Assessment Highlights
Forest Tourism

Second of three economic assessments in Phase II of the study:
Oregon Forest Sector Contributions & Potential

Prepared for the Oregon Forest Resources Institute

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The Oregon Forest Resources Institute (OFRI) commissioned E.D. Hovee & Company in 2004 to conduct an economic study, *Oregon Forest Sector Contributions and Potential.* The study's goal was to identify steps that the sector could take to enhance its contributions to the state's economy, particularly in rural communities, while keeping its internationally respected environmental commitments.

Based on 2000 data, Phase I of the study found that Oregon's forest sector provides 85,600 direct jobs, or a total of 190,400 direct and indirect jobs when multiplier effects are included. These direct and indirect jobs account for some 9% of jobs in Oregon and 10% of the state's labor income. The total economic output supported directly and indirectly by Oregon's forest sector is about $22 billion, or about 11% of the total value of goods and services produced in Oregon.

The study also found that projected harvest levels of less than 4 billion board feet annually over the next 10 years were less than half of the harvest levels in the 1980s, due primarily to a change in management strategies on federal forestlands. While harvest levels on private lands have remained relatively stable, they now account for 85% of the total harvest. The study concluded that annual statewide harvest levels could be increased by 25% to 5 billion board feet (still well below the biologically sustainable level of 10 billion board feet), potentially providing more than 20,000 additional forest sector jobs. Experience this past year reinforces this long-term potential, as timber harvest in 2004 was up by nearly a half-billion board feet to about 4.45 billion.

Phase II of the study provides economic assessments focusing on *Oregon's Forest Cluster*, *Forest Tourism* and *Forest Growth & Mortality*. Following are highlights of the *Forest Tourism* assessment. Highlights of the *Oregon's Forest Cluster* and *Forest Growth & Mortality* assessments plus the full Phase I and Phase II study reports are available from OFRI.

Forest Tourism

Phase I of the economic study concluded that defining and documenting the economic contributions of forest tourism is challenging and recommended a subsequent analysis. This Phase II assessment is intended to clarify the framework for defining forest tourism, evaluate its contributions to Oregon's economy, assess its sensitivity to forest management and provide an overview of potential opportunities to increase forest tourism activity. It uses improved methodology compared with Phase I of the study, resulting in employment numbers and economic contributions of forest tourism that are lower than those the Phase I study reported and also lower than some prior reports on forest tourism in Oregon.

Economic Contributions

Nearly 69 million people visit Oregon's publicly owned forests and parks each year. Of these, some 31 million visits are to forest-related sites. The direct impacts of visits to forest-related sites include an estimated $800 million in annual expenditures. Of this, local visitors spend 32%. The remainder is generated from visitors who travel 50 or more miles to the forest site. Additional direct impacts include 10,370 tourism-related jobs—an average of one for each $78,600 spent. Total payroll for these jobs is over $210 million. While the average tourism job income is relatively low at $20,300, forest tourism also offers considerable opportunity for public access to Oregon's forests, part-time and seasonal employment and small business entrepreneurship. Multiplier effects increase the direct and indirect annual spending to $1.3 billion, the number of jobs to 15,660 and payroll to $396 million. These numbers do not include visits to private forest sites, for which visitation information is not available.

Sensitivity to Forest Management

An important question addressed in this analysis is the potential sensitivity of forest recreation and tourism to each of the three strategies by which Oregon's forests are managed: reserve, multi-resource and wood production. The assessment found that visitor preferences can vary widely, both by activity and within a population engaged in the same activity (e.g., hiking). Preferences also change over time. For example, public attitudes are shifting as a result of uncharacteristically intense wildfires in recent years. The study found that a broader range of forest tourism and recreational opportunities will accommodate a broader range of visitor preferences, and management that responds most effectively to visitor preferences will be location-specific. Improved data will be needed in the future to better gauge the impacts of management on forest visitors and to better balance visitor demand and impact with wildlife habitat and other environmental values.

Strategic Options

For Oregon forestlands, three strategic options are outlined to stimulate discussion:

- *Status quo:* This approach assumes that forest visitation trends will respond to general population growth, demographic trends and funding trends.
  - *Advantages*: no financial requirements or environmental impacts from increased visitation.
  - *Disadvantages*: risk of declining visitation and erosion of personal connection to Oregon's forests.

- *Increased forest visitation:* This involves maintenance and development of facilities for day users and overnight visitors. Marketing likely would be a key strategy.
  - *Advantages*: increased tourism revenue and greater connection to and understanding of Oregon's forests.
  - *Disadvantages*: securing funding sources and possible adverse environmental and/or harvest impacts of increased visitation.

- *Increased spending per visitor:* This could be accomplished by extending the length of stay and spending per visit of existing forest visitors.
  - *Advantages*: increased revenue that could be used to offset funding cuts affecting federal and state lands and could fund forest management such as fire prevention strategies.
  - *Disadvantages*: opposition associated with converting formerly free services to fee services and the impacts on those not able or willing to pay.

Next Steps

This baseline economic assessment of forest tourism raises the question: should forest recreation and tourism be considered as a forest cluster priority or does continued work with forest-related tourism occur largely independent of other forest cluster priorities? The related question is: in what ways could enhanced forest tourism support the broader vision of a dynamic forest cluster to which Oregon is moving? Further research and strategic planning could include refinement of methodology, an Oregon-specific forest tourism survey and planning for recreation and tourism enhancements.