$36,861,116	\$60,431,296	\$124,930,087	\$5,682,024	\$8,691,590
<i>Migratory birds</i>	1,059	\$34,098,280	\$56,367,635	\$116,222,167	\$5,156,372	\$8,069,553
<i>Pheasants</i>	4,130	\$125,495,735	\$202,390,161	\$417,179,276	\$19,630,561	\$29,330,595
Wildlife Viewing	636	\$20,472,223	\$31,738,968	\$68,612,469	\$3,214,431	\$4,616,455
Trapping	15	\$540,141	\$919,930	\$2,173,195	\$81,072	\$130,114
Boating	685	\$26,421,708	\$43,045,687	\$82,864,519	\$5,417,537	\$6,283,035
State Park Visitation	3,558	\$105,496,595	\$161,093,272	\$324,140,356	\$16,028,093	\$23,625,965
Snowmobiling*	1,449**	not available	\$131,570,500	\$180,328,900	not available	not available
Total, all activities combined	18,387	\$534,160,487	\$990,389,365	\$1,934,455,515	\$85,485,799	\$124,425,607

Note: Values reflect total economic effect which includes both direct and multiplier effects. Definitions of the contributions are included on the next page

*M. Allgrunn's report on the economic impact of snowmobiling in South Dakota is the source for all snowmobiling values. The report does not provide data on labor income or tax revenues.

**Employment associated with snowmobiling is reported as FTE's or full-time equivalents. Employment associated with all other activities is reported as a combined count of both full- and part-time jobs.

The economic contributions associated with outdoor recreation is based on three types of effects:

- **Direct effects:** The primary economic activity, including jobs, income and tax revenues, tied directly to spending on these outdoor activities without including multiplier effects.
- **Multiplier effects:** The economic activity spurred by a direct expenditure. The indirect effect occurs when a direct purchase from a business leads to increased demand for goods and services from other businesses along their supply chain. The induced contribution is associated with household spending of incomes earned in the affected businesses.
- **Total effects:** The overall economic activity, calculated as the sum of direct, indirect and induced contribution contributions, attributable to these outdoor activities. These include the jobs, income and tax revenues that are tied directly to the spending by outdoor recreationists plus the jobs, income and tax revenues that result from the multiplier effects of outdoor recreation spending.

The economic contributions attributable to these outdoor activities are the following:

- **Employment:** The number of jobs (both full- and part-time) created or supported as a result of the economic activity generated.
- **Labor income:** Total payroll, including salaries and wages as well as benefits such as insurances, retirement benefits paid to employees and business proprietors
- **State GDP:** This represents the total “value added” contribution of economic output made by the industries supporting state park visitation.
- **Output:** This represents total value of all sales, including both the final purchase as well as the sale of intermediate inputs associated with that good or service.
- **Tax Revenue:** All local, state, and federal taxes paid by individuals and businesses.