

THE ECONOMIC IMPACT OF PARKS

An Examination of the Economic Impacts of Operations and Capital Spending
by Local Park and Recreation Agencies on the U.S. Economy



IMPACT OF LOCAL PARK AND RECREATION AGENCIES ON THE U.S. ECONOMY—2017

Economic activity -
\$166.4 billion



Employment -
1,125,640 jobs

KEY FINDINGS

Parks and recreation is an essential feature of a healthy, vibrant and resilient community. Through the tireless efforts of hundreds of thousands full- and part-time and seasonal workers and supported by countless volunteers and advocates, local park and recreation agencies have a positive impact on the lives of millions of people. Park and recreation amenities and programming are diverse, spanning from no or low-cost fitness opportunities (such as a walk along a trail or a fitness class at a community center) and access to nutritious meals at out-of-school programs for youth to providing our cities, towns and counties with cleaner air and water thanks to preserved open spaces.

Park and recreation professionals and their agencies make critical contributions to their communities, as highlighted by the National Recreation and Park Association's (NRPA) Three Pillars:

- **Conservation** — Local park and recreation agencies play a vital role in the protection of our environment through green infrastructure, maintenance of public lands, preserving wildlife habitats and more. In addition to helping connect people to nature, local parks create essential environmental stewards that advocate for and protect our most precious public resources — our land, water, trees, open spaces and wildlife.
- **Health and Wellness** — Local park and recreation agencies provide crucial health and wellness opportunities for all populations in communities across the country. As many people in the United States continue to face serious health issues — including rising rates of chronic disease, an increased prevalence of sedentary lifestyles and poor nutrition habits — parks and recreation offers an affordable and accessible solution.
- **Social Equity** — True to the very philosophy of public parks and recreation is the idea that all people — regardless of race, ethnicity, age, income level or physical ability — have access to programs, facilities, places and spaces that make their lives and communities great. Parks and recreation truly builds communities — communities for all.

Park and recreation professionals and their agencies make another valuable contribution: **promoting economic activity that makes our cities, towns and counties more prosperous**. So, how significant is the impact of local park and recreation agencies on the U.S. economy?

To answer this question, NRPA joined forces with the Center for Regional Analysis at George Mason University in 2015 to conduct the first nationwide study on the economic impact of local park and recreation agencies' operations and capital spending. NRPA and the Center for Regional Analysis have partnered twice more to update that landmark 2015 research — in 2018 and 2020. Each of the studies focuses exclusively on the direct, indirect and induced effects local park and recreation agencies' spending has on economic activity, using U.S. Census Bureau data compiled for the analysis. This report summarizes the key findings of the 2020 research. A more detailed description, including a discussion of the methodology and implications, is available at nrpa.com/Parkeconreport.

U.S. ECONOMIC IMPACT

Local park and recreation agencies employed nearly 380,000 full-time and part-time employees in 2017, according to the U.S. Census Bureau. The combined operations and capital spending of these more than 10,000 park and recreation agencies ripples through the national, regional and local economies as park and recreation employees spend their paychecks, park and recreation agency vendors hire workers and both agencies and their vendors purchase products and services to serve their clients.

The result of park and recreation expenditures on the nation's economy is immense. The shared impact of operations and capital spending by U.S. local park and recreation agencies in 2017 resulted in more than \$166 billion in economic activity, \$87 billion in added GDP and more than 1.1 million jobs that paid salaries, wages and benefits totaling \$50.8 billion.



Local park and recreation agencies generated more than \$166 billion in economic activity and supported more than 1.1 million jobs in 2017.

Impacts of Local Park and Recreation Agency Spending on the U.S. Economy — 2017

	Total Impact of Local Park and Recreation Agencies' Spending
Economic Activity (transactions)	\$166.37 billion
Value Added (GDP)	\$87.03 billion
Labor Income (salaries, wages, benefits)	\$50.78 billion
Employment (jobs)	1,125,640 jobs

STATE-LEVEL ANALYSIS

This study also examined the economic impact of local park and recreation agencies' spending in all 50 states and the District of Columbia. The methodology of the state-level analysis mirrored that of the national study. The estimates of total economic impacts include the direct, indirect and induced effects of operations and capital spending by local park and recreation agencies in each state and the District of Columbia.

Impacts of Local Park and Recreation Agency Spending on the U.S. Economy – 2017

State	Economic Activity (transactions)	Employment (jobs)	Labor Income
Alabama	\$1,503,147,254	12,705	\$399,005,006
Alaska	303,390,757	2,133	98,633,863
Arizona	1,648,215,426	13,938	501,762,409
Arkansas	682,233,962	5,686	168,837,796
California	16,036,598,747	109,665	5,176,100,922
Colorado	4,358,843,200	34,046	1,384,958,813
Connecticut	494,556,583	5,425	190,825,280
Delaware	113,284,101	887	35,563,676
District of Columbia	661,978,074	3,233	217,026,044
Florida	10,082,946,211	71,466	2,585,692,228
Georgia	5,448,738,404	37,469	1,574,843,900
Hawaii	1,015,390,500	8,033	347,537,924
Idaho	465,672,789	4,186	128,032,145
Illinois	10,044,757,210	78,772	3,500,248,927
Indiana	1,084,801,753	10,169	331,540,900
Iowa	794,049,585	7,364	232,516,251
Kansas	1,011,252,780	8,877	325,218,500
Kentucky	678,908,245	5,735	159,931,685
Louisiana	1,238,007,175	11,032	335,868,614
Maine	234,820,271	2,381	67,449,639
Maryland	2,361,648,085	17,931	827,208,357
Massachusetts	1,025,078,289	8,604	432,230,371
Michigan	1,898,096,633	14,080	469,348,842
Minnesota	4,074,433,210	28,312	1,330,618,132
Mississippi	474,375,086	4,053	85,410,909

STATE-LEVEL ANALYSIS

Impacts of Local Park and Recreation Agency Spending on the U.S. Economy — 2017 (cont.)

Missouri	2,128,899,915	18,365	643,225,374
Montana	304,183,088	2,394	86,448,679
Nebraska	683,532,116	5,536	212,816,750
Nevada	1,321,280,720	10,784	86,882,201
New Hampshire	205,512,906	1,847	80,026,999
New Jersey	1,641,054,862	15,800	577,659,695
New Mexico	787,081,162	6,121	238,594,202
New York	9,167,329,779	56,479	3,121,526,974
North Carolina	3,244,130,440	27,568	951,514,017
North Dakota	946,766,748	6,806	255,756,065
Ohio	4,339,345,388	34,546	1,580,660,242
Oklahoma	1,967,654,589	12,941	556,168,656
Oregon	1,819,950,687	15,617	570,448,263
Pennsylvania	2,285,494,182	14,840	694,941,655
Rhode Island	112,139,819	1,030	39,691,153
South Carolina	1,159,358,994	11,064	309,520,294
South Dakota	381,448,042	3,378	92,581,322
Tennessee	1,680,968,640	14,078	552,269,925
Texas	8,703,708,284	62,519	2,854,359,898
Utah	1,245,717,307	14,838	355,287,553
Vermont	94,179,086	791	23,991,358
Virginia	2,715,585,026	24,738	853,552,334
Washington	3,769,241,437	24,825	1,212,367,004
West Virginia	422,994,270	2,977	109,881,094
Wisconsin	2,038,922,648	14,534	573,538,792
Wyoming	290,795,912	2,926	77,420,654

Sources: IMPLAN, Center for Regional Analysis — George Mason University for the National Recreation and Park Association, U.S. Census Bureau

One caution: The sum of the state-level impacts presented in this table does not equal the national-level economic impact estimates presented in the previous section. The difference reflects how the full economic impact of local park and recreation agency spending is not confined within state borders. For example, if the fertilizer used on sports fields located at an Oklahoma City park was produced by a manufacturer in Arkansas, the value of that product production would not count as an impact on the Oklahoma economy, nor does the study include such an impact in the estimates for Arkansas.

WHAT THE RESULTS MEAN

These estimates of the economic impact generated from park and recreation agency spending come from an input-output model that estimates direct, indirect and induced effects of those expenditures.

- **Direct effects** reflect the spending by local park and recreation agencies — whether for operations or capital programs — and include wages and benefits for agency employees and spending on equipment, utilities, goods and services.
- **Indirect effects** capture the spending associated with local park and recreation agencies' vendors. An example is an agency contracting with a local landscaping company to mow ball fields. The landscaping company will need to hire employees, purchase mowers and contract with a bookkeeping service. The bookkeeping service leases office space, employs workers, purchases office supplies and so forth.
- **Induced effects** track the impact of consumer spending (from wages) by park and recreation agency employees and employees working for the agency's vendors.

The model estimates the total effects on output, employment, labor income and value added resulting from park and recreation agencies' operations and capital spending:

- **Output** measures the value of the resulting transactions
- **Employment** is the number of headcount jobs, both full- and part-time
- **Labor income** includes salaries, wages and fringe benefits
- **Value added** is the measure most equivalent to GDP and includes property income, dividends, corporate profits and other measures



Your Local Park and Recreation Agency Generates Additional Economic Benefits

While the figures presented in this report are significant, they represent only one aspect of the economic benefits of public parks. Instead, the conclusions of this report are conservative estimates of parks and recreation's full economic benefits.

Beyond the impact of local park and recreation agency spending, other critical economic impacts from public parks include:

- *Health and wellness:* Parks and recreation promotes improved physical and mental health. This not only helps people feel better, but also can help lower medical and insurance costs for those people taking advantage of those facilities and activities. Three in five respondents to a November 2017 *NRPA Park Pulse poll* indicated they would take up walking or jogging in local parks, trails or around their neighborhoods if advised by their doctors to be more physically active. A similar percentage of adults responding to a March 2019 *NRPA Park Pulse poll* reported that they visit their local parks or picnic areas to experience the health benefits of nature. Further, an [Oregon State University](#) study found that Oregon residents' engagement in one of 30 outdoor recreation activities in 2018 resulted in \$735 million to \$1.416 billion in cost of illness savings accrued to health insurers, providers and participants.
- *Conservation and resiliency:* Park and recreation agencies' protection of land, water, trees, open spaces and wildlife improves air and water quality in communities. Through effective land management methods and green infrastructure investments, parks and recreation makes communities more resilient to natural disasters, reducing disaster recovery and insurance costs. Ninety-three percent of respondents to NRPA's *2019 Engagement with Parks* survey believe it is essential that their local government acquire, construct and maintain local parks, trails and green spaces near bodies of water to protect natural resources in their community.
- *Property values:* Economic research has demonstrated consistently that homes and properties located near parklands have higher values than those located farther away. Higher home values not only benefit the owners of these properties, but also add to the tax base of local governments. Eighty-five percent of respondents to the *2019 Engagement with Parks* survey indicate that they seek high-quality parks and recreation amenities when choosing a place to live.
- *Economic development:* Parks and recreation improves the quality of life in communities and benefits the local economic development of a region. More than 80 percent of corporate executives responding to a *2019 Area Development* survey rated quality-of-life features as an important factor when choosing a location for a headquarters, factory or other company facility. Further, 94 percent of adults responding to the March 2020 *NRPA Park Pulse poll* support their local government investing in infrastructure improvements that promote economic activity in their community.
- *Visitor spending:* Many local park and recreation agency amenities spur tourism to their respective locales, generating significant economic activity, including (but not limited to) increased sales at local restaurants/bars and hotels. An August 2017 *NRPA Park Pulse poll* found that people seek out park and recreation amenities — such as beaches, parks, trails and secluded and relaxing places — when choosing a vacation destination.



KEY CONCLUSIONS

Park and recreation professionals at the more than 10,000 agencies across the United States advance their communities in many different ways. Not only are parks leading the way in terms of conservation, health and wellness, and social equity, they also drive significant economic activity.

Local park and recreation agencies generated more than \$166 billion in U.S. economic activity and supported 1.1 million jobs from their operations and capital spending in 2017. These results, combined with studies on the [state](#) and [national](#) park systems, are proof that public parks are robust engines of economic activity.

Beyond the impact of their expenditures, park and recreation agencies generate even more economic value through their promotion of health and wellness, as well as conservation and resiliency that foster higher property values and increase tourism. Most critically, park and recreation amenities are the cornerstones to improving a region's quality of life, a significant factor in enticing employers and workers to an area.

When combined with the ability to deliver healthier and happier communities, the powerful impact parks and recreation has on economic activity highlights the fact that park and recreation agency offerings are not merely a "nice-to-have," luxury government service. Instead, parks and recreation transforms our cities, towns and counties into vibrant and prosperous communities for all.

Policymakers and elected officials at all levels of government should take notice and support greater and more stable taxpayer funding of parks and recreation. Local park and recreation agencies not only help raise the standard of living in our neighborhoods, towns and cities, they also spark economic activity that can have ripple effects well beyond any initial expenditure in creating jobs and prosperity throughout our nation.



METHODOLOGY

This study uses data reported by the U.S. Census Bureau to estimate operational spending by local park systems. The *Survey of Public Employment & Payroll* offers estimates of agency employment and payrolls in 2017, while the *Annual Survey of State and Local Government Finances* provides agency operations spending data. Researchers at the Center for Regional Analysis at George Mason University derived its capital spending estimates from reports available from the National Recreation and Park Association (NRPA) and a review of budget records for dozens of park systems selected to reflect a diverse range of localities and park operating characteristics.

The GMU researchers used the IMPLAN economic input-output model to estimate the total economic impacts, often called “economic contributions,” generated by park system operations and capital spending. Consistent with previous studies prepared for NRPA, the researchers categorized park agency spending as if it were private-sector businesses operating parks, recreation and similar entertainment venues. In their judgment, this is more accurate than treating expenditures as general local government spending (i.e., park and recreation agency spending patterns are much more like a privately run entertainment venue than a local tax office).

The researchers adjusted the model inputs to reflect actual employee compensation paid to park system workers, which is often different than what private-sector firms pay their employees. The IMPLAN model is the most widely used tool for estimating economic impacts. This model is updated frequently to reflect shifts in the structure of the economy; therefore, the results reported here are not directly comparable to the findings of previous analyses.





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