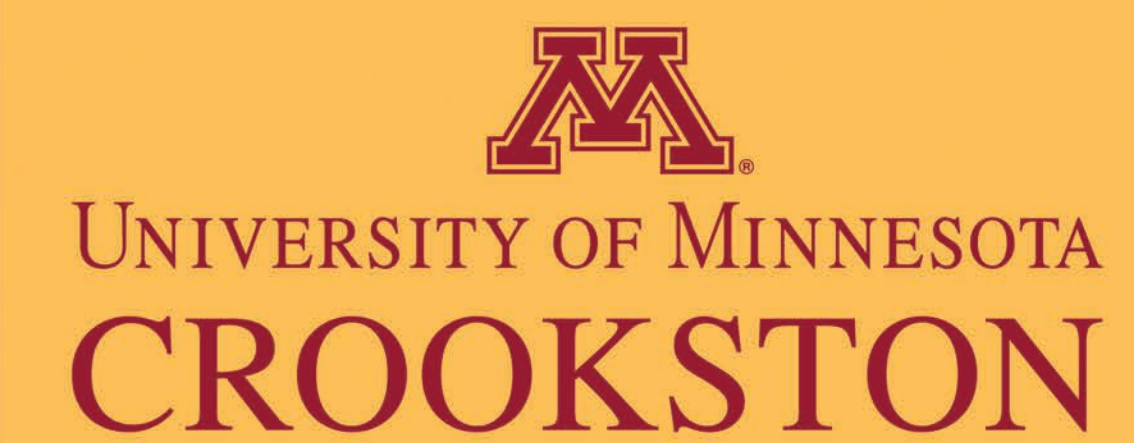


# Economic Impact of Federal Closure of NPS Sites in Minnesota

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## Introduction

Between October 1<sup>st</sup> and October 16<sup>th</sup> of 2013 the federal government experienced a shutdown of all non-essential services due to no congressionally approved budget. One of the many services affected by this shutdown was the National Park Service (NPS). The NPS is responsible for overseeing 401 sites (4 of which are in Minnesota). The table below shows 2013 visitation at the four NPS sites in Minnesota. Total recreation visitation in 2013 declined at all four NPS sites in Minnesota (-0.8%). Grand Portage NM (-4.9%), Mississippi NRRRA (-6.2%), & Pipestone NM (-14.8%). Voyageurs NP experienced approximately an 8% increase in 2013 (this is probably due to a change in how the number of visitors was calculated). Because of the extensive region covered by the Mississippi NRRRA, it was not included in our analysis.

### 2013 Visitors Summary of Minnesota National Park Service Sites

	Recreation Visitors	Non-Recreation Visitors	Concessioner Lodging	Backcountry Campers	Misc. Overnight Stays
Grand Portage NM	88,598	0	0	32	0
Mississippi NRRRA	100,111	0	0	0	0
Pipestone NM	64,760	0	0	0	0
Voyageurs NP	233,390	750	3,617	21,807	31,650
<b>Total</b>	<b>486,859</b>	<b>750</b>	<b>3,617</b>	<b>21,839</b>	31,650

## Research Methodology

- Lost tourism revenues were calculated based on the estimated drop in visitations during the month of October, and estimated per person spending from a previous study of the economic impact of national parks. Visits for October 2013 were calculated by determining the historic average percent of visits occurring in October and applying to the total number of visits in 2013. All secondary data was analyzed using IMPLAN.
- Lost wages were also calculated using the Headwaters Economics research. The research shows average expenditures per park on wages, salaries, and benefits for National Park Service employees. The average amount of wages, salaries, and benefits per day were calculated and applied to the length of the shutdown.
- Indirect effects are those associated with changes in economic activity due to spending for goods and services directly tied to a business or industry. In this case, these are the changes in the local economy occurring from tourism entities purchasing of supplies (electricity, equipment, fuel, for example) and related services (training and building maintenance, for example). As the entities decrease purchases, an ensuing decrease in purchases occurs across the supply chain. Indirect effects are the summary of these changes across an economy.
- Induced effects are those associated with a change in economic activity due to spending by the employees of businesses (labor) and by households. In this study, these are economic changes related to decreased spending by employees of tourism entities and by National Park Service employees. It also includes household spending related to indirect effects.
- We conducted interviews with local officials to see if qualitative data corroborated what we found using secondary data.

## Secondary Data

### Pipestone National Monument Change in Visitation

Year	Total Visits	October Visits	Change from Previous Year
2013	61,908	1,693	-61%
2012	76,030	4,358	-8%
2011	64,673	4,748	-40%

In October 2010, Pipestone National Monument recorded the highest number of October visits since 1985.

### Voyageurs National Park Change in Visitation

Year	Total Visits	October Visits	Change from Previous Year*
2013	233,390	11,147	+3227.5%
2012	214,841	335	-33.0%
2011	177,184	500	-40.0%

\*Note, there was a change in measurement of visits from 2012 to 2013

### Grand Portage National Monument Change in Visitation

Year	Total Visits	October Visits	Change from Previous Year
2013	119,599	1,603	-64.1%
2012	93,156	4,462	-39.8%
2011	97,440	7,408	5.7%

2010 was a peak year for visitations to the Grand Portage National Monument with 113,000 visits.

## Qualitative Data

EDA Center Staff conducted telephone interviews with National Park and Monument staff in Minnesota as well as business and community representatives involved in the local tourism industry. Ten representatives were interviewed as part of this study. While we had other names available to contact, responses centered around the same general themes so we limited our analysis to those 10 representatives. Questions posed related to the extent of the direct and indirect economic impacts from the 16-day shutdown. Information solicited to gauge impact included traffic counts, lodging tax collections, sales volume of local businesses, as well as whether local officials had contemplated ways to mitigate any negative impacts from a future shutdown.

Qualitative data supports our secondary data analysis indicating a clear reduction in visitation and economic activity to communities and individuals affected during the shutdown.