



Delaware Water Gap National Recreation Area

2021 Economic Impact Update

Prepared for the National Parks Conservation Association | Completed by Jon Stover & Associates (August 2022)

ABOUT THIS REPORT

In 2015, the National Parks Conservation Association (NPCA) conducted an economic and fiscal impact analysis of Delaware Water Gap National Recreation Area Study in Pennsylvania and New Jersey. NPCA retained Jon Stover & Associates (JS&A) in 2022 to provide updated economic and fiscal impact figures. The findings presented in this report mirror the methodology used in 2015 to provide updated figures consistent with the prior report. Figures included in this study reflect the direct, indirect, and induced economic impacts of visitor spending within Delaware Water Gap National Recreation Area (Delaware Water Gap) and the economic impacts of the employment at the park.

For the purpose of this study, and consistent with the prior 2015 study, JS&A leveraged IMPLAN, a leading input-output modeling platform, that uses county-specific data multipliers to quantify the economic and fiscal impacts of Delaware Water Gap. This model includes data and multipliers specific to the five counties within Delaware Water Gap's boundaries – Monroe County, PA, Northampton County, PA, Pike County, PA, Warren County, NJ, and Sussex County, NJ. Economic impact figures are broken down by direct, indirect, and induced impacts. Direct Impact refers to the businesses, revenue, jobs, and wages generated from the operations of a particular industry or industries. Indirect Impact refers to the supply chain of goods and services from other industries that enable activity in a specific industry or industries. Induced Impact refers to the results, or spending, of increased personal income (salary and wages) caused by the direct and indirect impacts. The fiscal impact assessment in this report highlight the estimated direct state and local tax revenues generated by these economic impacts.

SUMMARY OF FINDINGS

Delaware Water Gap National Recreation Area generates significant economic impacts as a result of visitors coming to the park and the National Park Service employment. As a result of Delaware Water Gap National Recreation Area, \$235.3 million of sales occurred at businesses, 2,686 jobs were supported accounting for \$84 million of labor income in 2021.

2021 Economic Impact Summary ⁽¹⁾	Sales at Area Businesses ⁽²⁾	Local Jobs Supported ⁽³⁾	Wages and Salaries ⁽⁴⁾	
Impact from Out-of-Town Park Visitors	\$172,026,788	1,999	\$62,705,529	<i>In 2021, 3.16 million out-of-town visitors spent \$153.1 million during their visit.</i>
Impact from Local Park Visitors	\$23,777,641	301	\$8,613,063	<i>In 2021, 1.17 million local visitors spent \$22.8 million when visiting the park.</i>
Impact from the National Park Service Employment	\$39,529,648	385	\$12,598,549	<i>The National Park Service spent \$8.2 million on payroll.</i>
Total Economic Impact	\$235,334,076	2,686	\$83,917,141	

Out-of-town park visitors created nearly \$2.9 million of hotel and sales tax revenue.⁽⁵⁾

(1) Impact figures reflect data and multipliers specific to the five counties within the park boundaries including Monroe County, PA; Northampton County, PA; Pike County, PA; Warren County, NJ; and Sussex County, NJ.

(2) Sales at area businesses reflects "Industry Output." Specifically, this figure describes annual revenues plus net inventory change.

(3) The provided employment represents full-time, part-time, and seasonal jobs and follows the same classifications as BLS and BEA.

(4) Employment salary and wages were calculated using IMPLAN's latest version of the multipliers specific to the five-county region used in this study.

(5) Tax revenue reflects revenue generated at the municipal and state levels, including local municipalities, counties, and special districts. This includes state and local revenue generated in Pennsylvania and New Jersey.

Note: Park visitation counts based on National Park Service estimates.

HOW THESE FINDINGS COMPARE WITH THE 2015 REPORT

Overall visitor spending attributable to Delaware Water Gap National Recreation Area increased 27%, or \$38 million, between 2014 and 2021. This is largely in part due to the 7% increase in park visitation. Key findings also include:

- Out-of-town visitor spending increased by \$33 million, and local visitor spending increased by approximately \$5 million between 2014 and 2021.
- Area businesses gained an additional \$16 million of sales, a 7% increase from 2014.
- The economic impact of Delaware Water Gap National Recreation Area generated 454 more jobs in 2021 than 2014, a 20% increase in supported employment.
- Because of the heightened out-of-town visitors, Delaware Water Gap National Recreation Area helped generate \$381,000 more tax revenue in 2021 than 2014, a 15% increase between the studies.

ECONOMIC IMPACT SUMMARY

The economic impact of Delaware Water Gap National Recreation Area is derived from the changes in the economy attributable to three key participation groups. These groups include local visitors to Delaware Water Gap, out-of-town visitors, and the employment base of Delaware Water Gap. Each of these groups offers differing spending behaviors that result in Delaware Water Gap's overall economic impact.

These economic impacts include the change in the total output, or industry sales and revenue, employment, and compensation based on the three different groups based on the direct effects (the immediate change in the economy based on visitors and park employment), indirect effects (business-to-business and supply change as a result of the direct effect), and indirect effects (accounting for the attributable spending of household wages). The total 2021 combined economic impact (direct, indirect, and induced effects) for each key participation group are highlighted below.

- Local visitors to Delaware Water Gap National Recreation Area generated \$24 million of total industry sales annually as a result of their attributable spending when visiting Delaware Water Gap. This spending resulted in 301 full-time jobs and approximately \$9 million in salaries and wages.
- Out-of-town visitors coming from outside of the local area generated \$172 million annually to the economy as a result of their attributable spending, supporting 1,999 full-time jobs and \$63 million in salaries and wages.
- National Park Service employment generated a total economic impact of \$40 million of total industry sales annually, 385 jobs, and \$13 million in salaries and wages.

Additional details and breakdown of impacts by direct, indirect, and induced effects are provided on the following page.

Source: IMPLAN

ECONOMIC IMPACT DETAIL

Impact Type	Sales at Area Businesses ⁽¹⁾	Local Jobs Supported ⁽²⁾	Wages and Salaries ⁽³⁾
Local Visitors to Delaware Water Gap			
Direct Effect	\$15,653,083	246	\$6,134,189
Indirect Effect	\$4,898,988	32	\$1,481,507
Induced Effect	\$3,225,569	23	\$997,368
Subtotal: Impact of Local Visitors	\$23,777,641	301	\$8,613,063
Non-Local Visitors to Delaware Water Gap			
Direct Effect	\$114,888,996	1,613	\$44,796,246
Indirect Effect	\$33,866,798	222	\$10,711,771
Induced Effect	\$23,270,993	164	\$7,197,513
Subtotal: Impact of Non-Local Visitors	\$172,026,788	1,999	\$62,705,529
Employment Base of Delaware Water Gap			
Direct Effect	\$25,656,280	291	\$8,743,020
Indirect Effect	\$9,236,839	61	\$2,421,476
Induced Effect	\$4,636,529	33	\$1,434,053
Subtotal: Impact of Non-Local Visitors	\$39,529,648	385	\$12,598,549
Total Economic Impact of Delaware Water Gap			
<i>Direct Effect</i>	<i>\$156,198,360</i>	<i>2,151</i>	<i>\$59,673,455</i>
<i>Indirect Effect</i>	<i>\$48,002,626</i>	<i>315</i>	<i>\$14,614,753</i>
<i>Induced Effect</i>	<i>\$31,133,091</i>	<i>219</i>	<i>\$9,628,933</i>
Total Economic Impact	\$235,334,076	2,686	\$83,917,141

(1) The "Industry Sales" column above reflects "Industry Output." Specifically, this figure describes annual revenues plus net inventory change.

(2) The anticipated employment represents full-time and part-time jobs.

(3) Anticipated salary and wages above were calculated using IMPLAN with the latest version of the multipliers.

FISCAL IMPACT SUMMARY AND VISITOR SPENDING DETAIL

When out-of-town visitors spend money on food, transportation, recreation, shopping, and accommodations, tax revenue is generated that is attributable to Delaware Water Gap. This accounts for approximately \$2.9 million in state and local tax revenue annually.

The majority of this fiscal impact is attributable to sales tax, accounting for approximately \$2.2 million of annual revenue. Hostel tax revenue generates an additional \$650,000 in revenue per year. While local park visitor spending also generates sales tax revenue, this methodology excludes this impact to be consistent with the prior study.

Fiscal Impact of Out-of-Town Visitor Spending by Revenue Source	State and Local Tax Revenue ⁽¹⁾
Sales Tax	\$2,231,713
Hotel Sales Tax	\$649,666
Total Fiscal Impact	\$2,881,379

(1) Tax revenue reflects revenue generated at the municipal and state levels, including local municipalities, counties, and special districts. This includes state and local revenue generated in Pennsylvania and New Jersey.

Source: IMPLAN, JS&A

Visitor Spending Detail	2021 Visits ⁽¹⁾	Avg. Visitor Spend ⁽²⁾	Total 2021 Spending
Out-of-Town Park Visitors	3,168,858	\$48.30	\$153,055,864
Local Park Visitors	1,172,044	\$19.42	\$22,761,086
Total	4,340,902	\$40.50	\$175,816,949

(1) Visitation counts based on National Park Service estimates.

(2) Average visitor spend based on inflation-adjusted spending estimates from 2015 "Economic Impact, Significance, and Values of Delaware Water Gap National Recreation Area" study (Harbinger Consulting Group).

Source: National Park Service, Harbinger Consulting Group, JS&A

INDUSTRY IMPACTS

Economic activity attributable to Delaware Water Gap has the largest impact on industries oriented around tourism, entertainment, and dining.

Local businesses, such as breweries, wineries, restaurants, hotels, and museums directly benefit from their proximity to Delaware Water Gap National Recreation Area, as they capture spending from park visitors and staff members.

Top Five Industry Impacts by Sales

Industry Category	Attributable Increase in Industry Sales ⁽¹⁾
Recreation and Amusement Industries	\$32.6 Million
Hotels and motels	\$27.0 Million
Museums, historical sites, zoos, and parks	\$25.7 Million
Full-service restaurants	\$22.1 Million
Limited-service restaurants	\$21.6 Million

(1) The "Industry Sales" column above reflects "Industry Output." Specifically, this figure describes annual revenues plus net inventory change. Figures represent direct, indirect, and induced impacts.

Source: IMPLAN

The area around Delaware Water Gap has seen an increase in breweries and wineries in recent years. These emerging industries are expected to continue to grow as park visitorship increases in future years.