



Wyoming

Agricultural Economics



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THE ECONOMIC IMPORTANCE OF THE OUTFITTING INDUSTRY IN TETON COUNTY - 1985: AN UPDATE

by
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INTRODUCTION

In 1980, a study of Teton County's outfitting industry was conducted by the Wyoming Agricultural Extension Service, University of Wyoming, in cooperation with the Jackson Hole Outfitters and Guides Association (Taylor, et al. 1982). The study found that the outfitting industry contributed to the economic prosperity of Teton County in several ways. First outfitters predominately sold their services to nonresidents. Their services, therefore, brought new dollars into the local economy in the form of purchases by nonresident hunters. Most of these outside dollars were respent locally by outfitters for goods and services. The respending of these new dollars generated additional sales by other local businesses in the area. Secondly, economic activity in Teton County was highly seasonal. The 1980 study indicated that both employment and sales tax collections peaked during the summer months, due to the influx of summer visitors, and then declined to substantially lower levels during the rest of the year. Outfitting tended to reduce the seasonality of economic activity by generating employment and

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income throughout the fall -- a nonpeak season for the local economy. Third, outfitting is an industry based upon a renewable resource, wildlife. With proper management, wildlife can be harvested annually without depleting the resource. Thus, in the long run, the outfitting industry may be more stable than industries that depend on nonrenewable resources.

Since many factors have changed since 1980, the Jackson Hole Outfitter and Guide Association requested an update of the original study. The purpose of this update was to more accurately reflect the current economic contribution of the outfitting industry to Teton County.

PROCEDURES

In order to measure the economic contribution of the outfitting industry to the local economy, information was needed regarding the number of hunters served and the local expenditures by these hunters. The number of hunters served by outfitters was determined from the "Big Game and Deer-Antelope Outfitter Report" submitted by each local outfitter to the Wyoming Game and Fish Department's Office in Jackson, Wyoming for the 1985 hunting season. These reports indicated a total of 1220 paying, nonlocal hunters utilizing outfitters in the area. To gain information on hunting fees, a mail survey was sent by the Teton County Extension Office to the 59 active outfitters identified from the reports. The outfitters were asked to indicate hunting fees, number of employees, and camp capacity associated with their outfitting operation. A total of 34 usable questionnaires were returned. This information and a previously developed economic base model (Premer, et al. 1979) served as the basis for the analysis of the outfitting industry.

ECONOMIC IMPACT

The outfitting industry directly contributes to the local economy through sales to hunters by the outfitters, themselves, and through sales by other

businesses during the hunters' stay in the area. Based on the outfitter survey, it was estimated that the average hunting client paid \$1967 to the outfitter in 1985. This number represents a weighted average of the fees charged for the various types of hunting in the area. Compared to 1980 the average fee paid by hunters had increased by over 60 percent (\$1218 vs. \$1967). The average 1985 fees by type of hunt are presented in Table 1.

Table 1. Average Hunting Fees in the Jackson Hole Area -1985

Elk	\$2012	Bear	\$1612
Deer	\$1745	Antelope	\$ 620
Moose	\$2587	Sheep	\$4228

Local sales by other businesses to outfitter clients were estimated to have been \$672 per hunter in 1985. This amount was obtained by adjusting the estimate from the original study based on a comparison of summer visitor expenditures in the area between 1980 and 1985 (Taylor 1985). On this basis, the average sales by other businesses were estimated to have increased by about 30 percent between 1980 and 1985 (\$505 vs. \$672). This is roughly equivalent to the rate of inflation observed between 1980 and 1985. The two types of purchases by outfitter clients were estimated to have amounted to a total of \$3.2 million in direct sales in the local economy in 1985 (Table 2).

Table 2. Direct Sales by the Outfitting Industry - 1985

1220 hunters * \$1967/hunter = \$2,399,740 - Direct sales by outfitter
1220 hunters * \$ 672/hunter = <u>\$ 819,940</u> - Direct sales by others
\$3,219,580 - Total Direct Sales

Since most of the dollars received through the direct sales were respent among local businesses and households, the total sales generated by the

outfitting industry were actually much greater than \$3.2 million. Using multipliers from the publication, Recreation and Tourism in the Teton County Economy, the effect of this respending can be estimated. Applying the appropriate multipliers to the \$3.2 million resulted in estimated total sales of \$5.6 million (Table 3). This number represents the total amount of local

Table 3. Total Sales Generated by the Outfitting Industry - 1985

\$2,399,740 * 1.85 Outfitter Sales Multiplier	= \$4,439,519
\$ 819,840 * 1.47 Other Sales Multiplier	= <u>\$1,205,165</u>
Total Sales	\$5,644,684

business activity generated by the outfitting industry in Teton County including the direct sales to hunters from outside the area and the indirect sales resulting from the local respending of the these dollars. When the total effect is considered each hunting client represents over \$4600 in sales for the local economy.

It should be noted that the local outfitting industry was operating substantially below capacity in 1985. A comparison of information supplied by the outfitters on camp size vs. the number of hunters actually served indicates that, on average, camps were operating at only 63 percent of capacity in 1985. Although it is unlikely that camps will ever be 100 percent full (Table 4), the industry's total contribution to the local economy would be significantly greater if outfitters were able to operate at levels closer to full capacity.

Table 4. Occupancy Rate For Outfitter Camps in the Jackson Hole Area

1980	87.4%	1983	71.3%
1981	80.2%	1984	58.3%
1982	69.2%	1985	62.6%

From the general public's perspective, an important aspect of any economic activity is the number of local jobs that are generated. Based on the outfitter survey and the recreation and tourism publication, it is estimated that 103 full-time equivalents of employment (FTE's) were generated directly by the outfitting industry (Table 5). A FTE is defined as one man year or one man working 50 weeks a year at 40 hours per week. Since many of these jobs occur in the fall, outfitting provides a substantial boost to the employment during a slack period in the local economy. Because sales in one sector not only result in employment in that sector, but will also stimulate additional sales and consequently additional employment in other sectors throughout the economy, the total employment generated by the outfitting industry was actually greater than 103 FTE's. When direct sales by other businesses and indirect sales due to respending are considered, the estimated

Table 5. Employment in the Outfitting Industry for Teton County - 1985

Direct Employment

\$2,399,740	Direct sales by outfitter	=	88 FTE's
\$21,020	sales/FTE * 1.30 Adj. for inflation ^{1/}		
\$819,840	Direct sales by others	=	<u>15</u> FTE's
\$42,955	sales/FTE * 1.30 Adj. for inflation ^{1/}		
	Total Direct Employment		103 FTE's

Total Employment (Direct Employment * Multiplier)

88 FTE's	* 1.26 Outfitter Employment Multiplier	=	111 FTE's
15 FTE's	* 1.23 Other Employment Multiplier	=	<u>18</u> FTE's
	Total Employment		129 FTE's

^{1/} Sales/FTE are from Premer, et al. 1979. The adjustment for inflation is based on the change in the implicit price deflator for GNP-1980 to 1985.

total employment associated with outfitting was 129 FTE's in 1985. This represents one FTE for every 9.5 hunters.

SUMMARY AND IMPLICATIONS

The outfitting industry makes a significant contribution to the Teton County economy. The industry generated an estimated \$5.6 million in total sales in the local economy in 1985. This figure does not consider the economic impact of nonhunting services provided by the outfitting industry. The 1980 study estimated that 80 percent of the outfitters in the area provided other recreation services. Additional study would be required to quantify the total impact of the industry on the local economy.

The average hunting client spent \$2,639 during his stay in the area. This is substantially more than most visitors to Jackson Hole. For example, data for summer visitors in 1985 indicated that the typical visitor spent \$123 during their stay. Thus a significant amount of local business activity is generated despite the limited number of customers served. This plus the renewable nature of the resource being used, the importance of fall season economic activity, and the high proportion of inputs purchased locally contribute to the economic importance of the outfitting industry.

References

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