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THE REGION'S TOURISM ECONOMY, ECO-TOURISM AND THE ROLE OF THE OKEFENOKEE EDUCATION AND RESEARCH CENTER (OERC)

The economic impact of the expenditures made by visitors to the coastal region of Georgia are estimated to be \$1.3 billion dollars per year. This means that tourism accounts for 3.5% of Gross Regional Product. The following explains the process by which these estimates were developed.

The Georgia Department of Industry, Trade and Tourism (GDITT) has determined that Georgia's image as a potential destination for eco-tourism is not adequately understood. The eco-tourism market is one of the fastest growing segments of both the domestic and international tourism market. GDITT launched a marketing effort in FY 2000 intended to increase eco-tourism visits to the state.

The proposed Okefenokee Education and Research Center (OERC) is the type of tourism asset the development of which will support increased eco-tourism. Conservative estimates of the economic impact of the facility from use by tourists show that as many as 150 new jobs could be created. The analyses below explains how this estimate was derived.

***Overview of the Tourism Economy &
The Annual Impact of Tourism in the Interstate 95 Corridor***

State-wide tourism is a significant portion of the Georgia economy. For example, in 1998 33.0 million people from outside Georgia made 19.8 million trips.¹ Total direct expenditures by these travelers amounted to \$13.0 billion dollars. In the same year 11.3 million Georgians made 6.4 million trips within the state.² Direct expenditures by Georgians on travel within the state amounted to \$2.2 billion dollars.

Unfortunately, state-wide statistics do not provide an understanding of the impact or importance of tourism within a specific region of the state. For that reason, Georgia Southern University (GSU) has been conducting a survey of visitors to the region. An analysis of that data shows that the average size of the travel party is 2.9 persons per party.³ The average length of stay is 4.24 days.⁴ Exclusive of expenditures for gasoline and exclusive of lodging visitors spend \$199 per

¹ Based on the TravelScope Data for 1998.

² Based on the TravelScope Data for 1998.

³ This is higher than the estimated average party size of 1.9 based on state-wide data.

⁴ This is longer than the average 2 to 3 day trip based on state-wide data.

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trip.⁵ The data from the GSU survey suggests that deductions about the economic impact of tourism based on state-wide data may not be particularly accurate for the coastal region of Georgia. See the footnotes below.

Typically, exclusive of transportation, accommodation make up 27% of the cost of a trip, meaning that total expenditures per trip are approximately \$273. For every 1.0 million trips the direct impact of tourism expenditures on the region's economy is \$237,000,000. Every \$1.0 million in expenditures on average creates approximately 10 jobs in the region's economy.

In 1999, 4.2 million visitors stopped at the visitor's center at Georgia's northern boarder on Interstate 95.^{6,7} This is equivalent to 1,448,275 trips given 2.9 persons per travel party. Based on the survey data the direct economic impact of these trips was \$395,379,075, given that the GSU survey indicates that travelers spend \$273 per trip.⁸ In 1999, 1.5 million visitors stopped at the visitor's center at Georgia's southern boarder on Interstate 95.⁹ Because there is no direct access available to southbound traffic, it is unlikely that very many of those stopping at this location on a trip are part of those stopping at the visitor's center located at the northern entrance to the state. The estimated direct economic impact of these visitors was \$141,206,793.¹⁰

The estimated direct tourism impact of highway travelers in 1999 was \$536,585,868. However, only 60% of travelers to Georgia arrive by passenger car. This would suggest that the estimated \$536.5 million underestimates the total annual impact of tourism by \$357,723,912, or total direct expenditures by tourists to the region was approximately \$894.3 million in 1999.

⁵ Including transportation the state-wide data indicates that visitor from outside Georgia spend \$350 per trip with internal visitors spending \$176 per trip. Gasoline and lodging are included in both of these state-wide estimates.

⁶ This visitor's center can only be accessed by southbound traffic.

⁷ Of the eleven visitor's centers in the state, this is the most heavily used location.

⁸ The \$273 expenditure per trip is the weighted average of expenditures by type of expenditure. For example, approximately 18% of the travelers indicted that they make no expenditure on meals during their trip to Georgia. So the \$273 expenditure per trip includes the average expenditure on meals weighted by the 82% chance that a meal would be purchased.

⁹ This visitor's center cannot be accessed directly by southbound traffic, but direct access is provided for northbound traffic.

¹⁰ 1.5 million visitors is equivalent to 517,241 travel parties each spending \$273 per trip.

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Since production of tourism services is intensely local, the expenditure multiplier averages 1.5, meaning that a direct expenditure of \$894.3 million results in a total annual economic impact of tourism of approximately \$1.3 billion. This means that tourism represents approximately 3.5% of the Gross Regional Product.¹¹

Strengths and Weakness of Georgia's Tourism Marketing

In evaluating the performance of Georgia's tourism industry relative to our competitors in the southeast corridor, Georgia captures a its fair share of the market. For example, 58 million trips brought 98 million people to Florida, Georgia and South Carolina from outside the region in 1998.¹² These travelers spent \$38.0 billion dollars. Georgia captured approximately 34% of both trips and expenditures.

**TABLE 1
PERCENT OF TRIPS WITH PRIMARY PURPOSE OUTDOOR RECREATION**

	In-State	Out-of-State
Georgia	5.9%	5.2%
Florida	6.6%	6.4%
South Carolina	6.8%	6.4%

However, the TravelScope data shows very different patterns in the consumption of tourism products when travel to Georgia is compared to travel in the other southeast markets and when travel by non-Georgians to Georgia is compared to travel by Georgians in Georgia. Table 1 shows that if the purpose of the trip was for outdoor recreation the percent of total trips by in-state residents was approximately the same for each of the three states. Additionally, for Florida and South Carolina the percent of trips made for the primary purpose of outdoor recreation was approximately the same for in-state and out-of-state residents. However, it was only 35% as likely that the primary purpose of the trip was outdoor recreation for out-of-state visitors when compared to the purpose of trip for Georgians.

¹¹ The state-wide tourism industry of \$15.2 billion is approximately 7.3% of Gross State Product.

¹² TravelScope data.

**TABLE 2
TRIP CHARACTERISTICS: GEORGIAN AND NON-GEORGIAN TRAVEL IN
GEORGIA**

	Non-Georgians	Georgians
Average Party Size	1.87	1.97
Spending Per Person Per Trip	\$350	\$177
Average Length of Stay	3 to 4 days	2 to 3 days
Activities		
<i>Shopping</i>	16.0%	16.0%
<i>Visits to Historic Sites</i>	10.0%	10.0%
<i>Outdoor Recreation</i>		23.5%

In addition to asking what the primary purpose of a trips was, TravelScope also asks what activities were done during the trip. Table 2 shows the differences in activities undertake by Georgians and non-Georgians while traveling in Georgia. For the top two activities, Shopping and Visits to Historical Sites, 16% of both Georgian and non-Georgian trips included shopping as an activity. Similarly, 10% of both Georgian and non-Georgian trips included visits to historical sites. But, again Georgians were twice as likely as non-Georgians to include outdoor recreation as an activity during a trip.

The picture provided by Tables 1 and 2 suggest that non-Georgian travelers do not understand the value of Georgia's outdoor tourism opportunities. Customer understanding of the value and quality of a service is critical to successful marketing. Recognizing this, at the Governor's Conference on Tourism in September, 1999, the Georgia Department of Industry, Trade and Tourism announced a new marketing initiative in Nature Tourism to "promote responsible travel to natural areas of Georgia while conserving resources and educating the public."¹³ In the situation analysis behind the initiative it was recognized that:

1. Eco-tourism and adventure tourism are among the fastest growing segments of both the domestic and international tourism markets;
2. Competing tourism destination, Florida and Texas have already developed and implemented eco-tourism plans;
3. Both public agencies and private organization charged with managing and

¹³ *Tourism Directory of Services and FY 2000 Marketing Plan*. Georgia Department of Industry, Trade and Tourism, p 24.

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protecting natural resources have established policies encouraging non-consumptive recreational use by visitors.

The situation analysis also includes two cautionary notes. First, many of Georgia's greatest natural resources have inadequate tourism infrastructure. To insure sustainable quality in the State's natural eco-tourism assets support facilities are essential. Second, conservation and education are integral to any responsible effort to market increased use of natural assets.

The Okefenokee Education and Research Center (OERC):

An Important Addition to Tourism Infrastructure

OERC is a proposal to re-develop a complex of facilities in the Town of Folkston, Georgia. The complex when renovated will include laboratory and research facilities to support field study of the Okefenokee Swamp. The complex will also support educational programs which promote an understanding of Swamp's unique eco-system. However, from the perspective of developing eco-tourism facilities and services, the proposed discovery museum is the most important aspect of the proposed re-development.

The Okefenokee Swamp is know world wide as one the world's great natural settings. Contained in a 1,400 square mile watershed, the 700 square mile wetland is the largest peat producing swamp in North America. In the vastness of the Swamp, visitors have four choices of parks, each featuring different natural enclaves within the Swamp's eco-system and each with different recreational opportunities. The Federal Wildlife Refuge at Folkston is 396,315 acres and provides one of the parks two access points for wilderness adventure.

According to analyses prepared by Georgia Institute of Technology¹⁴ for the Okefenokee-Tri County Marketing Association, the park at the Wildlife Refuge has the greatest appeal to affluent baby boomers, young urban professionals, baby boomers with children and enterprising young singles. The additional activity provide by the proposed OERC discovery museum will add value to this traditional park visitor. However, it also broadens the appeal of the location for other important target markets within the eco-tourism market segment, specifically prosperous older couples, senior sun seekers and active senior singles. These groups have a strong interest in cultural, historical and heritage tourism. These groups place significant value on tourism products which include interpretive and educational programs. The Interstate 95 corridor is the east coast pipeline for these types of travelers.

The proposed discovery museum will augment the natural and recreational value of a park visit. When a location has increased value travelers are willing to devote more resources, both time and

¹⁴ The analyses is contained in an untitled work and is based on the A^{CORN} data.

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money, to acquiring the services of the location. For the groups which have traditionally traveled to swamp the increased value will result in more intensive consumption, e.g. the discovery center will result in more time and money spent in Folkston proper. For the under-represented target markets, the increased value will result in a higher probability of a visit to Folkston and the park.

Potential Economic Impact

Approximately 400,000 people visit the Okefenokee Swamp annually. Converting this to measure the impact on a basis equivalent to the above economic analysis, 400,000 visitors is equivalent to 137,931 trips. This means that trips to the Okefenokee account for only 7% of the trips in the Interstate 95 corridor. Capturing 10% of the trips would produce 196,551 trips to the area, a net increase of 58,620. Assuming that these visitors make only a day side trip, each trip would produce a direct impact of \$199. The total direct impact of the additional visits would be \$11,665,380. For every \$1.0 million in expenditures approximately 10 jobs are created, hence approximately 120 new jobs would be created just by capturing an additional 3% of the trips made in the Interstate 95 corridor.

The impact of enhanced use by the existing visitor pool would be less than the impact of capturing additional trips from the Interstate, but not insignificant. Based on research conducted for a similarly situated new facility¹⁵ annual attendance at the discovery museum should be expected to reach 150,000 within three years of opening. That is approximately 37% of the current visitor pool. Based on the same research it should be expected that admission fees will average around \$6.50 and \$8.75. Other expenditures associated with the museum should be approximately \$45 for each trip. Some of this would be spent at the discovery museum site, but some would also be spent at other businesses.

The fees of \$6.50 to \$8.75 will provide operating revenue for the museum of between \$975,000 and \$1,312,500. The operation of the facility will have a direct impact on the Folkston economy. Additionally, the 150,000 museum visitors would also generate 51,724 trips which would result in an estimated \$2,327,580 in expenditures. Combining the impact of operating the facility with the impact of the additional expenditures by the existing visitor population would create an estimated 35 new jobs.

¹⁵ *The Economic Impact of the New England Tropical Conservatory*. Economic and Financial Consulting Associates, 1996.