Initiating the Development of an Outdoor Recreation Satellite Account

The Federal Recreation Council proposes a one-year feasibility study conducted in cooperation with the Bureau of Economic Analysis to establish national-level and regional-level (California) statistics on the outdoor recreation economy though the initiation of an Outdoor Recreation Satellite Account.

Statistics such as production, employment, compensation, value added and other economic factors that depend on this economy could be described with the development of a satellite account. The one-year feasibility study is estimated to cost $1 million.

The Department of Interior, though a recent Service First grant, affirmed the importance of developing interagency, recreation-related economic data. Its $500k investment could catalyze the development of a game-changing satellite account to better understand and document the full value and contributions of outdoor recreation to the American economy. An additional $500k is required to initiate the study. The Federal Recreation Council is committed to finding partners to help support this effort.

The ultimate creation of a satellite account will present an opportunity for detailed and defensible data to inform decision making, improving governance and long-term management of public lands and waters.

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The U.S. Bureau of Economic Analysis (BEA) releases industry accounts in two main formats. The first are the annual industry accounts, which report estimates for 71 industries, and the second are the “benchmark” industry accounts, which are released every five years and contain data for 425 detailed industries. For example, BEA’s annual industry accounts show that the performing arts, spectator sports, and museums, combined, added $90 billion to the U.S. economy in 2013. The more detailed benchmark accounts, by contrast, reveal that the performing arts, as distinct from sports and museum industries, contributed $11 billion to GDP in 2007.

Despite the wealth of information available from BEA’s industry accounts, they do not visibly capture every aspect of the economy. Satellite accounts, alternatively, expand the capacity of the national accounting system. Linked to, but distinct from, the main industry system, they cut across sectors and arrange industry data to show detail without overburdening the main industry accounts.

The Outdoor Recreation Satellite Account (ORSA) will reflect an aggregation of statistics for a variety of industries and products that are both recreational and outdoor in nature – or that provide support to that activity. The method used to calculate the ORSA estimates will be similar to those used to calculate other satellite accounts like the Travel and Tourism Satellite Account and the Arts and Cultural Production Satellite Account.

- **What is a satellite account?**

The information produced by a satellite account, while potentially informed by agency data, is far more comprehensive than that which could be produced by an agency alone. Moreover, a satellite account produced by BEA is not simply an aggregation of individual agencies’ data. Instead it is tied to – and is, in fact, a distillation of – the Benchmark Input-Output (I-O) Tables of the U.S.; these I-O Tables set the level of U.S. GDP. This connection is what allows the satellite account to defensibly describe, for example, that Travel and Tourism is 2.9% of GDP; or Arts and Culture is 3.2% of GDP. Simply summing a collection of statistics from disparate agencies does not provide this ability to evaluate portions of total economy output, employment, value added or compensation. The satellite account, properly assembled, does.

- **Why does a satellite account differ from what agencies are already working on?**

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- **What are the benefits of establishing a satellite account on outdoor recreation?**

ORSA-derived estimates would directly and efficiently benefit both the private and public sectors, including the outdoor recreation industry and business interests, as well as the public policy community, by providing a ready means to assist in the evaluation of policies, programs, grants and other support or development tools. Data produced by a satellite account would allow resource agencies at the local, state and national level, as well as private industry, to more clearly measure their economic impact and promote a more comprehensive understanding of the wide range of benefits that flow from public resources. For example, economic data, such as the level between investments in recreation infrastructure and American jobs, can help support compelling arguments for recreation-related investments. Attaching a numerical value to recreation resources for instance, could help foster the appreciation for, and stewardship of, public lands and waters; help provide a more holistic understanding of local economies; and better support resilient economic strategies and business operations at local scales.

The ORSA feasibility study would have the immediate outcome of helping to frame subsequent work and data needed to: determine how many people work in the outdoor recreation industry; define outdoor recreation as a set of goods and services coming from the Benchmark Input-Output Table of the U.S.; assess the effects of the outdoor recreation industry on the U.S. economy; and compare outdoor recreation to other industries.

Finally, BEA data is held to the highest standards, and is a trusted source for the nation; providing an authoritative source of recreation data that government officials and decision makers can use - data which could ultimately bolster public-facing communication efforts - is a key benefit associated with a satellite account.

- **Does a satellite account measure all economic benefits of outdoor recreation?**

A satellite account is only one measure of the economic benefits of recreation. It does not, for example, include non-market values (e.g., quality of life, ecosystem service value) and alone presents an incomplete picture of the total value of outdoor recreation. While complementary, non-market valuation is not an alternative to satellite accounts which alone produce unique market economy statistics based on benchmark I-O tables. The data from these tables has, however, specific uses and applications.

- **Who defines outdoor recreation?**

The definition of the outdoor economy will be established by an iterative, bottom-up process involving Federal Recreation Council agency representatives and BEA staff. External organizations will have an opportunity to provide input on the topic to the Federal Recreation Council. This process will commence once an MOU between the Council agencies and BEA is finalized. The outdoor recreation industry will be defined by what it is and what it is not. As such, BEA and Council agencies will identify what industries and commodities (goods and services) in the existing input-output structure should be included in the new satellite account.