

The Economic Impact of the Erie Canalway Trail

AN ASSESSMENT AND USER PROFILE OF NEW YORK'S LONGEST MULTI-USE TRAIL

Executive Summary



Parks & Trails
NEW YORK

Prepared for:

Quantitative and qualitative research conducted for
Parks & Trails New York



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The full report can be downloaded at Parks & Trails New York's website
www.ptny.org

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EXECUTIVE SUMMARY

When constructed in 1825 between Buffalo and Albany, the Erie Canal cost less than \$7 million and created thousands of jobs. Nearly two centuries later, the canal still plays a significant role in the economy and way of life of Upstate New York. Not only does it serve as a commercial and recreational waterway but much of the towpath of the legendary canal has been transformed into the 360-mile Erie Canalway Trail (ECT).

Presently, the ECT is more than 75% complete; 277 miles are open as an off-road multi-use trail. Most of the trail is 10 feet wide with a stone dust surface, but some sections are paved, especially near urban centers. The ECT offers New Yorkers a myriad of outdoor recreational opportunities and health, economic, and quality of life benefits. In addition to providing a venue for a wide variety of recreational activities—walking, jogging, bicycling, bird watching, pet walking, cross-country skiing and, in some locations, snowmobiling and rollerblading—the ECT offers picnic areas and opportunities to eat, stay, shop, and visit attractions in the historic towns and villages along its length.



Parks & Trails New York (PTNY), the state's leading not-for-profit park and trail advocacy organization, has worked with the New York State Canal Corporation and the Erie Canalway National Heritage Corridor for more than 15 years to develop and promote the Canalway Trail System. In conjunction with its efforts, PTNY gathered anecdotal evidence from business owners, tourism promotion agencies, elected officials, and trail users to suggest that the ECT provides trail communities with significant economic benefits. However, without a comprehensive study, only limited estimates of ECT visitation and economic impact existed.

Therefore, PTNY commissioned this study to provide reliable estimates of the numbers of persons who use the ECT; measurements of the total economic impact of the ECT on the economy of NYS; information on spending, usage patterns, and demographics of trail users; and a template for measuring the impacts of future use. Business owners and tourism officials were also surveyed to provide an added dimension to the assessment of economic impacts.

Study results were based on trail counts obtained using observational and electronic techniques. Data was also acquired from intercept surveys of trail users, conducted at multiple locations along the trail between June and September 2012. The counts were used to extrapolate an estimate of total annual trail traffic volume. Trail user surveys provided data to create user spending profiles. By employing these two data points (annual trail traffic volume and spending profiles), the *Money Generation Model 2* (MGM2) was used to project the annual economic impact of trail users in terms of sales, employment, and tax revenues.

Economic Impact

Overall (including direct and secondary effects), ECT visitor spending generates approximately \$253 million in sales, 3,440 jobs, \$78 million in labor income, and \$28.5 million in taxes in the Upstate economy each year.

The most conservative estimate of new money would be only the spending associated with the 2.5% of estimated annual trail visits made by persons residing outside the 35 counties surrounding the ECT. This represents approximately \$55.8 million in new sales effects, the creation of approximately 731 jobs, and \$16.7 million in labor income within the local economy.

Visits

The ECT is estimated to have an annual trail traffic volume of almost 1.6 million visits per year. Not surprisingly, the segments of trail closest to the large urban population centers of Buffalo, Rochester and Albany were estimated to have the highest number of visits – more than 200,000 per year.

Spending

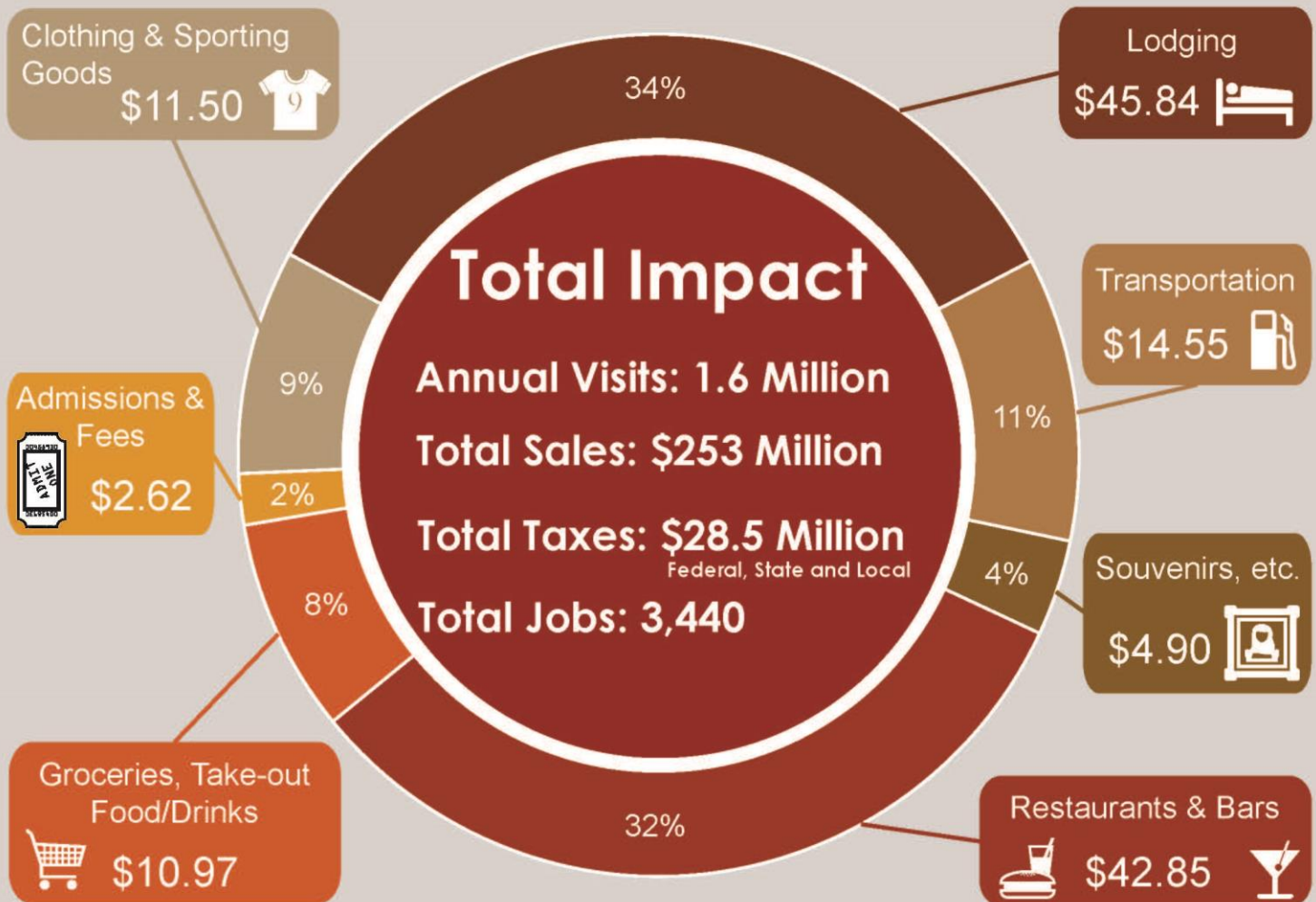
Average per person per visit spending depends on where ECT visitors live and whether they stay overnight. Locals (defined in the study as those residing in the 35 counties surrounding the ECT) who do not include an overnight stay in their visit spend on average \$26.37 per person per visit. Restaurant and bar expenses account for almost half of that spending. If these persons choose to engage in a visit to a segment of the trail distant from their homes and include at least one overnight stay in their visit, the average spending increases to \$531.47 per person per visit, which represents 39% for lodging or camping fees and 30% for bars and restaurants.

The average per person per visit spending for nonlocals (defined in the study as those who reside outside the 35 counties surrounding the ECT) who include one or more overnight stays in their visit, is more than double that of those living in the 35 counties surrounding the ECT who stay overnight as part of their visit, \$1,128.39. Almost half (47%) of that spending is for lodging or camping fees and 26% for bars and restaurants.

The data confirms that overnight stays have a major impact on ECT visitor spending. While overnight visitors to the trail constitute only 18.25% of the total volume of visits, they generate 84% of overall spending. Even more dramatic is



ECT Visitor Spending



the finding that the 2.5% of trail visitors who live outside the 35 counties surrounding the ECT represent 21% of overall spending.

Trail Users

To learn more about trail user demographics, lifestyle preferences, nature of ECT use, and trail-related spending habits, survey responses were obtained from 562 adults that included trail users intercepted on the trail and those who had purchased PTNY's cycling guidebook and had used the trail within the last year.



Typical Users of the ECT

Typical users of the ECT are employed members of Generation X (ages 30-49) who are slightly more likely to be male than female and who live within five miles of the trail. They have at least a college degree and a household income equal to or slightly above the state's 2012 median household income of \$57,683. Typical trail users drive to the trailhead to bicycle for health and fitness for less than an hour at least once a week, on weekdays and weekends, in the summer, spring and/or fall, along with one to three other persons. They spend on average \$26.37 per person per visit.

Typical trail users are interested in the history of the canal and credit the trail for having a positive effect on their well-being. While they have not taken an overnight trip of more than 50 miles on the trail or participated in an organized ECT ride, they may be interested in doing so. If they did plan to stay overnight as part of a visit to the trail, they would prefer to stay in a hotel or motel.

Typical ECT Vacationers

Only 22% of those surveyed on the ECT indicated they were vacationing. Yet, because most of these vacationers stay overnight, they have a major economic impact. Typical trail vacationers are affluent, highly educated, employed Baby Boomers who live outside the ECT region and visit the trail to bicycle with one to three others for more than two hours. Almost 70% are male. The trail and the opportunity to bicycle and view the scenery attract them to the area.

Typical ECT vacationers spend on average \$939 per person per visit and stay at least three nights in a hotel or motel. ECT vacationers are interested in the history of the canal and participating in multi-day organized bicycling trips along the trail. They first learned about the ECT from conversations with others.

Typical ECT User



57%
Male



41%
Generation X
(aged 30-49)



74%
Employed
Full or Part-Time



65%
4-Year or
Graduate Degree



42%
Household Income
over \$75,000



59%
Bicyclists



56%
Use Trail for Health,
Exercise and Fitness



79%
Interested in
Canal History



99%
Feel Trail Has a
Positive Effect on
Them



50%
Live Less than 5
Miles from Trail



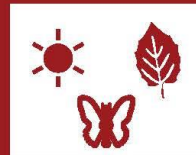
57%
Spend 1 Hour or
Less on Trail



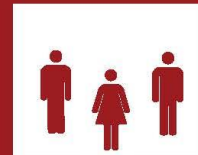
61%
Use Trail at Least
Once a Week



63%
Use Trail on Both
Weekdays and
Weekends



75%
Use Trail in
Spring, Summer
and Fall



45%
Use Trail
With 1-3
Others



59%
Drive to
Trailhead



69%
Interested in Biking
50+ mi on Trail



61%
Interested in
Organized Rides



42%
Prefer Hotel/
Motel Lodging

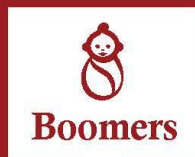


82%
Spend \$26.37
per Visit

Typical ECT Vacationer



68%
Male



55%
Baby Boomers
(aged 50-69)



77%
Employed
Full or Part-Time



83%
4-Year or
Graduate Degree



52%
Household Income
over \$100,000



87%
Bicyclists



43%
Use Trail for
Recreation



85%
Interested in
Canal History



89%
Interested in Biking
50+ mi on Trail



75%
Interested in
Organized Rides



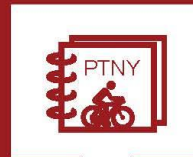
77%
Spend More
Than 2 Hours
on Trail



96%
Influenced by Trail
in Vacation
Destination Choice



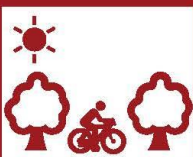
42%
Learned of Trail
by Word of
Mouth



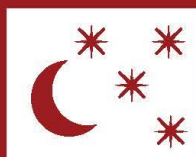
69%
Use PTNY's
Guidebook to
Plan their Trip



74%
Use Trail
With 1-3
Others



75%
Chose ECT
for Biking and
Natural Scenery



81%
Stay Overnight



71%
Stay at Least 3
Nights



44%
Used Hotel/
Motel on Trip



\$939
Average
Spending per
Visit

Interest in Biking Along a 50+ mile Section of ECT or an Organized Multi-day ECT Cycling Trip

The survey illustrated the potential for developing more multi-day or themed itineraries and organized multi-day ECT cycling trips. More than two-thirds of survey respondents reported they were very (41%) or somewhat (28%) interested in biking along a 50+-mile section of the ECT.

Nearly half of survey respondents (42%) said they had not been on an organized cycling trip on the ECT, but were interested in taking one. Among the 20% surveyed who had participated in such a trip, nearly all (19%) said they hoped to take another trip in the future. More than half (59%) of those who said they would be interested in an organized cycling trip on the ECT have a household income less than \$75,000 per year, half are of Generation X and almost half are under 40 years of age. As 89% of these persons are residents of the ECT and surrounding counties, it signals an important, but mostly untapped, local market.

Impact on ECT-area Businesses

When businesses located no more than one mile from the trail were asked to assess their current and future plans and experiences, more than half (51%) said the trail had a moderate (30%) to big impact (21%). A majority of businesses felt that efforts to promote the ECT, undertaken by several state agencies, Chambers of Commerce and local tourism offices, local business owners, and PTNY, were effective (6% very and 53% somewhat effective).

Business owners' responses also indicated a need for additional communication and ECT promotion as 42% said that they knew "a few things" about the trail before the interview, compared to 29% who said they knew a lot. In terms of commitment to ECT promotion, 85% said they were very or somewhat interested in working closer with state, local and county agencies and Chambers of Commerce to promote the ECT.

Conclusion

By supporting more than 3,400 jobs and generating \$253 million in sales, the ECT is clearly an important resource for the local and regional economies of Upstate New York and should continue to be promoted and enhanced.

As 97% of the visits to the ECT are undertaken by persons living within the 35 counties surrounding the ECT, the study confirms the trail is also a valued resource and an important contributor to quality of life in the more than 200 communities along its length. The small number of visitors from outside the



region illustrates a major opportunity to market the ECT as a premier bicycling destination to a national and international audience. Other long-distance trails with considerably less name recognition, such as the Katy Trail in Missouri and Great Allegheny Passage in Pennsylvania, attract a greater percentage of nonlocal visitors than the ECT. The study presents information on trail user demographics, preferences, and nature of trail use which can serve to inform these marketing efforts.

Overnight visitors to the ECT spend more than 20 times that of day visitors, so increasing the number of this type of visitor could generate significant economic benefits for ECT communities. Suggested or themed itineraries, package trips planned by a group of lodging establishments, fully supported rides, additional marketing targeted directly to cycling tourists, and a “cyclists welcome” program may increase the number of persons who include an overnight stay in their trail visit. As ECT users interviewed for the study said they are attracted by the beauty of the landscape, history of the canal, and the proximity of numerous related historic communities and sites, these aspects of the ECT should receive special emphasis in marketing efforts.

It is hoped that the results of this study will not only inform marketing messages and confirm the ECT as an important contributor to New York’s economy but also instill government, business and tourism officials with the confidence to invest in additional ECT marketing, promotion, economic development, and trail enhancement efforts.



Acknowledgements

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