



# OUTDOOR RECREATION AS A RURAL ECONOMIC DRIVER: LEVERAGING OPPORTUNITIES AND ADDRESSING CHALLENGES

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## THE OPPORTUNITY

What do you think of when you hear the words “outdoor recreation”? Your mind might flash to your walks on the single-track trails behind your house, or snowmobile rides with your kids on the state land north of town. The term might evoke the hunting and fishing that have been part of your community’s culture for generations, or something newer, like the mountain biking that is attracting more and more visitors. You might think about a place you love, like a quiet campsite in the nearby national forest, or a place you have big dreams for, like that underutilized piece of land near the school.

Outdoor recreation can be all of those things, and in many rural communities it’s also something more—a growing economic engine. The [U.S. Bureau of Economic Analysis](#) (BEA) found that the outdoor recreation economy accounted for 2.1 percent or \$459.8 billion of the gross domestic product (GDP) for the nation in 2019, **more than twice** as much as oil and gas development and three times the size of the airline industry. This trend is not limited to a handful of states or regions. Countless rural places have national and state parks and forests, wildlife refuges, waterways, private lands, and other natural treasures at their doorsteps, and outdoor recreation **contributes significantly to state GDPs** across the country.

This data is lending credence to an idea that is taking shape on the ground in many rural communities—that outdoor recreation can be a strong part of a diversified regional economy. It can retain and attract visitors and residents, grow businesses and create jobs, support a high quality of life, and increase resilience to boom-and-bust cycles. The industry is locally-rooted, based on community assets that won’t pick up and move and that can be stewarded and used sustainably. Done well, recreation-based economic development can create new opportunities for residents and build wealth in the community over the long term.

As rural leaders work to revitalize their regions, more are recognizing outdoor recreation as an economic driver. With strategic planning and investment, these leaders are overcoming infrastructure and capacity gaps and positioning their communities to tap into this opportunity. This issue brief will describe the case for outdoor recreation as part of the rural economic mix, discuss potential challenges and solutions related to recreation-based economic development, highlight the roles regional development organizations (RDOs) can take to support the recreation sector, and share four key ways to get started.

### WHAT IS OUTDOOR RECREATION?

This issue brief uses the term generally to refer to recreational activities that occur outdoors or in natural settings. In your community, this could mean boating, hunting, camping, ATV riding, alpine skiing, cycling, RVing, birdwatching, disc golf, pickleball, or something else entirely. Each region should define the concept for itself, based on its residents’ interests and the area’s distinctive natural amenities and resources.

## THE CASE FOR OUTDOOR RECREATION AS A RURAL ECONOMIC ENGINE

### *The Big Picture*

Outdoor recreation is a powerful and growing sector. According to the [BEA](#), outdoor recreation employed almost 5.2 million people in 2019 who earned more than \$226.3 billion dollars. That is up from approximately 4.8 million jobs in 2013. **For comparison**, outdoor recreation employs about the same number of people as are employed in the nation’s hospitals, and twice the number employed in farming. Nineteen states have more than 100,000 people employed in outdoor recreation.

Outdoor recreation supports jobs in many diverse industries. These include accommodation and food services, arts and entertainment, retail, government, manufacturing, transportation, wholesale trade, professional and business services, and finance, insurance, real estate, rental, and leasing. The mix can vary depending on location and strengths. **For example**, in Indiana where many RVs are built, one in three jobs supported by outdoor recreation is in manufacturing.

This economic impact will likely deepen as participation in outdoor recreation continues to grow. Participation **has increased** over the last few years, **a trend that picked up speed** during the COVID-19 pandemic when Americans turned to the outdoors for socially-distanced recreation, some for the first time. **For instance**, in 2020, bicycle sales were up 121 percent, boat sales were up 70 percent, and camping was up 28 percent. Many of those who started or resumed outdoor activities during the pandemic intend to continue once restrictions lift.

### **The Regional Level**

At the regional level, these benefits manifest themselves in various ways. Attractive outdoor recreation opportunities draw visitors who spend money at local businesses, helping to grow enterprises and create new jobs in accommodation and food services, arts and culture, natural resources management and stewardship, and local foods and agritourism. Tourists often seek out walkable downtowns and main streets, bringing renewed energy to those neighborhoods and momentum to revitalization efforts.

Outdoor recreation contributes to an improved quality of life, which helps to retain young people and entice new residents, reversing population declines in some places. **Headwaters Economics** found that people are more likely to move to counties with large recreation-related economies than to non-recreation counties, particularly in rural places, and that rural recreation counties are growing while non-recreation counties are losing residents on average. This in-migration fuels jobs for teachers, doctors, construction workers, and more, and increases the local tax base. Access to the outdoors and high quality of life attracts skilled workers, entrepreneurs, freelancers, and businesses that rely on their talent. These might include gear manufacturing, transportation and warehousing, finance and insurance, advertising, and professional and technical services firms.

This connection—between outdoor recreation and other industries—is a particularly critical one. In order to produce real, enduring economic benefits for residents, it is critical to look beyond tourism and see the outdoor economy as an opportunity to spark business and job growth in other sectors. This approach can ensure the creation of living wage jobs, not just service sector jobs. It can also strengthen emerging

industries, diversify the economy, and level out boom-and-bust cycles. Some rural communities, like **Emery County, Utah**, and **Gallup, New Mexico**, are developing outdoor recreation in order to moderate the fluctuations of the mining industry they have traditionally relied upon. It is important to note that outdoor recreation should not be seen as a replacement for traditional dominant industries, but as one promising part of a region's diversified economic development strategy.

## **THE ROLES OF REGIONAL DEVELOPMENT ORGANIZATIONS (RDOs)**

The leadership and support of RDOs is invaluable in efforts to strengthen outdoor recreation-based economic development. RDO roles can include:

- Convening and coordinating a steering committee or collaborative of regional leaders to elevate, advocate for, and advance the outdoor recreation sector
- Building capacity and partnerships to support regional collaboration around outdoor recreation
- Strengthening regional capacity to understand the sector and identify assets and gaps. This can include mapping natural amenities, access points, and gaps in access; analyzing the value chain and identifying economic opportunities; and collecting data on recreational activity.
- Integrating visions, goals, and actions that support the outdoor recreation sector into regional and local plans such as the Comprehensive Economic Development Strategy (CEDS), regional transportation plans, local comprehensive and land use plans, and housing plans
- Securing funding for high-priority projects

## **POTENTIAL CHALLENGES**

Like any economic development strategy, increasing outdoor recreation-related activity in a region can bring new challenges. Many of these result from the influx of new residents that outdoor recreation can attract, and the stress that population growth puts on housing costs, local infrastructure, and the natural environment. Communities seeking to build up their recreation economies must anticipate these pitfalls and work to mitigate them early. Proactive planning, thoughtful policies, creative partnerships, and outreach and engagement strategies can help to manage growth and protect quality of life for residents.

**Challenge:** *Decreased housing affordability*

**Call to Action:** *Enact proactive planning and policy solutions to increase the supply of affordable housing*



Very often, communities experiencing population booms—from oil and gas towns to tech communities to recreation destinations—will see their housing supply overwhelmed, leading to rising housing prices. Places with outdoor recreation amenities are at particular risk, as the households moving in tend to have **higher incomes** than both the households moving into non-recreation counties and the current residents. Headwaters Economics has found that housing in recreation-dependent counties is **less affordable** and residents of those counties pay a higher share of their wages on housing.

Community leaders should anticipate housing affordability problems well before they appear and enact policy solutions to address them. Incentivizing the development of more housing supply overall, and specifically more units that are affordably priced for low- and moderate-income households, should be a top priority. **Municipalities can use zoning tools** to allow accessory dwelling units, townhomes, multifamily housing, and residential units above commercial uses in appropriate locations. They can also reduce or eliminate minimum single-family lot and dwelling sizes and require a share of affordable housing in every new development. Other strategies to encourage the development and preservation of affordable housing are expediting permit review, reducing or waiving impact fees, and offering tax incentives for affordable units, as well as providing rehabilitation funding for homes in need of repair.

**Challenge:** *Overuse of recreational amenities and environmental impacts*

**Call to Action:** *Develop a regional plan for sustainable use, invest in infrastructure, conduct education and outreach, and limit access*

Successful development of a community's recreational amenities can sometimes bring **overtourism**, which can lead to negative impacts on the environment and the community. Overcrowding in natural places can put stress on wildlife and habitat. It can increase wear and tear on facilities that maintenance crews and resources can't keep up with. It can also exacerbate inappropriate uses and behaviors, from going off trail and eroding stream banks to illegally camping and leaving behind trash and human waste. Ironically, overtourism can damage the very qualities of a destination that drew people there in the first place—whether those are its solitude, wildness, unique natural features, or other characteristics—threatening the sustainability of the recreation economy.

Mitigating these threats starts with engaging the community in a plan for sustainable use and mapping out a vision and the actions to realize it. Investing in infrastructure in key locations can also help address the impacts of crowds. For example, to lessen the footprint of mountain bikers in **Copper Harbor, Michigan**, the Keweenaw Outdoor Recreation Coalition is installing trash cans, working with the state to put in pit toilets at unofficial

campsites on state land, and supporting new trail construction to spread bikers out. Education and outreach are also critical to promoting responsible use. This can include efforts such as running social media and advertising campaigns, posting "Leave No Trace" guidelines in shop windows, and requiring online training as part of permit registration. If overtourism is severe enough, communities may opt to restrict access to natural amenities. Requiring reservations or permits, charging fees, limiting the number of visitors or parking passes, and restricting guide access can reduce crowding and spread visitation to less busy days and months.

**Challenge:** *Stress on community infrastructure and services*

**Call to Action:** *Implement creative fiscal strategies to capture tourist dollars, rely on public-private partnerships, run education and messaging campaigns, and plan for the community's future*

Along with the overuse of a community's natural amenities, surging recreational activity and tourism can put stress on local infrastructure and services. This can be particularly challenging for small towns that swell to several times their normal size during the tourist season. Crowds can cause gridlock on roads and pack parking areas at trails and water access points. They can fill trash cans and leave behind litter that waste management personnel can't keep up with. They can overwhelm public safety and emergency response capacity, especially in communities that rely heavily on volunteers. They can also strain healthcare services that were not set up to deal with an influx of patients.

Along with inflaming tensions between local residents and tourists, this stress has financial implications for cities and towns. Drove of visitors can bring public safety, waste management, water and wastewater, and transportation infrastructure costs that far exceed the budgets of small towns. In response, communities can explore creative fiscal strategies to capture tourist dollars to help pay for local services that cater mostly to visitors. These could include charging lodging or sales taxes and dedicating the revenue from permits and fees. Partnerships can also take the pressure off of public services. In Copper Harbor, the trails club launched a **bike patrol** to backstop emergency crews by serving as first responders and supported a new public changing room downtown. Education and messaging campaigns can encourage respectful and sensible behavior among tourists. Finally, as discussed previously, it is vital to have a plan for the community's future, rather than allowing unmanaged growth. Engaging the community in comprehensive planning or other planning that guides land use, transportation, and infrastructure decisions can result in appropriate, fiscally sound growth that protects local character.



## FOUR WAYS TO GET STARTED

### **Build inclusive, active coalitions**

The success of recreation-based economic development rests upon strong collaboration and buy-in from multiple partners spanning many sectors: city and county elected officials, public land managers, local business owners, conservation advocates, private landowners, economic and workforce developers, tourism boards, local schools and colleges, other anchor institutions, arts and cultural organizations, philanthropies, and state and federal agencies. There are important roles for a broad range of partners, from planning and zoning officials who set policies and regulations that revitalize existing neighborhoods and protect open space, to land managers who develop and maintain user infrastructure and manage visitation, to economic developers who recruit and retain employers that fit with the community's vision for growth.

Establishing a steering committee or collaborative can formalize these partnerships, facilitate ongoing communication, and increase capacity by tapping into partners' expertise and manpower. In northwestern Montana, stakeholders formed the Sanders County Outdoor Recreation Roundtable. One of their first tasks was to cooperate on a successful application for a [USDA Rural Business Development Grant](#), through which they are hiring a Director of Outdoor Recreation.

Partnering at the regional level will yield better results than individual communities going it alone, and including state and federal agencies, such as [state offices of outdoor recreation](#), will make things easier when it's time to apply for funding. Elevating an RDO or other organization to the role of coordinator, forming targeted working groups, and holding regular meetings will ensure continued progress. As collaboratives are taking shape, it is imperative to examine which community members are not represented. The engagement of all segments of the regional population, including communities of color, low-income communities, disabled communities, seniors, youth, and speakers of languages other than English, will produce better and longer-lasting benefits. Inviting in partners from these communities outside the region—whether they are grassroots organizations from the closest metro area or chapters of national groups like [Outdoor Afro](#) or [Latino Outdoors](#)—can also help to create recreational opportunities that are safe and welcoming for all users.

### **Make a proactive, consensus-based plan**

Once your coalition is assembled, it's important to develop a regional plan or vision that is based on community engagement and that can guide your work together. This plan can lay out agreed-upon goals and specific action steps, helping to keep the group moving and prioritize projects. Focusing on the short-medium term (2-5 years) can jump start implementation, create some early wins, and provide an opportunity to proactively

address anticipated pitfalls, like overcrowding and affordability problems.

Some communities start by identifying their assets and challenges, and then hone in on actions that will help to capitalize on the assets and overcome the gaps. These could be fixing infrastructure deficiencies that keep people from accessing recreational opportunities or visiting the community, connecting the downtown and other neighborhoods with natural amenities, promoting the area's recreation sites among local residents and tourists, or growing small businesses in the recreation sector. As you go through this planning process, it's helpful to think creatively about what your natural assets are. Even if you don't have a large national forest next door, you might have local trails and bike paths, community forests, private lands, streams, ski areas, ball fields, or even outdoor-inspired events that are just as valued by residents and visitors alike. Additionally, keeping the process open and inclusive will increase the likelihood that the ultimate decisions are good for the community, the environment, and the economy.

### **Focus on local residents first**

To build an outdoor recreation economy that truly benefits the community, start with the needs and interests of local residents. Rather than prioritizing projects, events, and marketing designed to attract tourists, invest in the things that will make life better for residents, engage them in their community, and celebrate what they love about the outdoors. That could be a pump track behind the middle school, a Friday night festival on Main Street, a public restroom near the boat ramp, a picnic pavilion in the town park, or a trail map that shows connections on private land.

Additionally, putting the needs of the local workforce front and center will result in more equitable and enduring economic benefits. This means providing workforce training, offering small business counseling and loans, developing affordable housing and transportation options, attracting employers that offer high-quality jobs, and more. These steps will demonstrate that investments in the outdoor recreation economy aren't just for outsiders and will build local support. At the same time, making the community an even better place to live will ultimately attract visitors and new residents and grow the economy, but will do so in a way that is authentic and homegrown. Skowhegan, Maine, a former mill town, is transitioning to an outdoor recreation economy to build a vibrant, healthy community for its residents, with attracting visitors as a secondary goal. An [AmeriCorps initiative](#) focuses on engaging residents in outdoor recreation in ways that appeal to them, while the community's Main Street program is working to reuse downtown mill buildings and [redevelop the river](#) as a recreational and competitive whitewater kayaking facility right in downtown.



### **Identify catalytic projects and get to work!**

Many local leaders will attest to the importance of early, catalytic projects that build support, excitement, and momentum in the community. Often, these are quick turnaround, concrete efforts that produce tangible results. They could include a Main Street “beauty blitz” where volunteers help to spruce up buildings and streets, a river cleanup day, a popup movie night or concert in the park, installing wayfinding signs in key locations, or painting a mural at a trail entrance.

It can also be catalytic to apply for technical assistance and funding. The arrival of outside resources and attention can stimulate interest, bring people together, and identify next steps. Technical assistance programs such as [U.S. EPA-USDA Forest Service-Northern Border Regional Commission’s Recreation Economy for Rural Communities](#) and the [National Park Service’s Rivers, Trails, and Conservation Assistance Program](#) support community engagement, contribute needed expertise, and mobilize local stakeholders. Even a small amount of external funding applied strategically can build community interest and commitment.

RDO and other rural leaders across the U.S. are finding that outdoor recreation brings a host of benefits to their regions and community members. Not only does it open up new possibilities for businesses and livelihoods, it also supports health and wellness, enhances quality of life, sparks main street revitalization, and helps retain and attract residents. With thoughtful planning and partnerships, regions can leverage this tremendous opportunity and mitigate the challenges that may come along with it.



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