



American Recreation Coalition

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

OUTDOOR RECREATION OUTLOOK 2010

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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. Also making an impact are recreation-related programs like scenic byways – nearly 150 designated national byways stretching 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.

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

National parks: National parks are the icons of outdoor recreation in America. The nation created the world's first national park and the first national park system, beginning with Yellowstone in 1872. The legacy of America's national parks is receiving substantial attention in 2009 on several fronts. Ken Burns produced a 12-hour PBS special that aired beginning in late September – and news coverage of the new series has been extensive. Earlier in 2009, Interior Secretary Ken Salazar attracted widespread media attention with an order for parks to waive fees during three high-season summer weekends as a gesture of sympathy to American families during a period of economic duress – and this initiative and the value of park visits certainly played a key role in increasing park visits significantly – 3-4% – after two decades of flat and declining visitation to the nearly 400 park units. America's national park units receive about 275 million visits annually – fewer, interestingly, than the number of visits to recreation sites managed by the U.S. Army Corps of Engineers (some 400 million annually) and comparable to visits to national forests. Visitors to parks, and actually to most federal recreation sites, will see many welcomed enhancements in visitor facilities resulting from spending under the early-2009 American Recovery and Reinvestment Act – perhaps \$2 billion will be invested in total at federal sites. Moreover, the upcoming 100th anniversary of the National Park Service is prompting discussions about additional increases in spending on construction, maintenance and operations.

Concessioners operate in more than 100 national park units, providing an estimated 100 million park visitors with services ranging from overnight accommodations to food, transportation and guide services and retail operations for souvenirs and needed supplies and equipment. Total spending by park visitors in parks with concessioners is approximately \$1 billion annually and more than \$60 million in fees are paid to the agency by concessioners and supplement appropriations. Concessioners report a reasonable, though non-record, year for 2009. While visitation was up, overnight stays did not increase and guests spent less – on food, on souvenirs and on special services. The Alaska market and park visits involving large-ticket expenditures, including houseboats and even some raft trips, were weak in 2009. Concessioners expect 2010 to show continued growth in visitation and a healthy increase in demand for their services, based upon a second screening of the Burns series in the spring of 2010 and continuing support for park promotion efforts by the leadership of the Department of the Interior and the National Park Service.

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.

2009 saw a significant increase in visits to state and local parks, nationally. State parks serve triple the number of visitors, compared to national parks, and despite some budget challenges that endangered state park operations in key states including California, only two states project flat or lowered visitation numbers in 2009. A large portion of state park campsites and campsites on federal lands are now reservable online as well as by phone through ReserveAmerica. A multi-state sampling of camping stays conducted by the company, which is part of The Active Network, shows that total nights stayed between January 1 and September 30, 2009 increased by approximately 11% over the same period in 2008.

Private recreation facilities: Private campgrounds experienced a challenging 2008 but had a better year in 2009. When looking at year over year camping visitation patterns, it appears that high fuel prices in 2008 had a much more negative impact on overall camping than did the recession. After experiencing a 6% drop in the number of camper nights (one campsite reserved for one night) in 2008, Kampgrounds of America, Inc. had a 1% gain in camper nights for 2009, as well as a 5% rise in revenues. The exceptions for increased occupancy were primarily parks in the Northeast, affected by an unusually wet summer, and parts of Texas, which suffered from a drought that lowered rivers normally used for kayaking and tubing. Parks that saw a downturn in

business were more the exception than the rule. Trends in 2009 included a continuation of the desire on the part of campers to stay closer to home. Also noteworthy was a trend toward "last minute" vacation planning. The time window for reservations shrunk considerably in 2009. This was particularly true for the major summer holiday weekends. Yet while many campers delayed making reservations, final numbers show they ultimately decided to go camping. Private parks and campgrounds are also increasing their appeal by offering guests additional weekend activities, special events, and expanded amenities.

Interest in camping influenced retail sales at specialty outdoor and chain stores with recreation departments. Although overall sales declined 6% between August 2008 and August 2009, several categories of recreation equipment showed increases: family and backpacking tents, medium sized packs (2,500 – 4,000 cubic inches), climbing gear, trekking poles and many camp accessory categories. Hiking boots and multisport shoes were also up from 2008.

Winter outdoors: The economy had its impact on last year's ski season. Business was down about 5% from the previous year's record of 60.5 million visits. Destination resorts in the west were impacted the most; ski resorts closer to major urban areas generally reported strong visitation. The prospect for the coming season looks better, although the trend toward making reservations at the latest possible date makes forecasting more difficult. As always, the key factor in the ski industry's success will be the weather. If winter arrives early and there is a normal winter pattern, skier/snowboarder visits are expected to rebound to some 59 million – a number above the previous five-year average.

Snowmobile registrations in North America were up in 2009 compared to 2008, increasing 1%. North American families are snowmobiling more now than ever. Snow conditions were excellent across North America and cool temperatures prevailed. Excellent snowmobiling weather conditions are predicted for the 2009-2010 winter, after the coolest summer in 100 years for the U.S. snowbelt. Last year, snowmobilers averaged over 1300 miles of riding, a 20% increase from the previous year. The increase in riding, along with the increase in snowmobile registrations resulted in a strong tourism impact report for snowmobiling.

Survey results show that the average snowmobiler is now one year younger than last year – so younger folks are joining the snowmobiling family and bringing a renewed level of enthusiasm and confidence to the market. Consumer shows for the 2010 season are underway and record crowds have been reported at the Big East show and the Hay Days event in Minnesota. The snowmobile industry predicts that 2009-2010 will be a quality year.

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. The economics of boating were bifurcated in 2009. Sales of new boats slowed but activity by existing boaters continued strongly. During the summer of 2009, the industry's national marketing campaign, Discover Boating, conducted a survey of 25,000 members of the nation's largest boat owners group,

BoatUS. The survey showed that more than 70% say boating plays a significant role in bringing their families closer together. In 2010, the Discover Boating campaign will continue to fuel Americans' passion for life on the water for the 5th year by promoting the lifestyle benefits of boating with aggressive public relations, online and social media efforts, and by working alongside manufacturers and dealers to make it easier to get on the water and own a boat.

Retail new boat sales will likely be down 30-35% in 2009 and flat in 2010. Moving into 2010, and in preparation for an economic recovery, the recreational boating industry is developing innovative, more efficient boats and engines to make boating even more affordable, accessible and fun to boaters of all types. Businesses servicing existing boaters are faring well. However, boat manufacturers and dealers of new boats have been greatly impacted by our nation's economic recession. Despite the recession, boating participation has been on the rise since 2006 with 30% of adult Americans going boating in 2008. With gasoline prices lower in 2009 and more Americans looking for ways to vacation close to home and spend time with family and friends, it is expected that number will have grown even more in 2009 and into 2010. Research conducted by the National Marine Manufacturers Association, the recreational boating industry's trade group, shows that participation leads to boat sales in the long term. What's more, 90% of Americans live within a one-hour drive of a navigable body of water. And with an estimated 95% of boats on the water today being 26 feet in length or smaller, most boats are on the move and could be attracted to new destinations by a serious effort from tourism officials.

The 2009 experience of marinas was quite good. There are approximately 12,000 marinas in the U.S. that front water bodies from small lakes to our oceans, and serve as gateways to these waters for the American public. Despite the economic downturn of this year, marinas have fared well as people tended to vacation close to home and look at recreational pursuits such as boating that may not be as costly as amusement parks or out-of-town vacations. Boaters held onto their boats so marinas didn't lose many customers, although waiting lists did shrink as not as many new people entered the boating market as in years past. Marinas that also offer repair service had a good year since customers were more willing to pay to repair their boats than to buy new ones.

The RV industry was hard-hit by the global recession this year, with total wholesale RV shipments expected to end 2009 at 146,200 units – down about 54% from the previous year. Frequently cited as a leading indicator for the nation's economy, the RV industry began a recovery in mid-2009 that is expected to continue into 2010. Wholesale shipments in June hit 15,700 units, their highest monthly total in nearly a year. Total RV shipments are projected to rise by 27% next year, reaching 185,800 units.

RV travel itself remained strong in 2009 as America's approximately 8.3 million RV owners continued to realize substantial vacation savings by using their RVs. RV sales have been supported by a successful industry promotion campaign, Go RVing, which continues to advertise aggressively despite the economic downturn. Sales are also being buoyed by introduction of eco-friendly new models that incorporate "green" technologies, and are also smaller, lighter, more aerodynamic, and more fuel efficient.

Despite the economic downturn, RVing remains popular among Americans, as 8% of all U.S. vehicle-owning households now own an RV – up from 7.6% in 2001. The cost efficiency of RV travel also helps RVers stay on the road despite difficult economic circumstances, with a vast majority of RV owners (83%) maintaining that RVing is “a very affordable way to travel.” RV Industry Association’s Fall 2009 *Campfire Canvass* survey of RV owners found that 82% plan to use their RVs as often or more often this year than last, up six percentage points from last year.

Adventure Sports: While results were not good overall for the outfitter and guide business, America Outdoors, which represents these companies, reported that results were better than expected for many of its members. Companies offering value-priced day trips, especially within a short drive of metro areas or National Parks, did well. Nineteen percent of companies offering day trips saw increased bookings. Outbound international trips and multi-day trips were weaker than day trips. Only 5% of companies offering multi-day trips or stays saw an increase in bookings.

Overall, 8.5% of operators project better revenues and profits in 2009 when compared to 2008; 66% of companies expect their revenues to be down in 2009 with 36% projecting revenue declines of more than 15%. Forty-five percent of the nation’s outfitter and guide operations expect to lose money in 2009, but only 3% of respondents are concerned about being “forced out of business.” Sixty-eight percent of companies responded to weak demand by promoting special offers; 39% spent more on marketing; 67% cut expenses and staff. Many found that reduced staffing added stress to their operation.

Looking forward, 71% are concerned about increased fees and taxes from various levels of government. Ten percent expect the economic stimulus bill passed by Congress to help their business, while 68% think it will have little or no impact on their business. Twenty-two percent don’t know if it will have an impact.

Fifty-five percent of companies expect an improvement in demand in 2010 while 19% project that demand will be similar to 2009. Only 8.5% see further deterioration in demand. The remainder think it is too early to predict what will happen next year.

Summary: 2009’s global recession has impacted recreational habits, bringing an increase in camping and a decrease in the more expensive recreational purchases. The general outlook for the outdoor recreation industry in 2010 is optimistic, with expectations that participation in most recreation activities will increase as more people seek “high value” vacationing – and America’s Great Outdoors is a perfect fit for this desire.

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