



HERITAGE TOURISM SPENDING IN PENNSYLVANIA HERITAGE AREAS: CREATING JOBS AND SPURRING LOCAL ECONOMIC ACTIVITY

Community leaders, residents, businesses, and local governments are joining together in 12 designated Heritage Areas across the Commonwealth of Pennsylvania to preserve, promote and celebrate their regions' heritage, culture, and natural resources for the benefit of current and future generations.

HeritagePA is committed to helping the state's Heritage Areas and Corridors become more effective through the benefit of collective experience and expertise. The organization facilitates collaboration and sharing of "best practices" and serves as a catalyst in the heritage development movement for improved operations, marketing, government relations and public advocacy.

The primary purpose of HeritagePA is to improve the Commonwealth of Pennsylvania's position in the cultural and heritage tourism market through the established success of the member organizations of HeritagePA and to increase their statewide and national leadership role in the heritage development movement.

Not every Pennsylvania Heritage Area is the same, and each Heritage Area is as unique as the resources they work to conserve. All of the Pennsylvania Heritage Areas do, however, share fundamental philosophies and goals, including:

- to conserve historic and cultural resources
- to conserve and enhance the development of natural and recreational resources
- to develop educational and interpretive resources
- to help stimulate heritage tourism and economic development
- to establish partnerships to help steward the advancement of the Heritage Areas

An important element of the work of Pennsylvania Heritage Areas is to draw in visitors to heritage sites, facilities, and other attractions. An estimated 17.3 million visitors visited the entire network of Pennsylvania Heritage Areas in 2008. The impact of this tourism activity is significant to the local economies of each region.

In 2008, eight heritage areas participated in a study to assess the characteristics of the visitors to their sites and estimate the impact of these visitors on the local economies. The results from these surveys were used to estimate the total economic impact of the entire Pennsylvania heritage area network. Based on those surveys, it can be estimated that:

- Visitors to the entire HeritagePA network generated \$1.6 billion in direct and indirect sales last year.

- These sales were enough to support more than 31,500 jobs, which paid nearly \$600 million in wages and salaries.
- The total direct and indirect value-added to the community from the heritage tourism related activity, in the form of personal income to workers, profits and rents to businesses, and indirect business taxes paid to government, is estimated to be \$934 million in 2008.

HERITAGEPA

The statewide partnership network of HeritagePA works to preserve, promote and celebrate the regional heritage assets, cultural treasures and natural resources of communities across the Commonwealth.

HeritagePA members and their partners integrate community resources to conserve valuable assets for community and economic development, also referred to as heritage development. As they work to protect historic, cultural and natural resources, HeritagePA members encourage development for tourism and other economic opportunities.

HeritagePA and their partners reflect the rich diversity of their communities – from historic preservation, outdoor recreation, museums, performing arts, folk life and crafts, and scenic and working landscapes, to grassroots community-building activities – which, when combined, create a sum greater than its parts. Often this civic vitality translates into a value and interest, which extends beyond the Heritage Area’s borders attracting visitors and creating a tourism component to the area’s development.

Just as each member of HeritagePA is unique, so is the role that visitor spending plays in each region. For some, the tourism component is vital to the Heritage Area’s sustainability. For others, tourism revenue is a supplement to a thriving Heritage Area focused more on education, preservation, and improving the quality of life for local residents. It is, therefore, at the community’s discretion to determine the role tourism development should play in each designated Heritage Area.

PURPOSE OF THE HERITAGE TOURISM ECONOMIC IMPACT STUDY

The goals of HeritagePA members are ambitious. Designated Heritage Areas aim to:

- Conserve natural resources, landscapes, and historical sites and structures.
- Strengthen community identity and economic vitality.
- Educate residents and visitors about its region’s history.
- Attract heritage tourism.

In short, Heritage Areas celebrate the unique character of their regions, preserving their historic, natural, and cultural treasures while encouraging local economic development and tourism. The local effect of these efforts is multifaceted. It includes a higher quality of life for area citizens, stronger communities, effective regional partnerships, and more local jobs.

This study focuses on only one aspect of the Heritage Area’s impact: the impact of heritage tourism on the local economy. Tourism visitors to HeritagePA member sites generate jobs and income for the local economy through their spending on lodging, food, souvenirs and other retail purchases, local

travel, and other goods and services. The heritage tourism visitor survey results, and the economic impact analysis of those results, can be useful in many ways. For example:

- The process can guide marketing and promotional decisions by providing important information on the visitor mix (e.g., local v. non-local visitors, age and gender demographics) and on how visitors became aware of the HeritagePA sites and attractions.
- It can help identify how the HeritagePA site contributes to the region's quality of life, such as by providing activities, attractions, and events that are heavily used by local residents or by generating economic activity by attracting tourists from outside the region to those same venues.
- It can illustrate for partners and funders the return on investment from just one aspect of the HeritagePA member's work: its attraction of heritage tourists.
- It can highlight the relationship between each Heritage Area and the broader regional and statewide tourism efforts.

The Money Generation Model

To estimate the impact of heritage tourism spending on local economies, ANHA used the Money Generation Model (MGM2). MGM2 was developed for the National Park Service by a team at the Department of Community, Agriculture, Recreation and Resource Studies at Michigan State University. The model was designed specifically to assess the economic impact of national parks and heritage areas. Detailed information on MGM2, including the results of an earlier analysis of heritage area sites, can be found at <http://web4.canr.msu.edu/MGM2/default.htm>.

Heritage Tourism Visitor Survey and Analysis Methodology

Onsite surveys were conducted at sites in eight designated Pennsylvania Heritage Areas June to November of 2008 to gather information on visitor characteristics and collect data to estimate the economic impact of tourist visitors at heritage development sites. Staff from each of the participating HeritagePA members conducted the surveys. Though the surveys followed the survey design and procedures developed by the Michigan State University team, the surveys were modified as necessary to reflect the unique characteristics of each HeritagePA member, its sites, and its visitors.

Analysis of visitor characteristics and economic impact also followed the MGM2 approach. Put simply, the economic impact is estimated in this way:

$$\text{Economic Impact} = \text{Number of Visitors} \times \text{Spending per Visit} \times \text{Economic Multipliers}$$

The number of visitors was derived from annual visit counts at each Heritage Area. Visitor spending estimates were based on MGM2 spending profiles, except where the individual Heritage Area's surveys generated Heritage Area-specific spending data. Multipliers, which are used to measure the secondary effects of local spending, were calculated using MGM2 formulas.