



## I. ADVOCACY AND FUNDING

*THE NEED of decision-makers for accurate information about the value of funding for parks, recreation, and conservation.*

An estimated 16.9 million people visited Tennessee's State Parks in FY 2008, and their total spending during these trips contributed \$1.5 billion directly or indirectly to Tennessee's economy and to the local economies of many rural counties. This impact represented a return of \$37 for every dollar the State invested in State Parks during the fiscal year.

These new findings from the 2009 TRAB survey are reported in detail in a report on this plan's Reference Disc. State Park visitor impacts are only one component of the overall economic impact of Tennessee's parks, trails, greenways, rivers, wildlife management areas, and local recreation programs, an impact that has never been measured.

Additional spending for recreation projects or acquisition of conservation lands, especially in the economic climate of 2009, can be too easily dismissed as a luxury the state can ill afford. Decision makers at the state and local levels have no reason to maintain or increase

funding for parks, recreation and conservation when they have not seen hard evidence that such funding yields a high rate of return on investment.

Visitor spending on trips to state and federal parks bolsters the local economies of many rural counties. Spending on equipment for sports, hunting and fishing, boating, hiking, camping, birding, and other recreational activities contributes substantially to state and local sales tax revenues. Case studies in corporate siting decisions suggest that Tennessee's outstanding recreation amenities play an important role in attracting new jobs and talent to the state. In addition, recreation providers

are on the front lines in addressing costly public health issues that severely threaten the state's economy. These factors make investments in the recreation infrastructure critically important to the state's economy, as much so as those in roads and schools.

### Park Visitation Impacts

Studies in other states reinforce the TRAB survey finding that the total impact of economic activity related to the state's recreation assets may be far greater than is generally appreciated. A sample of these findings is as follows:

**Virginia State and Federal Parks.** "Virginia State Parks report 741,043 overnight visitors and 6,255,332 day-use visitors to the parks in 2005...The direct economic impact of state park visitation was \$155,663,537 statewide...Visitors to National Park Service sites had an economic impact of \$263 million supporting 6,100 local jobs." (The Virginia Outdoors Plan, 2007.)

**North Carolina State Parks.** "Analysis of data...reveals that the state parks make a considerable economic contribution to North Carolina's economy: \$289 million in sales; \$120 million on residents' income; 4,924 full-time equivalent jobs." (Economic Contribution of Visitors to Selected North Carolina State Parks, Jerusha B. Greenwood, Ph.D. and Candace G. Vick, Re.D., Recreation Resources Service, North Carolina State University, 2008)

**Texas State Parks.** "For all 123 Texas State Park units...the economic activity based on sales was estimated to be \$935 million, the impact on residents' income was \$538 million, and the number of jobs created was estimated at 14,061. (The Economic Contributions of Texas State Parks in FY 2006, John L. Crompton and Juddson Culpepper, Department of Recreation, Park and Tourism Sciences, Texas A&M University, December 2006)

**Texas Municipal Parks.** "The incremental net fiscal revenue to the State government from local parks activity is approximately \$171.6 million per year...Local parks across the state lead to the creation of 45,623 jobs through their maintenance and operations activity, capital investment, and direct tourism." (Sunshine, Soccer,

and Success: An Assessment of the Impact of Municipal Parks and Recreation Facilities and Programs on Business Activity in Texas, 2006)

**Colorado Recreation.** "Annual economic activity generated by outdoor recreation in Colorado is likely \$10 - \$15 billion dollars based on the results of nine known economic studies related to outdoor recreation activities." ("Economic Activity Attributed to Outdoor Recreation," Colorado State Comprehensive Outdoor Recreation Plan, 2007)

### Costs of Obesity

The obesity epidemic involves a different kind of economic impact, a significant one that can result from failure to adequately fund Tennessee's parks and recreation infrastructure. Tennessee has the nation's 4th highest rate of adult obesity, 30.2%, and the incidence of obesity in Tennessee has risen steadily for the last ten years. The total annual costs of obesity-related diseases in Tennessee can be estimated as follows:

6.2 million TN population  
x 30.2% obesity rate  
x \$1429 additional costs per obese person  
= **\$2.7 billion/year**

This figure squares with a previous research estimate of \$1.84 billion for Tennessee in 2000. The rate of obesity in Tennessee has continued to climb steadily for the past ten years, and with 36.5% of Tennessee's young people age 10-17 overweight or obese, that generation could be a ticking time bomb of future obesity-related costs.

A 2009 study of the national impacts of obesity by the research center RTI International finds:

- Obesity is now responsible for 9.1 percent of annual medical expenditures, compared with 6.5 percent in 1998.
- An obese person has \$1,429 per year more medical costs, or about 42 percent more costs, than someone of normal weight. Costs for an obese Medicare recipient are even greater.
- Obesity will continue to impose a significant burden

on the health care system as long as the prevalence of obesity remains high.

The behavioral causes of obesity are twofold: lack of regular exercise and poor nutrition. Centers for Disease Control figures for 2007 showed that 31.5 % of Tennesseans engaged in no leisure time physical activity. This was the second highest inactivity rate among all states. Inactivity rates are especially acute among the poor, whose healthcare depends on public funding. The rate of obesity among Tennessee's African-Americans and Hispanics is 35%.

One of the primary contributing factors of obesity - lack of sufficient exercise – is addressed in two other initiatives of this plan. The **Quality Growth** initiative addresses the relationship between land use or community design and physical activity. The **Public Health** initiative proposes actions to understand the root causes of inactivity, especially among high-risk demographic groups, and to motivate more people to engage in active recreation. While these are important components of a solution, a third issue also demands attention: the levels of funding provided for local parks and recreation departments.

Local parks clearly have a significant role to play in any public health solution, because they provide places and programs that can encourage the public to get more exercise. Well-funded local parks can do the job better because new, renovated, or well-maintained facilities have stronger public appeal; and increased staffing can provide a wider range of fitness and sports programming. Thus, ample funding of parks to help them address one of the primary causes of obesity is a recreation-related factor that can have a significant impact on Tennessee's economy.

### The Need for Quantified Data

As noted in the 2003 Tennessee State Recreation Plan, funding for parks and recreation in the state has not kept pace with population increases, inflation or increasing demand. A prime example is funding for

State Parks. Since 2003 appropriations for State Parks have remained essentially flat, while the costs of transportation, utilities, and supplies have risen. As park buildings have grown older, maintenance costs have continued to rise. Some 100 employee positions lost during park closures in 2002 have never been restored, leaving many parks shorthanded. Clearly the State Parks have done an outstanding job of stretching their available resources, as they were named the best state park system in the nation in 2007, but this quality will be unsustainable if the system does not receive the funding it needs. Similar situations exist at the local level, with city and county governments failing to provide adequate funding for parks and recreation.

To make matters worse, in an economic downturn parks and recreation funding sources tend to be eliminated altogether rather than trimmed, as happened in 2009 when the Tennessee General Assembly withdrew all funding for the Heritage Conservation Trust Fund, the Local Parks and Recreation Fund (LPRF) and the State Lands Acquisition Fund. It is evident that decision-makers are simply unaware that investments in parks and recreation return significant benefits to the state.

Much documentation already exists about economic impacts of parks and recreation, but it is currently fragmented among a wide variety of entities and studies. It includes but is not limited to:

#### Direct Impacts:

- Recreation-related visitor spending (in-state and out-of-state)
- State and federal park direct revenues: State Parks, TWRA, federal parks, TVA, Corps of Engineers
- Private recreation infrastructure revenues (marinas, horse livery services, etc.)
- Local parks and recreation department direct revenues
- Amateur sports event and tournament revenues
- Recreation equipment spending (state sales tax data)
- Recreation sector employment and income

### Indirect Impacts:

- Multiplier effects of direct spending (including jobs creation and income)
- Real estate property tax differentials attributable to proximity of parks and greenways
- Corporate recruitment attributable to recreation amenities, such as the Volkswagen plant siting in Chattanooga (increase in jobs and incomes)

### New Research:

Interpretation of existing data could be made significantly more precise through telephone and intercept surveys, focus groups of target populations, and other research to clarify important underlying factors and to document impacts that have no readily available metric. For example, what relationship exists between local parks and greenways and reduced health costs from obesity and inactivity-related diseases?

## Dedicated Funding

While decision-makers may assume parks and recreation to be less essential than other vital government services, the public does not share that sentiment. In the 2009 TRAB Survey, 71.2% ranked repairing and maintaining State Parks as an extremely important priority, and 63% gave the same importance to repairing and maintaining local community parks.

With the state's parks in need of repair and local recreation providers increasingly called upon to undertake the tough job of combating the obesity epidemic, Tennessee needs to consider what many other states have done in providing dedicated funding sources for parks and recreation. Such a funding source must support the costs of programming as well as facilities. New data on recreation's very high rate of return, such as that for State Park spending, should begin to convince



decision-makers that a dedicated funding source would be a wise investment for Tennessee. The question, then, becomes one of choosing the funding source with the highest public support.

The 2009 TRAB Survey tested public support for seven options for recreation funding. The results are presented in the table below.

These results break cleanly into three groups. The public strongly supports having some funds diverted from an existing revenue source. They show moderate support for new taxes on activities that can affect the environment. And they are generally opposed new taxes that would fall on the general public.

It should be noted that these responses were obtained during the summer of 2009, when many social services were being trimmed or cut. It can be assumed that public attention was focused more than is usual on the competition for every dollar of government revenue. Thus, it is especially significant that the public showed strong support for diverting a portion of state revenues to parks and recreation.

## Conclusions

Stable, dedicated funding for Tennessee’s parks and recreation infrastructure is clearly needed. Realistically, however, this objective cannot be achieved by the efforts of the recreation and conservation community alone.

The stakeholder support base must be expanded to include the business community. Tennessee’s businesspeople may have the most to gain from increased public funding for parks and recreation, because the economic impacts of parks and recreation benefit the state’s economy significantly. High-quality recreation amenities have been shown to strengthen the overall business climate and attract new talent. The business community is best prepared to assess the return on investment of recreation funding and can serve as the most credible advocates for increasing these investments.

## 2015 Action Plan

TDEC, with the assistance of the Tennessee Conservation Commission, should recruit a committee of the state’s business leaders to provide advocacy for Tennessee’s parks and recreation infrastructure. The function of this committee should be as follows:

Undertake a compilation of existing economic data and research findings, and undertake new research as needed, to document in quantitative terms the total value of parks and recreation to the state’s economy.

Explore options for a dedicated funding mechanism for parks and recreation facilities and programs and propose a solution to the General Assembly.

Seek funding for this initiative from Tennessee’s

Recreation Funding Options	Oppose %	Neither %	Support %
Dedicating 7% of the state sales tax rate on the sale of equipment purchased for outdoor recreation	12.9	18.4	68.8
Dedicating 1/8 of 1% of all state sales tax revenue	11.5	19.9	68.6
Dedicating 1 cent of the 20-cent per gallon gasoline tax	21.2	12.5	66.3
Increasing the tax on the removal of coal, gas and oil from land in Tennessee	26.2	20.0	53.8
Increasing fees for solid waste disposal	22.6	26.8	50.7
Adding 1/8 of 1% to the state sales tax on all taxable items	36.4	18.4	45.2
A surcharge of 3% on the purchase of outdoor recreation equipment (binoculars, canoes, cameras, tents, sleeping bags, etc.)	37.1	20.9	42.0

business community and from private foundations with an interest in recreation and public health. Prospects include: the Robert Wood Johnson Foundation, the Doris Duke Charitable Foundation, the Laurance S. Rockefeller Fund, the Richard King Mellon Foundation, and the David and Lucile Packard Foundation.

Serve as credible spokespersons for communicating the findings of this research to the Governor, members of the General Assembly and to local government officials.

TDEC and local parks and recreation departments should use the results of this research to reinforce budget proposals.

The General Assembly should restore permanent funding to the Heritage Conservation Trust, the Local Parks and Recreation Fund (LPRF) and the State Lands Acquisition Fund (SLAF).

The Tennessee General Assembly should enact a dedicated funding source for parks and recreation which supports recreation programming as well as facilities.

## 2020 Vision

Decision makers at the state and local levels will be fully informed about the economic impacts of parks and recreation in Tennessee, will recognize the value of public investments in this sector, and will be empowered to make sound economic decisions related to parks and recreation.

## Coordination Links

**Local Parks and Recreation:** Local decision-makers are more likely to fund parks and recreation adequately when they understand the value to the community.

**Public Health:** State and local decision-makers will have information about how investing in public recreation can help to decrease the massive burden of health care costs.

**Quality Growth:** The findings of this research project will reinforce local governments' understanding that preserving open space for recreation benefits the local economy.

