

Oct. 11, 2013

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WCU economist: park closure costs \$33 million in lost spending - so far

CULLOWHEE – A Western Carolina University economist estimates that the first 10 days of the partial shutdown of the federal government cost more than \$33 million in lost visitor spending in the 18 North Carolina and Tennessee counties located within 60 miles of Great Smoky Mountains National Park.

The shutdown, which has resulted in the closure of popular park campgrounds and visitor centers, has resulted in more than \$12 million in lost wages for workers, \$1.8 million in lost state taxes and \$1 million in lost local taxes for municipalities and counties, the WCU study indicates.

Steve Morse, director of WCU's Hospitality and Tourism Program, shared the results of his analysis of economic impact of the closure of Great Smoky Mountains National Park during a joint legislative luncheon hosted by the Gatlinburg (Tenn.) Convention and Visitors Bureau and the Gatlinburg (Tenn.) Hospitality Association on Friday, Oct. 11.

"Great Smoky Mountain National Park is the most visited national park in the United States, and October is the one of the busiest months in terms of park visitation," Morse said. "Every day that the park is closed means that 36,912 visitors per day are not visiting the park and are not spending money in the local economy."

The lack of visitors and the lost revenue will continue until the partial government shutdown is over or until the park is reopened, he said.

Morse based his analysis on previous economic impact studies and data on visitor spending in the Great Smoky Mountains National Park completed on behalf of the U.S. Department of the Interior and the National Park Service in 2011.

He examined the economic impact on the area within 60 miles of the park. That area encompasses 10 counties in North Carolina – Cherokee, Clay, Graham, Haywood, Jackson, Macon, Madison, Mitchell, Swain and Yancey – and eight counties in Tennessee – Blount, Cocke, Greene, Jefferson, Knox, Loudon, Monroe and Sevier.

According to the study, each day that the park is closed:

* 26,577 visitors are lost per day in Tennessee, and 10,335 visitors are lost per day in North

Carolina. In the 10 days since the closure began, 369,120 people who would have visited the park were unable to do so (265,767 in Tennessee and 103,354 in North Carolina).

* \$3,314,232 per day is not being spent by visitors in the local economy (\$2.38 million in Tennessee and \$927,985 in North Carolina). Since Oct. 1, that equates to \$33,142,324 in total lost visitor spending (\$23.86 million in Tennessee and \$9.27 million in North Carolina).

* \$1,226,266 per day is lost in worker wages and paychecks (\$882,911 in Tennessee and \$343,354 in North Carolina). Since Oct. 1, that totals \$12,262,660 in lost worker income (\$8.82 million in Tennessee and \$3.43 million in North Carolina).

* \$181,343 is lost per day in state taxes (\$130,567 in Tennessee and \$50,776 in North Carolina). That adds up to \$1,813,429 in lost state taxes during the first ten days of October (\$1.30 million in Tennessee and \$507,760 in North Carolina).

* \$102,423 is lost per day in local taxes in Tennessee and North Carolina cities and counties within 60 miles of the park (\$73,745 in Tennessee and \$28,679 in North Carolina). During the first 10 days of the shutdown, that means \$1,024,235 in lost local taxes for cities and counties (\$737,449 in Tennessee and \$286,786 in North Carolina).

“Tourism is big business for the areas that surround the national park, and we are beginning to see some of the unintended consequences of the government shutdown,” Morse said.

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