

SECTION 8: ECONOMIC AND SOCIAL BENEFITS AND COSTS OF RECREATION - BASED TOURISM EVENTS

This section provides a brief discussion of the economic costs and social benefits and costs to hosting recreation based tourism events. Persons completing economic impact assessments may want to identify/discuss/quantify (if possible) these benefits and costs and include them in the study.

Spectators and participants at sporting and recreation events spend significant quantities of money in a variety of ways. Such events held at local facilities attract visitors (from outside the area) who make expenditures in the local economy (on food, lodging, gas, souvenirs, etc.) thereby generating (directly and indirectly) increased local business sales and incomes. The economic impact of sporting/recreation events on the host community should not, however, imply that such leisure pursuits are valued for their economic worth alone. It is generally recognized that such activities contribute to the advancement of social interaction and quality of life for fans and participants and, generate for the host community, satisfaction and pride resulting from increased community exposure, co-operation and sense of accomplishment. Indeed recreation events in a community not only attract visitors, but can positively influence the quality of life of residents and play a role in attracting individuals and businesses to the area. Proximity to recreation facilities can also have a positive impact on land and property values.

On the other side of the coin, recreation events can generate costs that are sometimes overlooked when assessing economic and social impacts. If visitors are attracted to a community, they will create additional demands on local services. Such cost impacts relate to such things as increased: traffic congestion, traffic accidents, vandalism, need for additional police and security personnel, environmental degradation and refuse collection costs, increased waiting times and higher prices in restaurants and retail establishments, loss of access to recreational facilities and disruption of resident's lifestyles. The degree to which the economic and social costs will result depend upon the area's ability to accommodate additional visitors without over – taxing the local infrastructure.

Incorporating costs into a study changes the economic impact analysis to a benefit – cost analysis. Translating these cost impacts into economic values can be difficult and such translation is often ignored. An economic impact analysis is designed to study the economic effects of additional spending attributable to a recreation event and should be compared with equivalent investments designed to

create economic stimulus in other sectors of the economy. Comprehensive analysis of costs may be beyond the scope and/or resources of a given economic impact study. Regardless of this, the economic and social costs of hosting recreational events should be acknowledged.