



American Recreation Coalition

*Dedicated to the protection and enhancement of everyone's right
to health and happiness through recreation.*

OUTDOOR RECREATION OUTLOOK 2009

**Prepared for the
2008 Marketing Outlook Forum**

OUTDOOR RECREATION OUTLOOK 2009

Outdoor recreation is a large and varied force in the leisure choices of the American public. Generating at least \$400 billion in annual spending, outdoor recreation is shaped by America's public lands and waters – covering one-third of the surface of the nation. The outdoor recreation industry is dominated by small, responsive businesses providing a large variety of recreation products and services, ranging from campsites to marinas, from fishing guide services to whitewater rafting. Technology has been a boon to outdoor recreation – producing skis that offer more control, clothing that is more comfortable and protective and devices from digital cameras to GPS units that add new ways to enjoy the outdoors, such as geocaching.

For more than three decades, recreation spending has climbed more rapidly than the CPI and most other core economic measures for a generation, although participation in specific outdoor recreation activities has been more mixed. Traditionally, participation has been influenced short term by weather and the economy, but longer trends – including an aging population, sustained activity by Boomers long after prior generations had turned to more passive lifestyles and growth in the proportion of urban and minority populations – have also shaped participation. So have recreation-related programs like scenic byways – the 125 designated national byways stretch some 35,000 miles through corridors with rich recreation, historic and cultural offerings. One indication of the popularity of the byway program is the success of National Geographic's Guide to America's Scenic Highways and Byways. The third edition of this book, released in mid 2007, has already sold 160,000 copies and has catalyzed plans for a "sister" guide – a guide to scenic waterways – scheduled for release in early 2010.

The following information provides an overview of key recent trends and expectations:

National parks: While national parks are regarded as the icons of outdoor recreation in America, the nearly 400 park units actually receive less visitation (about 275 million visits annually) than other federal recreation systems such as recreation sites managed by the U.S. Army Corps of Engineers (some 400 million visits) and the Forest Service (more than 300 million visits). Nonetheless, national park visitation is an important indicator of public interest in the outdoors. Visitation has been flat or declining for most of the past two decades, and 2008 visits through the peak summer months were again down, although by less than 1%. This downturn is somewhat surprising since anecdotal data suggests that many of the national parks are experiencing very strong international visitation – in part fueled by the valuation of the dollar versus other currencies – and increasing international promotion efforts of the US tourism industry. Overnight stays in parks are up slightly, according to the businesses managing accommodations in parks as concessioners. There is excitement among concessioners and gateway communities about planned significant increases in park spending on visitor services between 2008 and 2016, the centennial of the National Park Service. The Bush Administration proposed, and the Congress authorized, an increase of 3,000 seasonal employees for 2008 to enhance interpretation and other visitor services and also has

proposed a 10-year plan for boosted spending could total \$4 billion, including encouragement of new matching-dollar spending by foundations, non-federal governments and corporations – and the Congress seems very likely to deliver the requested spending boost.

Other federal, state and local recreation sites: Federal land managers are increasingly active in efforts to counter the trends cited by author Richard Louv in ***Last Child in the Woods*** which are reducing participation in – and even interest in – outdoor recreation by America’s children. June 14, 2008, marked the first National Get Outdoors Day and it attracted tens of thousands of families to more than 60 sites across the nation – mostly in urban areas and designed to attract those who are not regular visitors to the Great Outdoors. With climbing walls and kayaks, tents and well-known characters including Smokey Bear and Woodsy Owl, a potent partnership of federal, state, local and private sector partners commenced a drive to win back the hearts and minds of American kids who have turned to indoor, inactive leisure pursuits. Of special importance is outreach to Americans with non-Western European ethnic backgrounds because these Americans are far less likely to be visiting and benefitting from the vast legacy of public parks, forests, refuges and other lands – areas that cover one-third of the nation’s total surface. Also noteworthy are efforts to unify federal agency outreach to youth under a new initiative – “Get Outdoors, It’s Yours!” – featuring the Jonas Brothers as spokespersons and a new public/private effort -- “This Land is Your Land!” – which began in July 2008 and invites newly-naturalized Americans to visit national parks and other federal sites and waives the entrance fee.

Private recreation facilities: Private campgrounds experienced a very strong 2007 but encountered some challenges in 2008. After experiencing a record year in its 46-year history in 2007, Kampgrounds of America is projecting to finish 2008 about 6% down in the number of camper nights (one campsite reserved for one night). Factors such as higher fuel prices coupled with a litany of regional and national economic concerns caused a marked change in consumer behavior. The trend toward closer-to-home destinations continues, and has impacted both marketing plans and the demographic mix of campers at most campgrounds. The percentage growth of first-time campers to KOA continues in the double-digit range, though. A bright spot in 2008 was the continued growth in visits from foreign travelers due to advantageous exchange rates for both Canadian and European travelers. Projections for 2009 by the private campground industry are for a stable market with perhaps limited growth, aided by a decline in fuel costs and selection of camping over other, more costly, leisure options.

Winter was once a season to flee or hide from. No more. Tens of millions of Americans now welcome the availability of better insulated clothing and exciting destinations in the snowbelt for outdoor fun. United States ski areas hosted 60.5 million visits, the highest year ever. Part of this success was good snow conditions across the entire nation – for the first time in a decade. Other encouraging signs include active participation by three generations of Americans – for the first time ever. Continued expansion of accommodations at destination ski areas, supported by still-active Boomers with significant interest in finding “gathering places” for their children and grandchildren, is also a plus, as is the growth in snowboarding participation by a younger and more

culturally diverse clientele. Optimism is high for 2009, with the caveat that rising airfares are a concern.

The winter of 2007-2008 was also great for the snowmobile community. Snow conditions were excellent across North America and cool temperatures prevailed. Miles ridden by snowmobilers in the United States jumped 17% in '08 vs. '07. The average snowmobiler rode over 1040 miles this past winter. With the increased level of activity, sales of snowmobile garments and accessories increased more than 17% in 2008 over 2007. Registrations climbed by 2.6% to 1.625 million. Sales of new snowmobiles showed a slight increase worldwide. Sales of new snowmobiles in the United States were 79,552 units with an estimated retail dollar value of over \$633 million. The average price of a new snowmobile declined to approximately \$7,900.00 due to improved production technology by the manufacturers. The network of public snowmobile trails in North America now exceeds 210 thousand miles.

Snowmobiling is likely to see more good news in 2009. Consumer shows for the 2009 season are underway and record crowds have been reported at the Big East show and the Hay Days event in Minnesota. Advance sales of snowmobile trail permits and snowmobile registrations are up in virtually every state.

Boats and RVs: Boats are a big force in the recreation business, in part because some 75% of all recreation occurs very near to the land/water borders of our coastlines, rivers and major lakes. As with RVs, boat manufacturers have underway multi-million dollar promotional campaigns. The first focuses on fishing, through the Recreational Boating and Fishing Foundation, while the second is Discover Boating and is run by the industry trade association. Retail sales are down by some 15% for 2008, largely because of low levels of consumer confidence and challenges in obtaining financing. Registrations for motorboats overall are up slightly – there are about 11 million recreational powerboats in use on American waters.

RV manufacturers experienced a significant reduction in sales during 2008. Factory shipments are down some 14% from 2007. Projected shipments for 2009 are at that same level – really not too bad, considering that the level is more than 18% above 2001 shipments. New sales will not change the overall demand for RV-based travel, though, since the existing market includes some 9 million units in operation. RV sales continue to be aided by an aggressive and successful industry promotion campaign, Go RVing!, which will again spend over \$10 million in advertising, and by new products entering the market which are lighter and “greener.”

Adventure Sports: The pattern in active travel has been for stronger demand for adventure and active travel in areas with strong destination appeal or near growing urban population areas. In 2008, raft trips proved popular near metro areas, as Americans chose closer-to-home opportunities. For example, eastern Pennsylvania's Lehigh River had a record-setting year – up more than 5% -- and operations near Harper's Ferry reported substantial changes in participation, with strong interest from urban minorities supplementing traditional customers. Good snowfall increased river flows across much of the nation. Demand was weaker for remote, rural trips, although

three-day trips on the Rogue River in Oregon were popular. Finally, the industry is adapting to interest by older Americans and those with physical limitations – although challenges remain in providing safe participation by those who cannot be independent in natural environments which are far from ADA-compliant.

Summary: The general outlook for the outdoor recreation industry in 2009 is cautious, with expectations that participation in most recreation activities will be flat and sales of recreation items – particularly higher priced items – lower than in 2007 and 2008. But good news is anticipated by late 2009 and beyond.

Derrick A. Crandall, President
American Recreation Coalition
1225 New York Avenue, NW #450
Washington, DC 20005
202-682-9530, dcrandall@funoutdoors.com
www.funoutdoors.com