



Economic Contribution of Off-Highway Vehicle Recreation in Colorado

Executive Summary
2014-2015 Season

A joint cooperation report



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Executive Summary

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Executive Summary

Colorado offers unique opportunities for motorized recreation throughout many parts the state. As such, the sport and industry of motorized recreation has increased in popularity in Colorado, both for Colorado residents and residents of other states. Pinyon Environmental Inc. evaluated the economic contribution of motorized recreation throughout Colorado for the 2014–2015 season.



Households that Participate in Motorized Recreation

Colorado Parks and Wildlife reported that over 170,000 off-highway vehicle (OHV) registrations and use permits were issued in Colorado during the 2014–2015 season. The registration and use permit data was used to estimate the number of Colorado resident and non-resident households participating in motorized recreation in the 2014–2015 season (Table ES-1). For the purposes of this study, motorized recreation was categorized into three vehicle types: OHVs; four-wheel drive vehicles (4WDs); and snowmobiles. OHVs include all-terrain vehicles (ATVs), utility task vehicles (UTVs), dirt bikes, side-by-sides, and other multi-wheeled vehicles. The 4WD category consists of trucks, pickups, jeeps, and sport-utility vehicles (SUVs). An estimated 8.6 percent of residential households in Colorado participated in motorized recreation in Colorado for the 2014–2015 season.¹ Roughly 30,000 non-resident households participate in OHV recreation in Colorado.

Between 2000 and 2014, OHV registrations for residents increased by 219 percent while OHV permits for non-residents increased by over 1,607 percent. While most of the growth occurred before the Great Recession, registrations did not decline significantly due to economic conditions. Snowmobile registrations for residents fluctuated between 2000 and 2014, with a high of 34,262 in 2003 and a low of 28,023 in 2013. However, snowmobile permits for non-residents have increased from 2003 to 2014 by 493 percent

Table ES-1. Number of Resident and Non-Resident Households Participating in Motorized Recreation in Colorado in 2014–2015

	OHVs	Snowmobiles	4WDs	Total All Vehicles
Colorado Resident Households	104,916	12,934	51,332	169,181
Non-Resident Households	22,604	4,043	3,500	30,147

Expenditures Associated with Motorized Recreation

During the 2014–2015 season, motorized recreational enthusiasts² spent an estimated \$1.6 billion while taking trips using motorized vehicles for recreational purposes. More than 92 percent of these expenditures occurred during the summer recreational season. In addition to spending money on trips, households that participate in

¹ Uses data from the 2010 U.S. Census (Summary File 1) on the total number of households in Colorado of 1,972,868.

² This study did not consider any motorized boat or water craft use in the estimates of economic contribution of motorized recreation.

motorized recreation also spend money on maintenance, repairs, accessories, vehicle storage, and miscellaneous items associated with their vehicles. Motorized recreational enthusiasts spent more than an estimated \$724 million annually on various items to support and enhance their experiences in Colorado, including \$163 million in new vehicle purchases. In total, motorized recreational enthusiasts were responsible for \$2.3 billion in direct expenditures related to motorized recreation in Colorado during the 2014–2015 season.

Total Economic Contribution Associated with Motorized Recreation in Colorado



OHV enthusiasts were estimated to generate \$914 million in direct sales, an additional \$882 million in indirect and induced sales, for a total of \$1.8 billion in total sales (Table ES-2). Motorized recreation in Colorado is directly or indirectly responsible for almost 17,000 jobs and \$671 million in labor income. The economic contribution in Table ES-2 is distributed by OHVs (ATVs, UTVs, and dual sport/dirt bikes), snowmobiles, and 4WDs. OHV participants contribute 72.8 percent of total gross sales while snowmobiles and 4WDs contribute 6.6 percent and 20.6 percent, respectively. This and previous studies have estimated the economic contribution of motorized recreation throughout Colorado. These activities have

historically been an important economic driver to many communities and the state and it is anticipated that the sport will continue to be important in the future.

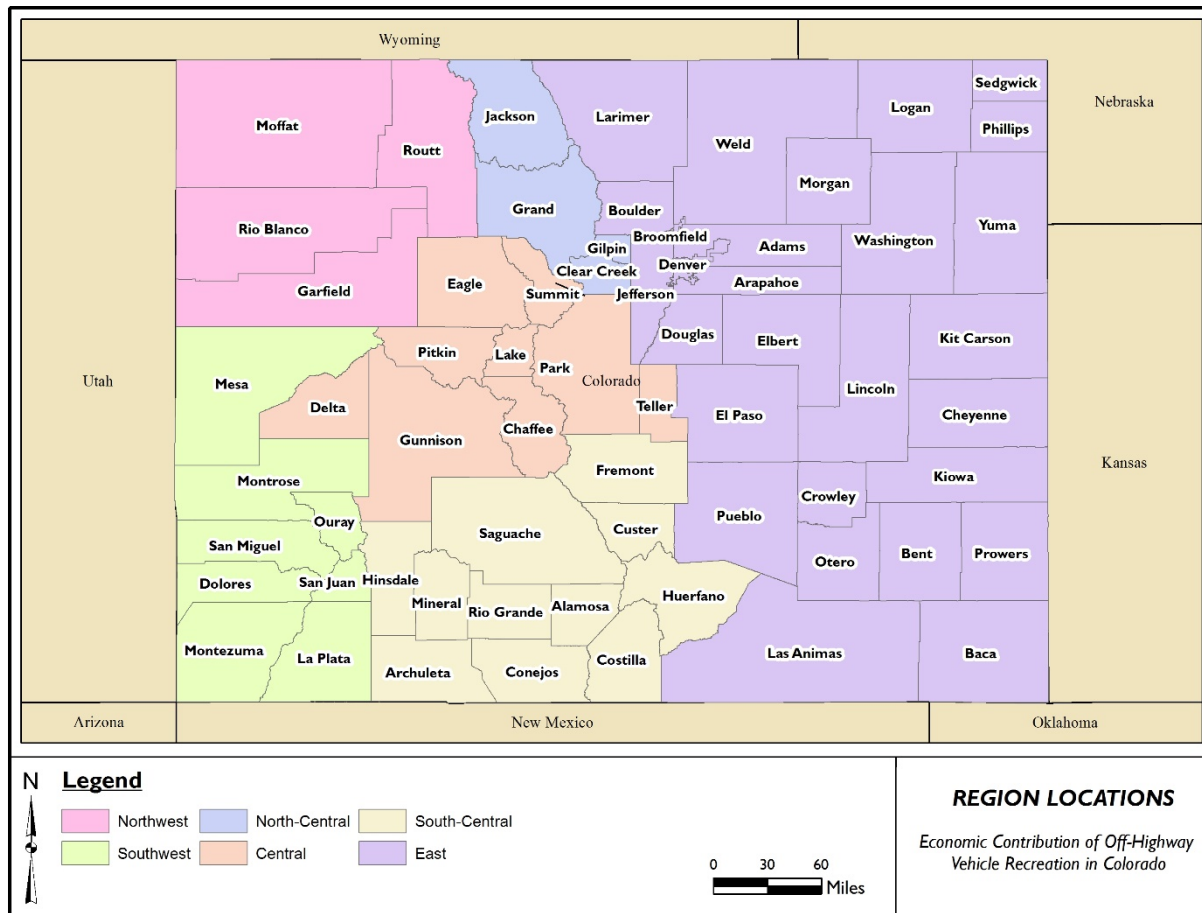
Table ES-2. Total Economic Contribution of Off-Highway Vehicle Recreation in Colorado for the 2014–2015 Season

Type of Impact	OHVs	Snowmobiles	4WDs	Total Economic Contribution
Total Gross Sales	\$1,306,690,117	\$118,517,904	\$370,607,827	\$1,795,815,847
Jobs	12,403	1,150	3,200	16,753
Labor Income	\$489,783,466	\$44,845,462	\$137,232,373	\$671,861,301
Value Added or Gross Regional Product	\$753,200,500	\$70,050,239	\$217,123,900	\$1,040,374,639
State and Local Business Taxes	\$76,484,748	\$7,846,388	\$22,860,939	\$107,192,074
Federal Business Taxes	\$114,827,234	\$10,509,271	\$32,590,274	\$157,926,779

Regional Analysis of Off-Highway Vehicle Recreation in Colorado

This study also evaluated the regional economic contribution of motorized recreation within Colorado. The IMPLAN® Pro analysis used six regional study areas as shown in Figure ES-1.

Figure ES-1. Regional Study Areas



The regional analysis focused on trip expenditures and did not include annual expenditures that are discussed under the state contribution analysis. The average number of trips taken by resident and non-resident households were applied to average trip expenditures to the estimate the total expenditures per region. The IMPLAN® Pro study area models were then used to estimate the direct, indirect, and induced regional economic contribution. The regional economic contribution of motorized recreation is summarized in Table ES-. The region that received the greatest economic contribution from motorized recreation during the 2014–2015 season was central Colorado, with motorized recreation supporting total sales of \$399 million. The southwest and south-central regions in Colorado also attracted considerable motorized recreation, supporting \$328 million and \$199 million in total sales, respectively.

Table ES-3. Estimated Economic Contribution of Motorized Recreation by Region in Colorado for the 2014–2015 Season, Summer and Winter

Contribution	Colorado Region					
Direct Impact	Northwest	Southwest	South-Central	Central	North-Central	East
Direct sales	30,113,330	195,862,049	135,597,560	224,084,189	42,137,159	64,352,673
Number of jobs	439	2,847	2,137	2,924	642	927
Labor income	13,274,499	75,803,896	47,647,425	100,643,174	17,851,384	27,915,078
Value added or GRP	17,379,344	105,791,224	68,179,839	134,788,833	23,923,204	36,964,599
State and local taxes	2,029,368	14,888,846	11,324,980	16,300,471	2,679,442	4,834,977
Federal taxes	3,016,869	17,515,374	10,681,328	25,452,716	4,358,547	6,173,680
Other Economic Activity						
Indirect and induced sales	16,489,399	132,749,460	63,556,089	115,573,008	14,515,449	64,019,011
Number of jobs	123	1,093	559	901	126	415
Labor income	4,876,121	39,127,143	15,795,195	33,711,279	3,580,615	21,403,039
Other property type income	9,010,545	66,433,848	28,583,240	63,808,816	7,161,286	36,329,594
State and local taxes	731,003	5,858,618	2,850,412	5,208,124	665,970	2,578,343
Federal taxes	1,350,697	9,394,935	3,548,226	9,672,040	513,547	5,055,088
Total Economic Activity						
Total sales	46,602,730	328,611,509	199,153,649	339,657,197	56,652,608	128,371,684
Number of jobs	563	3,940	2,696	3,825	768	1,342
Labor income	18,150,620	114,931,039	63,442,620	134,354,453	21,431,999	49,318,118
Other property type income	26,389,889	172,225,073	96,763,079	198,597,648	31,084,490	73,294,194
State and local taxes	2,854,494	20,676,912	14,457,611	21,954,832	3,402,398	7,355,963
Federal taxes	4,269,637	27,079,470	14,574,985	34,672,802	5,401,198	11,213,783

Special Events



A conservative approach was taken in evaluating the economic contribution of motorized recreation in Colorado. As such, certain events and activities have not been included. While these special events have not been included in the overall economic contribution estimates, these events can have significant impacts on communities that host these events. For example:

The Colorado Trails Preservation Alliance hosts the annual **Colorado 600 Trails Symposium Workshop**, a five-day ride and trail symposium in south central Colorado. Each day of the Trails Symposium, riders have the opportunity to learn about what is facing the trail riding enthusiast and the issues associated with trails in Colorado and Utah. Riders are able to participate in various trail riding events including single track, dual-sport or adventure trails in the nearby National Forest. Approximately 100 individuals participate in the event that generates an estimated \$444,000 in economic activity to the community and the south central region of Colorado.

The community of Meeker, Colorado hosts the **Wagon Wheel OHV Rendezvous**. This three-day event attracted approximately 100 motorized recreational enthusiasts for various activities including an expo, rodeo and poker run. The annual event generates an estimated \$279,000 in economic activity for the community and northwest Colorado.



Conclusions

This and previous studies have estimated the economic contribution of motorized recreation and show the sport continues to be an important economic driver for the state of Colorado. During the 2014-15 season, motorized recreation enthusiasts generated \$1.8 billion in total sales which supported either directly or indirectly almost 17,000 jobs and \$671 million in labor income. These activities have historically been an important economic driver to many communities and the state and it is anticipated that the sport will continue to be important in the future.

