



The Economic Impact of Scenic Byways and Scenic Roads

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Introduction

Every destination has a story to tell. It begins with the heritage of the people who settled and the landscape they found. Culture is what has evolved since. There are no two exact combinations of heritage and landscape anywhere in America. In fact, that uniqueness may be what makes a destination, a destination.

In many places, it's along the scenic byways and scenic roads that the story of the destination and its heritage and culture unfolds. These most treasured routes are where heritage and cultural travelers come to learn the story of the places they visit, while at the same time, enjoying the scenic beauty and the relaxation it affords. It is this combination of scenic beauty, heritage and culture that makes scenic byways and scenic roads a powerful resource for delivering robust economic impact. Cultural and heritage travelers stay longer, spend more, visit more locations, and are generally frequent travelers.

Scenic Byways and Scenic Roads Have Been a Part of America for More Than a Century

The first American scenic road was built in 1916. Auto travel on these roads began as a way to take advantage of getting out into nature to enjoy the drive. Road trips have grown consistently as the population has grown and cars improved. The family road trip exploded during the 1960s when the parents of today's Baby Boomers began taking the Brady Bunch on trips across the US.

The first officially designated scenic roads were created in Massachusetts in 1910. Later that decade, Arkansas and Mississippi joined the movement. Soon, California, Colorado, New York, Washington, and Wisconsin recognized their special scenic roads. The Highway Beautification Act of 1965 was passed to improve the appearance of all of America's roadways.

The USDA US Forest Service designated 144 Forest Service Scenic Byways in 1988, and in 1989, the Bureau of Land Management designated 54 BLM Scenic Byways. The Intermodal Surface Transportation Efficiency Act (ISTEA) created the National Scenic Byways program through the Federal Highway Administration in 1991, specifically to empower local communities to protect their irreplaceable route based scenic resources that deliver visitor experiences.

Byways Attract A Huge Visitor Market

There is a huge visitor market in the United States that regularly seek out new scenic byways, scenic roads and other off the beaten path experiences. Nearly 75% of American adults travel. A major subset of that market (81% of travelers or 139 million) visit historic and cultural locations, the types of attractions that are generally found along Scenic Byways. In a 2018 study, Ford Motor Company discovered that 54% of drivers traveling for leisure prefer to take the scenic route. Approximately 62 million are particularly attracted to the cultural and heritage experiences they can have along scenic roads, the type of visitors who leave the money they spend behind, and return home to tell their friends and family what a great experience they had, without requiring the area to spend for schools, hospitals or other community services.

Road trips and scenic drives account for the fact that, even before Covid-19, 75% of all travel in the United States was within 4-6 hours from home, with 56% of trips taken over a long weekend. Travelers are able to expand two weeks of vacation into 25 days of travel by combining vacation days with long weekends and holiday breaks.

Road trips are always the first to recover in times of industry disruption when people don't want to get on planes or travel far from home. Contrary to the assumption that scenic road trips are only taken by those with limited incomes, road trips actually increase as household incomes increase. Travelers don't want strict schedules and want to be able to pick and choose what they want to do, often spontaneously while on the road. Research by Duke University revealed that participation immersed in experiences is as effective to lower blood pressure and stress as exercise.

Yet, Scenic Byways are not just about tourism. Local communities are also keenly invested in the heritage, culture and other special qualities found along the routes. As such it becomes very important for the communities that surround Scenic Byways to preserve these roads with special scenic, historic, recreational, cultural, archeological, and natural qualities. Once they are gone, a very important part of the American story and landscape will be lost forever.

Proving Economic Impact Has Been Challenging

Proving the economic impact of visitors on these roads has been one of the most challenging issues destination marketers and Byways face. Unlike manufacturing or agriculture, which are carefully tracked as industry sectors, the visitor industry is not even considered an industry by some. 99% of the businesses that serve visitors are small and many family owned. Others are privately held and another portion, non-profits. This situation does not lend itself to effective collection of revenue information, unlike data available from publicly held entities. Another reason the industry discounts the value of this travel may be the astounding gap between tourism and promotion spending and the marketing spending in private industry. To many, the limited spending on tourism promotion just doesn't seem like a legitimate economic generator.

In light of this perception, every destination that must prove economic value has a dilemma. Purchases are made on an individual basis with millions of transactions occurring each day. Visitors arrive at a destination, pay for a hotel room, pay for admissions to attractions and activities, eat in restaurants and shop in local stores to arrive home with great memories. This is an exceptionally good deal for any community, but visitor parties of 2, 3, or 4 are mostly invisible in any reasonably sized town. We know there are people from out of town at any given time, but unlike manufacturing which can document the number of products shipped every day, there is virtually no way to count each and every visitor when they are in a destination.

Unfortunately, hotels and Beds and Breakfast accommodations are the only category used primarily by visitors. Yet, visitors also eat in restaurants, fill their car with gas, stop for snacks, visit attractions, engage in activities and shop in local retail stores. To make things more complicated, categories such as vacation rentals can also be used as second homes and rented only a portion of the year.

The easiest way to arrive at the total visitor population at any given time, would require the cooperation of every location in the destination that serves visitors, something that is very unlikely. Obtaining zip code information about all patrons would enable several things: to determine the percentage of patrons from the local area, the proportion from a 50 mile radius and how many are actually visitors from out of the area.

Armed with that information, it would be possible to determine the portion of employees that are supported by visitor revenues and calculate both the revenue impact and employment impact for each location category. Barring the ability to do that, most proof depends on surveys of visitors that are extrapolated to a larger visitor community.

Scenic Byways Are Economic Drivers And Job Creators

In spite of these challenges, regions which have Scenic Byways and other scenic roads that are popular with visitors clearly understand their importance as economic drivers. Because the majority of Scenic Byways are off the beaten path, the spending and jobs generated are in rural areas where it is most challenging to generate new jobs and increase economic impact. At the very basic level, 100 new traveling parties to a destination or Byway creates the equivalent of one new job. 1,000 traveling parties create the equivalent of 10 new jobs.

To shed some light on this conundrum, the National Travel Center decided to begin research to determine a feasible economic impact number that could efficiently be extrapolated to any collection of Byways. We were familiar with the 2009-2010 University of Minnesota Center for Tourism study of traveler spending on two Minnesota Scenic Byways. Overall, the Paul Bunyan Scenic Byway generated \$631,000 of direct and indirect spending and contributed \$271,000 of labor income to the local economy. In addition, it was estimated that the Lake Country Scenic Byway generated \$477,000 of direct and indirect spending and contributed \$181,000 of labor income. Research concluded that that 23,800 parties visited specifically for the Paul Bunyan Byway, adding \$21.2 million in economic output to the regional economy, including 331 jobs. The same research along the Lake Country Byway indicated that 51,000 parties visited specifically for the Byway, adding \$31.7 million in economic output to the regional economy, including 512 jobs or a total of more than \$344,000 per mile.

Unclear if this figure could be applied to multiple Byways, we next analyzed Colorado's Scenic Byways Economic Impact which revealed \$314,000 per mile per year. Using that as a benchmark, we were able to identify multiple studies (highlighted in the reference list) that revealed economic impacts ranging from \$41,140 per mile along Florida Byways, to a whopping \$2,396,514 per mile on the Blue Ridge Parkway with \$1.1 Billion in annual visitor spending and \$3,521,300 per mile on the Journey Through Hallowed Ground, replete with historic towns and historic attractions.

Taking the heavy hitters out of the equation, the average economic impact generated was \$447,095 per mile, per year. A subset of the shorter roads taken together averaged \$305,303 per mile annually. Unlike the Minnesota studies, in these calculations, we used only direct traveler spending and did not include indirect spending or induced spending.

The results led us to conclude that well promoted Byways that feature heritage and cultural locations along the roadway giving visitors plenty of place to visit and spend money, complemented with destination distinctive accommodations and local cuisine, can feasibly generate between \$250,000 and \$450,000 per mile, per year in visitor spending.

Selected studies also translated visitor spending into job creation. For example, the 29-county byway region of North Carolina and Virginia surrounding the Blue Ridge Parkway realized \$1.5 billion in total business sales, sustaining approximately 9,300 jobs, and an increase of \$251.7 million in labor earnings. The four-county region of Oklahoma and the Cherokee Nation, the Cherokee Hills Scenic Byway generated \$85.3 million in total business sales and created 924 jobs, plus an increase of \$30.2 million in earnings. The 15-county region in Maryland, Pennsylvania and Virginia which the Journey Through Hallowed Ground National Scenic Byway passes through realized \$1.06 billion in total business sales sustaining more than 6,500 jobs.

Presenting Easy to Understand Economic Impact Information

Another challenge for destinations and Byways has been ways in which to present the information about economic impact clearly and simply enough so political officials and other individuals not in the travel industry will understand and believe it – to sustain funding for visitor promotion.

One of the clearest statements about the value of tourism was issued by New York State, where one graph is used to clearly show the unemployment rate in New York State was 5.3% in 2015 with jobs in tourism included and would be 13.2% if the tourism jobs were eliminated. The Cabarrus County North Carolina Tourism Contribution Face Sheet was one of the first, or the first to summarize: If visitors did not travel to Cabarrus County, each household would pay \$467 more in state and local taxes per year, to replace the taxes generated by visitor spending

Key Actions to Attract Cultural and Heritage Travelers

There are two key actions that can be taken to increase the economic impact along any scenic byway, scenic road, or for that matter, any trail or other route-based experience. The first way is to work to attract heritage and cultural travelers.

The Beartooth Highway segmented visitors into four groups: Road Tourers (motorcyclists), Active Outdoors, Passive Viewers and Knowledge Seekers. The Knowledge Seekers defined as “visiting a historical site and visiting interpretive sites” spent 35% more than Passive Viewers—scenic drivers who engage in wildlife watching and nature photography. Road Tourers and Active Outdoors were somewhere in between, yet both had lower spending than Knowledge Seekers.

A study of heritage travelers in Virginia revealed that heritage travelers spent an average of \$994 per trip, vs. \$611 for general leisure travelers. That’s a 38.6% increase in spending and 19% of heritage travelers spend more than \$1,000 per trip.

The second key action is to develop itineraries and/or packaging that transforms the scenic byway or scenic road into a complete travel experience. Organize the road trip into feasible days of travel – remember this is a leisure experience – include accommodations and dining recommendations in the correct places or better yet, package these into a full experience that can be purchased in one transaction. The more overnights that are included (within reason, of course, since most leisure trips are still over a long weekend) the more economic impact is delivered to the area. Make sure to create an experience that includes the key heritage and cultural locations, with no more than three major attractions in any given day. This allows time to sleep in, enjoy breakfast, savor lunch, and relax at dinner, knowing that another pleasant day is ahead.

Travelers appreciate this approach. They are stressed out and want to travel, but don’t have time to research exactly what they want to do, nor do they have the knowledge to determine the quality of what they discover. Assembling all the locations into a cohesive trip is an art and a skill, and one that most travelers do not have.

Road trips have become the “go to” for travelers who want to get back on the road when they feel safe to travel again. Every scenic byway and scenic road has the opportunity to capture this business and the positive economic impact it delivers. Look at your road from the eyes of the traveler and feature the best story your destination – your road - has to tell.

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