

An Economic Impact Study of Bicycling in Arizona: Out-of-State Bicycle Tourists & Exports



Presentation by Michael Sanders
Arizona Rural Transportation Summit, Flagstaff
January 8, 2015

Report Outline

- ▶ **Introduction**
- ▶ **Study Approach**
- ▶ **Findings**
 - Bicycle Tourism
 - Manufacturing/
Wholesaling
 - Retail
- ▶ **Conclusions**



<http://www.azbikeped.org/>

Introduction

Project purpose

Examine two key economic-related segments of bicycling in Arizona:

- ▶ **Bicycle industry (retail, distributors) and**
- ▶ **Bicycle tourism and visitor spending associated with organized tours, rides, and races**



RS Matt

Introduction:

Project focus

Report estimates the contribution to the Arizona economy from:

- ▶ Out-of-state visitors engaged in bicycling events in the state and
- ▶ Out-of-state customers, wholesale or retail, of bicycle products made or sold in Arizona.



Susanne Rasmussen

Introduction

Project focus rationale

- ▶ **Focus on out-of-state customers/event participants**
 - Minimizes concerns about the “substitution effect” – would in-state participants be doing some other activity if the event did not exist?
 - Out-of-state visitors clearly import dollars into Arizona
 - Evaluation of general economic benefits of bicycling as a basis for further discussion

Study Approach

Study steps

- ▶ **Review & Summary of Literature, Methods and Data Sources**
- ▶ **Review and Refinement of Methodology**
- ▶ **Data Collection and Analysis**
- ▶ **Conclusions and Recommendations**



Flagstaff Convention & Visitors Bureau

Study Approach

Survey target groups

- ▶ **Event organizers/sponsors;
tour operators**
- ▶ **Event participants**
- ▶ **Bicycle dealers**
- ▶ **Mass merchandise, sporting
goods and other stores**
- ▶ **Manufacturers/wholesalers
of bicycles and related
products**



Study Approach

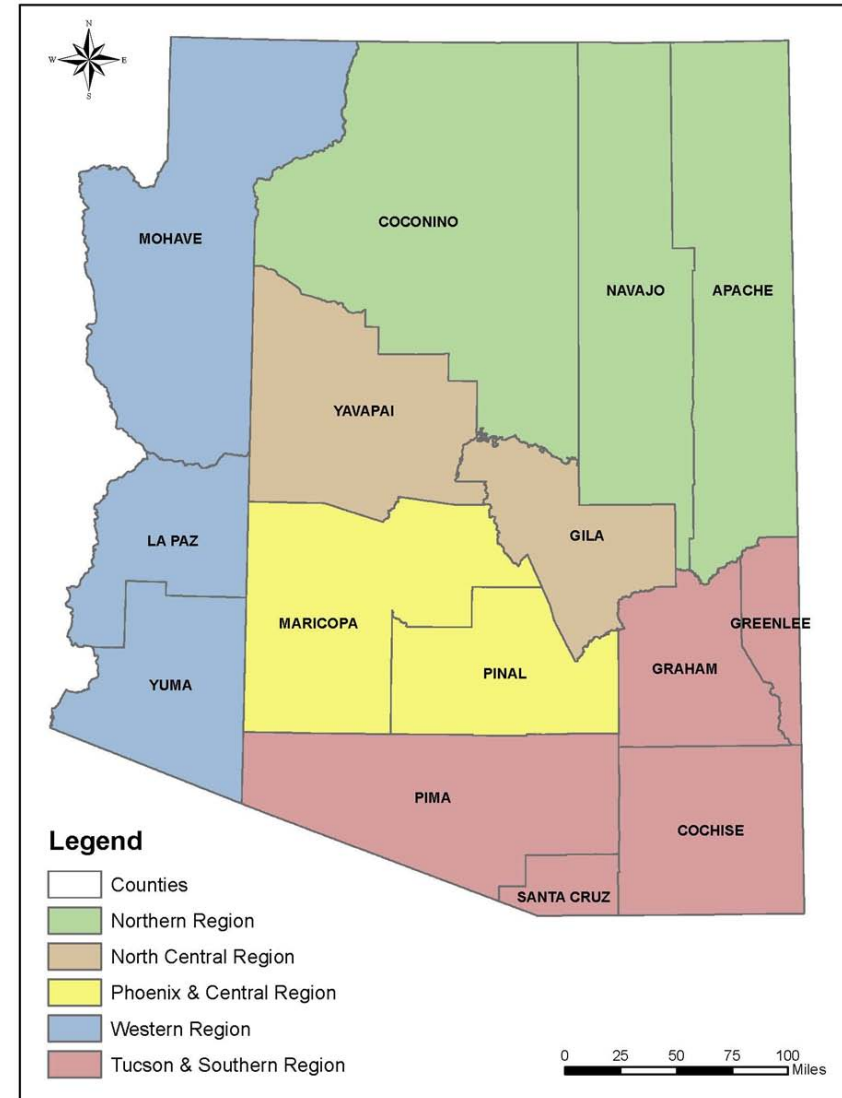
Analytical processes: Input-Output (I-O) Model

- ▶ **Economic multipliers from an I-O model analysis are based on three segments that together produce the “Total Effects”:**
 - Direct effect that caused the initial change in the economy and will have a rippling effect throughout the economy.
 - Indirect effects, generally business-to-business transactions.
 - Induced effects, from wages paid to employees and the spending of their incomes in the region.

Findings

By region

Regions used in this study are the five (5) regions defined by the Arizona Office of Tourism.



Findings

Bicycle Tourism: Event categories

- ▶ Road Bicycling Events
- ▶ Mountain Bike Events
- ▶ Bicycle Tours
- ▶ Triathlon and Duathlon Events
- ▶ Cyclo-cross Events
- ▶ Training Camps
- ▶ BMX*



White Mountain Road Club

*Special category of unique bicycling activity; limited data in this report

Findings

Bicycle Tourism: Event Inventory

Arizona has an extensive inventory of bicycling events.

- ▶ An estimated total of 14,000 out-of-state participants, of 53,000 total, are involved annually in about **250 events** held throughout Arizona.

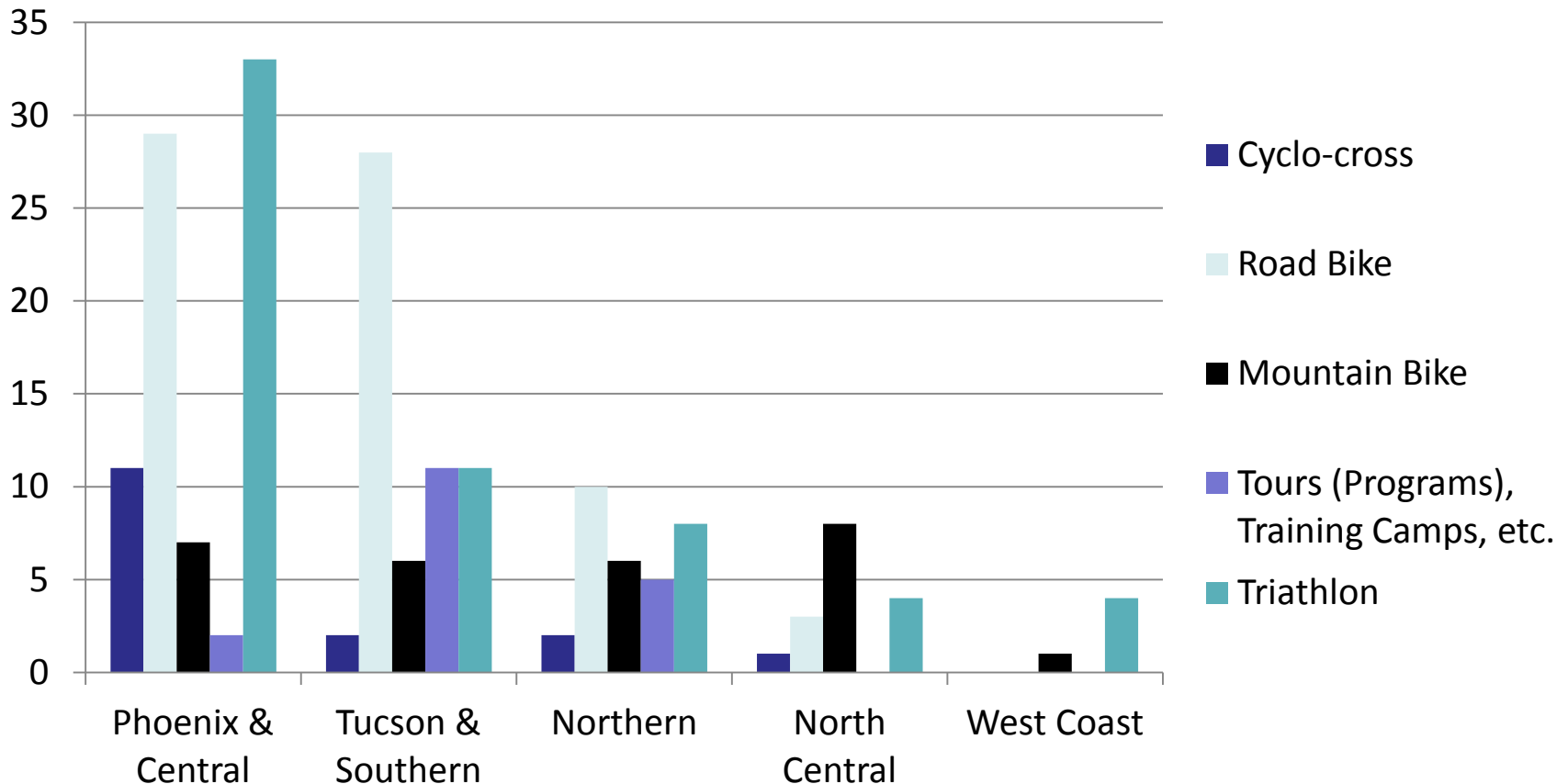


Perimeter Bicycling Association of America, Inc.

Findings

Bicycle Tourism: Event Summary

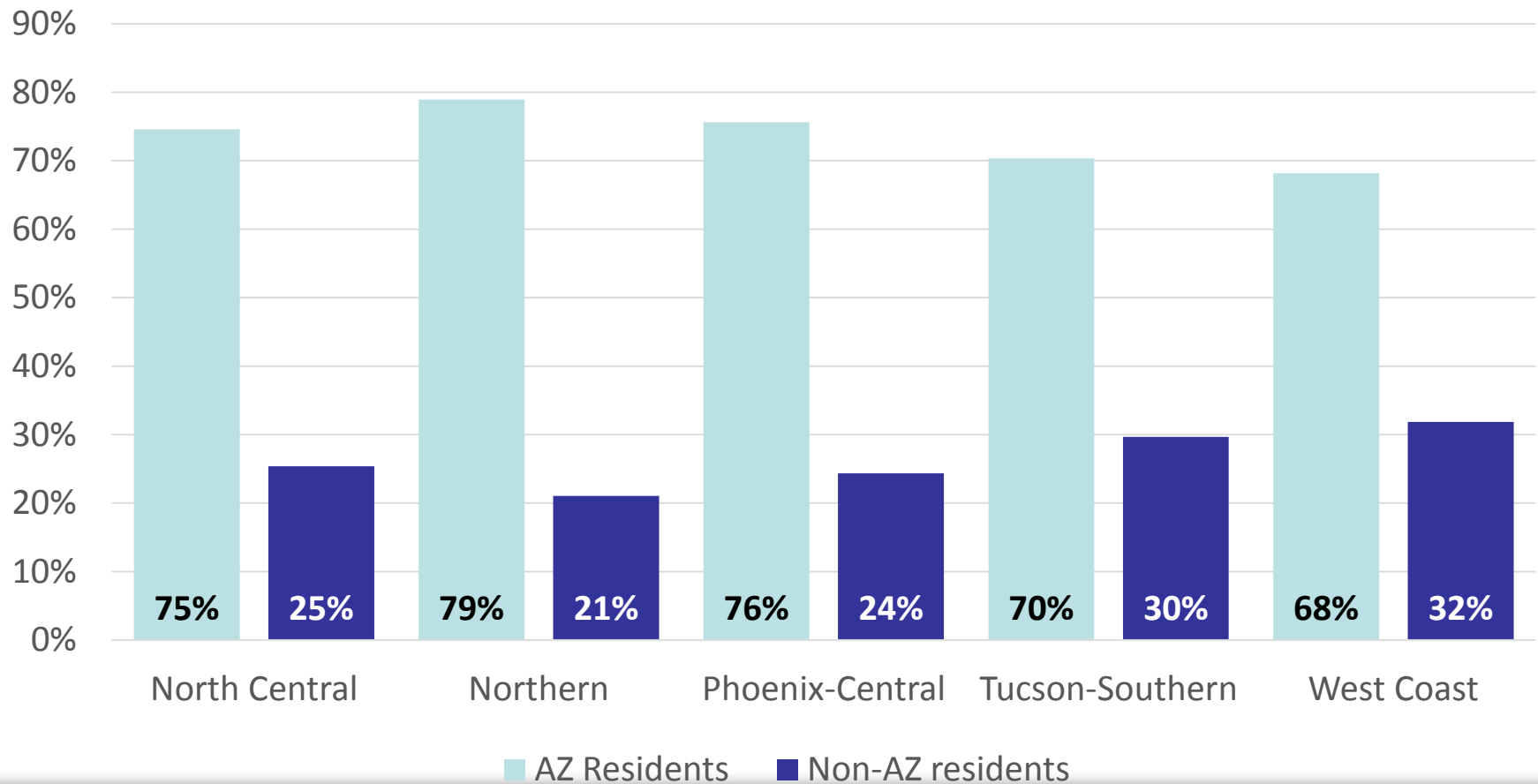
Number of inventoried events by type, by AZ region



Findings

Bicycle Tourism: Event Summary (cont.)

% of participants by AZ/non-AZ residency, by region, 2012



Findings

Retail goods

- ▶ Arizona bicycle shops secure on average of about **45%** of their revenues from the sale of bicycles.
- ▶ About **one-fourth** of revenue comes from bicycle parts and accessories sales.
- ▶ Final component of revenues is divided among clothing & shoe sales and bicycle repair & rentals.

Findings

Retailing estimates

\$114 M

Annual bicycle and related product sales from *all* store types in Arizona (excluding service and rental revenues and Internet sales)

690

Estimated employment, all store types.

420

Estimated number of mechanics that bicycle shops could be employing.

Conclusions

Combined I-O totals for all benefit categories

From expenditures by out-of-state visitors/ consumers

	Bicycle Tourism	Retail sales and manuf./wholesaling	Total
Jobs			
North Central	26.1	15.6	41.7
Northern	13.9	12.9	26.8
Phoenix & Central	133.8	220.8	354.5
Tucson & Southern	214.5	54.0	268.5
West Coast	15.5	13.4	28.9
Arizona Statewide Total	403.7	316.7	720.4
Output in \$2013			
North Central	\$1,428,000	\$1,401,000	\$2,829,000
Northern	\$889,000	\$1,117,000	\$2,006,000
Phoenix & Central	\$13,774,000	\$47,152,000	\$60,926,000
Tucson & Southern	\$13,550,000	\$6,726,000	\$20,276,000
West Coast	\$909,000	\$1,221,000	\$2,130,000
Arizona Statewide Total	\$30,552,000	\$57,618,000	\$88,170,000
Labor income in \$2013			
North Central	\$631,000	\$610,000	\$1,241,000
Northern	\$394,000	\$490,000	\$884,000
Phoenix & Central	\$5,822,000	\$13,730,000	\$19,552,000
Tucson & Southern	\$6,005,000	\$2,577,000	\$8,582,000
West Coast	\$389,000	\$543,000	\$932,000
Arizona Statewide Total	\$13,241,000	\$17,949,000	\$31,190,000

Conclusions

Selected results

- ▶ Annual direct and indirect/induced economic contribution of out-of-state bicycle tourists estimated at \$30.6 million and 404 jobs



Conclusions

Selected results (cont.)

- ▶ Annual direct and indirect/induced economic contribution of sales to out-of-state buyers is estimated at \$57.6 million and 317 jobs (includes effects of manufacturing/wholesaling export sales).



Thank You!

Questions?

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ADOT Bike/Ped Website:

<http://www.azbikeped.org/>

